

The Self-Provision of Micro-Credit Schemes by Women's Group in Chókwè: Processes, Challenges and Outcomes



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Declaration

I declare that this dissertation is my own unaided work. All citations, references and borrowed ideas have been duly acknowledged through referencing in the text. It is submitted for the degree of Masters in Community Development in the Faculty of Humanities, Built Environment and Development Studies, University of KwaZulu-Natal, Howard College Campus, Durban, South Africa. This dissertation is the author's original work and has not been submitted in any other form at another University.

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Abstract

The majority of poor people in Mozambique have been excluded from getting loans, even from traditional financial institutions since they do not have valuable assets or credit histories to enable them to be legible from those loans. As a means for facilitating alternative financing, a growing number of Non-Government Organizations (NGOs) in Mozambique have engaged in micro-credit projects in partnership with poor Community Based Groups (CBGs). This allows poor communities to meet some of their basic needs.

This dissertation focused on the self-provision of micro-credits by the community grouping from the 4th Neighbourhood in Chókwè district as the selected case study. The aim of this study was to examine and evaluate the effectiveness of micro-credit schemes in alleviating poverty as incorporated with the principles of community development.

The study found that the principles of community development are crucial in enhancing the self-provision of micro-credit schemes. The beneficiaries were empowered through small business training to better manage their micro-enterprises. They also participated in the decision-making process since the rules and modalities for the functioning of the micro-credit process and the group administrative structure were established by them. The available local resources enabled a comparative advantage to micro-enterprises process.

Although the enterprises run by the beneficiaries are at the micro level, the study found that they are not disassociated with environmental problems. This includes cases such as the destruction of vegetation, erosion of the land and elimination of fish species. The internal and inter district business relations have been favourable to micro-enterprises since the trading partners have equal power relations.

The study also found that although the beneficiaries of the micro-credit schemes engaged in the survivalist type of micro-enterprise, they generate an income that satisfies their basic needs in a sustainable manner. Nevertheless, those beneficiaries that ran established fledging micro-

enterprises had upwards shift of their household socio-economic status when compared to others. This has resulted in their households to move to horizontal social mobility.

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List of abbreviations and acronyms

ASCAS	Accumulative Savings and Credit Associations
BRAC	Bangladesh Rural Advancement Committee
CBGs	Community Based Groups
CBOs	Community Based Organizations
CED	Community Economic Development
HIV	Human Immunodeficiency Virus
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
INSIDA	National Survey on Behavioural Risks and Information on HIV/AIDS
MFI	Monetary Financial Institutions
MDGs	Millennium Development Goals
MTs	Meticais-Mozambique Currency
NGOS	Non-Government Organizations
SMMEs	Small, Medium and Macro Enterprises
OI	Opportunity International
PSI	Population Services International
PRA	Participatory Rural Appraisal
RRA	Rural Rapid Appraisal
SAT	Sinapi Aba Trust
SEF	Small Enterprise Foundation
SLA	Sustainable Livelihood Approach
SOMED	Soweto Micro-enterprise Development
SHG	Self Help Groups
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
USD	United States Dollars

Chapter 1: Introductory Background

1.1. Introduction

The majority of poor people in Mozambique do not have valuable assets or credit histories to enable them to benefit from loans, even from traditional financial institutions. In essence, financial assistance in the form of micro-financial schemes, micro-enterprises should not only benefit the poor financially but should also empower them to manage and sustain their enterprises. Thus loans are dispersed to facilitate localized development initiatives aimed at uprooting poverty and underdevelopment. As a result, a growing number of NGOs in Mozambique are engaged in micro-credit projects in partnership with CBGs, as a means of facilitating alternative financing. As a result of these micro-credit initiatives, local community groupings are able to initiate and run small businesses in partnership with NGOs. This thus allows poor communities to meet some of their basic needs such as housing, water, food security, education and health.

Exclusion of the poor people from the traditional financial institutions to access credit programs in order to engage in livelihoods strategies to enhance their households' income and meet the basic needs, is a global concern especially in developing countries. This scenario has resulted in the emergence of global movement of both micro-finance institutions and community based organizations (CBOs) with financial programs tailored to the needs of poor people. Globally through micro-finance and CBOs over ninety two million poor people have been reached out with more incidence to women, corresponding to 83%. The related benefits extended to 333 million family members (micro-credit summit campaign report, 2005; Bateman, 2010; Reed, 2013).

Nevertheless, globally it has been recognized that the financial programs tailored to meet the needs of the majority poor people may not be viewed in isolation. Therefore, the need to synchronize those tailored micro-credit programs with the perspective of the Sustainable Livelihood Approach (SLA) embedded with community development approach, which empower the poor people, especially women from the structural practices that are greatly linked to the exclusion of the poor communities from resources and opportunities (Tesoriero, 2010; Ife, 2002; Geiser et al, 2011; Morse and McNamora, 2013).

The SLA and community development were concurrently used as the frameworks/approaches in that apart from sharing common aspects they also complement each other. Both the elements/capitals of the SLA and the principles of community development expose the structural issues that contribute to deprive the majority of the people through exclusion to resources and opportunities. The elements/capitals of SLA and the principles of community development both have the ability to highlight the components of natural, human, financial and physical environment and how the relationship of these components determine people's level to meet their basic needs in a sustainable way and fostering environmental sustainability. While the SLA highlights the policy implications across the institutions, community development promotes systems and processes tailored to community needs (Tesoriero, 2010; Montesquiou et al, 2014).

This dissertation focuses on the self-provision of micro-credits by poor community based groups in partnership with the ¹World Vision. World vision is an international Christian NGO, which operates in Mozambique. The focus area of World Vision is to implement development programs to eradicate poverty in selected provinces in Mozambique. This type of micro-credit scheme is referred to as 'self-provision' since the funds that are used to promote micro-credit lending are from the contributions made within the group members themselves and not from an external agency (Vletter, 2006). This research is based in the rural Chókwè district in Gaza province. This study examines and evaluates the effectiveness of micro-credit schemes in alleviating poverty. The results of these evaluations could be extended to other similar schemes elsewhere in Mozambique. The aim of this dissertation is to contribute to both empirical knowledge based on micro-credit schemes and to theoretical debates on the 'worthiness' and the effectiveness of such schemes. This introductory chapter provides the background of the research site (Mozambique and Chókwè district) including the profile of World Vision as a supporting NGO to the running of the self-provision of micro-credit schemes, motivation/significance, problems statement as well as aim(s), objectives and questions that guided the research. The synopsis of research methods, limitations and chapter structure are also provided.

¹ See profile of World Vision in section 1.2.3

1.2. Background of Mozambique and Chókwè as the research site

1.2.1. Background of Mozambique

Mozambique is one of the poorest countries in Sub-Saharan Africa with a population of 26 423 623. It is estimated that 54% of the people are poor; they have not been able to meet their basic needs such as adequate shelter, health, education, financial credit and there is a widespread lack of food security (Statistics National Institute, 2016:1). The majority of Mozambicans (70%) live in rural areas (Poverty Annual Report, 2014:55). Most of the literature indicates a correlation between poverty and food insecurity; the majority of poor households lack food stock and do not have adequate income to have access to food. Other contributing factors that limit food security of poor households include the impact of HIV/AIDS, and the occurrence of cyclical floods and droughts which have a direct negative impact on the farm yield and displacement (Monitoring Report on Food Security and Nutritional Situation, 2009: 5).

In Mozambique NGOs have been promoting the creation of community groupings of poor households to mobilize their own funds for self-provision of micro-credit schemes for income generating activities. This has occurred in the absence of support for poor households wanting to engage in income generating projects from the state or the financial sector. These income generating activities generally translate into the creation of small businesses such as sewing, poultry, farming, fishing, and vegetable gardening etc. NGOs together with community groupings have created micro-credit schemes as an alternative to the financing through traditional (or established) financial institutions such as formal commercial banks. Traditional financial institutions are those established financial institutions whose mission is to provide a variety of complex financial services, including loans, to the clientele. These established financial institutions differ from others because they are not only formal profit-oriented entities; but also tend to focus on the management of large transactions with high revenue returns. They are strictly regulated and are not driven by community needs. This clearly shows that policies of traditional financial institutions have excluded the poor since they are seen as a 'high risk' group (Swack and Manson, 1994; McMurtry, 1993).

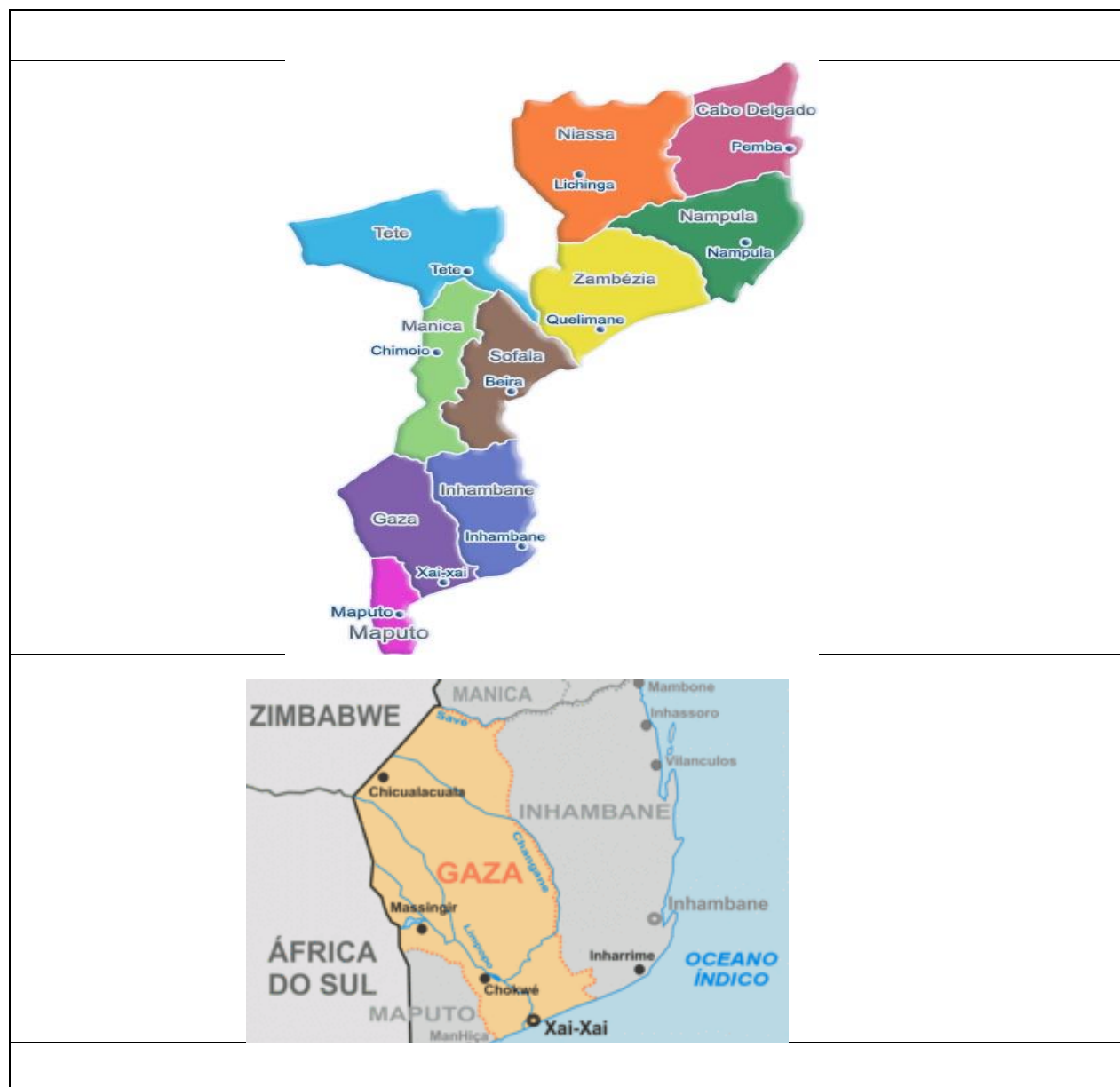
It is against this background that this research is aimed at exploring and assessing the impact of the self-provided micro-credit schemes by community-based women's groups in Chókwè, Mozambique in terms of processes, challenges and outcomes. The assessment of processes, challenges and outcomes will be in the context of the sustainable livelihood framework and the principles of community development. This study will be located in Chókwè which is situated in the Gaza Province in the South of Mozambique.

1.2.2. Chókwè district as the site of the study.

As already mentioned, the study is located in Chókwè, a predominantly rural district in the Southern province of Gaza in Mozambique. One of the reasons for selecting this site is that there have been recurrent cases of floods and droughts in the Gaza province which have made the communities more vulnerable to food insecurity than those who live in other provinces or districts. The recurrence of droughts and floods has exposed the communities to greater vulnerability, taking into account their dependence on small scale farming for both food security and income generation (Public Administration Ministry, 2014; Statistics National Institute, 2016).

Chókwè borders Guijá and Mabalane districts in the north; Xai-Xai and Bilene districts in the south; Chibuto district in the east and Magude and Massingir districts in the west. Massingir district in the northwest borders South Africa. (Public Administration Ministry, 2014) The Limpopo River is the main hydrographic resource of Southern Mozambique which runs through the length of the district. Its territory is comprised of 2.443 square kilometers with a population of 183 531. The majority of the population is female (102.946), which correspond to 56.1%. The male population is 80.585, which correspond to 43.9%. 72.000 people comprise the economically active population. There is an unemployment rate of 40%. The main economic activity is agriculture, which encompasses about 80% of active labour. 10% of active population is engaged in informal trading activity. Within this area, there are cycles of two types of climate features, namely droughts and floods (Statistics National Institute, 2016: 10).

Figure 1: Administrative map of Mozambique with Gaza province and Chókwe district highlighted



Source: Public Administration Ministry 2014

According to the Poverty Annual Report (2014: 52) 60% of the population in Chókwe district is considered to be poor. The monthly average household income is \$60 USD (United States Dollars). This is despite the fact that Chókwe district has high potential for agricultural development. About 40% of Mozambique’s irrigated land is situated in this district. On average each household has access to about 1.5 hectare of land, corresponding to 10.000 hectares of land in total. This

represents 5% of the total area of the district (Public Administration Ministry, 2014). The basic produced crops are maize, rice, variety of beans, cassava and sweet potatoes. Households also make use of the land to grow a wide range of vegetables, cashew-nuts, tobacco, sugar-cane and copra. There is also a number of farming companies in Chókwè district which produce cotton, rice, maize and tomato (Ministry of Agriculture, 2009).

While there is great potential for food security and abundance in this district, this is constantly threatened by drought and floods. Floods are associated with loss of lives and the destruction of physical infrastructures (Poverty Annual Report, 2014). Because of this, households in this district tend to store food such as cereal and cassava for future consumption. These foods can be stored for up to three months. However, natural disasters and the lack of resources for seed farming projects has meant that the harvest from the household farming has not been enough to satisfy the basic food needs of the people. These needs have to be met through non-farming income generation programs such as making and selling of traditional beverages and remittances sent by the miners working in South Africa (Public Administration Ministry, 2014: 20).

A variety of NGOs and CBOs exist in Chókwè district whose aim is to alleviate the crisis associated with drought and floods, and poor resource management. Their activities range from community support for public health, micro-credit, and agriculture, small scale fishing etc. (Statistics National Institute, 2016:12). Chókwè district is also an ideal location for developmental intervention given the rich resources in this area and the entrepreneurial spirit of the people of the district. A number of commercial farming companies are also located in Chókwè hence it has great potential for creating (and sustaining) income generating activities. The regulated informal market activities by the local administrative body; the combination of both household farming to promote food security and commercial oriented crops production for trade with farming companies and potential for fishing are resources that can be mobilized in creating and sustaining income-generating activities by poor community-based groups (Public Administration Ministry, 2014: 20).

In Chókwè district (and indeed throughout Mozambique), the World Vision has been promoting the creation of community groupings of poor households to mobilize funds for self-provision of micro-credit schemes for income generating activities and savings (Vletter, 2006). These

groupings and alternative funding are known as Accumulative Savings and Credit Associations (ASCAS). The aim of ASCAS program is to assist poor households in gaining access to credit, generating income and promoting savings in order to improve their basic living conditions, including food security. World Vision's role within this program is to provide skills training, basic equipment (including a safe for each community-based group to keep the fund before it is deposited in the group's bank account), and office supplies (such as pens, calculators and writing pads). World Vision also assists each group to set up administrative structures to oversee administrative matters and to mediate conflicts (Morduch, 1999).

Each community-based group is made of 15-40 people and each group member may make weekly or monthly deposits of amount of choice to the group safe (Thapa, 2007). The group administrative structure in consultation with the group members decides on which minimum contribution is acceptable. Depending on each group member's socio-economic status, each deposit may vary from 150 to 1000 MTs (\$5 to 50 USD) (Vletter, 2006). In order to promote the sustainability of the group fund, group members and non-group members are able to borrow amounts up to 50 000 Mt (\$1600 USD) which is used for income generating activities. Borrowers have to reimburse the loan in four installments, which may vary between four to six months. An interest rate of about 10% is charged each time a client borrows from the group. At the end of each year cycle period, the generated profit from the accumulated group fund is proportionally shared among the group members. The group fund keeps growing on a yearly basis as more members join the group (Vletter, 2006: 16).

The aim of this dissertation is to examine how these micro-credit arrangements work and to assess the impact of the self-provided micro-credit schemes as a means for enhancing household incomes. In assessing these schemes, I explore the extent to which principles of community development (such as participation, empowerment, sustainability and the use of local resources) are applied. To achieve this research aim, it was important to establish and interrogate the relationship between the self-provision of micro-credit and sustainable livelihoods.

1.2.3. Profile of World Vision

World Vision International has been operating in Mozambique since 1983. Initially it settled in Mozambique to respond to the needs of displaced people due to the civil war that escalated in the period 1986 to 1992. Currently it is implementing its programs in the southern province of Gaza; central province of Tete; and norther provinces of Zambezia and Nampula. World Vision is a Christian organization and its mission is to alleviate poverty within the Christian principles (www.wvi.org/mozambique).

The World Vision developmental programs range from sponsorship for child education, health care, water and sanitation, small scale farming and natural disaster mitigation, especially for floods and droughts in the context of Mozambique. As a cross-cutting initiative for the communities that are beneficiaries from the World Vision programs, a model of ASCAS for group self-provision of micro-credit scheme has been disseminated and especially the vulnerable people have been mobilized to participate in order to generate income and savings to meet their households' basic needs (Vletter, 2006).

For the community groups that adhere to ASCAS model in addition to providing administrative support to establish the group organizational structure and conflict mediations, World Vision has also provided basic training for small business management. World Vision has also provided minor equipment and office supplies for the startup process (www.wvi.org/mozambique).

The role of World Vision is to facilitate the promotion of ASCAS model through the self-provision of micro-credit schemes. This initiative is within the backdrop that the availability of household income in vulnerable communities is essential to access the basic needs and be able to better mitigate to emerging natural disasters. The ASCAS model is also viewed as a strategy to respond to the exclusion of the poor communities by the traditional financial institution (Swack and Manson, 1994; McMurtry, 1993).

1.2.4. Mozambique policy initiatives on Microfinance

The Ministry of Finance in Mozambique has been the pioneer of the legislative and policy framework in the financial sector. The Mozambique Financial Sector Development Strategy (MFSDS), a financial background document financed by the World Bank in 2012 served as the umbrella for the formulation of the legislative and policy framework on microfinance. Although the policy framework encompassed all the sectors, the focus was on rural environment to provide financial inclusion. This is because the majority 70% of the people in Mozambique live in rural areas and it is also in rural areas where the incidence of poverty is high. Therefore the policy framework contemplates to target the poor people, especially in rural areas by focus on SMMEs to promote local employment (IFAD, 2014).

The policy strategic aim is cross-cutting in a broad range of socio-economic national development plans, which include: Strategic plan for Agricultural Development, Green Revolution Strategy, Poverty Reduction Plan, Five year Government plan and District Development Fund (World Bank, 2012).

According to IMF (2013:26) By December 2012 the financial institutional network in Mozambique was made up of 18 commercial banks, 8 Micro banks, 7 Credit Unions, 11 Savings & Credit Unions and 199 Micro Credit Operators. Out of this 4 banks are micro-finance driven.

Although the Mozambique policy framework on microfinance also focuses on promoting financial inclusion, the distribution of the financial institutions network (banks) in Mozambique is disproportional and does not respond adequately to the financial services coverage in the rural areas. The majority of banks/MFIs and the corresponding agencies are concentrated in Maputo province and Maputo city. Maputo city is also the national capital of Mozambique. In the rest of the other 10 provinces the financial institutions (banks and MFIs) are mainly located in the corresponding provincial capitals. This disproportional distribution of financial institutions in terms of geographical coverage excludes the majority poor from the rural areas in Mozambique (Vletter, 2006).

1.3. The Significance of the Research

There have been numerous studies on micro-enterprise development throughout the world. Most of these studies conclude that micro-enterprise development through micro-credit has positive outcomes at the material level. The majority of the studies on micro-credits, have tended to focus on women, since this target group has been considered as the most vulnerable (Karubi, 2006; Tomory, 2008).

This research focuses on women involved in self-provision of micro-credit schemes in Mozambique. Secondly, this study is not merely technical in nature. It seeks to examine the correlations between micro-credit enterprise creation, improvement in quality of life and social justice goals. In other words, material benefits and outcomes are not viewed as the only indicator of success of these schemes.

This study highlights the importance of micro-credit lending as a feasible and effective mechanism for poverty alleviation.

1.4. Problem statement

Chókwè district has a potential for agriculture because of its fertile soil and abundance of water from the Limpopo River which runs the length of the district. Because of that there is development of both household and commercial farming. Although there are other sources of employment from both the public and private sector, these services require specialized skills and as the result those sectors employ few people (Statistics National Institute, 2016). Another source of income in Chókwè is the remittances of men working as mine workers in South Africa. The mine workers send remittances back home for the households needs. However, due to the retrenchments of the mine workers in South Africa, the majority of the men have returned to Chókwè (Public Administration Ministry, 2014).

Although the commercial farms have employed the majority of the people from Chókwè, especially women, the related employment has been seasonal. Therefore, the rate of unemployment in Chókwè remained high (Poverty Annual Report, 2014). The prevalence of HIV/AIDS (25%) in

Gaza province, including Chókwè district, is the highest in Mozambique and has contributed to the depreciation of households basic needs since the targeted men who either died of HIV/AIDS or became physical vulnerable were the source of the households' income (INSIDA, 2009).

Although Chókwè has potential for agriculture through the combination of its fertile soil and abundance of water from the Limpopo River, the district has suffered cyclical floods. The recurrent floods have had negative impact in Chókwè district. Physical and economic infrastructures such as roads, buildings, cultivated agriculture areas and the related equipment have been destroyed by the floods. Although the public and the private sector infrastructures have been recovered soon after the occurrence of floods due to the sectors financial position, the poor households have severely felt the impact of the floods linked to loss of their households' assets and the challenges for recovery due to their vulnerable economic condition (Ministry of Agriculture, 2009).

Yet access to financial capital (micro-credit) especially from the traditional formal institutions such as the commercial banks is challenging for poor communities such as those in Chókwè district. This is due to the fact that poor communities lack valuable assets to serve as collaterals in case of defaulting of repayment of the provided loans (Swack and Manson, 1994; McMurtry, 1993).

Women's contribution to household income in Chókwè has been hampered by a combination of factors. Although women have benefitted from employment from the commercial farming this has rendered them with temporary household income since the employment in the commercial farming is seasonal. This scenario coupled with the massive retrenchments of men working as mine workers in South Africa that used to send remittances back home, that provided solid source of household income and the impact of HIV that has debilitated the men's capacity to work have enhanced households and women's vulnerability in Chókwè region (Public Administration Ministry, 2014; INSIDA, 2009).

The combination of the stated factors has contributed to the high rate of unemployment in Chókwè and the subsequent lack of the attainment of the basic needs by the households. In order to satisfy their basic needs, the people have promoted self-employment through small businesses linked to

community based micro-credit programs. Those micro-credit programs have been promoted through the self-provision of micro-credit schemes by community groupings. The aim of this study is to assess the impact of the self-provided micro-credit schemes, by community based groups in partnership with the World Vision. The community grouping from the 4th Neighbourhood in Chókwè district, which was selected as the case study for this dissertation, has promoted the self-provision of micro-credit schemes in order to establish micro-enterprises to generate profit to attain their households basic needs. This community development initiative is to respond to lack of employment in Chókwè district.

The establishment of the community based groups of women for self-provision of micro-credit schemes is response to their exclusion by the traditional financial institutions since they are regarded as 'high risk group' and exclusion from resource control and decision making process at the household and community levels.

Crucial to the establishment of these community-based groups of women for self-provision of micro-credit schemes to run own micro-enterprises is also the integration of the principles of community development. Ife (2002: 211) has argued that community development initiatives that have not been integrated with people's participation, empowerment, valuing of local resources are doomed to be unsustainable. Kumar and Chambers (2002:68-76) point out that participation is the process of involving all the stakeholders in a balanced way in all the stages of development initiatives. Hogan (2002:22) emphasizes that genuine participation, unlike tokenism degree of participation is crucial in that it takes into account people's views. Tesoriero (2010:66) categorizes empowerment in two interrelated dimensions. While it promotes people's capabilities to effectively manage their development initiatives, it also raises their consciousness in terms of the structural issues and relations that hinder their wellbeing. Therefore, empowerment may allow the excluded people to participate in the decision making process.

Crucial to community-based initiatives is also the principle of valuing of local resources. Apart from the natural capital in the context of the SLA, local resources are also comprised of intangible assets such as culture and people's local capabilities. In terms of local capabilities Ife (2002) argues

that they should be prioritized in that external resources tend to patronize the local development process and thus limiting its sustainability.

In the context of the SLA and the principles of Community Development as theoretical and conceptual frameworks the legibility criteria for the group membership, the defined amount for group funding, the reimbursing percentage and periodicity, and the types of the micro-credit enterprises will be evaluated.

1.5. Aim(s), objectives and questions of the research

1.5.1. Aim of the research

The primary purpose of this research is to explore and assess the impact of the self-provided micro-credit schemes by community-based women's groups in Chókwè, Mozambique in terms of processes, challenges and outcomes. The assessment of processes, challenges and outcomes will be in the context of the SLA and the principles of community development.

1.5.2. Objectives of the research

The research is guided by the following objectives. These are:

- To describe the ways in which micro-credit schemes operate in the Chókwè region,
- To examine to what extent the beneficiaries of the self-provided micro-credit schemes have been empowered through their participation in these schemes, and to which extent the process of their empowerment has enabled them to partake in the decision making process in regard to the social structures of patriarchy and the gendered norms,
- To assess the level of participation of the beneficiaries in the process of self-provided micro-credit schemes in partnership with World Vision. This is against the backdrop that the vulnerable households, like the women recipients of those micro-credit schemes, are excluded from the traditional financial institutions, and the model of “self-provision” of micro-credit schemes is distinctive when compared with other global funded micro-credit practices,

- To examine whether the beneficiaries of the self-provided micro-credit schemes have been able to generate income, meet their basic needs and attain household social mobility as the result of the sustainability of their income generating activities,
- To determine the sort of income generating activities in which the beneficiaries are involved and their relationship with environmental sustainability, taking into account the available natural resources and support by local structures, which are reflected as crucial intertwined capitals in the SLA and local resources within the principles of community development.

1.5.3. Questions of the research

The provision of micro-credit schemes from the community level has always interested me because these schemes have enabled the poor people, especially women who have been excluded from the traditional financial institutions, to enhance their well-being through the generated profit from their micro-enterprises. Throughout this research an attempt was made to respond to the following questions:

- Does access to self-provided micro-credit schemes necessarily empower women in Chókwè region? To what extent the women have been self-reliant to transcend the gendered social norms at the household and community levels?
- To what extent can the recipients of the self-provided micro-credit schemes implement micro-enterprises that generate profit taking the advantage of the available local resources and concurrently striking the balance between their application in the development process and maintaining the sustainable development? Are beneficiaries of these programs active participants in these micro-credit schemes so that in fact they take the ownership of the process and are not co-opted by outsiders?
- What accomplishments the recipients of those micro-credit schemes in Chókwè have been able to access as the result of both the innovative practice of “self-provision” of the schemes and the implemented micro-enterprises? What mechanisms do they use to ensure sustainability of both the schemes and the related micro-enterprises taking into account the competitiveness and the level of relationships with the trading partners?

- What types of challenges have the recipients of micro-credit schemes faced, and to what extent have those challenges impacted to their implemented micro-enterprises?

1.6. Research methods

The research method used in this dissertation took into account the nature of the necessary data, which is predominantly qualitative. However, there was an integration of quantitative data to illicit the demographic profile of the participants. In that context the focus groups, participant observation and the structured questionnaires research methods were used in the study. This also took into account the issue of validity and reliability of the study.

1.7. Limitations of the research

One of the limitations related to this study was the late arrival of the researcher in the research site for the data collection process due to problems related to public transport. The public transport got broken along the way. When the researcher arrived the participants had already dispersed to carry on with their small businesses or to do the farming activity. However, as soon as the president of the group schemes heard of the researcher's arrival she summoned all the participants for the data collection process.

Illiteracy problems that are characteristic in the rural areas had an influence during the data collection process. Although some of the participants had declared owning acceptable level of education, their writing posed some difficulties to interpret the related information in the self-administered structured questionnaires. Nevertheless, this problem was resolved between the period of data collection and data interpretation because the participants had provided their contact details to the researcher, which enabled the clarification of the information provided by the respective participants.

1.8. Chapter structure

This dissertation is made up of six chapters.

Chapter 2 unpacks the theoretical framework that underpins this dissertation. The discussion of the theories, which underpin this dissertation is carried out in the analytical context of micro-finance themes and their relationship with the SLA and the principles of community development. The theoretical framework focuses on seven key themes or debates: whether micro-finance is advantageous for enhancing household income; whether micro-credit practices and typologies of micro enterprises are in fact adequate for poor people; whether micro-credit schemes have been effective for social mobility; whether micro-credits have had impact in community development and enhanced the gendered roles and whether micro-credits have promoted sustainable development. Examples of micro-credit schemes in Mozambique and in other developing countries will be explored in unpacking these themes.

Chapter 3 is a literature review. The literature review lays the analytical background of the ideal operation of micro-credit schemes and enterprises as reflected by the SLA and the principles of community development. Thus this chapter focused on a discussion of the key elements/capitals of the SLA and the theories of community development. Through the relationship of SLA and community development theory two aspects will be covered: the need for local systems and processes to promote local development initiatives and the need to synchronize those local development initiatives for both socio-economic and environmental sustainability.

Chapter 4 discusses the methodologies and data collection tools that have been used in the research. This chapter focused on issues of access, sampling, methods, and data analysis. A triangulated approach to collecting data was undertaken. Focus groups, participant observation and self-administered structured questionnaires with micro credit scheme ‘users’ were used to collect qualitative and quantitative data. Constant comparative approach was used to analyze the data.

Chapter 5 is devoted for both data presentation and analysis of the research findings. The patterns of thoughts and behavior, and interpretations of processes that will be exposed by the focus groups as the main qualitative method will be discussed. Whenever possible the findings were presented in the form of quotations and descriptions as taken directly from the participants’ observations and interaction. The self-administered structured questionnaires provided background information

about the participants in these schemes. The findings from the study were discussed in relation to the research questions, literature review and theoretical framework.

Chapter six provided a summary of the research and recommendations made for future research. Policy implications of the research were also discussed in this chapter.

Chapter 2: Theoretical framework

2.1. Introduction

Apart from discussing the conceptions of micro-finance/micro-credit, this chapter raises seven key themes on the theory of micro-credits, which are contextualized with the SLA and the principles of community development. The key themes are: the advantages of micro-finance; micro-credit practices; typologies of micro-enterprises; the perceived impact of micro-credits in community development; the gendered role of micro-credits, effectiveness of micro-credits for social mobility; and the socio-economic and environmental sustainability through micro-finance.

The discussion on the advantages of micro-finance reflects two views. While some development scholars associate the micro-credit programs as flexible and responsive to local people's needs, the others undermine this view and emphasize the concern for financial institutional building by Monetary Financial Institutions (MFIs) over community development. In terms of the micro-credit practices theme, apart from the discussion of the various practices, the development scholars seek to analyze the group composition of the micro-credit practitioners and the process of the functionality of the lending system.

The theme on the typology of micro- enterprises centers the discussion not only on the various kinds of enterprises but most importantly on which of those enterprises are effective in association with micro-credit schemes. In the impact of micro-credits in community development theme the discussion is complex and ranges from whether the provision of micro-credit schemes has indeed resulted in the attainment of basic needs by the beneficiaries. This theme also discusses the extent to which women, as the most vulnerable in the community, have gained and improved their social status within the households.

The theme on the gendered role of micro-credits discusses the issue of provision of the schemes in terms of the most legible recipients of the schemes between men and women and most importantly who have been more effective implementers in relation to satisfaction of basic needs and reimbursement rate. For the effectiveness of micro-credits for social mobility the discussion

focus on to which extent the provision of the schemes has influenced households to attain improved socio-economic status. Finally the socio-economic and environmental sustainability through micro-finance is discussed on the perspective of the social structures, the relationship between the natural environment and human behavior, and the green perspective on the environment.

2.2. Conceptions of micro-finance

Due to the prevalence of poverty, unemployment and underdevelopment globally more particularly in the developing nations, micro-finance or credit emerged to be the policy and program interventions (Kidder, 1997; Fisher and Sriram, 2002; Vonderlack and Schreiner, 2002; Elahi and Rahman, 2006; Bateman, 2010). Originally, the term was micro-credit which later was subsumed into the broader notion of micro-finance and in this research micro-credit and micro-finance are used interchangeably. The two notions are differentiated as micro-credit on one hand, which is primarily concerned about the disbursement of financial resources and monitoring of repayments while micro-finance on the other hand, is more compressive as it involves insurance, loans and savings aimed at improving the well-being of the poor. Bateman (2010: 1) conceives micro-finance as:

...The provision of tiny loans to poor individuals who establish or expand a simple income-generating activity, thereby supposedly facilitating their eventual escape from poverty.

Despite the positives attached to micro-finance model, the micro-finance is criticized as a 'poverty trap' which according to Bateman (2010: 1) is an antagonistic to sustainable economic and social development and so also to sustainable poverty reduction. In this regard, Willis (2005:20) argues that alternatives such as micro-credits are not neutral within a neo-liberal agenda while Thabethe, et al (2011: 2) are of the opinion that micro-credits rather inculcate a culture that compels communities to rely on their own devices without addressing structural inequalities. For Affleck and Mellor (2006:13) asset that micro-credit strategy is premised on that poor people in disadvantaged communities remain poor due to latent entrepreneurial opportunities that are often left untapped. Bateman (2010:2) associates micro-finance as one of those 'feel good' public relations and marketing effort where human dignity and self-respect are lost as the poor in

developing countries are increasingly forced to accept their permanent engagement with the most primitive, illegal, dangerous and demeaning business activities imaginable.

The primitiveness, illegality and dangers associated with micro-finance are reflected by Tesoriero (2010:132) and IFAD (2014:14) when they argue that while the strategy of micro-finance is in fact increasingly adopted, especially in developing countries as an alternative to mainstream financing, the environment of the implementation of the related micro-enterprises has not been concurrent with human right approach, which is core principle of social justice and therefore of community development. Due to high competitiveness in the area of micro-enterprises the poor people have engaged in initiatives that do not render them adequate profits, while forcing them to toil for the whole day in an unprotected environment. In most of the cases the lack of related legislation in the informal sector where the majority of micro-enterprises operate has subjected their owners to be harassed and their products confiscated.

2.3. The advantages of micro-finance

Although micro-finance has been recognized by the United Nations as a main tool to reduce poverty especially for developing countries, scholars of economics and community development differ in their view of micro-finance in alleviating poverty at the most local level. On the positive side, Vletter (2006:4) argues that micro-finance institutions accommodate low minimum deposits. This kind of support is easily extended to rural areas where the majority poor live and it is easy to adapt the use of micro-credit to the needs of local communities in promoting self-sustainable schemes. African Development Bank (2006: 7 & 9) shares this view and adds that micro-credit programs promote both sustainable levels of social and economic development at the community level. This takes into account the fact that about one billion people, the majority from developing countries who are poor and deprived from the basic living conditions have access to micro-credit programs, which have flexibility to be applied and adapted to the context of the communities. While micro-credits indeed promote Community Economic Development (CED) as initiated by NGOs, first because NGOs are familiarized with CED principles, which are people driven and second, because NGOs are localized close to the people, it is crucial to take into account the fact that the recipients of these schemes have operated the related micro-enterprises in structural

unbalanced environment (Micro-credit summit campaign, 2005; Davids, 2005). Von Kotze (2009:12) cautions the fact that the failure of such enterprise development through micro-credits is often attributed to the beneficiaries' incapacity without taking into account the structural unbalanced environment.

There are, however, development scholars who are skeptical of micro-credit programs. Morduch (1998:28), for example argues that there is little evidence that micro-credit schemes focus on the real issues of consumption. The preoccupation of those who offer micro-credit loans is on institution building, particularly for the funding institutions. There is, Morduch argues, very little concern with the daily struggles of the poor.

Thapa (2007:19) comes to a similar conclusion to Morduch having studied outreach and poverty reduction programs that have been carried out by various MFIs. For Thapa, the priority of the majority of MFIs is to secure their institutional financial sustainability, and through this process the issue of poverty reduction by targeting the poorest of the poor has been compromised. Thapa argues that the moderately poor have been legible for micro-credit schemes to the exclusion of the poor since the very poor are viewed as more likely to default on repayments. In this context, the exclusion of the poor who are in real need of the micro-credit schemes is related with securing institutional financial sustainability rather than outreaching the real intended beneficiaries.

Hussain (2008:40) discusses the issue of financial sustainability of MFIs from the perspective of their dependence on the donors. Hussain raises the point that since the MFIs are not themselves financially self-sustainable, their impact on providing micro-credit schemes in a sustainable way to beneficiaries is compromised. Linked with issue of MFIs dependence over donors, Hussain makes the argument that MFIs are likely to resort to two options: first to provide micro-credit schemes to the poor and charge the commonly established 20% interest rate or second, charge higher-than normal interest.

Engler (2009:82) points out that with the first option MFIs may maximize their impact on promoting poverty alleviation, which is aligned with sustainable community development. However, this choice will lead to serious challenges regarding to operational costs. Operational

costs are those costs that are directly linked to the running of the institution as to provide the services to the beneficiaries such as payment of water, electricity, taxes, fuel and so on. With the second option the MFIs may minimize their role as development agent, since their sustainability would be compromised by high beneficiary repayment default rates.

Mordeno (2010:4) also discusses about the limits of micro-credit programs. She points out that micro-credits or micro-finance have been the alternative for provision of credit, especially in the rural areas that have been neglected by the traditional commercial banks. Mordeno argues that although the majority of people, including the poor live in the rural areas, there have not been policy incentives for commercial banks to invest in the rural areas. In addition, rural communities lack collaterals to attract private credit. In order to balance this scenario, government and civil society through NGOs and other forms of funding from within the community have promoted micro-finance or micro-credit institutions as alternative funding for poor people's development initiatives.

Midgley (2008:470) makes another critical point about the impact of micro-credit programs. He states that micro-finance schemes may improve the basic conditions at the household level. However, such impact is not, or is hardly ever transcended to community and national levels. The association of the positive impact of micro-credit programs/micro-finance schemes exclusively at the household level and not to community and national levels is both due to the provided minor loans to the beneficiaries and lack of adequate legislation for the operation of this category of business, which is linked to informal sector. Minor loans do not enable the recipients to run fledged micro-enterprises and lack of adequate legislation hinders the state mainly at the local level to collect the taxes.

2.4. Micro-credit practices

Despite the variance in views amongst some scholars of micro-credit schemes, there appears to be a general agreement in the literature that while there are different practices that inform provision of micro-credit for community development initiatives, the common feature is that all practices

are bonded by high spirit of solidarity and group trust whether driven by CBOs, NGOs, CBGs or MFIs (Swack and Manson, 1994; McMurtry, 1993).

Swack and Manson (1994:17) discuss a model of lending known as the peer model of lending, which is widely utilized in Bangladesh and Latin America. The loans with an average of \$80 USD are lent to groups of people. This model of group funding, they argue, has resulted in high levels of return of loans. The reason is that responsibility for reimbursement of the loan is collective and failure by one group member to pay the loan penalizes the overall group to be legible for subsequent loans.

McMurtry has also conducted research on group lending schemes. His research is based in Bangladesh where a distinctive loan circle model has been innovated. The distinctive feature of this model is the fact that there is a rotated system for the group members to benefit from the loan. On a weekly basis all the members make a deposit into the group saving account. The average amount of the loan is \$80 USD. The borrower groups are formed by between 3 to 6 unrelated people from a village. Regular meetings of these constituted groupings are held and often small business related trainings attached to micro-credit loan projects are carried out by interested partners.

In Africa and Asia, according to Thapa (2007:18), the lending models are different. Here we find the self-help group model (SHG) is used most widely. Unlike the peer model of lending and the loan circle program the SHG is made up of on average 20 members each. Although the SHG may seek external financial resources, the financial contributions generated by the group members have formed the main source of group funding. The rules and principles of legibility for the loans are fixed by the group members themselves. The SHG usually receives related training or guidelines and support from local community organizations.

For Morduch (1999:18) in addition to the high spirit of solidarity and group trust as common characteristic of the micro-credit practices, the crucial factor has been the creation of loan repayment modalities that have allowed borrowers to repay in small and periodical installments. These modalities have enabled the household recipients of micro-credit to reconcile the repayment of the loans out of their small and regular income. According to Morduch the creation of loan

repayment modalities based in both short periodicity and small loans amounts serve as warning or screening system for loan officers or peer group members to identify at the earlier stage borrowers facing related repayment difficulties and device timely possible solutions.

Buthe (2000:37) and Rutherford (2002:42) write about another component of the advantages of group based micro-credit practice. According to them, apart from minimizing the risk of default of loan repayment, the group modality has also been crucial mean to mobilize the group members on relevant issues related to public health, human rights, participation on democratic processes and so on. The spirit of solidarity and bondage that is characteristic of these groupings has been used as a means to influence the communities to adhere to crucial issues as indicated thereafter.

Gibbs (1990:105) argues that the group formation takes the place of collaterals since the default on loan repayment by a group member is subject to the collective responsibility of the group. It is of course important to note who the micro-credit lenders are.

Keith and Wickrama (1994:110) argue that group schemes work best if loans are accessed from micro-credit banks rather than from a commercial bank or informal money lender or sharks. The logic for this is the balance of power; commercial banks and loan sharks are able to exert levels of coercion way beyond what micro-credit banks are likely to do. For example, while the interest rates on micro-credit loan from micro-credit banks is generally 20%, the sharks or commercial banks may charge 200%, especially in situations in which due to regular defaults on repayments, the sharks or commercial banks have acted as intermediaries to sell out the goods of the indebted micro-credit recipients below the valued market prices.

Vletter (2006:4) discusses the micro-credit practice known as ASCAS. The role of ASCAS is to provide micro-credit schemes for income generating activities and savings. The group membership in ASCAS practice is relatively complex compared to other modalities of micro-lending since it usually varies from 15 people upwards. The distinctive feature of ASCAS is that the initial funding is generated from within the group members. However, just like in other micro-lending practices, there is strong group solidarity and trust. Related to ASCAS practice, it is important to point out that institutional partnership has been crucial to promote participants' small

business trainings and other small business processes. According to group membership efficiency and adherence to group principles and rules, ASCAS may generate high profits to the members.

2.5. Typologies of micro-enterprises

Rogerson (1987:22) discusses the typology of the micro-enterprises according to people's involvement and the income generating activities undertaken. The first 'type' of micro-enterprise discussed is the survivalist enterprise, which is made up by one person. This type of enterprise has involved minimal initial capital, training and is mostly practiced in the informal sector environment. As a result, schemes that follow this format have proven to be non-sustainable.

The micro-enterprises are made up of maximum four people and tend to engage in more fledged income generating activities than in the survivalist enterprises. The micro-enterprises may or not be registered. Small businesses tend to be created by between five to one hundred people, of which a fair number are employees. Programs which involve more people tend to be more sustainable and they are more likely to lead to small business enterprises than the survivalist schemes are. The medium enterprise is the subsequent segment of small, medium and macro enterprises (SMMEs) and is made up of up to 200 employees and often owned by a single person.

The SLA and the principles of community development are crucial to development through their integration and especially when the majority of people are reached out in those development interventions. According to the discussed types of micro-enterprises and the global literature on micro-credit most beneficiaries are indeed reached out and these initially adopt the survivalist type of micro-enterprise (Doocy et al, 2005; Mensah, 2012).

However, the survivalist type of micro-credit and the self-provided schemes by the community based groupings of women in the 4th Neighbourhood in Chókwè region, due to their unfavourable financial status their shares for the group fund or the allocated loans tend to be of minor proportions. Experiences on micro-credit/enterprise functioning also indicate that as the process evolves, the beneficiaries of those schemes engage in different partnerships and strategies that enable them to enhance the generation of income and meet their basic needs.

According to Swack and Manson (1994:28) micro-credit enterprises are designed to generate income and promote empowerment. They argue that its effectiveness, especially in relation to the survivalist type, is questionable since women who are predominant in these micro-credit enterprises are required to spend long hours with low profits in the early stage of the business. The reason for spending long hours with low profits is due to the fact that most of the women run the same type of income generating activity at the same location, which makes it hard for all of them to sell their products.

Yanus (2001: 46) discusses the creation of micro-enterprises in the context of employment, economic redistribution and economic competitiveness. The decline of labour absorption from the state, mainly in the developing countries, has led to a growing popularity of SMMEs schemes which are now viewed as a real alternative for generating household income. In regard to the aspect of economic redistribution, SMMEs are viewed as an approach to promote gender balance since it allows women to access resources and opportunities. As for economic competitiveness, SMMEs are equally viewed as a major approach to enhance economic growth.

While SMMEs are popular in government and non-government circles, there are those who are skeptical of the developmental capacity of such an approach. Morduch (1998: 18), for example, questions the ability of SMMEs in promoting employment, economic redistribution and economic competitiveness. He stresses that SMMEs have not been an effective source for promotion of employment. The argument is that the employment promotion through SMMEs has been very limited and in addition, those limited promoted employments have been characterized of low wages and poor working conditions. In terms of the role of SMMEs as to promote economic redistribution, the argument is that due to the limited number of SMMEs, and associated with lack of policy incentives, the generated income makes almost no impact in regard to economic growth or to gender redress. This is due to the fact that most SMMEs are not taxable since are not registered, and women are still excluded from partaking in those SMMEs as employees. SMMEs, the argument goes, do not have comparative advantage to compete with fledged private sector.

Sharma (2000:134) suggests that social integration is crucial to promote effectiveness in relation to the type of micro-enterprise. Sharma argues that in order to have access to and enhance

productivity for micro-finance, particularly micro-credit services, there is a need to prioritize basic illiteracy/numeracy skills and vocational training. The argument is that access of micro-credit by the disadvantaged people is inadequate if it is not integrated with relevant training. Basic literacy/numeracy is very crucial for basic management of income generating activities, in that it enables the micro-credit recipients to adopt simple business principles such as understanding the cost and profit related issues. Basic literacy/numeracy also enables the micro-credit recipients with the ability to diversify their income generating activities based on demands for goods and services.

Oxenham et al (2002:22) argues that integrated with the typologies of micro-enterprise, vocational training is viewed as a dynamic approach to enhance the household income in that contrary to conventional education, which is expert-oriented, it is based on the livelihood experience of the people. In other words, based in the experience and knowledge that communities have accumulated along their lives, training programs are designed to fit in and maximize those existing experience and knowledge.

2.6. The impact of micro-credits in community development

As has already been suggested in this chapter, there is much debate and contestation regarding the developmental impact of micro-credit programs. The literature on this topic is complex and sometimes contradictory.

According to the United Nations (UN) report on micro-credit (1997:40) based both on the perspective of the income generating approach, in which borrowers are directed to focus on specific activities and the minimalist approach, in which borrowers have autonomy to engage in any activity of choice, it is argued that provision of micro-credits has contributed to poverty alleviation. This UN report highlights that the most vulnerable of the poor, women, have had increased security and empowerment linked to the generated income. This has contributed to a building of social cohesion in the process of collectively meeting basic needs. These collective schemes have also promoted shared decision making processes, particularly at the household level. Despite these positives, the UN recognizes that these schemes are limited in their impact if government is unwilling and unable to allocate state owned resources to the poor such as land.

Taking the case of BRAC, which is the largest micro-credit provider in Bangladesh and other developing countries, two scenarios have emerged. In the first, as outlined by Khandker (1998:23) there is evidence of the positive impact of micro-credit programs among third time borrowers (as compared to the first time borrowers). The rate of reduction in the incidence of poverty increases with cumulative loan size.

Recurrence in accessing loan and accumulation of loan size is directly associated with the financial fragility of the beneficiaries or participants in the micro-credit schemes. Depending on the typology of the financing of micro-credit schemes, whether from community based institutions or self-provision initiatives, the role of community development is to empower the participants in these schemes to adhere to micro-enterprises that are based on the available local resources and local trading partnerships. The relationship between local resources and local trading partnerships is that it curbs expenses in accessing the products and the negotiations between the trading partners of the same level tend to be consensual and not unbalanced, as in the case of external and dominating trading partners (Mensah, 2012).

Morduch (1998:68) believes that micro-credit schemes have positive impact but that this is the case mostly in times of natural disaster such as drought and floods. During these times, families might come together to share their resources, even selling what remains and sharing this between affected households. Immediate consumption needs are easily fulfilled in these circumstances and more entrepreneurial people may find that forming micro-credit schemes during times of disaster may be a route gaining access to fresh loans.

Through the experience of Grameen bank, which is the pioneer and also one of the largest micro-credit bank in Bangladesh, micro-credit has been associated with positive social impact. This bank has a 98% repayment rate and the bank's sustainable disbursement of loans averaging \$67 dollars over 20 years. The social impact of micro-credits has in general been translated into access to basic housing, health, food and education (Gibbs, 1990).

The high repayment rate in micro-credit schemes initiated by community based financial institutions or through self-provided schemes by the beneficiaries is important for the sustainability

of those schemes to promote the positive impact at the household level. The high repayment rate in micro-credit schemes not only contributes to boost the chance for the beneficiaries to apply for additional loans and therefore enhance the chance to attain positive socio-economic impact, but also to enable the entrance of new beneficiaries in the process of development initiative through micro-enterprises (Reed, 2013).

For Sinha (1976:44) although micro-credit may yield sustainable economic and social development, one of the major threats to household impact, especially in rural areas where the majority of recipients live, is due to misuse of the generated income from the micro-enterprise. Generated income at times is channeled into social events such as funerals, and weddings instead of being used to grow enterprises or crops. In order to prevent misuse of business applications, and as strategy used by Grameen bank in Bangladesh, there is a need to start an emergency fund.

A case-study assessment of the micro-credit program was carried out in the four districts in Pakistan in 1999. It was concluded that micro-credit has had positive impact in people's livelihoods. From the sampled 100 women recipients of micro-credits, the assessment revealed that the majority recipients applied their loans in income generating activities such as rearing livestock, development of a variety of micro-credit enterprises, agriculture and embroidery. As the result of the income generating activities, about 78% recipients had their households income enhanced, mainly translated by access of improved food and clothing. However, durable basic needs such as housing and access to health service remained largely unmet with service delivery access unaltered (Javed et al, 2006).

In relation to Africa various studies have been undertaken concerning the impact of micro-credits. A comparison of two case-studies from South Africa and Ghana through an impact assessment study conducted by Afrane (1998:41) revealed that there has been significant positive impact of micro-credit. For Afrane, the households that had been provided loans by Sinapi Aba Trust (SAT) in Ghana through the financing of Opportunity International (OI), an American based institution, and Soweto Micro-enterprise Development (SOMED) through Seed Foundation demonstrated improvements both in economic and human development indexes. The improved household

income from the micro-credit enterprise has enhanced access to housing, education, food and health.

It is important to assess the impact of micro-credits in terms of the level of the met needs. According to the assessment of the impact studies in Pakistan, South Africa and Ghana, it is indicated that while housing and access to health as durable basic needs were largely unmet in Pakistan, they were met/enhanced in South Africa and Ghana. There are different factors that may have contributed to meet or not meet these durable basic needs (Javed et al, 2006).

Apart from the loan size and the type of the adhered micro-enterprises, the considered type of durable housing and access to material for building those houses in terms of local availability is crucial. Perceptions of durable housing vary from regions. Conventional basic durable houses may be those built of blocks and covered of corrugated iron. In other context even across the same region, especially in the rural areas in developing countries there may be durable houses made of local materials such as reed, mud and grass in the case of Chókwè district and many other rural areas in Mozambique. Furthermore, the durability of housing in the rural areas in developing countries is attributed to certain years that those local materials may last before replacement of some of the components. (Statistic National Institute, 2016).

In the context of access to health in developing countries, especially in rural areas (Mozambique), where health care facilities are usually distant from the communities in overage as far as sixty kilometers, it is crucial to assess those services in terms of transport costs (Ministry of Health, 2013).

Although the micro-credit Ratings International (2008:6) recognizes the positive impact of micro-credits in South Africa, it is argued that the poorest of the households have been excluded from micro-credits. Therefore, the need to rank the households applicants according to the levels of their earnings, and prioritize those households earning below half of the poverty line, according to the Small Enterprise Foundation's (SEF) strategy for eligibility of loans.

In association with the funding from SEF, studies conducted in the Limpopo province, which is the poorest province in the South, micro-credits proved to promote financial sustainability of women for long period as long as 10 years after benefiting from the provided schemes (Hietalahti and Lund, 2006). The findings of other study conducted in Limpopo province in the period between 2005 and 2011 highlighted the fact that women have been enabled to reduce the issue of domestic violence and HIV infection. That is because the provided micro-credits enabled the women to have the capacity to negotiate sex with their partners based with mutual respect and understanding (Kim et al, 2007).

Apart from the assessment of micro-finance worldwide attached to the satisfaction of the basic needs by the household recipients of the related schemes, periodical assessments in terms of the overage yearly legible number of the recipients of these schemes has also been used to assess the impact to reduce poverty. According to Reed (2013:2) a decline in the number of micro-credit recipients worldwide has been noted. For example, in 2011 there was a decrease of the household recipients of micro-credits and other related services such as savings by far 13 million of poor households as compared to 2010. It is also noted that this was the first time that such decrease was identified since 1998 when the campaign started this process of assessment. However, despite this slowdown in the number of household recipients of micro-credits, according to the report, allocating micro-credit schemes to the poor has still been regarded as an adequate strategy to target the poor and alleviate poverty.

The United Nations Conference on Trade and Development-UNCTAD (2015) highlighted that discouraging practices by MFIs account for the decrease in reaching the poor as it is put “Over indebtedness and abusive interests rates set by unscrupulous micro-finances institutions are nowadays compromising the promises that micro-finance could bring to development”.

The UNCTAD statement highlights two scenarios. First, the specific poverty alleviation role that MFIs have been trusted with and second, the similarity of MFIs and the traditional financial institutions excluding practices for poor people. In relation to the first scenario, the argument is that due to MFIs principles to adapt to the needs of poor community and their flexibility to be localized at the community level close to the communities, MFIs are/were ideal to promote local

development through micro-credit schemes. However, as depicted by the second scenario, due to high turnout to MFIs by the poor communities this situation created high demand of services in terms of the requested schemes. This high demand of services by the poor communities was taken as opportunity by dishonest MFIs to increment higher repayments rates up to the extent that there is no longer difference with the traditional financial institutions such as commercial banks.

In the context of the SLA and the principles of community development, scarcity of, or exclusion of the communities from the financial resources/capitals limit the ability of these communities to access the available natural resources/capitals to be used in the development of micro-enterprises in order to meet their basic needs. As more poor people are gradually not reached by the MFIs, the households will have less capacity not only to meet their basic needs but also to respond to vulnerability context, for example droughts and floods. Women, especially will still face gendered norms and patriarchal practices, with limited chances for empowerment to be able to challenge those structural issues (Montesquiou et al, 2014).

2.7. The gendered role of micro-credit

The debate on the gendered nature of micro-credit is largely centered on the recipients of micro-credit loans. According to micro-credit summit campaign report (2005: 353) over ninety two million micro-credit recipients worldwide have been reached, which benefits have extended to corresponding 333 million family members. Women make up about 83% of the recipients.

Although women are the most beneficiaries of micro-credit schemes Ellis (2000:58) points out that the majority of women worldwide and particularly those from the developing countries, are not self-sufficient and lack autonomy and authority in regard to decision-making. Ellis (2000:59) argues that patriarchal practices and ideologies render women the poorest segment. Progressive micro-credit program leaders have recognized this and have targeted women as recipients of micro-credit schemes. Micro-credit schemes through a variety of practices have been one of the main strategies devised to improve the socio-economic status of women, linked to income generating activities.

The discussion of the gendered roles of micro-credit with reference to micro-credit summit report (2005:353) and Ellis (2000:58) are centered on the issues of women as overwhelming recipients of those schemes worldwide and their link to patriarchal relations. Both the SLA and the community of community development refer to gender inequality through patriarchal system and gendered norms as a primary structural issue that largely contributes to the exclusion of women from resources and opportunities. The gender based structural issue against women is reflected at household, community and institutional levels.

The fact that women are the overwhelming recipients of micro-credit schemes it does not necessarily entail that their micro-enterprises are run smoothly. In most of the cases, especially in rural areas in developing countries where the gendered norms and patriarchal relations are deep, women have to associate the dual household work and their micro-enterprise activities. This dual association has negatively impacted the related generation of income (Khandekar et al, 2008).

Although women are indeed the majority targeted as the recipients of micro-credit schemes, it is crucial to distinguish the traditional gender perspective of gender division of labour and the strategic gender perspective. The traditional gender perspective uses a generalist approach in which all women are viewed as deprived due to their socio-economic dependence over men's income as the head of the households. The strategic gender perspective is context based in that women are not considered as homogeneous group. Therefore, the women in real need are prioritized as schemes recipients (Moser, 1993).

The UN (2000) through the Millennium Development Goals (MDGs) has recognized that there is an immediate need worldwide and especially in developing countries to advocate to the member states to integrate gender policies, which are aimed at promoting gender equality in all socio-economic sectors. Therefore, promotion of gender equality is cross-cutting in all socio-economic policies. The specific goal on gender equality is "Promote gender equality and empower women".

The integration of gender within the socio-economic policies in Mozambique and particularly to promote self-employment and micro-finance/credit is currently being carried out through the government program in which the government disburses 7 million MTs to all the 126 districts to

contribute to household and district local economy (Social and Economic Plan, 2014). Both the traditional gender perspective and the strategic gender perspective have been addressed in the Mozambique program to respond to gender policy/MDG.

The 7 million MTs fund in each district is jointly managed by a district council that is made up of people representing the interests of different segments of the communities in the district. Although the fund may benefit the general vulnerable people, women in particular have been prioritized. In order to promote loan reimbursement women are encouraged to design group based projects (Social and Economic Plan, 2014).

Various studies have shown that the impact of micro-credit programs is greater in regard to women as compared with men. A study carried out in Ethiopia, for example, revealed that households in which there were women borrowers there was a significant improvements for nutritional status, higher diversification of income, less dependency on food aid. This is associated with the fact that women easily share their experiences and maximize the strengths from those micro-enterprise experiences (Doocy et al, 2004).

Woroniuk and Schalkwyk (1998:1) make the claim that women get a higher percentage of micro-credit loans than men do and that they tend to be credit managers than men. In the main, women tend to have higher repayment ratios, even in circumstances in which the provided credits are equivalent to the market rates. But the fact that women benefit at a greater rate than men do from micro-credit programs does not mean that this leads to a fundamental change in gender relations or gendered notions about work. Feiner and Barker (2004:1) note that while women are the overwhelming recipients of micro-credits, men still maintain power in regard to decision making in regard to how micro-finance programs operate. There is a tendency, too, for women who are recipients of these programs, to use micro-finance for domestic related activities such as sewing, embroidery, weaving, baking and so on.

Indeed although the generation of income through women's participation in micro-enterprises has the potential to enhance the household economy this does not necessarily render women the equitable decision making process. In the context of the principles of community development the

empowerment process through awareness process on structural issues need to be inclusive of men. The inclusion of men in awareness process on structural issues not only is a process of behavior change but is also part of the transformative gender approach. The transformative gender approach aims to challenge the gender norms at the household and community levels. It views the relationship between the structural issues and the development intervention in a systematic way in that if they are isolated the development outcome may not be effective. It also includes men as the primary target group, especially the influential men in the community and the traditional leadership. Moreover, the benefits of women's participation in household economy is highlighted such as improvement of children's education, food, health and so on (Das et al, 2012).

Eade (2000:103) makes a similar point but adds that domestic related activities are labour intensive and that the outcomes are generally survivalist, rather than profit generating. In general, then, while women are the dominant beneficiaries of these programs, they have not been able to make the transition from the survivalist type to other category of micro-enterprise. As a result, as Feiner and Barker, put it, the power dominance of men over women by influencing their micro-enterprise reinforces the existing gendered structural system.

Johnson (2004:361) makes an additional and more nuanced assessment of the gendered impact of micro-credit programs. Micro-credit has perpetuated gender division first because women have been equated with the term micro. Women, in accessing micro-credit, tend to access smaller loans than men, which has made it difficult for women to transcend from group-based recipient of micro-credit to individual recipient with flexibility to attain solid business. In addition, Eade (2000:105) argues, women, while more reliable lenders, often lack business skills to effectively respond to markets environment namely opportunities and threats. As a result, Eade questions the sustainability and viability of women's income generating activities. The argument is that women's income generating activities have not been scrutinized in terms of the typology of activity, capital needed for the activity, duration of the activity and profitability of activity.

In relation to the sustainability of women's micro-enterprise, Ife (2002:213) discusses the issue of development versus welfare. The argument is that the various development practitioners, including donors and NGOs, have tended to promote micro-credit schemes to women, especially

in order to foster their welfare for example, food, and water and so on. Ife stresses, the concern should also be about empowering these women to challenge the structural system, which makes up the main cause for their underdevelopment. Ife further discusses the limitation of micro-credit in the context of women's empowerment. It is argued that although the micro-credit projects may have potential to enhance women's socio-economic development, they are viewed as short-term interventions, which differ from a sustainable long-term interventions, in which the expected results and indicators are commonly agreed upon by the stakeholders, mainly the beneficiaries and the funders.

Community development through the principles of empowerment and participation reflects a transformative agenda and as already discussed through the transformative gender approach, the underlying factor is to integrate service provision with structural awareness. The structural awareness should be encompassing by equally targeting the men as the counterpart of women in the development process. Therefore, although the skills training on small business management are exclusive for women as the participants in micro-credit schemes, the participation of both men and women in the structural awareness process is crucial to path the way for the sustainability of women's micro-credit enterprises development (Das et al, 2012).

Tesoriero (2010:61) discusses the gendered role of micro-credit beyond the composition of micro-credit recipients and its effectiveness. Tesoriero related the issue of micro-credit provision not merely as a means to women's empowerment but most importantly as human rights fulfillment. The argument is that the promotion of micro-credit schemes, which target the most vulnerable segment of society, i.e. Women, is an effective mechanism to enable households to exercise their basic human rights. In other words, access to basic conditions such as housing, food security, health, education and so on is not viewed as basic needs, but most importantly as human right fulfillment.

Brown and Thomas (2005:355) agree with the human rights perspective in relation to provision of financial resources through micro-credit, especially for women, arguing that first, micro-credit institutions are very much localized at the community level and second, they are adaptable to the

needs of the community, especially women who are the most excluded from opportunities and resources.

Localization of micro-credit institutions at community level and their adaptation to the needs of the communities are very crucial issues for community development. The underlying factor of community development is that when the institutions are close to the people and through the principle of interactive participation, in which the communities are valued as partners in the development intervention, the people feel free to express their opinions concerning the challenges and alternatives related to their needs (Reed, 2013).

Localization of micro-credit institutions at community level, according to anthropological participant observation approach (Yeasmin et al, 2012) it gives the developmental agents through research the environment to embed themselves with the communities they intend to acquaint with. The participant observation approach exposes the researchers/developmental agents to the cross-cultural aspects of the communities. The investigation of cross-cultural aspects within the communities is crucial when there are different segments of people in those communities. In the context of structural issues the participant observation approach gives the opportunity for researchers, for example to have a deep understanding of how gender norms and patriarchal relations operate across the household and community levels.

2.8. The effectiveness of micro-credit for social mobility

Many scholars and development practitioners argue that micro-credit provision is a powerful approach to promote social mobility, since it stands as an alternative for financing poor people's income-generating activities (Swack and Manson, 1994; McMurtry, 1993; United Nations Report on Micro-credit, 1997). However, Mercado et al (2005: 2) argue that it is crucial to look at to which extent micro-credit has impacted on household social mobility. For Mercado et al social mobility is the "dynamics of poverty and inequalities", the definition coined by Habit et al (2008:1) as a process characterized by households moving up wards or down wards in terms of experiencing an increase in their well-being

Birdsall and Graham (1999: 72-75) refer to vertical and horizontal mobility; intra and inter-generational mobility; absolute and relative mobility. While vertical mobility is characterized by a lineal process in which individuals or group of people move up or down wards from a socio-economic level to another, horizontal mobility is characterized by up or down wards movement of people within the same social level. The distinction from intra-generational mobility and inter-generational mobility is that in the former the social status change takes place within the same generation while in the latter the social status change takes place in the subsequent cycle of generation, which may be down or upwards. Absolute mobility is characterized by upward socio-economic transition of a given society in relation to their parents' social status. On the contrary, relative social mobility characterizes upward socio-economic transition for a certain segment or category of the society in terms of income distribution.

Behrman and Taubman (1990:95) argue that the ability to transfer economic, human and physical capital over generations is crucial to maintain or surpass socio-economic status within or across generations. However, they caution that the level of occurrence of shocks such as disasters and economic trends (fluctuation of prices), which are factors beyond human control and the corresponding capacity for their response is also crucial to determine the comparative socio-economic status across generations. The Chókwè district, which is the location of the self-provision of micro-credit scheme, is situated in a flood prone zone. The occurrence of flooding in Chókwè is cyclical. Although all the types of social mobility are crucial to analyze, the focus was on the horizontal mobility since it allows to compare the socio-economic status within the people with the same social level.

Daniel (2009:3) argues that although there are many sources, which determine the level of social mobility, education, discrimination and credit limitation, are crucial. Micro-credit programs cannot be evaluated in isolation, in regard to measuring levels of social mobility. Discrimination is a major barrier to upwards social mobility even if the people have had equal quality education. Here it is argued that transparent labour policies may be put in place so that jobs are allocated on the basis of merit and not through nepotism where by family, political and ethnic ties are prioritized. Credit limitation is determinant to define the status of social mobility. It is argued that the more the people

have access to credit; the probability is to attain upwards or high social mobility in that they would have investments necessary to improve their wellbeing.

McCarter (2005:360) agrees and further discuss the influence of political and socio-economic structures to social mobility. For McCarter the social structures both at micro and macro levels have been responsible to widen the gap of poverty and inequality, especially in regard to women in the developing countries. McCarter also argues that since the available resources and opportunities have been directed to the minority social groups in exclusion of the majority of the people, this process not only has deepened poverty and socio-economic inequalities, but has promoted a vicious cycle of poverty among households. That is because parents have been denied resources such as finances, which has hindered their children's well-being; the subsequent generations have been trapped in a cycle of limited social mobility.

Mercado et al (2005:8) discusses the occupational specialization as influential to high level of social mobility in urban settings compared to rural ones. It is argued that due to the emergence of a variety of employment positions in the urban settings, as the result of complex division of labour and related to the degree of specialization, there is greater probability for households to move to a considerable high social mobility due to the acquisition of specialized occupation.

2.9. Socio-economic and environmental sustainability through micro-finance

Effective synchronization of socio-economic development through micro-credit has resulted in sustainable attainment of basic needs for people living in poverty such as food security, health, housing and education. Social and economic development are synchronized components in that the structural issues such as gender norms, unequal access to opportunities as education are social practices that greatly limit the ability of the people, especially women to attain economic opportunities mainly employment. In that context micro-credit may be effective to synchronize socio-economic development. However, the structures of the society are the main determinant for socio-economic sustainability through micro-credit (McCarter, 2005). For example, as Kates and Millaman (1992:106) demonstrate that although women are the majority of recipients of micro-

credit the set social structure which is generally translated by norms, values and power relations favour men and tends to determine whether or not programs are sustainable and developmental.

Todaro (1997: 109) discusses the attainment of self-esteem, human freedom and sustainable access to basic needs as main development achievements for women through micro-credit programs. Self-esteem is related to the power that women have had to value themselves as individuals. Human freedom is related to the ability that women have had to make own decisions as humans-beings. Sustainable access to basic needs is the ability that households have had to access in regular and in long term perspective goods or services, which are crucial for their survival. The goods and services include food security, health facility, housing and education. Therefore, micro-credit programs have been unique to promote the mentioned three achievements.

This discussion on self-esteem, human freedom and sustainable access to basic needs as women's achievements highlights the ability that micro-credit programs have to influence the vulnerable and excluded people from the mainstream to challenge structural issues. When women are empowered not only are enabled to be aware of these unequal systems but most importantly they value themselves as important assets in the community and for such share responsibilities and rights beyond the household domain. This also enables the women to have the ability to exercise freedom through participation in the decision making process (Das et al, 2012).

In relation to the approaches to disadvantage, there are many perspectives that have contributed to poverty, ranging from individual, institutional and structural. According to Tesoriero (2010:55-56) the individual perspective locates the socio-economic problems at the individual level and therefore, seeks an individual oriented solution. Tesoriero argues that, through the institutional perspective the socio-economic problems are associated with the structure of institutions at macro level. The problems and circumstances that influence the poverty both at social and economic dimensions are viewed as the result of inadequate formulation and implementation of policies. The long term sustainability of micro-credit programs can only be evaluated in context.

The structural perspective views the socio-economic dimensions of poverty as the result of exclusion of the people from resources and opportunities, based on gender, race and class. In

structural perspective it is argued that small powerful groups of people at family, community and societal level have dominated the majority, through norms, values and policies. Furthermore, the structures have promoted inequalities in accessing resources and opportunities, mainly excluding women (gender) and illiterate (class) (Geiser et al, 2011:258).

Embedded to SLA as informed by its capitals/elements, the structural forms that deprive the poor communities from equitable socio-economic entitlements are indeed exercised through the denial to access of resources and opportunities. The gendered norms at the household and community levels that confine women to perform domestic and child care related activities and men to provide the household economy is an indication of the structural forms. As also embedded in the SLA inadequate policies have greatly reinforced the structural forms (Bartel et al, 2010).

Smith (1997:109) discusses the importance of micro-credit programs, as associated to self-employment. Self-employment, which is through micro-credit schemes, is viewed as a means to challenge the social structures that have been the major obstacle mainly to women's emancipation. Smith argue that through the generated income and associated consciousness linked to micro-credit provision, women have adhered to family planning programs, which have enabled them to decrease birth rates and prioritize health care and education of their children.

Linked to community development, micro-credit schemes have the potential to promote self-employment to the excluded poor, especially women. Self-employment through micro-credit schemes provides empowerment to women in that they are enabled to have a share in the household economy that traditionally has been the exclusive men's responsibility (Khandekar et al, 2008).

Sen (2000:189) discusses the relevance of micro-credit programs in promoting women's agency for sustainable economic and social development. Sen argues that the conventional development objective has emphasized the promotion of well-being for poor people, especially women but without their true participation in the respective development initiatives. Therefore, this conventional or top-down development approach has hindered sustainable socio-economic development. In this context it is also argued that since the micro-credit programs have enabled the poor, especially women to have access to financial resources, this has empowered them to

exercise agency in their own development. In other words, through micro-credit programs, the micro-credit recipients have been enabled to make own decisions regarding which development initiative to engage in.

Agency is also pertinent to self-esteem and human freedom, which are integral to community development. As discussed above in this section, self-esteem empowers the excluded people, especially women to value themselves as important stakeholders in the household and community, therefore exercising their rights and responsibilities. Human freedom enables the women to exercise informed choice against gendered norms (Tesoriero, 2010).

Mahmud (2003:587) acknowledges the opportunity that micro-credit programs bring to women's agency in development initiative. For Mahmud, this shift of women's agency in development is characterized by denial for becoming passive participant in attaining the well-being to one of active participant in attaining the well-being. In addition, women's active participation in development process is seen as a catalyzer for attaining the well-being for both men and women.

The debate over the relationship between sustainable environment issues and micro-enterprise development, centers on the type of income generating activities and the need to synchronize legibility of micro-credit reception to pro environmental best practices. Acervado and Beasley (2001:13) argue that although the scale of micro-enterprise development may be limited in terms of the size and people involved, it should not be disassociated with environmental issues. Rees (1999:80) also argues that large scale enterprise may be more environmental friendly than the micro- enterprise since they are familiarized with respective policies and guidelines. Acervado and Beasley also points out that the effective management of environmental problems may be tied to technological issues.

The SLA and the principles of community development have common arguments in terms of enabling the communities to take the advantage of the existing local resources including natural resources. However, the elements/capitals of SLA and the principles of community development caution of the need to strike the balance between the use of the existing local resources(natural resources) and the degradation of the natural environment (Serrat, 2008). For example, Chókwe as

the site of the study has abundance of fertile land and it has been intensively used for household farming for generations since it is typical rural district. Commercial farming is also intensive since it is oriented to profit accumulation. Since the commercial farming is profit oriented it may also be associated with intensive use of fertilizers. These practices may expose the soil to environmental degradation.

Pallen (1997:4) agrees with the possibility of environmental problems associated with micro-enterprise development by making relationship with the respective activities: agriculture and aquaculture may be associated with misuse of agro-chemicals and land degradation; brick making may be associated with depletion of forest resource and release of ashes into water ways and carpentry and firewood supply may be associated with deforestation. In order to avoid or scale down the environmental problems associated with micro-enterprise development, Hall and Abhishek (2000: 2) argue that there is need to synchronize policy development on micro-finance to environmental best practices for legibility of micro-credit reception.

While the need to synchronize the legibility of micro-credit reception to environmental best practices is ideal to care to environmental sustainability, since such synchronization would advance the principles of community development, which account for balanced use between the natural environment and sustainably meeting of the basic needs, it is crucial for development facilitators to formulate those environmental best practices in simpler and practical ways to avoid the exclusion of the majority poor people due to high levels of illiteracy , especially in rural areas in developing countries (Oxenham et al, 2002).

Tesoriero (2010:24) brings in an interesting discussion related to micro-enterprise development and environmental sustainability. He points out that it is crucial to make a distinction between environmental and green perspectives. In the environmental perspective, the ecological problems such as deforestation, climate change and global warming, although it is recognized that they are mainly caused by human behavior, it is prescribed that the technological approach is determinant to solve or prevent them from happening. Therefore, the environmental perspective is very lineal in that it excludes other aspects such as the structural and policy issues as influential to ecological problems. On the contrary the green perspective uses the holistic approach to analyze the

ecological problems. It is argued that although the human behavior is partly responsible for environmental degradation, the structural issues are the main cause of such problems.

Analyzed through the lens of the SLA and the principles of community development, unlike the environmental perspective, the green perspective realizes that structural issues are mainly linked to environmental problems. The link between the environmental problems and structural issues is reflected through unequal access to resources and opportunities. The minority group of people who have the control of resources are profit oriented and have largely disregarded the environmental preoccupations. The majority poor people, especially in developing countries due to their exclusion from resources have not adequately been aware of the associated environmental problems and the related implication for sustainable meeting of the basic needs and future generations. Additionally the fact that they are also excluded from opportunities mainly education, makes the environmental awareness on environmental issues challenging (Montesquiou et al, 2014).

Throughout the discussion on socio-economic and environmental sustainability through micro-finance it was highlighted that micro-credit schemes through the related micro-enterprises have the potential to promote socio-economic and environmental sustainability. However, for its effectiveness a balanced process of empowerment and participation of both men and women is necessary. The participation of men in the awareness process was viewed as crucial since it exposes them on how the perpetrated gendered norms and patriarchal practices promotes women's exclusion and curtail women's participation in economic activities aimed at enhancing the household economy. Moreover, it was also highlighted that there is a relationship between the use of local/natural resources and micro-enterprises for the degradation of natural environment. Therefore, formulation of accommodating policies was crucial for communities' awareness on environmental problems (Serrat, 2008; Bartel et al, 2010).

2.10. Conclusion

Throughout this chapter it has been pointed out that while some development scholars are supportive of micro-credit programs, since they are deemed as adequate and adaptable to respond to community needs, other development scholars are skeptical to the promotion of community development through micro-credit programs. As to micro-credit practices there seems to be a common agreement among the development scholars by asserting that all the practices are bound by high spirit of solidarity and group trust.

The impact of micro-credits to meet the basic needs of the households was associated to the typology of micro-credit enterprises run by the recipients of those schemes. The discussion in this regard pointed out that because of their fragile financial status, the majority of the schemes recipients have adopted the survivalist type of micro-enterprises. It was discussed that the ability demonstrated by the schemes recipients to ascend to fledged types of micro-enterprises not only would determine the level of satisfaction of basic needs in a sustainable way, but it would also influence the ability for the households to move to the subsequent level of socio-economic status -social mobility.

Although the discussed literature on micro-finance/credit history has indicated that women are the overwhelming recipients/beneficiaries of the schemes, mainly due to the history of their exclusion from resources and opportunities, in most of the cases this has happened without women's agency in the decision making process. Related to women's lack of agency in the development process the structural issues mainly through gendered norms and patriarchal practices both at the household and community level were deemed relevant for women's exclusion from resources, opportunities and the decision making process. Therefore, it was highlighted that through the principles of empowerment and interactive participation men as the counter parts need to partake in the related awareness for behaviour change.

Structural issues mainly in the form of gendered norms and patriarchy were viewed as the major barrier to promote socio-economic and environmental sustainability through micro-finance. This was highlighted against the backdrop that the gendered norms and patriarchal relations play a

pivotal role to deny access to resources and opportunities especially to women. A link between the influence of structural issues and the limitation of micro-enterprise development for sustainable meeting of basic needs was established. It was also established that unbalanced use of natural resources as related to micro-enterprises development through micro-credit schemes not only would limit the attainment of basic needs in a sustainable way, but it would also contribute to environmental degradation.

Chapter 3-Literature review

3.1. Introduction

The key theoretical assumption underlying this study is that mainstream institutions such as the formal commercial banks and government are not necessarily best placed to manage and authorize micro-credit programs (Swack and Manson, 1994; McMurtry, 1993). The study employs the SLA as its theoretical framework. This is because SLA is made up of elements/capitals that taken together through their relationship determine the ability (or lack of it) of the developmental interventions to promote both the sustainable meeting of the basic needs by the communities and maintaining environmental sustainability. Through the relationship of the SLA elements/capitals the structural issues that form the barriers for development interventions are also depicted (Serrat, 2008). The work of Ife (2002:131-213) will be a key reference point. For Ife, endogenous development or good grassroots community development often takes place outside of mainstream institutions. For Ife (2002:208) and others, community development requires a paradigm shift away from dependency on the state or financial institutions as providers. They focus on alternative institutions that are able to ensure that there is bottom-up empowerment and a foster of local community self-reliance. Community development as referenced by Ife is linked to SLA. The principles of community development apart from exposing the structural issues for development interventions as is the case of SLA, they also establish processes and systems for proactive development intervention, that also highlights the need for sustainable meeting of basic needs and environmental sustainability.

Therefore, SLA and community development were concurrently used as the frameworks/approaches in that apart from having common aspects they also complement each other. Both the elements/capitals of the SLA and the principles of community development expose the structural issues that contribute to deprive the majority of the people through exclusion to resources and opportunities. The elements/capitals of SLA and the principles of community development have the ability to highlight the components of natural, human, financial and physical environment and how the relationship of these components determine how the people meet their

basic needs in a sustainable way and fostering environmental sustainability. While SLA highlights the policy implications across the institutions, community development promotes systems and processes tailored to community needs (Tesoriero, 2010; Montesquiou et al, 2014).

The SLA as a theoretical and conceptual framework is used to provide a comparative advantage of the study, and the background of sustainable community development. Therefore, the conceptions of SLA and its embedded capitals are discussed in this chapter. In addition, this chapter discusses the related underpinning principles of SLA and community development namely sustainability, participation, empowerment, valuing the local resources and local economy. The top-down approach to community development is reflective of the structural disadvantages and globalization, which informs the main processes, structures and policies that have promoted the exclusion of the communities, is also discussed. The chapter concludes by highlighting the dynamism of micro-finance as linked to achievement of MDGs, MFIs challenges as well as the gendered norms and beliefs as barriers to micro-enterprise development.

3.2. SLA as a theoretical and conceptual framework

The study employed SLA as theoretical and conceptual framework to analyze the interrelations among the various stakeholders' interventions in the development process. The SLA is an important tool since it provides conceptual framework to analyze or to determine to which extent the communities have interacted with the available community assets in their immediate and broader environment available to promote the attainment of their basic needs in a sustainable manner. From the policy environment, SLA highlights the factors outside the human control that may expose the community to vulnerability and that need to be taken into account for community's resilience and safety (Mensah, 2012:36). Farrington (2001:40) further argues that the guiding principles that comprise the SLA as a conceptual framework make it flexible and adaptable to analyze the diverse local conditions as integrated whether in the planning, implementation and evaluation of local development projects:

The argued guiding principles are:

- **Be people-centered.** SLA prioritizes an analysis of people's livelihoods and how they cope in the course of time. The people themselves guide the process throughout the project cycle. In the context of community development analyzing people's livelihoods and how they cope in the process reflect the principle of empowerment. Empowerment is a process that is integrated in the development intervention (project) in all its stages (cycle) that is from needs assessment, planning, implementation, monitoring and evaluation. When the process of empowerment is coupled with the guidance of people, which is also genuine participation, it enables them to acquire the related skills. These acquired skills are crucial to promote the sustainability of the project.
- **Be holistic.** SLA acknowledges that people adopt many strategies to secure their livelihoods, and that partnerships between the diverse stakeholders from local and external levels are crucial. Adoption of many strategies to enhance people's livelihoods is crucial in the context of SLA capitals/elements. This is because in times of vulnerability context, for example floods and droughts, in which some livelihoods strategies are affected, the remaining strategies become alternatives to enable the households to continue to attain the basic needs. The establishment of partnerships is crucial for the development process. In the context of community development, whenever possible local partnerships are prioritized since they allow balanced relationships, which is positive for negotiation.
- **Be dynamic.** SLA seeks to understand the level of the relationship between the diverse livelihoods strategies in the community and how they link to each other. In the context of community development and SLA when the existing level of relationship is high and positive between the livelihood strategies within the communities, it is favourable to boost local economy in that the earned revenue is accumulated and circulates locally.
- **Build on strengths.** SLA is asset based since it builds on people's existing assets rather than focusing on their limitations and needs. It strengthens existing livelihood strategies. The relationship between the asset based approach and community development, through prioritization of local resources is due to the fact that, reliance on local resources/skills prevents dependency on external agents, which is patronizing and limits the sustainability of development interventions.
- **Promote micro-macro links.** SLA exposes the non-poor institutional policies and advocates the need for policies to reflect the needs of the local people and the priorities of

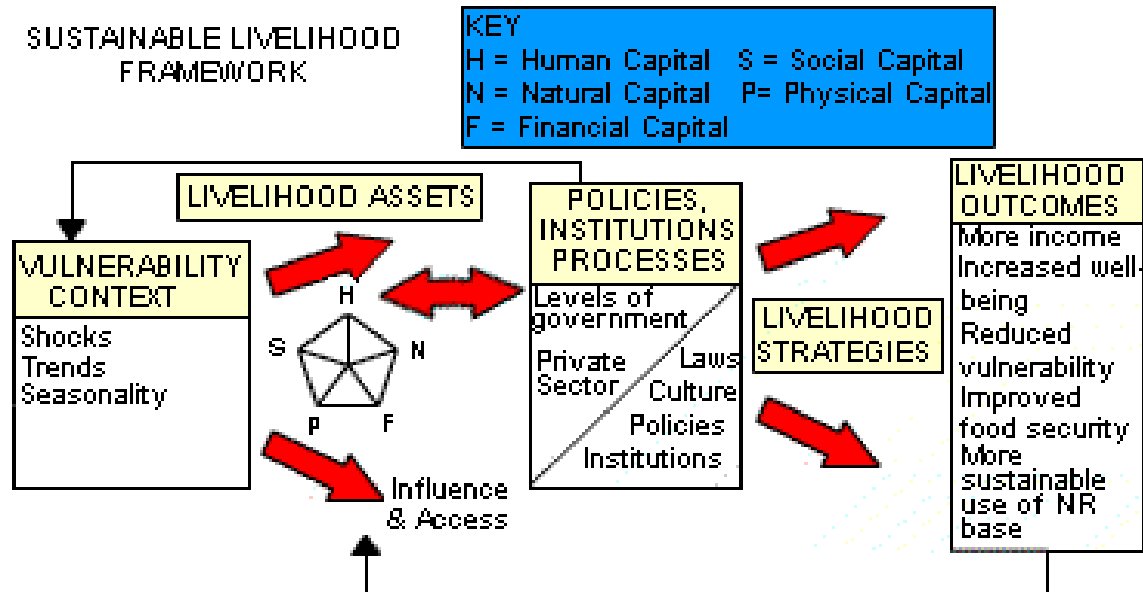
the poor. The localization of development agencies at the community level or their interactions with the communities it makes them exposed to community structural issues such as gendered norms and patriarchy and how these structural issues have negative impact in the development interventions. The exposure to structural issues and the corresponding limitations to development interventions in the communities promote the need for policy formulation to serve the poor (Trickle up, 2015:3).

3.2.1. Conceptions of SLA

Morse and McNamora (2013:1) argue that the SLA is crucial as theoretical and conceptual framework in the context of development since it promotes equilibrium among its complex elements, which is linked to sustainable community development.

In this framework as illustrated by figure 2 below, livelihoods are strategies used by households to obtain and maintain access to resources to meet their basic needs. Access and maintenance of these resources is greatly influenced by the level of resilience to vulnerability context. Vulnerability is characterized by shocks and trends, which are factors beyond human control such as natural disasters as floods, droughts and fluctuation of prices. Livelihoods resources, capitals or assets are complex and may range from capabilities, natural resources, financial credits, infrastructures and so on. The link between Vulnerability context and Livelihoods Strategies is crucial (see figure 2) because first, it informs the capacity level the beneficiaries may have to respond to their exposure to the types of the vulnerability and second, it informs the capacity levels for households to attain their basic needs in a sustainable manner (Majale, 2002:81). Through the illustration of the reciprocity by the arrows in figure 2, the socio- economic policies both at national and international level and the processes that are implemented by those institutions are crucial to livelihoods strategies since they may also influence the inclusion or exclusion of the households to access livelihoods resources. Therefore, as indicated by the arrows in figure 2, the policies and processes that are implemented at the institutional level are crucial for the Livelihoods strategies since they may determine the sustainability for the satisfaction of the basic needs in relation to available resources and empower the households to better cope with the various types of vulnerability context (Neefjes, 2000).

Figure 2: The Sustainable Livelihood Framework/Approach



Source: DFID 2000

The various elements/categories that comprise the SLA as illustrated and indicated by the arrows in figure 2 can in fact promote sustainability which can be viewed from holistic perspective. That is, there is inter-dependence among the SLA elements and devaluing one element may influence the system as a whole (De Haan, 2000).

In terms of the discussion of the elements of the SLA, while Hogan (2002:76) argues that the interactive and self-mobilization types of participations are crucial to promote sustainability of the people’s livelihoods strategies since the people participate in joint analysis that lead to decision-making in the project cycle, Shragge (1993:12) and Tesoriero (2010:62) agree with this view, however they highlight that the control over the local resources by the communities themselves is fundamental for their sustainable livelihoods strategies and hence the satisfaction of their basic needs.

SLA puts people at the center of development and through the integration of people-centered principles; equilibrium should be maintained for adequate access of basic needs. These principles include empowerment, participation and valuing local resources. In addition, SLA also promotes better response to vulnerability context through sustainable use of livelihoods resources, especially

those that cannot be replaced or replenished, for use by future generations (Ife, 2002). The Brundtland Report (1987:94) argues that the SLA not only is a framework that makes a depiction of the systematic relationship among various stakeholders and its environment, both human and natural environment, but most importantly it highlights that, as long as there are socio-economic inequalities in the form of resource limitation or deprivation and denial of opportunities to the majority of the people, limited chance is given to the natural environment for its replenishment. Karin and John (1998:9) in spite of coming to an agreement over the linkage between socio-economic inequalities and limited replenishment of the natural environment they are skeptical of the exclusive attribution of such behavior uniquely to the majority poor people. Therefore, they introduce the concept of livelihood diversification to highlight that the minority powerful people are to blame to a greater extent since they massively explore the natural environment for accumulation and reinvestment of resources, within the competitive globalized economy.

Within the perspective of globalization, Shiva (2000:23) is supportive of the argument which links globalization as the main cause for undermining people's sustainable livelihoods in the context of their natural environment. Moreover, the author argues by adding that within the global economic trend the poor people apart from their natural environment related livelihoods, which are mainly characterized by farming, they diversify their livelihoods strategies aimed at enhancing their income (Serrat, 2008:14). Furthermore, Shiver argues that the relationship between the natural environment and the communities in the developing countries has been sustainable since the exploited resources were meant to satisfy their basic needs. However, with the advent of globalization, characterized by unequal power relations in favour of the developed countries, the relationship between the natural environment and the communities has depreciated since it has been driven to satisfy mass production.

Importantly, Tesoriero (2010:24) reinforces that it is crucial to frame development in terms of green perspective. His argument is that when poverty is simply equated with depletion of natural resources, it misses the structural disadvantages ingredient. In other words, the causes for the depletion of the natural environment by the communities may not be viewed in isolation. Therefore, the structural limitations of resources and opportunities have resulted in socio-

economic inequalities, which prompted the poor to use the natural environment disproportionately in order to meet their livelihoods.

3.2.2. SLA embedded capitals

The core of the SLA is its capitals, which are human, social, natural, physical and economic or financial capitals. The efficient management of these capitals are informed by the principles of sustainable community development (Dale and Newman, 2005:7).

- **Human Capital**

Oxenham et al (2002:22) stress that the human capital, which is primarily comprised of skills, knowledge and ability to labour is very crucial for sustainable community development when these skills, knowledge and labour are prioritized from within the community. Kumar et al (2005:6) are supportive of prioritization of the available resources from within the community in the context of the asset based approach that takes into account the fact that people have accumulated diverse skills and knowledge as the result of their livelihoods experiences along their lives and that such skills and knowledge should not be undermined by conventional approaches. Through the relationship between the asset based approach and the SLA, Trickle Up (2015:5) argues that apart from enhancing the human capital from both the local and external proactive partnerships in the form of training and exchange of learned lessons from similar experiences, the communities are in the better position to sustain and adequate their diverse livelihoods strategies in the advent of occurring shocks, trends and seasonality as part of the vulnerability context. Shrugge (1993:10) weighs up the advantage of prioritizing the existing human capital in the development intervention from the community and argues that by boosting local economy it contributes to sustainable livelihoods through the attaining of the basic needs in a sustainable manner.

The asset based approach is a community development strategy that emphasizes the need to identify and prioritize the local existing skills, capabilities and resources in the community, related to a given development intervention. The underlying factor of asset based approach is that external resources need to be minimized in the development intervention if the preoccupation is to make the development intervention sustainable. The asset based approach is crucial in the context of

SLA and community development. First, the identified assets are from within the community and second, the community themselves lead the process, which makes the process empowering and participatory (Ife, 2002).

- Social capital

Social capital is comprised of social relationships and social networks aimed at providing support within the community. It is part of social networks various associations of interest and NGOs (Rijal, 2012:68). According to Dale and Newman (2005:4) the social relations are characterized by bonding and bridging ties. The bonding ties engage people who know each other deeply and the bridging ties engage people through professional connections. Therefore, networks are critical ways of bridging some of the barriers to sustainable community development, as long as they are characterized by open and balanced environment to enable the participation of the communities in need (Tesoriero, 2010).

- Natural capital

The natural capital is comprised of a diversity of natural resources. It is part of natural resources, resources such as forests, minerals, land and water. One characteristic that distinguishes the natural capital from the others is the fact that it is from nature, that is, it is not manmade. Therefore, it is the responsibility of the communities to use it in a sustainable manner or to replenish it whenever possible accounting with future generations (Tesoriero, 2010). In relation to the linkage between the SLA and the natural capital, while Morse and McNamora (2013:1) argue that the sustainable use of the natural capital is crucial since not only determines the livelihoods strategies of the communities but most importantly it fosters the sustainable community development and therefore the sustainable attainment of the basic needs, Acervado and Beasley (2001:16) analyze the referred linkage from the perspective of the devastating effects that the natural capital can cause whether as used inappropriately or as part of its natural course, and in that context exposing the community vulnerable to risks. The devastating effects on people's livelihoods as the result of the human behaviour to natural capital are linked to deforestation, which causes droughts and flooding through climate change. In the context of the SLA this causes a setback to people's livelihoods, when taking into account the fact that the majority of the people especially in the developing country depend on farming and the related activities (Al-Amin et al, 2015:7).

- Physical capital

The physical capital is comprised of tangible infrastructures that are crucial for development. The physical capital is complex but there is interconnectedness within this complexity since the development process is carried out through a sequential and logical process. Therefore, the physical capital establishes processes and systems that enhance linkages for development implementation. That is the case of the buildings, equipment, roads and other material inputs, which are necessary to enable the development implementation (Rijal, 2012:74).

- Financial capital

Mensah (2012:12) points out that the financial capital is comprised of financial resources in the form of cash, credit and savings. In addition, in the context of asset based approach, in which the households' belongings are valued, the financial capital gains other dimensions in that the households' assets are attributed to the corresponding financial value. The attribution of the corresponding financial value to households' assets is crucial when taking into account the fact that most households in the rural areas, especially in developing countries keep their assets in the form of cattle, farm yield, furniture and so on, and convert them into cash as the need arise. The relationship between the SLA and the financial capital, especially in the developing countries as depicted through the asset based approach and its conversation into cash play a pivotal role as households' livelihoods. In addition, the keeping of the livestock such as cattle and farm yield is both part of livelihood diversification and response to household vulnerability caused by shocks, trends and seasonality (Karin and John, 1998:12).

3.3. Principles underpinning SLA and community development

3.3.1. Participation

There are different interpretations of what participation is and what it means. The target-oriented and process-oriented approaches to participation determine the level of participation related to the development interventions as reflected in these statements “we want them to participate in what we do” and “we want to support them in the achievements of their goals”. The former statement is linked to the target-oriented (blue print) approach to participation in which the development

intervention has been designed in isolation from the communities. The target-oriented approach to participation is not empowering and is related to the passive type of participation since the communities are simply told to implement what was designed by external agents. The latter statement is linked to the process-oriented approach to participation. In the process-oriented approach to participation the objectives of the development intervention are prioritized by the communities. These objectives are informed by the available resources and the needs of the communities. The process-oriented approach to participation is empowering and is related to interactive participation (Oitheten, 1999).

Ife (2002:216) argues that since the process-oriented approach to participation is interactive participation in that the beneficiaries partake in the joint analysis throughout project design, implementation, monitoring and evaluations, the enabling approaches to facilitate the process have been used. In that context, Ife highlights the participatory community approaches to facilitation such as Participatory Rural Appraisal (PRA), Rapid Rural Appraisal (RRA) and Community Mapping.

Pretty et al in Kumar and Chambers (2002:68-76) discuss the various typologies of participation. In their view, passive participation is characterized by complete marginalization or exclusion of the communities in the sense that their needs are determined by external agents. In other words, the communities are not involved in the prioritization of their needs; the communities are merely told about what is to happen. In passive participation, the overall project cycle (planning, implementation and evaluation) has been predetermined by the so called technocrats. (Kumar et al, 2005:4). Beyond the marginalization or exclusion of the communities, Kangi and Greenwood (2001:8) argue that the passive participation induces the communities to conform to the established unequal development system and structures since they are not empowered to be the actors in the development process.

Passive participation also equates to target-oriented approach to participation, which is also blue print. Both these types of participation are taken out side of the community context and the result is lack of legitimacy of the process by the local people. Legitimacy is crucial in the context of development intervention because it enables the establishment of a contract between the

stakeholders. The process of legitimacy is also crucial in that it enables the attribution of rights and responsibilities according to the agreed project indicators. Since the development intervention was designed in isolation by the external agents, the achieved results will be assessed differently (Tesoriero, 2010).

Participation in information giving is characterized by the treatment of communities as object of source of information by usage of expert related methods. In other words, since the people are not engaged in participatory research methods and since the key findings from the research reports are not equally shared with the communities, they are simply regarded as the instruments to extract information (Blackburn and Jeremy, 1998:29). Cooperrider et al (2003:3) argue that the information or data that has been extracted from the communities in non-participatory methods may be misleading to the real needs of the people, since the cross cultural issues of different segments of the communities are not taken into account. Therefore, participation as information giving promotes unbalanced relations between the stakeholders. The communities and the development agency are not at the same level for negotiation. The unbalanced relations do not benefit the communities and these unbalanced relations are not empowering since the communities do not have a relevant role (McCarter, 2005).

In participation as consultation, the interest of the external agents is merely to consult, confirm and grasp the views of the communities in certain issues and do the planning of the development interventions without people's influence on decision-making. Therefore, this type of participation is carried out by consultants from outside the community, whose aim is not to engage with the community in order to understand the relationship of relevant factors, but merely to gather information (Mohan, 2008:26). Jeffrey and Vitra (2001:6) analyze participation as consultation in the perspective of agency and argue that since the problems and solutions are predetermined by the external agents the communities are excluded from the decision-making process. While many development practitioners are not sympathetic of participation as consultation since the communities do not partake in the decision-making process, Kretzmann and Mcknight (2009:16) present a different view and argue that depending on the development facilitators' willingness the key findings from the consultation process may be used as the background for the community

mapping process, whereby the communities are facilitated to determine and prioritize the available local solutions for their needs.

Although there may be some stages in non-participatory types of participation that may be taken advantage of by the project practitioners, as a starting point for joint analysis of the project with the communities depending on the willingness of these project practitioners, overall participation as consultation is characterized by patronizing relations. Therefore, the consultants view themselves as the steering of the process and on the contrary the communities are regarded as simply providing assistance (Oitheten, 1999).

Participation for material incentives is characterized by promoting dependency of communities in relation to external agents in the sense that they are involved in the developmental interventions as labour suppliers (Swanepoal, 1998:78). Shrugge (1993:12) introduces the issue of power into the discussion of participation for material incentives and highlights that unequal power relations against the communities promote patronage relationship. Pretty et al (1995:8) is against a patronage relationship in communities and argue that the outcome of participation for material incentives not only perpetuates dependency of the communities taking into account the fact that the functioning rules have been designed by the power holders but also because it hinders the capacity building process to take place, which compromises the project sustainability.

Functional participation is collaborative participation in the sense that the communities are drawn into participation in the form of groups such as a community committees, development committees and development forums to participate in an already planned project, which may derive from NGOs, government department, local government and so on (Chambers, 2002:64). Camay and Gordon (2005:80) question the issue of representativeness by designated groups in functional participation. The argument is that the interests of the communities may easily be distorted when there is lack of interaction between such designated groups and the overall communities. However, Krueger and Casey (2008:28) support group representation on behalf of the interests of the communities as long as women are effectively represented to promote gender equality. The authors argue that generally women are excluded from those committees and when they are included their role is limited to mere participants.

Regarding the limitation of the functional participation and in the context of participatory approach it should be taken into account the fact that group representation is crucial and unavoidable, although it is not free of challenges. The assumption of group representation is that the identified groups, depending on the implemented development intervention, such as village committees, management committees, women's groups should represent the interests of their communities. This group representation approach is unavoidable importantly because it would not be feasible to directly include the entire community in all the process/stages of project cycle. However, in order to enable the group representation approach to be effective and responsive to the entire community that it represents in the development intervention, the strategy for the project staff is to proactively facilitate the community meetings aimed at identifying the group members to represent them through the project cycle. The identified group members should make commitment to the community related to the defined responsibilities. A joint timeframe/schedule to meet with the community for the feedback should be established and made available to the community (Oitheten, 1999).

Interactive participation is characterized by active involvement of the communities in all the stages of the project (needs assessment, planning, implementation, monitoring and evaluation) as well as in other issues that contribute to people's development. The advantage of interactive participation is that the views of the various segments of the community are shared (Kumar et al, 2005:14). Kumar and Chambers (2002:66) points out that the crucial issue in interactive participation is to promote effective facilitation process and enable the environment for people's interaction. In the context of group exclusion in the development process, Angela (2000:36) cautions the need to take into account the unbalanced power relations that have been unfavourable to women, therefore, the relevance to promote separate group discussion between men and women.

Facilitation process is a core aspect in interactive participation. The underlying factor in community development is that the vulnerable communities and the excluded groups of people, related to structural issues of gendered norms, patriarchal relations and so on, which exclude those people from resources and opportunities have to be included in the development process. Therefore, participatory approaches are relevant to facilitate the process of their integration in the development process. This is against the use of conventional approaches of facilitation that yet

exclude the vulnerable people, since these conventional approaches are more technical-oriented (Bartel, et al, 2010).

Ife (2002:218) and Chamber (2002:80) have highlighted the use of participatory approaches as PRA, RRA and Community Mapping for proactive facilitation when working with the disadvantaged communities. Ife and Chambers argue that these and other participatory approaches enable the people to take the lead of the process and the development practitioners become the enablers, moderators of the process. They argue that the participatory facilitation becomes an empowering opportunity for the communities in that their skills and experiences that have gained through livelihoods strategies are exposed by the facilitation process and integrated in the development intervention.

The advantage of PRA, RRA and Community Mapping is that they integrate the visual aids component in the facilitation process. However, conventional technics such as interviews and focus groups may be used for guiding purposes. Although PRA and RRA have common characteristics, RRA is usually used in relation to response to urgent development needs while PRA has been used for normal development processes. Community Mapping activities are very crucial for the identification of the assets within the community. Based on a simple community map drawn by the community members, even by using local sticks, the community members are facilitated to identify the assets and their location in the community (Driscoll et al, 2011).

Self-mobilization as participation is characterized by power from within, whereby communities identify and prioritize their needs on their own. While they may approach external support, the underlying importance is that communities maintain their mission or vision (Hussain, 2008:42). Mohan (2008:47) argues that participation in the form of self-mobilization plays an important role for sustainable community development, first because the people rely on the existing local resources and structures as a foundation for their socio-economic development, and second because it is a major contributing factor for project sustainability. Kanji and Greenwood (2001:4-5) support the referred argument and highlight that the self-mobilization as participation is transformative in that the communities are empowered to identify and challenge the unjust developmental systems and promote equal access and use of resources. As already discussed under interactive participation and the related PRA, RRA and Community Mapping as participatory

approaches (Ife, 2002 and Chamber, 2002) the crucial issue in promoting community development is the ability to 'hand the stick` to the communities. When the stick is handed over appropriately, then the community development approach becomes transformative. In this context transformation equates to a systematic approach in which through participation the communities are empowered to challenge the structural issues, take advantage of the locally existing resources, forge balanced partnerships to address their limitations and implement development intervention to attain the basic needs in a sustainable way (Oitheten, 1999).

Mohan (2008:47) relates the interactive and self-mobilization types of participation to social movement perspective linked to participatory development. The author argues that through the social movement perspective the communities are included in local initiatives as the development agents and most importantly the structural differences such as gender and class are taken into account. Ife (2002:207) argues that the interactive and self-mobilization degrees of participation comprise a true partnership, emphasizing that through negotiation, people engage in discussion. Although they may make concessions in relation to their initial expectations, communities can make decisions on the matters of their development and most importantly are not co-opted by the other partners. Hogan (2002:22) refers to the passive, information giving, consultation and functional types of participation as attendance in that the people's input is not valued in decision-making process.

In relation to participation for material incentives, Burkey (1993:36), argues that genuine participation has been distorted or co-opted in that it has been used instrumentally to make an appeal for funding or enrich developmental theories or policies and not to make true partnership with the communities. Swanepoal (1998:78) stresses that participation that is merely limited to labour supply in relation to communities promotes dependency, since they are excluded from the thinking part, which is crucial for the learning process and sustainability.

This study assesses the level of involvement of the World Vision as the facilitating partner in the process and the level of the ownership of the self-provision of the micro-credit schemes by the beneficiaries for income generating activities in the community groupings in Chókwè district. In the context of ownership of micro-credit functioning, the study interrogates the level of the

involvement of the beneficiaries to decide the composition of the micro-credit group membership, the amount to be deposited and the periodicity of those deposits. Through the lens of the ownership of the process, the study interrogates the level of the involvement of the beneficiaries to establish the related lending and reimbursement criterion for both group and non-group members.

According to Vletter (2006:8) there is a variety of group composition of the beneficiaries, as long as it allows for an efficient management of micro-credit functioning. Vletter also argues that for the group bondage it is crucial that the members agree both on the average amount to contribute, how to account for the collected funds and also set criteria for the eligibility of the external borrowers including the reimbursement rate.

3.3.2. Empowerment

The primary purpose of this research is to explore and assess the impact of the self-provided micro-credit schemes by community-based women's groups in Chókwè, Mozambique in terms of processes, challenges and outcomes.

Empowerment is a complex concept. On one hand, it is concerned with the provision of capabilities to people to be the subjects of their own development, in regard to opportunities, skills and resources. On the other hand, it has to do with consciousness raising and therefore also has a more psychological component (Ife, 2002:26). The complementary relationship between these two components of empowerment is crucial in that before action is taken to improve their conditions, people also need to understand the reason of their disadvantages. In other words, the people need to understand issues of power relations and structural oppression in forging new and improved directions for their own lives, and they require self-confidence in engaging as agents in development programs and processes (Tesoriero, 2010:46).

However, if conscientising is done in from action isolation it will not change the people's disadvantageous condition (Ife, 2002). Chambers (1997:67) points out that empowerment through conscientising people is crucial, especially in relation to the most vulnerable people. The argument is that the people who have been isolated and under oppressive structural systems and dominant

discourses may have been influenced to internalize those unjust systems as natural and not man made. It is argued that in these circumstances a radical consciousness is necessary.

Against the backdrop of the primary purpose of this dissertation is the exploration and assessment of the impact of the combination of the micro-enterprises run by the self-provided schemes by women's groups. This model of self-provision of micro-credit schemes is by itself an innovative process that has been initiated from the grassroots level. However, action taken in from isolation and in the context of SLA and the principles of community development is disempowering and therefore does not promote the sustainability of the micro-enterprise development through the self-provided schemes. Taken from this analytical perspective there are many related factors to be considered in the process of grassroots development (Morse and McNamora, 2013).

The provision of capabilities or skill training related to running small businesses is important as a potential contribution to the impact of micro-enterprises to enhance the household economy and meeting of the basic needs. However, the women as the participants in these schemes and micro-enterprises and men as the counterpart need to understand factors in social relationship at household and community levels that need to concurrently be addressed for favourable implementation and impact of micro-enterprises. These factors are related to structural issues mainly in the form of gendered roles and patriarchal practices that are the major barriers to women's development (Das et al, 2012).

The women as the recipients of the self-provided schemes and the counterpart men need to be conscientized on these structural issues through participatory processes. The joint conscientising process is to concurrently enable women to challenge the structural issues and men to provide support to women to participate in a proactive decision making process in the household affairs (Khaandekar et al, 2008).

Tesoriero (2010:65-67) brings to the fore the reality of power in the process of empowerment. Power relations frame how different groups are informed about and respond to political and socio-economic inequalities. Tesoriero and others distinguish these differences and classify the elite, pluralist, structural and post structural perspectives on power. From the elite perspective, it is argued that power is identified, managed, controlled and sustained through belonging to special

groups or classes of people (Geiser et al, 2011:258). Exclusiveness of resources and socio-economic opportunities within these groupings is the main characteristic for perpetuating their power. Elitism has been managed through political party formation and business ownership by the elite, or by exercising influence over those institutions. Belonging to special clubs, attendance of specialized and private schools by elite's children are other characteristics of elite perspective of power.

The pluralist perspective asserts that power is distinguished by one's identification with the rules of the game and competition among different stakeholders (Rowland, 1997:352). Although pluralist perspectives of power allow democratic process for complex stakeholders such as participation in political parties, civil society, networking organizations and so on, the underlying factor is that the minority, just like in the elite perspective, have set the rules of the game and the majority competitors have to abide to those rules (Bohle and FunfGeld, 2007:667).

From the structural perspective, power is exercised by limitation of resources and opportunities through socio-economic structures and institutions at both micro and macro levels (Ife, 2002:2008-2009). Angela, (2000:36) argues that although the other forms of limitation of resources and opportunities or discrimination are pertinent, gender has been the most crucial. It is argued that the patriarchal system at the household level, mainly in the rural areas, has promoted workload and denial of education to women. It is argued that each of these serve to perpetuate the lower women's socio-economic conditions or inequalities (Bohle, 2007:11).

In the post structural perspective of power, the manifestation of power occurs through dominant discourses. In this perspective, the distinction between the society and the power holders is not only through resource or material ownership, but most importantly it is through the way in which the minority groups of power holders communicate and tend to influence the majority of people to conform to their standards. Control over media by the power holders has been a crucial factor to perpetuate their discourses (Blaikie et al, 1994: 340).

In the context of SLA and community development it is crucial to analyze how these different forms of power may influence the impact of the self-provided micro-credit schemes, the related

micro-enterprises and ultimately the meeting of the basic needs in a sustainable way. All the perspectives on power as discussed in their relationship with the process of empowerment have common factors that are disadvantageous to micro-credit programs. Some distinguishing common factors across these perspectives on power are “belonging to special groups of people, identification with the rules of the game and competition, limitation of resources and opportunities and dominant discourses” (Morse and McNamora, 2013).

When taken together the common identified factors across the mentioned perspectives on power are characteristic of the same values that inform the dominant conventional development paradigm, which are the accumulation of resource and opportunity by small groups of people to the exclusion of the majority. The other underlying issues from the common identified factors related to perspectives on power is the fact that equally to conventional development paradigm they also represent the values of competition and not sharing (Tesoriero, 2010).

Differently from the values of conventional development paradigm, the SLA and the principles of community development through micro-credit schemes as community based intervention strive to raise awareness to the communities on the availability and use of local resources as their rights as citizens. The use or sharing of local resources and opportunities require citizens’ participation in the forums for related decision making process (Tesoriero, 2010). Therefore, structural issues for example, in the form of gendered norms and patriarchy are directly related to exclusion of resources and opportunities by small groups of people at the household, community and institutional levels. In that context empowerment and participation of the majority excluded people is crucial for the advancement of their interests (Oitheten, 1999).

In the context of development intervention and community empowerment Shragge (1993:11) argues that communities are best placed to address their problems. However, what is crucial is provision of support in terms of resources and capacity-building aimed at addressing of those problems. Hence there is need to ensure that power relations between the stakeholders are at the same level. If there is unequal power, the tendency is the exclusion of the community in the decision-making process which promotes external patronage.

In the context of empowerment and conceptualization of power for sustainable community development, by community groupings in Chókweè district, this study is aimed at assessing the level of the provided skills and awareness on structural issues to the beneficiaries for effective implementation of their income generating activities. This study particularly looked at aspects of women's capacity-building so that they may effectively run their micro-enterprises and have equal voice in the decision-making process. Equally important, the study also interrogated the extent to which the beneficiaries have generated income to assist their households to improve their basic living conditions including food security.

3.3.3. Valuing local resources

The principle of valuing local resources corresponds to community self-reliance in the context that local capabilities are prioritized in addressing local problems. Local resources may be in two forms, tangible and intangible (Dale and Newman, 2005:9). Intangible resources are abstract in that they cannot be touched, for example, local knowledge. Tangible resources are concrete, for example, mineral resources. The principle of valuing local resources reduces external dependence and puts communities in the center of development (Ife, 2002:212).

According to Tesoriero (2010:120-128) local resources are complex and may be made up of local knowledge, local culture, local skills and local structures. Generally it is undisputable that knowledge is essential and necessary to result or influence progress or socio-economic development of communities. However, there has been a complex debate on how knowledge is acquired and Holland and Blackburn (1998:121) have debated about conventional and community or local knowledge. They point out that while the conventional knowledge is dominant, defused through writing and that it is centered on the subject and object relationship, since it is assumed that an expert deploys the knowledge to the audience. On the contrary; the local knowledge is localized and has been defused through undocumented methods (story-telling) from generations to generations, which makes it unsustainable.

Chambers (1993:84) argues that although the local knowledge has not been documented it is crucial for community development, taking into account that it is associated with people's

livelihoods and experience along their lives. In addition, the author argues that isolating local knowledge may contribute to reducing people's participation in development intervention.

Similarly to the relationship between local knowledge and conventional knowledge, there is commonality based on the principle of dominance of conventional culture over local culture. Kleymeyer (1994:124) highlights that for community development benefits, it is essential that development practitioners acquaint themselves with local values and whenever possible rely on these values as the starting point for their developmental intervention. In relation to the principles of human rights Tesoriero (2008:62) highlights the need to strike the balance between what is culturally right and what is the basic human right for eliminating both cultural abuses on the name of local culture and promoting development.

In regard to local skills, similarly to the other mentioned local resources, its prioritization is crucial for community development. Chambers (1993:66) stresses that it is crucial to make a distinction between needs assessment and community-based assets assessment in order to identify community existing local skills. The argument is that the needs assessment approach is disempowering since it is centered on the principle of which skills are imported to the community, while the asset-based approach is empowering since it recognizes and prioritizes community assets to promote community development. Chambers also points out those participatory methods are crucial to carry out asset-based assessment since the communities themselves are put in the driving seat.

Local structures inform sustainability and community self-reliance. According to Haque (2006:20) self-reliance is the ability for the communities to become autonomous, independent, and reduce dependence from external agents. Eade (2000:119) highlights that in the context of community development; dependence on external funding has compromised autonomy. The argument is that the development agents responsible for providing funding may, and usually have set conditions, which are often conflicting to the vision and mission of the community.

Land as a natural resource and main local structure plays a pivotal role in activating other capitals and uprooting household underdevelopment. Therefore, there is a need to secure the allocation of land to households. In the context of the Chókwè district this is true to avoid land conflicts between the communities and external investors. The high potential for farming due to Limpopo River,

which runs the length of the district, makes it attractive to commercial farmers. Therefore, there is a need to promote land availability for the household farming activities related to micro-credit schemes.

In regard to the principle of valuing the local, the interrelation with the case study, which describe the self-provision of the micro-credit schemes for income generating activities by the community groupings in Chókwè district, it assessed the level of support that local structures, in particular the Chókwè local government, have facilitated the formation and support of small businesses. It is important to point out that local governments in Mozambique play different roles and are tasked to manage the commercial sector at local level. Both the survivalist and micro-enterprises that are often linked to micro-credit schemes are the source of revenue for local governments through tax collection.

Chókwè district has high potential for farming activity both for household and industrial sectors. This is due to the fact that the Limpopo River runs across the length of the district. Therefore, the river as local resource is extremely important as the source for farming irrigation. Since the self-provision of the micro-credit schemes for income generating activities by community groupings is located in the Chókwè district, this study also interrogated the extent to which the operators of the income generating activities in the farming area have liaised with their industrial counterparts as their product suppliers. Indeed, due to the referenced farming capabilities the Chókwè district has been considered as the country's livestock.

The availability of local resources such as the Limpopo River, farming and fishing skills and other local resources makes it crucial to interrogate the advantages that the owners of the related income generating activities have taken from the fact that they have indeed used the existing local resources.

3.3.4. Sustainability

Sustainability is in literature discussed in the context of the relationship between the natural environment, people's livelihoods and their involvement in the process. In relation to the natural

environment, Rees (1999:91) distinguishes the expansionist or reformative view from the ecological or transformative view. The expansionist or reformative view is technocratic oriented; natural resources are bound to be used for socio economic purposes and that the environmental degradation may be restored by technological intervention. Therefore, the expansionist or reformative view is not concerned with the depletion of natural resources since it focus on the present generation (ibid). On the contrary, the ecological or transformative view sees the community, the natural environment and the satisfaction of basic needs as interrelated components that make up the ecosystem. The ecological or transformative view regards the interrelation of those components as vital to strike the balance between the present and future generations for resource use (Ife: 2002: 212).

Morse and McNamora (2013:1-3) extend the principle of sustainability beyond the environmental and ecological views. The authors integrate the issue of longevity of developmental interventions related to people's livelihoods. The authors argue that the issue of the longevity of developmental interventions is crucial when taking into account the fact that endogenous development should prevail after the detachment of the related stakeholders. Therefore, the degree to which the principles of community development associated to the availability and use of the available resources/capitals as depicted by the SLA is determinant to inform the sustainability of community development interventions (De Haan, 2000:17).

Rogerson (1987:22) states that in general the income generating activities that are carried out through micro-credit schemes are the types of survivalist and micro- enterprises. The survivalist enterprises are operated by single person, with minimal initial capital and are linked to informal sector. Their commercial activities may range from retail vendors for a diversity of products and services. The micro-enterprises are made up of a maximum four people and tend to engage in more fledged income generating activities than in the survivalist enterprises (Yanus, 2001:47). Here activities may include poultry, fishing farming and so on. The micro-enterprises may or not be registered (Bateman, 2010:2).

The self- provision of micro-credit schemes by the community groupings in Chókwè district may be similar in terms of the types of the implemented income generating activities which are

triggered by the literature on micro-credit schemes for income generating activities. In the context of the principle of sustainability and the SLA, this study sought to interrogate implications those and other types of implemented small businesses have had in relation to the natural environment. Related to sustainability, this study also interrogated the capacity that the beneficiaries of the micro-credit schemes in Chókwè district have to carry on with their small businesses when they are no longer partaking in the community based funding strategy.

3.3.5. Local economy

Tesoriero (2010:178) argues that the comparative advantage of community development as an alternative development approach is the fact that developmental initiatives take place at localized settings. This results in the circulation of resources, including financial resources within the community, which helps to boost local economy. Following this argument, it is pointed out that even in the circumstances in which diverse communities interact themselves; there is no risk of structural or unbalanced relationship since such communities are within the same economic level. Similarly to the counter argument is the view that in the traditional paradigm, developmental initiatives have been tied to exploitive resources exports characterized by massive deployment of raw materials from the Third World countries, which have limited local development since the related added value takes place outside the community (Al-Ami et al, 2015: 53).

The analytical analysis through SLA and promotion of local economy are mainly depicted through the natural, human and social capitals/elements, structural issues and the comparative advantage in relation to the traditional development paradigm (Morse and McNamora, 2013).

The development initiatives, which are operated locally may take the advantage of local available resources, mainly the natural resources, which could have a direct effect in curbing the related financial expenses comparatively when these resources were to be brought or imported from other locations whether nationally or internationally respectively. However, in the context of micro-enterprises through micro-credit schemes that engage small groups of poor people, especially women, it is crucial that access of those natural available resources is not analyzed in isolation.

Structural issues in relation to women's engagement in economic activities should be taken into account (Das et al, 2012).

Structural relations, especially at the household and community levels through gendered norms and patriarchal practices have disempowered women's participation in economic activities. The gendered norms and patriarchal practices are mainly manifested by unequal division of labour at the household in which women carry the responsibilities of domestic and child care related tasks. Men therefore are tasked with the exclusive responsibilities to provide with the household finances. Taken together this scenario renders exclusive decision making process to men and poses major barriers to women's ascension to employment or self-employment through micro-credit schemes (Khandekar et al, 2008).

The use of the available local resources has also the advantage of boosting local economy and enhancing the integration of human resources/capital, which contrasts the economic practices of traditional development paradigm and globalization (Al-Ami et al, 2015). This is because depending on the type of business, for example, in the case of transformative industry related business, the advantage associated with the added value enables the diversification of other small businesses, which boosts the hiring of the people (human capital). In the context of the available natural resources the added value is the ability that the transformation of those natural resources have to generate additional enterprises (businesses) and the related job opportunities. For example, local enterprises in Mozambique have hired workers to cut log trees in the forest. The transformative industry enterprises have hired workers to oversee the process of transformation of the acquired log trees into wood. Finally the workers in the carpentries' use the wood to produce the furniture (Shiva, 1999).

In regard to the traditional development paradigm and globalization, in which the available natural resources are directly exported to the developing countries, the argument is that the added value effect boosts job opportunity away from the local communities. Therefore, the local communities not only are deprived from using the natural resources but are also deprived of boosting local economy through more job creation and collection of taxes (Bateman, 2010).

Norberg-Hodge (1991:44) is supportive for the promotion of a strong local economy and stresses that the conventional developmental paradigms, especially globalization, not only have promoted unbalanced economic relations, in favour of developed countries, but they have also eroded community cultures and traditions. It is argued that globalization, driven exclusively by western values has imported to the Third World countries the consequences of corporations and consumerism. Yet, both these aspects of corporations and consumerisms are antonymous to community self-reliance and sustainable meeting of basic needs principles, which are crucial for promotion of local economy or community development, since their principle is to maximize the profits through diversification of goods and foods to a variety of consumers at the expenses of degradation of the natural environment (Ife, 2002:202-203). Al-Amin et al (2015:4) contradicts the view against globalization according to the economic growth in some countries and stress that it should be viewed as an opportunity to enhance economic relations and cultural diversity. The authors argue that the outsourced corporations to the Third World countries promote local employment and are attached to the working culture that enhances profitability.

The comparative advantage of local economy in relation to the traditional development paradigm and globalization in the context of the use of local resources, which highlighted the boosting of local economy through creation of more jobs related to the effect of added value has been discussed (Bateman, 2010). Thus the assessment shift to the relationship between globalization and the environmental sustainability in the context of the use of the available natural resources.

However, in relation to the assumption of creation of job opportunity in the Third World countries related to the outsourced corporation from the developing countries through globalization, it is point out that such created jobs not only are minimum but are associated to low wages and responsible to exportation of massive raw natural resource to developing countries (Tesoriero, 2010).

In the context of SLA the relationship between the natural environment and the argued promotion of local economy in the Third World countries through globalization is antagonistic to community development. Although the minimum employment is promoted locally in relation to globalization through the outsourcing process, this is highly at the expenses of the natural resources. This is

because massive natural resources are explored and exported to the developing countries. In fact the minimum promoted employment locally is responsible for the massive exploration of natural resources (Rees, 1999).

In this context and through the SLA analysis the relationship between the natural, the human and the social capitals/elements is not balanced. The unbalanced relationships between these capital result in promotion of environmental unsustainability. Social capital in the form of civil society is called upon to advocate for adequate policy measures to strike the balance between the sustainable use of local resources for promotion of job opportunities that will also enable the sustainable meeting of basic needs. Therefore, this process would ultimately promote sustainable environment (Serrat, 2008).

Shiva (1999:28) makes a deep reflection on the debate related to localized economy and globalization. Shiva contextualizes her reflection on the perspective of monoculture and poverty. The monoculturalism associated with globalization not only has marginalized cultural diversity but it has also contributed to poverty in the developing countries. Prior to the advent of globalization, the majority of people in the developing countries, especially in rural areas have had their values concerning development according to the context. For example, in rural areas in most African countries the communities cover their huts (houses) with grass and plaster the walls with thick sand, as part of local resources. They also keep reasonable quantity of cattle and may sell some to satisfy the emerging needs. The argument being made is that from the perspective of globalization or monoculturalism, the self-esteem of these communities is devalued when they are regarded as being poor (Oxenham et al, 2002:24).

The study is located in Chókwè district, in the Southern province of Gaza in Mozambique. Linked to its high potential for farming development, Chókwè has been a distinctive trading partner district for the rest of the other districts in the Gaza province; and the neighbouring provinces of Maputo in the south and Inhambane in the north. These trading relations have taken place in the Chókwè district as well as outside Chókwè (Public Administration Ministry, 2014).

Within the principle of local economy, the self-provision of the micro-credit schemes for income generating activities by the community groupings in “Chókwè” district, as the case study, is to

assess in which trading levels, whether the inter- district relations with the other districts within the Gaza province, whether the intra- provincial relations with the big urban centers in Maputo and Inhambane provinces are favourable to them as trading partners (Tesoriero, 2010:178). This takes into account the fact that unstructured or unbalanced trade relations have benefited the more fledged partners as is the case for the big urban centers trade partners (Shragge, 1993: 12).

3.4. Structural disadvantages

The structural disadvantages to local community development are those disadvantages that result from unequal economic, political or social systems (Geiser et al, 2011:258). These disadvantages have been developed by and represent the interests of the powerful and exclude the poor. However, these disadvantages do not affect all people equally. How one experiences and copes with structural disadvantages is dependent on a range of factors including gender, age, race, class and disability, as well as access to development initiatives (Ife, 2002).

Structural disadvantages and exclusion is tied to certain groups of people based on gender, age, race, class and disability. Tesoriero (2010: 14) highlights the socio-economic dimensions of poverty, which are characterized by exclusion of the people from resources and opportunities. McCarter (2005:353) argues that the exclusion of these groups of people, particularly women, should be accounted for in making sense of both poverty and sustainable development. Women, according to McCarter, make up the majority of people in developing countries and they are responsible for households' livelihoods and care.

The provision of micro-credit schemes especially to women has been referenced as a catalyzing factor for both poverty alleviation and women's agency (Sen, 2000:189). It is argued that through micro-credit schemes and the associated consciousness raising in vital areas such as family planning, human rights, and democratic process, women are not only enabled to generate income for household's livelihood but are also empowered to chart the course of their development by selecting the preferred developmental project and participating in the decision-making process (Smith, 1997).

The underlying factor related to structural disadvantages is that it excludes the majority of the people from the socio-economic and political domains. However, the fact that the women are the most affected through the structural issues of gender and patriarchy, makes them the most excluded from employment. On the perspectives of this scenario, and attached to the principles of community development through empowerment and participation, micro-credit programs have the potential to address both the structural issues and promote self-employment especially to women (Das et al, 2012).

Empowerment through awareness process for women and men should be the basis for exposure of these structural issues and behavior change. Skills training on small business management for women as the recipients of micro-credit schemes should be another component of the empowerment process. Interactive participation that values people's opinions would allow the beneficiaries of these schemes to partake in all the stages of the development intervention (Bartel, 2010).

Although issues of age, race, class and disability are crucial in the context of the structural disadvantages, this study will focus its assessment on how the issue of gender equality has been prioritized in the income generating activities. As it has been discussed in the literature, women have been the majority participants in micro-credit schemes (Ellis, 2008). Indeed, this is also the case of the self-provided micro-credit schemes for income generating activities from the community groupings of Chókwè district, which is the case study for this dissertation. This assessment was done according to gender analysis. In fact, throughout the rural districts in Mozambique, as is the case of Chókwè district, the gendered roles women are assigned with are home related. The assessment of gender analysis was embedded in the perspective of the principles of community development that were discussed in this section.

3.5. Achieving MDGs through micro-finance

The MDGs were formulated by the UN in consultation with the member states in 2000 and are part of a development framework aimed at assessing the levels of development worldwide, especially in the Third World countries where the incidence of poverty is extremely high. The

development framework is made up of eight (8) MDGs and they are: 1: Eradicate extreme poverty and hunger, 2: Achieve universal primary education, 3: Promote gender equality and empower women, 4: Reduce child mortality, 5: Improve maternal health, 6: Combat HIV/AIDS, malaria and other diseases, 7: Ensure environmental sustainability and 8: Develop a global partnership for development (MDGs fact-sheets, 2012).

Viewed holistically the MDGs are people-centered in that they are aimed at improving the socio-economic and environmental problems of the people. As discussed in the United Nations Conference on Trade and Development-UNCTAD (2015) micro-finance has the potential to “creating sustainable local employment opportunities, reducing poverty at community level, increasing revenue, strengthening women’s empowerment and improving the agricultural sector”.

Local employment, community level, revenue and empowerment are the common aspects across the statement related to the UNCTAD that characterize the institution of micro-finance. These common aspects highlight two crucial issues. First, the exclusion of the majority poor people from traditional financial institutions such as commercial banks. Second, micro-finance institutions apart from their location close to the communities they also adapt their services to meet the needs of the poor people. Third, revenue is important for the households to meet their basic needs (Claessens et al, 2005).

Through a comparative analysis it can be concluded that the MDGs are incorporated in the aspirations of micro-finance as depicted by the statement related to the UNCTAD. The crucial aspect for the achievement of the MDGs is access to financial resources by the people. But the majority of poor people worldwide, especially in developing countries are excluded by the traditional financial institutions, since they lack valuable assets as collaterals. Collaterals are the main requirements from these financial institutions. In this context micro-finance is seen as alternative for the poor people to generate income through micro-enterprises (Bateman, 2010).

Attached to micro-finance is the advantage that the majority poor people, especially in rural areas in developing countries are reached. This is justified by the fact that the small size loans are adaptable to the needs of the poor people due to lack of collaterals as discussed (Classens et al,

2005). However, in the context of women's empowerment it is argued that their ascension to economic position due to self-employment related to micro-enterprise development does not often challenge the structural issues at the household and community levels. In fact the structural issues represented by men in the form of gendered norms, customs and patriarchal practices are greatly viewed as the underlying barrier for women's empowerment and therefore their exclusion in the decision making process (Bateman, 2010).

3.6. Compromise between social and commercial mission through micro-finance

Debates and theories on micro-finance are commonly driven by these factors: Reaching the poor, financial sustainability verses serving the poor.

Due to the exclusion of the majority poor people by the traditional financial institutions, especially in developing countries, with high incidence in the rural areas, MFIs were handed the task of reaching the financially excluded people. This was against the backdrop that MFIs are adaptable to the needs of the people and since they are driven by social mission. MFIs also do not require collaterals from the beneficiaries (Bateman, 2010). While to a certain degree the MFIs have managed to serve the poor communities especially in rural areas, Claessens et al (2005:22) are skeptical of this possibility and argue that high costs of expanding the localization of MFIs and transaction costs verses the comparative low loan size, makes it financially unmanageable to sustain these institutions in rural areas where the most in need live.

The debate on MFIs sustainability verses serving the poor is centered in the ability for MFIs to strike the balance between social mission, which is to target most of the vulnerable people with low size loans and commercial mission, which is to generate profit for institutional sustainability (Thapa, 2007).

Micro-credit Ratings International (2008:6) argues that the dual mission of the MFIs by striking the balance between the social mission and the commercial mission is limited in that due to the relatively high interest rates the poorest of the poor are not reached and there is need for MFIs to formulate diversified financial products to target the poor according to the level of poverty.

In relation to micro-finance as proactive strategy to reach the poor, and in light of the World Bank's goal of achieving universal financial inclusion by 2020 World Bank (2015: 11) emphasized that "there is no one-size-fits all answers to micro-finance". Therefore in the context of social mission and commercial mission of MFIs the World Bank recognizes that since poverty is not homogeneous in that the levels of poverty vary it is necessary that MFIs respond to the financial needs of poor communities by formulating diversified loan sizes (World Bank, 2015).

3.7. Gender inequality

Gender inequality mainly manifested through structural issues and perpetuated to women is pointed out as one of the major barrier which results from women's exclusion from resources and opportunities (Bartel et al, 2010).

Tesoriero (2010:66) argues that due to strong insertion of gendered norms and patriarchal practices that fuel the victimized women at the household and community levels, women in developing countries, especially in rural areas, have tended to internalize the unequal gendered norms and patriarchal practices as adequate social order, and resistance to this alleged social order would be viewed as a deviation from the household and community expectations.

Khandekar et al (2008) point out that it is crucial to integrate personal level and group based level strategies to promote awareness against gendered norms and patriarchal practices that mainly make up the structural issues. These awareness strategies would target both men and women. For men the strategies would influence their behavior change and for women the strategies would empower them to challenge these structural issues. It is argued that while the personal level strategy identifies the individual attitudes and beliefs that fuel the gendered and patriarchal norms against women as linked to the socialization process at the households and community levels, the group based strategy collectively engages men and boys to identify and act upon those unfavourable attitudes and beliefs that constitute a major barrier to women's empowerment and gender equality.

Des et al (2012:4) argue that both the personal level and group based level strategies are interrelated in that while the personal level strategy promotes a reflective opportunity at personal

level on the attitudes and beliefs related to gendered and patriarchal norms, the group based strategy promotes sustainability of the reflective process throughout the community by engaging men and boys. Further Des et al argue that the personal and group based strategies that engage men/boys separately and collectively for behavior change on gendered norms and patriarchal practices, and therefore reflecting on the structural issues is transformative since the process empowers overall men and women to identify the problem, reflect on it and change behaviour.

3.8. Conclusion

The discussed theoretical assumptions throughout this chapter are synchronized with the research conducted for this dissertation. The chapter has demonstrated the problems or issues that hinder communities' socio-economic development. Those problems or issues have systematically been presented as part of structural disadvantages, top down development processes and unsustainable systems. This has resulted in the exclusion of the majority from resources and opportunities, unequal power relations and devaluing of local resources.

Through the linkage with the SLA as a theoretical and conceptual framework, human, social, natural, physical and financial capitals were discussed in the context of the relationship between peoples' livelihoods, multiple stakeholders and the informing systems and processes. As a theoretical and conceptual framework adopted in the study, the SLA was deemed appropriate to integrate the people-centered principles such as participation, empowerment, valuing local resources, local economy and sustainability for communities' sustainable meeting of their basic needs. The relevance of micro-finance by linking global and local context through MDGs, the dual conflicting missions of MFIs and the impact of gender inequality were discussed.

In this chapter, it has been demonstrated that community-based institutions are crucial to respond to micro-credit needs of the poor households which in turn would boost local economy, allowing trade to take place within the localized setting.

Chapter 4: Research Method

4.1. Introduction

This chapter discusses the methodologies that have been used to collect the data. The qualitative and quantitative methods were used in the research. The qualitative method was used in order to generate the beneficiaries' pattern of thought and behavior and the quantitative method was to partially provide the demographic profile of the participants. The case context of the 4th Neighborhood at Chókwè district was provided as a research site. Following the case context, the research process detailing how I gained entry into the research site including the contact making mainly with the head of the micro-credit schemes was described.

The chapter further highlights research design/approaches and methods, research instruments/methods, population and sampling methods, data analysis, ethical considerations and chapter conclusion.

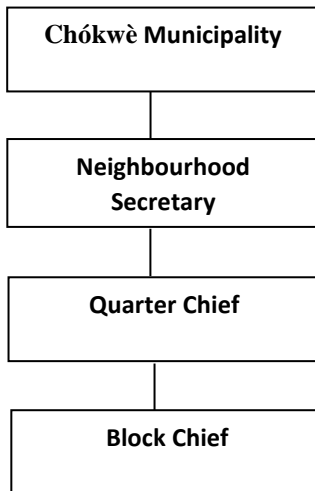
4.2. Case study context- 4th Neighbourhood at Chókwè

The 4th Neighbourhood is located in the greater Chókwè district. The majority of the members of the self-provision of micro-credit groupings live in the 4th Neighbourhood. The 4th Neighbourhood has common borders with other Neighbourhoods: the 1st Neighbourhood in the south; the 2nd Neighbourhood in the north; the 3rd Neighbourhood in the west and the 5th Neighbourhood in the east. There are 5 quarters and 25 blocks in this Neighbourhood. Each quarter is made up of 50 households and each block is made up of 10 households. The 4th Neighbourhood is divided into sections A and B. There are 12 blocks in section A and 13 blocks in section B (Public Administration Ministry, 2014).

It is important to mention that there is the Neighbourhood secretary, who is responsible for the Neighbourhood affairs, the quarter chief who is responsible for the 50 households and the block chief who is responsible for the 10 households form part of the administrative structure. The affairs in the Neighbourhood at all the levels are liaised through summoned community meetings. The 4th

Neighbourhood and the other Neighbourhoods in within Chókwè district are under the Chókwè municipality jurisdiction; that is, they are accountable to the Chókwè municipality (Public Administration Ministry, 2014).

Figure 3: Organogram of the 4th Neighbourhood local administrative structure



In the 4th Neighbourhood there is a primary school, the 4th Neighbourhood primary school, which is located in section A. The primary school has grades 1 to 5. The youth from this Neighbourhood go to the neighbouring 1st Neighbourhood to attend secondary level education, the 1st Neighbourhood secondary school. They may also choose to go to other primary and secondary schools in the 1st and 5th Neighbourhoods, which are the 1st and 5th Neighbourhoods' primary and secondary schools respectively. The other existing basic services, in the 4th Neighbourhood include health services from the 4th Neighbourhood local health facility, taped water and electricity. The 4th Neighbourhood local health facility is located in section B (Statistics National Institute, 2016).

Apart from the above mentioned infrastructures related to basic services provision, the 4th Neighbourhood is characterized by untarred roads. Most of the households own houses made of reed with corrugated iron roofs. Some households own grass huts and few household own houses made by bricks (Statistics National Institute, 2016).

The main market is in the 4th Neighbourhood in section B, “o futuro melhor” market, which corresponds to better future market as translated in English. Some of the main service offered

within the market include the sale of the basic food products such as rice, beans, potatoes, fresh and dried fish, maize flour, cooking oil and so on. Second hand clothes (used clothes) are also traded in the market. There is a local warehouse in the market that supplies the basic food products to the retailers. There are some workshops in the surrounding market, which offer services such as car repairing and welding (Poverty Annual report, 2014).

The social organization in the 4th Neighbourhood is mainly comprised by religious affiliation. While some community members attend Christian religion, the majority attend the African traditional religion, the “Zion” church. There are very few community members who attend the Muslim religion. It should be noted that the Muslim Religion is widely practiced in the Central and Northern regions of Mozambique and not in the Southern region as is the case of Chókwè district and the 4th Neighbourhood. In general some community members consult the traditional doctors in the 4th Neighbourhood (Statistics National Institute, 2016).

Figure 4: Community map- 4th Neighbourhood in Chókwè district



The main economic activity in the 4th Neighbourhood is agriculture, taking into account that its soil is fertile. In fact The Limpopo River, the main hydrographic resource of Southern Mozambique, which runs the length of the district also benefits the households in the 4th Neighbourhood. The basic produced crops by the household small scale farming are maize, rice, variety of beans, cassava and sweet potatoes. Households also produced typical commercial crops such as cashew-nuts, tobacco, sugar-cane and copra to supply to industrial farmers within the greater Chókwè region. Small scale fishing, raise cattle and informal trading also characterize the economic activity in the 4th Neighbourhood (Public Administration Ministry, 2014).

Although the 4th Neighbourhood and in fact the Chókwè region have fertile soil associated with the tropical weather, which is generally characteristic in Mozambique, there have been cyclical periods of floods. The most devastating sequels of the floods in the 4th Neighbourhood and Chókwè region have been the destruction of both household and government infrastructures. The destruction of infrastructure has forced the displacement of the communities to higher level land locations within Chókwè region or to other districts during the flooding periods (Ministry of Agriculture, 2009).

The people from the 4th Neighbourhood often use firewood for cooking. They also buy charcoal brought in from the distant villages. Some of the villages that still produce charcoal from local bushes are Donga, Pelane, Newango and Chichongole. These villages are located in far distances, which range from 45 to 60 kilometers from the 4th Neighbourhood (Statistics National Institute, 2016).

Therefore, some of the environmental factors in the 4th Neighbourhood are related to the clearance of the local vegetation mainly to provide the household firewood for cooking, although there are also some cases of use of local vegetation to provide firewood for sale. The main environmental problem in the 4th Neighbourhood and greater Chókwè region is related to the fishing activities. The small scale fishing has been practiced by the communities using mosquito bed nets, which capture minor fish and eggs. This practice compromised the regeneration of the fish species and the sustainability of this activity (Ministry of Agriculture, 2009).

4.2.1 Livelihoods strategies

Livelihoods strategy are related to the activities that people have been doing in their lives in order to meet their basic needs such as food, water, health and housing. Livelihoods strategies are holistic in that they may not be viewed in isolation. People's livelihoods strategies are directly linked to the local available resources in a given community. Throughout the years people have gained skills, capabilities and experiences related to their livelihoods strategies (Montesquiou et al, 2014).

In the context of community development through its principles, which include participation, empowerment, sustainability and valuing local resources, and the related SLA natural, human, physical, financial and social capitals/elements, an equilibrium should be maintained for promotion of sustainable development. The relationship between community development and SLA also expose and calls for the continued urgent need to address and challenge of structural issues mainly in the forms of gendered norms and patriarchal practices. The structural issues are responsible for excluding the majority poor people, especially women from resources and opportunities. People-centered policies especially at local level to be advocated by the social capital organizations such as the civil society organizations are crucial to create favourable environment for the participation of the communities in development interventions for their sustainable meeting of basic needs (Serrat, 2008).

4.3. Research process and entry to the community

I went to Chókwè district for the first time in 2011. As part of Population Services International (PSI) staff, an NGO I was working for, at the time we were tasked to make an assessment of the living conditions in the accommodation center, which was set up following the flooding occurrence in that district. That is when I familiarized myself with the self-provision of micro-credit schemes project by the community groupings in Chókwè district.

In Chókwè district there are various community groupings dedicated to the self-provision of micro-credit schemes in partnership with World Vision, which is an international NGO. There are six

groupings at 4th Neighbourhood promoting self-provision of micro-credit schemes and each scheme consisted of 20 members.

I contacted the head of the selected self-provision of micro-credit scheme grouping as the case study for this dissertations in order to request permission to carry out the study. Importantly, the head of the micro-credit schemes grouping was instrumental in widening my networks and connecting me with relevant people for interviews. Apart from being the member of the selected self-provision of micro-credit schemes grouping, the main role of the head includes summoning and facilitating the group periodical meetings on matters related to the functioning of the group. The head, in consultation with the other group members also decides on matters related to admission of new members and how to assist the struggling members to repay the loans. She also represents the group in the meetings with the other heads of the self-provision of micro-credit schemes groupings within the greater Chókwè district and from other districts. These meetings are often about exchange of experiences on the functioning of the schemes process from repayments and the type of micro-enterprises chosen.

The main reason that determined the selection of this particular self-provision of micro-credit schemes grouping from the 4th Neighbourhood as the case study for this dissertation is the fact that it is represented by most of the members that have been participants in these self-provided schemes for at least two years. The fact that the selected self-provision of micro-credit schemes grouping had a diversified age group among its members was also determinant to analyze the relationship between the age of the members and the selected micro-enterprises. The only request from the head of the self-provision of micro-credit schemes grouping was to share with the group the outcome of the research to enable them to learn from the experience and improve their self-provision of micro-credit schemes and the related micro-enterprises. The head of the selected self-provision of micro-credit schemes accompanied me and introduced me to the other members of the group. I introduced myself and explained the purpose of the study to the entire group. After a thorough explanation of the importance of the consent to participate in the study, both the consent forms for the self-administered structured questionnaires and focus groups were signed. The head of the self-provision of micro-credit schemes grouping was helpful in mobilizing the other participants to participate in the data collection process.

4.4. Research design/approaches and methods

4.4.1. Research design/approach

As part of qualitative methods for data collection, the focus groups and the participant observation were used. The self-administered structured questionnaires were used as part of the quantitative method. The self-administered structured questionnaires were to be responded through filling up the respective structured questionnaires forms by each micro-credit participant. The combination of these three methods, which is the triangulation process was to enhance the validity and reliability of the study.

In the context of research methods the triangulation process is crucial in that it strikes the balance between the various combined methods in terms of their weaknesses and strengths. The striking balance between the selected research methods enhances the ability of accuracy of the findings through the applied methods. By nature the research methods do not uniquely have a diversified characteristics that would render them both the ability and the legitimacy associated with the accuracy of the identified findings of the study. It should also be noted that the selection and combination of the research methods takes into account the context of the study in terms of the objectives of the study associated with the geographical characteristics and the social status of the potential participants of the study (Yeasmin and Rahman, 2012:154).

In the context of the focus groups, the participant observation and the self-administered structured questionnaires as the selected research methods for this research taken together will provide the strengths of the study in that the focus groups through the open-ended questions characteristics; the participant observation through the factor-checking characteristics and the self-administered structured questionnaires through the close-ended questions and individual oriented perspective by each recipient of micro-credit schemes will together enhance the validity and reliability of the study (Smith, 2011).

According to Alexei (2002: 20) qualitative methods are grounded on the interpretative paradigm, which is based on the interpretation of patterns of thoughts and behaviours that sustain social

reality. For Fryer (1991: 62) key focus of qualitative methods is the interpretation of meanings and such meanings may not be viewed in isolation. This implies that a holistic perspective in which not only in-depth information is gathered but its recurrence is identified and related between the individual and group levels and related to the overall context is carried out through qualitative methods.

Bryman (2006: 98) highlights that qualitative methods are ideal to social accounts since they are by nature characterized by processes. This entails that processes are characterized by exploration of phenomena, description of individual experiences, practices and perceptions that characterize a given society. Therefore, the elements that comprise the process and the relationships that bind the process make up a systematic interaction informed by the norms and values of a society. The understanding and interpretation of this systematic relation requires qualitative methods since they are indeed made up of principles and techniques that are unique for exploring processes.

Angela (2000:28) emphasizes the flexibility and informality that characterize the qualitative methods. The qualitative methods are flexible in that they allow the adaptation during the interaction between the researcher and the participants. That is, the set of questions that guide the data collection process is not technical and may be accommodating depending on the participants' abilities. This takes into account the fact that although the participants may partake in the same process they are not necessarily homogeneous. The informality that distinguishes the qualitative methods is associated with the fact that the open-ended questions, which are characteristics of these methods provide the environment for the participants to elaborate their responses in a detailed way rather than to choose from fixed responses as quantitative methods do.

Although the qualitative methods are indeed adequate tools to elicit qualitative data, the process and conditions in which they are administered may influence the issues such as subjectivity vs. objectivity. Gergen (2001: 87) refers to subjectivity as the process through which the researcher is influenced by the people he intends to study in the interaction process. In this context the researcher, as the subject, detaches from the objectivity of the study. On the contrary, objectivity is the process characterized by complete detachment of the researcher from the influence of the people to be studied (Ratner, 2002:65).

The use of quantitative method through the self-administered structured questionnaires was aimed at complimenting the qualitative methods as discussed through the participant observation and the focus groups. Quantitative methods have the ability to capture and describe concrete factors in terms of frequency and the related cause effect (Yeasmin et al, 2002). Acharya (2010:12) argues that countable phenomenons, which are identified by quantitative methods apart from being concrete and tangible, are interpretable without necessary being in touch with people involved.

As highlighted through the discussed concepts the quantitative methods as reflected by the self-administered structured questionnaires, have the unique ability to describe how often in terms of frequency the attitudes and behaviours that are generated through social and economic interaction take place. This is because the process is manifested by the advantage associated with the quantitative methods through the close-ended questions that have the ability to elicit the participants to specific response (Driscoll, 2011).

My interaction with the participants through the selected qualitative and quantitative methods were characterized by objectivity hence I detached myself from their influence. Four aspects were crucial to enhance my detachment as the researcher from influencing the outcomes of the research and those aspects were: the participants were assured that their responses were exclusively for the purpose of the research and that their names would not be published; the participants were asked to respond to the questions based on their own individual facts and experiences as the result of their participation in the process of self-provision of micro-credit schemes; facilitation of the research process as someone neutral from the dynamics related to micro-credit/finance; the focus group discussion guide and the self-administered structured questionnaires contained clear, direct and not ambiguous questions. In fact the process of three focus groups, self-administered structured questionnaires and participant observation with the involvement of the 20 participants of the self-provided micro-credit schemes in the three mentioned research methods lasted for a full day and took place immediately on my arrival in the community. I left the community late in the same day after the data was collected.

The selected qualitative and quantitative methods make up the primary source of data. The primary source of data collection is important since it is the only way the researchers may interact with the participants through various research methods. Differently with the secondary source of that, the primary source of data provides the opportunity to the researchers to experience the social processes as they take place in the real context. The primary source of data also provides to the researcher the comparative advantage to analyze the social processes in different settings as informed by the related social relations. By providing the direct contact between the researchers and the participants throughout the research process it becomes possible to understand the influence of the social practices in the community that may contribute to exclude certain social groups of people in the process, and hence the ability for the researchers to adapt to those dynamics (Smith, 2011).

This dissertation also made use of secondary data. The secondary data provided the insights about the various modalities of the income generating activities throughout the world. It also provided the discussion of the adequate policy environment needed for the improvement of the income generating activities through micro-credit schemes. The consulted secondary data for this dissertation was made up of journals, same subject dissertations, research articles and micro-credit policies. The relevance of secondary data in the context of research is that it provides a comparative advantage since it exposes different theories and debates around the subject. Therefore, the secondary data comprises the basis of the body of knowledge that has been discussed related to the subject (Driscoll, 2011).

Therefore, the combination of the primary and secondary sources of data is relevant for the study in that it forms a solid bridge as reflected by the strengths taken from both the sources of data. This combination between the primary and secondary sources of data not only is necessary but is unique in the context of research.

4.4.2. Research instruments/methods

4.4.2.1. Participant observation

The participant observation method has a unique advantage when compared to other methods since it provides familiarity with the participants in their own setting. It is important to mention that, especially in anthropological studies, through participant observation methods, researchers may immerse themselves with the communities they intend to study to better understand their culture, norms and values but they seek not to be influenced by this interaction. Thus participant observation provides the opportunity for the researcher to observe the daily routine of the participants. Through participant observation the researcher is also enabled to understand the interconnectedness between various segments of the people according to their responsibilities and rights (Barbara, 2005).

Lofland and Lofland (1995:18) argue that the participant observation method enables the researcher to understand the issues and facts that the participants may be unaware of, are unwilling to share or are unable to discuss in the interviewing process. The unwillingness to share those issues and facts in other research methods may be due to community values and norms. Values and norms linked to structural relations such as gendered norms and patriarchal practices render women with lack of decision making. The same structural relations confine women with most of the household work and child care. Together these scenarios may limit women's ability to participate in the research process (Khandekar et al, 2008).

Therefore, in light of the discussed structural relations against women, it is crucial that the timing and location for the administration of the research process be taken into account to include women in the process. The immersion of the researcher and understanding of the interconnectedness between various segments of the people in the context of participant observation and the structural relations also enables the researcher to refine the research strategy (Driscoll, 2011). For example, throughout the observation process the researcher may have observed that some women are shy and in this context these women would be interviewed in isolation.

The triangulation process, which is characterized by the association of various research approaches in order to enhance the reliability of the study, also includes the participant observation method that provides the unique opportunity for the researcher to observe the facts that have been identified through other research methods. Thus the participant observation method enhances the quality of

evidence available to the research (Thurmond, 2000). Through participant observation method the aim was to observe the various types of micro-enterprises implemented by the participants and verify the interaction process with their respective customers and suppliers during both inter and intra district relations. I also observed the process of integration of the participants' micro-enterprises and use of available local resources.

4.4.2.2. Self-administered structured questionnaires

The self-administered structured questionnaires by all the 20 participants of self-provision of micro-credit schemes were aimed at capturing the individual pattern of thought and behavior and were self-administered as reinforcement of the focus groups. Finn and Jacobson (2008:77) argue that the advantage of the structured questionnaires in isolation through self-administration or self-completion, with the guidance of close-ended questions is that the participants at the individual level are given the opportunity to describe the social and practical accounts as they take place in the context. This process has reduced the group and the researcher influence over the participants' responses when compared with other research methods.

Acharya (2010: 8) points out that the closed-ended questions associated with the self-administered structured questionnaires apart from eliciting the participants to specific and practical responses are appropriate, especially for illiterate people. This is because they have a restricted way to guide and enable the participants to provide suitable answers. Other advantages on the researcher's perspective is the fact that participant's responses from the structured questionnaires enable easy interpretation and coding process. Jacobs et al (2009:19) argues that apart from directed questions to elicit specific responses from the participants according to the aims of the study, the structured questionnaires also have addressed the issues of validity since the ambiguity and vagueness in the participants' responses is greatly reduced.

The participants were given adequate time to respond to the self-administered structured questionnaires. Those participants that are able to read and write filled up their self-administered questionnaires; and I individually helped those participants that are unable to read and write according to the questions contained in the structured questionnaires and filled up the questionnaires for them.

4.4.2.3. Focus Group

All the 20 participants who are recipients of the self-provided micro-credit schemes from the community grouping of 4th Neighbourhood in Chókwè district were involved in the focus group discussion divided into 3 groups.

Krueger and Casey (2008:28) argue that the focus groups are dynamic tool to collect data in that they may allow to strike a balance between diverse sensitiveness within the participants. Thus through focus groups people from different social conditions and abilities may have equal opportunity to provide their ideas as informed by the facilitation process. In addition, the focus groups may set the environment for the learning process to take place among the participants through the discussions of the related issues, which are indeed common for all the participants (Denzin and Lincoln, 2003).

The administration of the focus groups through a combination of unstructured questions provides an environment to elicit in-depth qualitative data. Patton (2002:40) argues that unstructured questions are advantageous in that the participants take a maximum control of the discussion, which enable them to fully interact in regard to an issue. The interaction between the participants enabled the researcher to make the relationship between the raised issues and to understand the pattern of thought and behaviour.

Angela (2000:36) points out that focus groups are ideal to provide an environment in which the power relations that have been disadvantageous to women, especially due to patriarchal systems are reduced. Angela cautions that although overwhelmingly the men have had power and control over women, this does not mean that women make up a homogeneous group in terms of their socio-economic vulnerability. The argument being made is that the degree of vulnerability varies within the grouping of women. Therefore, there may be some women that are, or relatively better off than others.

For the focus groups, there were 3 groups: 2 groups of 7 participants each and 1 group of 6 participants. Since all the participants of the project were female, there was no need to form homogeneous groups for issues of power relations. The focus groups were run for two hours each

during the day. The focus groups took place from about 10 o'clock in the morning after the participants had come from most of their daily activities.

Figure 4: Micro-credit participants during one of the focus groups



4.4.3. Population and sampling methods

According to Fink (1995:23) the sampling methods are particularly crucial when the studied populations are large in that both human and financial resources including the time factor are preserved. The self-provision of micro-credit schemes by the selected community grouping in the 4th Neighbourhood in Chókwè district is the specific focus sample of the study since the grouping is made up of women who are in fact the direct recipients of the schemes. Therefore, the purposive sampling method was used in the study.

Purposive sampling is inclusive of non-probability sampling. In general terms in non-probability sampling the identification process of the representation of the population (sample) is not encompassing since the process does not promote common exposure to all the population to be legible in the process. In other words, the individuals in the population are not given equal opportunity to be legible to the study. Key main characteristics define the purposive sampling method, which include specificity, commonness and particularity. This is because the sampled population is strictly selected based on the unique characteristics that are exclusive to that sampled population (Babbie, 2001).

Mathers et al (2007:13) argue that the purposive sampling method, which is also known as judgmental, selective or subjective does not require representativeness in the sample in terms of cultural, social and gender based background as is the case of probability sampling. They argue that this enables the purposive sampling method to be detached from identifying the sample based on random approaches that focus on enhancing the issues of representativeness across the overall population, which makes the process complex.

Although there are various self-provision of micro-credit schemes groupings both in the 4th Neighbourhood and around Chókwè district, this specific self-provision of micro-credit schemes grouping was legible as the case study for this dissertation because it had specific demographic characteristics, which ranged from diversity in age group, gender, social status and level of education. The 20 members of this self-provision of micro-credit schemes grouping from the 4th Neighbourhood are all women, being that 8 are from the ²blocks in section A and 12 are from the blocks in section B. Just to highlight that there are 12 blocks in section A and 13 blocks in section B. 10 households live in each block. Therefore, a block is part of the administrative structure. I as the researcher obtained the preliminary information about the age group, gender, social, status and level of education from the head of the self-provision of micro-credit schemes grouping as informant and through my own observation, particularly in relation to gender and age group. The other preliminary information that caught my attention and determined the selection of this specific grouping as the case study of this dissertation is the fact that its members have participated in self-provision of micro-credit schemes for at least 2 years. I figured out that their experience in micro-credits, especially self-provision of micro-credit schemes would render them authority in this area as well as the relationship with their involvement in the related micro-enterprises.

The advantage of the purposive sampling method is that it allows an interaction with the objects that are the focus of the study (Osuala, 2001:18). Kumekpor cited in Mensah (1997:37) argues that the purposive sampling method provides the opportunity of intentionally selecting the objects of the study that are not dependent on random criterions. This is because the selected community grouping from the 4th Neighbourhood in Chókwè district that benefit from the schemes are all 20 women who have specific characteristics that suit the study and most importantly these

² Please refer to community map of 4th Neighbourhood for detailed information

characteristics are not randomly distributed in the universe but necessary for the study. The use of this specific group of women as the sample allowed me to avoid making inference or generalization just from a portion of the participants. Depending on the method, Fink (1995: 35) argues that sampling a portion of the participants and generalizing it, has a potential for misrepresentation of the entire population in terms of gender, age and economic status etc.

The sample for this study is purposive sampling because it is made up of all the 20 women who are the direct recipients of the self-provision of micro-credit schemes grouping from the 4th Neighbourhood in Chókwè district.

The other advantage of the purposive sampling when compared to other types of sampling methods is that it reinforces the issues of reliability of the study. The argument is that since the sample is comprised of specific group of people with specific characteristics, which are not alienable to other people, this contributes to consolidate the results of the study based on the information provided by the participants (Thurmond, 2000).

4.4.4. Data analysis

Data analysis was done through the process of data recording and data editing. While the data analysis discusses the approach that was used to analyze the collected data, the process of data recording provides a description of the steps that were followed to record the data according to the used research methods. The data editing process discusses the principles of data refinement in order to provide quality to the collected data.

During the data collection process, I recorded the responses and comments from the participants related to the focuses groups in my note book. I only took notes on the responses and comments after each focus groups session. According to Angela (2000: 87) it is advantageous to take notes and record the information obtained from the data collection immediately after each session. Taking notes and recording the information during the sessions may hamper the listening skills necessary to collect quality data. It may also pose ethical problems according to people's values and culture.

The focus groups and the self-administered structured questionnaires were separately coded since each represented a different research method. The focus groups represented qualitative research method and the self-administered structured questionnaires represented quantitative research method. It is important to emphasize that the same 20 participants were involved both in the focus group and the self-administered structured questionnaires. I coded the responses from the self-administered structured questionnaires from numbers 1 to 20. I coded the responses and the comments from the facilitated focus groups through alphabetical order. The coding process is also in alignment with the agreement with the participants through the consent forms. In the consent forms, among other things, it was agreed that the participants' names would not be mentioned in the study

Data editing is a complex process. In this dissertation the focus was on data validation and vagueness of the participants' responses. Finn and Jacobson (2008:22) point out that data validation is concerned with whether the participants' responses may or may not be validated according to the formulated questions. Therefore, data validation is assessed according to participants' own understanding of the question compared to the expected response. Vagueness of the response is concerned with the ambiguity posed by the participants' response according to the formulated questions (Ferguson, 2006: 26).

The participants' responses in relation to a question may be subject to various interpretations. In this dissertation, and during the data editing process, I have carefully looked into the participants' responses, particularly those responses, which were provided by the participants displaying immense difficulties in writing. However, those responses that despite a careful assessment have not provided any clarification were reexamined through additional contacts with the respective participants for clarification and no cases were discarded.

The Constant comparative approach is used for data analysis. It provides the opportunity to organize the data in a format, which allows for simultaneous visualization of all the categories according to the variables from the focus groups and the self-administered structured questionnaires. I looked for the recurrent responses and pattern of thought and behaviour to inform the findings of the study. The analysis through the participant observation process was a mean to

provide available evidence as informed by the findings from the focus groups and the self-administered structured questionnaires (Morehouse and Maykut, 1994).

I used 2 formats to separately visualize the variables from the focus groups and the self-administered structures questionnaires. I used the flip chart paper as the format to display and relate all the categories of the variables obtained from each of the research method. I drew 3 squares of about 30 centimeters each in the flip chart. Each square was drawn with a different colour to be distinguished from the other squares. Each square corresponded to an administered focus group. It is important to highlight that 2 focus groups were comprised of 7 participants and 1 focus group was comprised of 6 participants since 20 was the total number of the participants. I also coded each square with ordinal number and focus group identification. Within each square, I summarized the responses and the pattern of thought and behaviour from each focus group according to the identified variables. The same process of data analysis was carried out for the self-administered structured questionnaires flip chart, except that the self-administered structured questionnaires variables were coded individually for each participant since they were self-administered. This process of data analysis was not complex since the case study is just made up of 20 participants.

Within the summarized responses and pattern of thought and behaviour for both the focus groups and the self-administered structured questionnaires, special attention was devoted to those that were recurrent. I also concentrated on those responses and pattern of thought and behaviour that seemed unusual (Thurmond, 2000).

4.4.5. Ethical considerations

According to David (2011: 2) ethics is a complex issue both in terms of composition and diversity of the related issues. Moreover, ethical issues are context based as informed by specific area. However, in its composition and diversity there is a common understanding that ethics have to do with the preservation of the rights of the participants in the research.

William (2006:12) argues that voluntary participation, confidentiality, anonymity and honesty are some of important ethical principles in the context of research and preservation of the participant's rights. Voluntary participation is related to the process of free choice of participating in the research; confidentiality with keeping the provided information between the researcher and the participants; anonymity with non-revelation of the identity of the participants and honesty with abiding by the rules according to the agreed procedures.

Throughout the research process the principles of voluntary participation, confidentiality, anonymity and honesty have been mentioned to, and agreed with the participants, through the signed consent forms. Through the consent form I explained the participants the purpose of the study. I explained to them that although their full participation in the interviewing process could be appreciated, they were free not to respond to some questions or walk away during the focus groups and self-administered questionnaires. The participants were also informed that the information they provided would not be made available to other sources with the mentioning of their identity.

4.4.6. Conclusion

Before I went to the field to collect the data, I was granted permission to proceed by the head of the selected self-provision of micro-credit schemes community grouping. The head of this community grouping was also responsible for liaising with the local structures leadership in the 4th Neighbourhood as the site of the study within the greater Chókwè region for my formal entry in the community. Since it was accessible to meet with all the members of the community grouping who benefit from the micro-credit schemes, I used the purposive sampling method to collect data.

Throughout this chapter it was pointed out that the administered focus groups were used to elicit qualitative data and the self-administered structured questionnaires to elicit quantitative data. The participant observation method was integrated to enhance the reliability of the study. The focus groups and the self-administered structured questionnaires informed the primary source of data while a variety of consulted material informed the secondary source of data.

This chapter also emphasized the advantages of constant comparative approach as the used data analysis tool, but in order to provide quality of the data, the validation and vagueness principles were discussed beforehand. Finally it was also mentioned in this chapter that the ethical rights of the participants were preserved through the principles of voluntary participation, confidentiality, honesty and anonymity.

Chapter 5: Findings and analysis

5.1. Introduction

This chapter provides the presentation of findings and analysis of the empirical data collected from the participants. Focus groups, participant observation and self-administered structured questionnaires as research methods were used during the process of gathering qualitative and quantitative data. The 20 participants as the recipients of the self-provided micro-credit schemes from the community grouping in the 4th Neighbourhood in Chókwè district through a purposive sampling method were involved in the data collection process through the mentioned research methods. Where possible, the interpretation of the data was aided by visual presentation in the form of tables and pictures. The findings are discussed in the context of the main goal and objectives as well as the literature and theoretical frameworks set forth by this study. Importantly, the chapter incorporates literature in consolidating and advancing the empirical data. Considering that the majority of the poor people in Mozambique have been excluded from accessing loans, even from traditional financial institutions because they do not have valuable assets or credit histories to enable them to be legible. As a means for facilitating alternative financing, a growing number of NGOs in Mozambique have engaged in micro-credit projects in partnership with poor CBGs. This in essence allows poor communities to meet some of their basic needs (Vletter, 2006: 6).

World Vision was the NGO partner in the self-provision of micro-credit schemes by the selected community grouping in the 4th Neighbourhood in Chókwè, as the case study for this dissertation. As already mentioned, the role of the world Vision was exclusively to facilitate the empowerment process, advise the members of the self-provision of micro-credit schemes in terms of the emerging matters related to the process of the functioning of micro-credit program, including conflict resolution. World Vision also provided administrative support in terms of star up minor equipment and office materials such as a safe to keep the funds before depositing in the bank and pens, pencils and writing pads respectively.

The primary purpose of this research is to explore and assess the impact of the self-provided micro-credit schemes by community-based women’s groups in Chókwè, Mozambique in terms of processes, challenges and outcomes. The assessment of processes, challenges and outcomes will be in the context of the SLA and the principles of community development.

Therefore, this chapter seeks to present and analyze the data collected between the 26th and the 30th September 2014.

5.2. Presentation and analysis

5.2.1. Profile of the participants

The population sample was exclusively women as they were the recipients of the self-provided micro-credit schemes in the selected community grouping. Their ages varied from 22 to 66 years. Through the correlation between the age group and the number of the recipients of self-provided micro-credit schemes it was identified that 4 women were young and belonged to the age group of 22-23. 5 participants belonged to the age group of 34-37 and the majority adult 11 participants belonged to the age group of 45-66.

Table 1: Age variation of the recipients of the self-provided micro-credit schemes

Age group	Recipients of self-provided micro-credit schemes
22-23	4
34-37	5
45-66	11

Author’s analysis

Their level of education ranged from adult education, primary and secondary levels. Some of the participants did not attend school at all (none). The (2) young recipients of the self-provided micro-credit schemes attended the secondary level of education. And across the other age groups, the recipients of the self-provided micro-credit schemes attended primary (9), none (7) and adult education (2) levels. Therefore, there were recipients of the self-provided micro-credit schemes that according to their age groups (34-66 and 37-66) attended primary level of education or none

of the level. In other words the age groups varied when correlated with the level of education of the participants of self-provided micro-credit schemes.

Table 2: Age group correlated to level of education

Age group	Level of education	Frequency
22-23	Secondary	2
34-66	Primary	9
37-66	None	7
45	Adult education	2

Author's analysis

The composition of the households recipients of the self-provided micro-credit schemes varied from 3 to 9 members. The households with 4 members were the most frequent, totalizing 7; followed 5 households with 8 members each. There were 2 households with 9 members each, 2 households with 7 members each and 2 households with 5 members each. Lastly there was 1 household with 6 members and 1 household with 3 members. The 7 households with 4 members each have had together total of 11 children and the 5 households with 8 members each had together 10 children.

Table 3: Households composition

Variation of household composition	Frequency of household composition	Number of children
3	1	2
4	7	11
5	2	0
6	1	4
7	2	5
8	5	10
9	2	6

Author's analysis

Through their micro-enterprises, women are to generate income for their respective households. This situation is further compounded by the fact that most of the recipients of micro-credit schemes are breadwinners and single mothers.

These women were from vulnerable households and were the heads of their households. Therefore, their households are women headed households. Their vulnerability is characterized by widow ship. The main cause of the death of their husbands was t the civil war or HIV/AIDS. The household composition of the participants also comprises children most of them attending primary school.

The relationship between the age variation of the self-provided micro-credit schemes, age group correlated to the level of education and household composition has a direct impact in the types of micro-enterprises run and the generated income at the household level in terms of the sustainable meeting of basic needs.

5.2.2. Households resources and livelihoods

The available resource-base of a community is very crucial in that it informs the livelihoods strategies that the households may employ to attain their basic needs in a sustainable way. The existing relations that promote networking among various stakeholders in a community are also intrinsic for the developmental purposes of the households, according to the ways in which they are articulated (Neefje, 2000: 20).

The participants of the self-provision of micro-credit schemes in Chókwè district were asked to discuss their household resources and the related livelihoods strategies. In general the participants mentioned that their houses were made of reed and corrugated iron roofs, huts made of reed and grass roofs, some had improved brick built houses, cattle, small scale household farms and cashew nuts tree farming as the household resources.

Most of the participants in Chókwè region and 4th Neighbourhood own houses made of reed with corrugated iron roofs. This is because for poor households such as the recipients of the schemes,

access to reed is cheap and practical taking into account the fact that it is local material from the Limpopo River, which runs the length of the district. The fertile soil, which is stimulated by the Limpopo River also enhances the development of small scale household farms.

The owning of cattle is also common to most households. The main process, which enables the households to have access to the cattle, is through the cattle borrowing system. Through this system if a household borrows cattle it delivers the offspring in alternative years to the household owner of the cattle. Cattle raising in Chókwè is also enhanced by the abundance of grass for food and water associated with Limpopo River. In relation to the households resources one participant commented that:

The river that runs across the district and the related canals that the government has opened makes it possible to us to irrigate our farms. I do not know a single household that does not own at least two heads of cattle. The water and the grass is for free because of the river. If you do not have money to buy cement or bricks; you can still use local reeds from the river to build your own house and grass to cover it.

They mentioned the small scale household farming, vegetable gardening, small scale fishing, household raising cattle, brewing local beverages, initiated business, household small scale farming in partnership with the private sector as their livelihoods strategies.

For the participants, the small scale household farming and household cattle raising are both household resources and household livelihood strategies. This is because one part of the yield from the farm and the cattle are respectively used for food and the other part for sale. Therefore, the small scale household farms comprised two types of products. The first necessity products made up of rice, maize, cassava, sweet potato, tomato and peanuts and the commercial products made up of copra and tobacco. Vegetable gardening that is simultaneously practiced by the participants' households is partly for immediate consumption and sale taking into account the fact that the vegetables take maximum three weeks to ripe while the products from the small scale household farming take from three months to ripe. Lettuce, onions, carrots and green peppers make up the usual products sown in vegetable gardening.

According to SLA, as a developmental tool, the household recipients of micro-credit schemes in Chókwè district have the livelihood assets mainly comprised by the existing local resources that is the case of Limpopo River, which is associated with farm irrigation, housing and cattle feeding. Therefore, the household farming and cattle raising are the livelihood strategies used by the communities in order to produce meat for sale for household incomes. The sustainability of local resources depends on the way the households articulate those resources for their use based on community's set guidelines and principles (Neefje, 2000).

5.2.3. Lending system and selection criteria

The setup of the lending system and selection criteria in the process of the provision of micro-credit schemes is crucial because it directly entails the organization and running of the schemes. Strict principles for the reimbursement of the loans, the learning environment and the responsibilities on the part of the group members are some of the determining factors for the sustainability of the micro-credit schemes (Buthe, 2000: 38).

When asked about the ways in which the micro-credit schemes work in the Chókwè region the participants mentioned that a group based lending system is used, since the primary recipients of the schemes are the members. The group members may ask for a loan at any time after paying back the previous loan including the 10% interest rate. The loan amount and the corresponding interest rate have to be settled within three months period, after which the scheme recipient is considered to be defaulting on the payment of the loan. Non-group members including the members from other micro-credit groupings may also benefit from the loan, but in this case the responsibility in case of default in payment lies with the group members who introduce the external member.

Claessens et al (2005:10) argue that although the community based micro-credit programs are alternatives of the traditional financial institutions such as the commercial banks, which are specialized to generate profits, therefore, fulfilling their commercial mission, this does not take away the responsibility of the recipients of micro-credit schemes from the community base micro-

credit programs to reimburse the loans just because these community based micro-credit programs have social mission. In fact in order to foster the repayment tax and sustain the community based micro-credit programs, group based repayment principles are used. The group based repayment principles highlight that the legibility of a certain group member to access the loan automatically renders the entire group members with the responsibility to repay the loan in case any of that group member defaults the loan payment. The process of group based repayment principles is particularly crucial when the applicant of the loan is external from the large group members and the applicant has been invited to access the loan by an internal member.

The group of the self-provision of micro-credit schemes is made up of 20 women. Their main role is to make the lending system effective by setting up the group fund from which both group members and non-group members would have access to the loans. In order to be legible for group membership, the applicant women had to disburse an amount, which ranged from 200 to 2000 MTs, which corresponds to between 7 and 70 American dollars. Other legibility condition for group membership, apart from the requirement to reimburse the loans, also included attendance of periodical group meetings held fortnightly and which last for half an hour.

The main feature that distinguishes community based micro-credit schemes is that they have a low base unlike the traditional financial institutions. The functioning norms are pro-poor based, that is, they accommodate the socio-economic conditions of the poor. Rutherford (2002: 44) argues that in the rare cases of default of payment the preoccupation of the other group members is to lift up the defaulting member by devising their experiences on the related setbacks and not to penalize the member.

The participants mentioned that they had their periodical group meetings on Wednesdays, in the morning between 07:00-07:45 so that they could have time for other personal affairs. During the periodical group meetings the schemes transactions, in terms of collection of the reimbursement loans and the respective rates and allocation of loans to the interested members, were discussed.

The aim of the periodical group meetings was also to provide information to the members about the functioning of the schemes, best practices and the related challenges. This was an opportunity

to share the learned lessons on the various micro-enterprises so that the same challenges or mistakes are not repeated by others. In fact the periodical group meetings provided an opportunity for early detection of the problems.

In relation to the pro-poor principles for the functioning of the self-provision of the schemes and the periodical group meetings one participant said:

I feel comfortable to borrow the money from the self-provision of the schemes project because I know that even if something goes wrong with my small business I will not lose my belongings. My colleagues help me to learn and correct the mistakes I have made in order to pay back the money. The time we spend in the group meetings is not much, which is good because we have other things to do.

In order to promote transparency in relation to the schemes, two selected group members kept the disbursed funds, pay back loans and the related rates in a safe. The safe is kept in a location that is known only by the selected members. Each selected member kept a different copy of the keys. The safe is opened by the combination of the two copies of the keys. The administrative structure of the group is comprised of a president (head of the self-provision of micro-credit schemes grouping from the 4th Neighbourhood), two secretaries and an accountant.

The president oversaw the matters related to the provision of the schemes, the secretaries were in charge of note taking and compiling of minute meetings. The secretaries also provided assistance to the president and took her position in her absence. The accountant was tasked with collection and registration of the schemes transactions. All the work related to the running of the schemes was voluntary. The group president explained the proceedings during the periodical group meeting:

After greeting the group members and making some brief consideration on any important issue, which was shared with me by the group members I consider the group meeting open. One of the secretaries reads the minute of the last group meeting, highlighting the balances of the allocated loans and the reimbursed loans with the respective interest rates. The next step is characterized by the opening of the safe by the selected two members who keep the safe in order to check the balances. The process of verifying

the account is done carefully and in the presence of all the group members because is an integral part of transparency. In the following step the accountant proceeds with periodical collection of reimbursements and the interest rates and allocation of loans. The last step in relation to the transactions is characterized by the participative counting of the collected balance before it is handed to the safe keepers.

The lending system and selection criteria discussed in the literature review is similar to the SHG and ASCAS models. In fact just as in this study, the related findings apart from the self-provision of the schemes are also characterized by high spirit of solidarity within the group and self-establishment of the principles of eligibility for the loans by the group members. Taken together the characteristics that inform the process of the self-provision of the schemes by the community groupings benefit the people in need since no collaterals are demanded. Nevertheless, the demonstrated levels of responsibilities by the group members concerning the running of the schemes are high, which has promoted the sustainability of those schemes (Thapa, 2007; Vletter, 2006).

The relationship among the group members of the self-provision of micro-credit schemes reflected balanced relations in which all the members had equal level of participation in the decision making process. Equal level of participation is enabled by an interactive participation. There is a relationship between interactive participation and process-oriented participation (Ife, 2002). According to Oitheten (1999:33) interactive participation or process-oriented participation as the principle of community development is crucial in that the beneficiaries become active participants in the process, which provides them with the ability to jointly analyze the issues related to the development intervention together with the project external agents. The decision that accrues from interactive or process-oriented participation have the potential to be implemented and followed by all the stakeholders because a common agreement was reached.

5.2.4. Nature and types of business initiatives

The established lending system and selection criteria which are used by the self-provision of micro-credit schemes grouping at the 4th Neighborhood in Chókwè for members when applying

for loans, indicate and reflect the set organizational criteria and principles agreed by the overall members.

The participants mentioned the common types of business in which they are involved which are sale of fresh vegetables from the gardens, rice and tomato from household small scale farming, basic necessities products such as sugar, rice, oil, maize; chickens, meat and firewood. Other types of businesses that were found not to be recurrent among the participants are the sale of used clothes, charcoal, women's hair products, cool drinks and homemade bricks. The most interesting aspect on some of these types of business, for example in regard to the sale of the basic produce such as the sugar, rice and oil as mentioned earlier, is that these produce use informal measurements recipients based on customers' affordability.

There are group based types of businesses such as fishing. Fishing is an activity that is traditionally done by men in Mozambique. The beneficiaries of the self-provision of micro-credit schemes in Chókwè district have established partnerships with the fishermen so that as soon as their boats return from the river, they are given first priority to buy at a retail prices.

Although not consistently, when the age and level of education variables were correlated with the variable types of business, the result showed that the 2 younger participants who had secondary level of education had more fledging and profitable micro-enterprises (sale of charcoal and women's hair products) compared to others. The livelihood experience was also determinant in picking up more fledging and profitable micro-enterprises (the sale of maize, chickens and charcoal), which is common among some older participants who also had lower levels of education.

Table 4: Nature and types of business initiated

Types of business	Frequency of business
Homemade bricks	1
Vegetables	4
Maize	2
Basic products	3
Charcoal, firewood	2
Women's hair products	1
Cool drinks	1
Used clothes	1
Fish	3
Meat, chicken	2

Author's analysis

Through the participant observation process the researcher was able to familiarize himself with some of the micro-businesses in the case of the charcoal and homemade bricks. The researcher was also able to familiarize himself with the process of manufacturing and warehousing of homemade bricks. The process of manufacturing of homemade bricks involved digging of big portions of the sand, and mixing up with water. After the removal of the bricks from the brick forms, they are placed in an oven for the burning process. The burning process involves lots of fire wood. The manufactured bricks are then kept in a warehouse. The owner of the manufacturing of homemade bricks business explained that because the manufacturing process involved complex activities she had to hire three men to work for her. Therefore, her small business also promoted employment.

The SLA through its capitals/element highlights that the use of the local available resources is crucial in that the communities take the advantage of those resources to promote local development through community based intervention. In addition SLA emphasizes that development interventions localized in the community enhances the added value component (Morse and McNamora, 2013).

Through the researcher's observation on the process of manufacturing of homemade bricks and the explanation of the owner of the homemade bricks business, it was realized how the use of heavy sand as the local available natural resource was crucial as the main source of brick manufacturing. The process of brick manufacturing also involved heavy efforts in terms of both digging and mixing the sand, which promoted the hiring of 3 men to help in the labour.

The process of micro-enterprise development through manufacturing of homemade bricks was concurrently linked to the available local resources (land) and generation of self-employment in relation to the owner of the business and employment in relation to the hired 3 men.

The sense of belonging and support that characterizes the people's relations both at community and household levels is crucial in enhancing people's livelihoods (Ife, 2002). It was interesting to find that family members who were not part of the micro-businesses assisted family members to sell bricks and charcoal. This support system is important taking into account that even in the absence of the owners, the income generation through micro-businesses is not interrupted. A participant who is the owner of the charcoal business made this comment in relation to the household support system:

I have been selling charcoal for long time, my children are accustomed to prices. So if I am absent the business does not stop because they sell. This support from my children is important, especially in the days that I go to other districts to buy charcoal from the wholesalers to sell as retailer. The support system sometimes goes beyond my children and involves my neighbours. For example, when my children are at school and I go somewhere such as the market, I ask my neighbour to take care of my business for that period. She does not refuse because I also do the same for her when she is also absent.

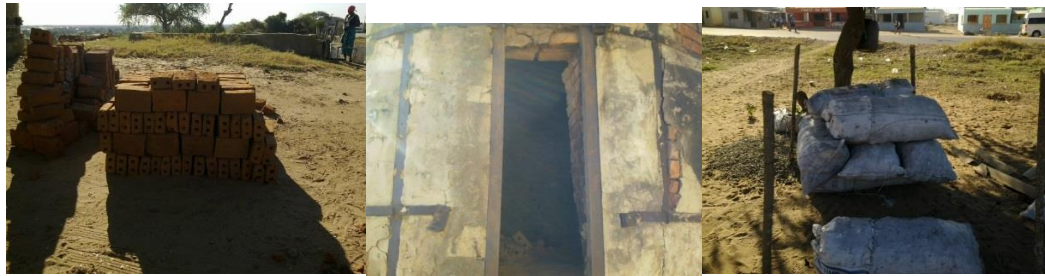
Literature review shows that most of the micro-credit recipients throughout the world have adopted survivalist type of micro-enterprise. This type of enterprise is made up of one person and involves minimum training and loans, and is often carried out in an informal setting (Rogerson, 1987). This has proven to be true in relation to the case of self-provision of micro-credit schemes by the community grouping from the 4th Neighbourhood in Chókwè district.

All the micro-enterprises run by the recipients of the self-provided micro-credit schemes from the community grouping in the 4th Neighbourhood in Chókwè district involved one person, the recipient of each of those schemes. Except for the owner of the homemade bricks that sold the bricks at her house, and the owners of the charcoal business that concurrently sold the charcoal at their houses and in the informal market, the rest of the 17 recipients of the self-provided micro-credit schemes ran their micro-enterprises in the informal market. The recipients of the self-provided micro-credit schemes from the 4th Neighbourhood in Chókwè district had one training on small business management prior to the running of their micro-enterprises.

Morduch (1998:46) stresses that although there has been a growing trend in regard to the development of the survivalist type of micro-enterprise, this trend has not been accommodated by adequate policy environment, which justifies its operation in the informal setting. Two reasons have been found to be associated to the marginalization of the survivalist type of micro-enterprise in the informal sector. First, they are hard to identify and second, they are not taxable. The survivalist types of micro-enterprise are hard to identify because they may be exercised in unfixed physical space; and they are not taxable because the generated revenue is minimum. The majority practitioners of the survivalist type of micro-enterprise are women that in general are burdened by household affairs. These various factors have hindered the effectiveness of the survivalist type of micro-enterprise.

All the micro-enterprises developed by the recipients of the self-provided micro-credit schemes from the community grouping in the 4th Neighbourhood in Chókwè district are of survivalist type. These micro-enterprises are run off the established market rules in that they have not been licensed. According to the recipients of these schemes that is because in the informal market environment contrary to established market rules, the sellers have the ability to go after the customers and not always sit in the same location, and most importantly if the generated revenue is minimum one can easily negotiate not to pay the daily tax.

Figure 5: Manufactured homemade bricks and charcoal as micro- enterprises



5.2.5. Financial returns

The types of the micro-enterprises implemented by the recipients of the self-provision of the schemes have informed the generation of profit and the capacity for the owners of those micro-enterprises to pay back the loans.

When the participants were asked to which capacity they were able to generate the profit and pay back the loans, the types of the implemented businesses were crucial. Although all the participants indicated to be able to generate the profit, the owners of the established fledging small businesses demonstrated the capacity of generating more profits, which also enabled them to comply with the timely paying back of the loans and the respective interest loans. Fledged small businesses in the context of the self-provision of micro-credit schemes by the community grouping in 4th Neighbourhood in Chókwè district, correspond to those small businesses that are associated with the ability to acquire relatively higher quantities of products related to relatively higher amount of loan for subsequent sale. In slight businesses the quantities of the products acquired for subsequent sale are not high due the minimum loan size requested. Access to relatively higher amount of loans enabled those participants to own established fledging micro-enterprises. The other participants who owned relatively small businesses were also able to pay back the loans within the established period but the generated profit was relatively low, which corresponded with the low loan amount. Here are some reactions from both the owners of established fledging and slight businesses:

This business is good for me because I do not travel long distances like others, I just walk. Although I generate a profit of 400.00 MTs in the first months in each period this is still good for me because I make much more

in other months. I only took the loan for two periods and for each period I asked for 1000.00 MTs. The important thing for me is that I managed to pay back the loan. Although I buy monthly food packages from the informal traders, I have food for almost a month. I also have a small farm where I grow cassava, maize and sweet potatoes (Owner of vegetable business).

I sell the basic necessity products outside the market because there is a lot of movement of people there. I sell sugar, rice, cooking oil and maize flour in different small recipients because I know that most of the people that buy basic necessity products in the informal sector are poor. I asked for a loan from the group schemes in all the three periods. In all the periods I asked for 2000.00 MTs. I have managed to generate a monthly profit of 1300.00 MTs in the first months of each period and 2600 from the second months. Paying back the loan has not been a problem (Owner of basic necessity products).

According to the comments of the respective participants, the sustainability of the generated profit is related to the fact of choosing the right business and having the right strategy to give the buying options to the client:

Each period I borrow an overage of 2000.00 Mt and I have generated approximately 1500.00 MTs in each first month of each period. In the subsequent two months my profit doubles because I also add to my business the profits before paying back the loan. I manage to pay back the loan and the corresponding interest rate. This is because I have a good business mind. Every household in this community is now trying to improve their housing conditions; and therefore they replace the traditionally reed built houses by brick built houses. I also use the local resource in my community, the heavy sand, which is for free (Owner of homemade bricks).

I sell maize in different recipients to give options to my customers. I put the maize in 20, 10, 5 and 2 kilograms containers. Because of that I have generated profit, which enables me to pay back the loan in time. In each period that I make a loan I ask for 2300.00 MTs and I make the same amount of profit in the first months of all the three months period. From the second months of each period I make much more. A profit of 2300 in the first month and much more in the following two months in three

months period, even if it is before taking off the loan amount and interest rates to pay back, is not bad (Owner of maize business).

According to the participants' reactions, which are also supported by the table below, the higher the loan amount is the higher is the generated profit. As their reactions have also indicated, the higher amount correlates with the established fledging micro-enterprises. The established three month period to pay back the loans and the corresponding interest rates proved to be advantageous to the recipients of the schemes since not only they are enabled to use the loan for three months but most importantly the generated profits from the second month of each period are reinvested in their small businesses. This takes into account the fact that they may pay back the loans and the corresponding interest rates at the last week of the third month.

Linked to SLA, financial capital is crucial for people's livelihoods. People's livelihoods as strategy to attain the basic needs are diversified but they are directly related to people's capabilities and experiences gained during their lives (Oxenham et al, 2002). The self-provision of micro-credit schemes by women's grouping from the 4th Neighbourhood in Chókwè district not only is linked to development initiative through micro-credit development by these women's grouping, but most importantly it is a response to lack of financial capital to poor people, especially women as the result of their exclusion from the traditional financial institutions.

Variations in terms of the accessed higher loan size as financial capital by some micro-credit recipients in comparison to other micro-credit recipients who accessed lower loan size (financial capital) was crucial to the determination of their improved livelihoods through engagement in fledged micro-enterprises.

The analysis through the SLA highlights that the availability and use of local natural resources is a boosting factor for people's livelihoods strategy, and thus enhancing of households income (Montesquiou et al, 2014). According to table 5 within the fledging small businesses, the homemade bricks, charcoal, firewood and fish businesses had relationships in the development of their small businesses and have yielded more positive financial returns in terms of the generated periodical profits when compared with most of the businesses that did not integrate the use of

available natural resources in their development. The related available natural resources are heavy sand for homemade bricks; Limpopo River for fish and local vegetation for charcoal and firewood. According to the table below some of the participants received the loans and started their small businesses from the second period. When the researcher collected the data the participants had started to implement their small businesses for three periods, which corresponds to nine months starting from January to September 2014. Below is a table illustrating the loans and the generated monthly and periodical profits according to the implemented micro-enterprises.

Table 5: Loans and the generated monthly and periodical profit (MTs)

Type of business	First period (Jan-March)						Second period (April-June)						Third period (July-Sept)						Total amount profit by period
	M 1 (Loan amount)	Profit	M 2	Profit	M 3	Profit	M 4 (Loan amount)	Profit	M 5	Profit	M 6	Profit	M 7 (Loan amount)	Profit	M 8	Profit	M 9	Profit	
Home bricks	2000	1500		3000		3000	2000	1500		3000		3000	2000	1500		3000		3000	7500
Maize	2300	2300		4600		4600	2300	2300		4600		4600	2300	2300		4600		4600	11500
Vegetable							1000	400		800		800	1000	400		800		800	2000
Basic products							500	200		400		400	500	200		400		400	1000
Vegetable							1500	700		1400		1400	1500	700		1400		1400	3500
Charcoal, firewood													500	200		400		400	1000
Tomatoes	2000	1300		2600		2600	2000	1300		2600		2600	2000	1300		2600		2600	6500
Vegetable	1000	300		600		600	1000	300		600		600	1000	300		600		600	1500
Women's hair							2000	1500		3000		3000	2000	1500		3000		3000	7500
Sugar	600	300		600		600	600	300		600		600	600	300		600		600	1500
Basic products	2000	1300		2600		2600	2000	1300		2600		2600	2000	1300		2600		2600	6500
Meat							1000	350		700		700	1000	350		700		700	1750
Cool drinks							1300	400		800		800	1300	400		800		800	2000
Chickens	2800	2200		4400		4400	2800	2200		4400		4400	2800	2200		4400		4400	11000
Used clothes	1500	1000		2000		2000	1500	1000		2000		2000	1500	1000		2000		2000	5000
Maize	2000	1900		3800		3800	2000	1900		3800		3800	2000	1900		3800		3800	9500
Fish	2000	1500		3000		3000	2000	1500		3000		3000	2000	1500		3000		3000	7500
Fish	2000	1500		3000		3000	2000	1500		3000		3000	2000	1500		3000		3000	7500
Charcoal, firewood	2500	1800		3600		3600	2500	1800		3600		3600	2500	1800		3600		3600	9000
Fish	2000	1800		3600		3600	2000	1800		3600		3600	2000	1800		3600		3600	9000

Author's analysis

Note: Figures in the table are in local currency. 31MTs = \$ 1 USD, M = Month, Period-corresponds to 3 months

5.3. Application of developmental principles on micro-finance initiatives

5.3.1. Nature of participation

The types of participation are detrimental to the success or failure of many developmental initiatives. The types of participation that exclude the inputs of the beneficiaries tend to fail in that the people do not take the ownership of the process. Therefore, the ownership of the process promotes the sense of belonging to the initiative on the part of the beneficiaries (Tesoriero, 2010).

The majority of the participants in all the 3 focus groups who also responded individually to the self-administered structured questionnaires were from the vulnerable households; and the vulnerability is characterized by the fact that their husbands died during the war and HIV/AIDS. However, to be legible in the micro-credit group the participants had to be ready to participate and follow the rules. The rules such as the composition of the micro-credit group membership, the amount to be deposited and the periodicity of those deposits, the related landing and paying back criterion for both group and non-group members were discussed and established by the group.

The structure of the group, which is made up of a president, 2 secretaries and an accountant was established by the group. The role of the World Vision as a facilitating partner in this process was to provide a safe environment to the group and provide training on micro-credit functioning and small business running to each selected member of the various groups which was then disseminated to the entire groups' members. Here is the response from a participant concerning the self-establishment of group rules for the functioning of the schemes:

We the members discussed and chose the rules that will best help our group scheme to work. Nobody from another community forced us to choose those rules. When you choose the rules you want to use, that means that you yourself will be an example in the group to follow those rules. And in case you do not obey will also accept the related penalties because you also contributed to fix them. I liked the system we used to choose our group leaders. We used the voting system in which the names of the candidates were written in pieces of paper. In this way nobody knew who chose who. This is good for transparency because no favours will be done to anybody.

The selected member of the self-provision of micro-credit schemes grouping from the 4th Neighbourhood in Chókwè region who participated in the training on micro-credit functioning and small business running, which was then disseminated by her to the other group members, mentioned that the training was productive since it was designed according to the needs assessment process that was firstly facilitated by the World Vision in the 4th Neighbourhood and Chókwè region. The needs assessment process enabled the facilitator of the organization to determine the strengths and weaknesses of the participants in terms of the management of small businesses. The facilitator who disseminated the training to other group members also mentioned that the fact that most of the participants in the self-provided micro-credit schemes used to run small businesses viewed the referred training to have consolidated their knowledge on the subject. In terms of the training and its content one of the participant said:

Some weeks before the training took place, the interviewer asked me a lot of questions related to selling. Now I see that those questions related to the experience that I had in selling were important because they enabled the interviewer to understand the level of my familiarity with small businesses. Everybody contributed with their ideas in the training because the content was not strange. Some of the people in the training made examples using their businesses. The new things that we learned in the training made sense for us because it was easy to relate with our businesses.

Oxenham et al (2002:14) argue that teaching that is grounded on people's existing knowledge is crucial in that it enables them to relate the discussed issues to real life situations. This environment is in fact identified in, and enhanced by participatory needs assessment once the participants are viewed as part of the process and not strangers. As a result they share their insights openly to the facilitators of the process.

The participants also determined the types of business they wanted to engage in, according to their related experiences and the opportunities they saw in implementing those businesses. The minimalist approach in which the recipients of the schemes identify their own business is favourable to them in that they take the advantage of the existing scenario related to those identified businesses. This differs from the income generating approach in which in order to be legible to the

schemes the recipients are attributed the types of business to implement (United Nations report on micro-credit, 1997).

In relation to the advantage of making own choice of the types of business to implement one participant commented that:

Because I have been selling vegetables for long time before the self-provision of the schemes, I know what is necessary to do in order to take advantages of my business and I also know what to do when I am faced with problems in relation to the business. Because I am familiar with the quantity of the different vegetable that I manage to sell in a day, I cut from the vegetable gardening the approximate quantity that I will sell that day. I also know the customers that even if they do not have money in that day, can take the vegetables and will pay in the day they promise to.

Throughout the embedded principles of the SLA and community development various types of participation were discussed, which included participation as information giving, passive, active/interactive, consultation and self-mobilization. It was highlighted that while participation as information giving, consultation, and passive are target-oriented in that they exclude the people from the decision making process related to development interventions, the interactive and self-mobilization types of participation are process-oriented since the people are the center of the process or they are involved in the decision making process in matters related to development intervention (Tesoriero, 2010).

The underlying factor in process-oriented types of participation is the fact that the beneficiaries of the project need to be involved in the process of the discussion concerning the project planning, implementation, monitoring and evaluation (project cycle). The role of the project agent is to facilitate the integration of the beneficiaries in the project cycle so that they decide the best alternatives related to their needs and in the context of their available local resources (Oitheten, 1999).

In relation to the recipients of the self-provided micro-credit schemes by the community grouping from the 4th Neighbourhood in Chókwe district, they were involved or they involved themselves in process-oriented participation in that the group members themselves took the initiative to

discuss and establish the framework for the functioning of the self-micro-credit schemes in terms of the composition of group membership, loan sizes and periodicity for the deposit of those loans, the related landing and repayment criterion for both group and non-group members.

At the planning level the recipients of the self-provided micro-credit schemes by the community grouping from the 4th Neighbourhood in Chókwè district due to the participatory process that was characterized by interaction and ultimately the decision making, they took the ownership of the process.

In terms of community mobilization and involvement in the creation of the schemes one participant commented that:

Although most of us had some kind of small businesses before, we saw that these were not sustainable because the funding we had was minimal. We were not able to have enough products and the profit generated was not enough to buy basic necessities products such as sugar, rice, oil etc. As community we sat down, discussed our problems and we came out with this strategy to contribute the money to use for loans. Nobody from outside the group told us about the rules for this strategy. All the ideas that that comprised our rules were discussed and selected by us.

5.3.2. Beneficiaries' empowerment and the use of local resources

Effective empowerment processes are those that build on people's life experiences because people are enabled to easily relate the content to their daily activities and value themselves. People are also familiarized with the reasons for their exclusion in developmental initiatives. The use of available local resources brings a comparative advantage in developmental initiatives in terms of maximizing the benefits (Chambers, 1997; Neefges, 2000).

The participants of the self-provided of micro-credit schemes reported that they participated in small business training session which was facilitated by a group member who previously benefited from a small business training session from World Vision. Some of the main components facilitated in the training included how to generate money and how to make the profit. During

training the trainees were briefly told why they were excluded from traditional commercial banks, and the need to adhere to community based financing such as the self-provision of micro-credit schemes. One of the participants commented that:

The training that was provided was very important. Before this training I did not know the difference between investment and profit! I also did not know that it is important for different people to sell different products because if we all sell the same thing it is very difficult to get customers. The trainer also explained us many things that we did not know before. For example, now I know that it is difficult for poor people to access loans from the banks because they do not have something important to give to the bank when something goes wrong with their business. I also understand now why the people who use bank money suddenly lose their houses or cows. It is really good that we are to use the group schemes for our small businesses because we cannot lose our houses.

This quotation highlights a chronic problem that is often faced by informal traders in the market. The promotion of the self-provision of micro-credit schemes or adherence to other types of micro-credits is often the idea generated from the community members themselves, although the communities may establish partnerships with relevant stakeholders. Without the related training in small business management the beneficiaries of the schemes tend to have the same kind of business or selling the same products. The lack of diversification of products does not give buying options to the customers because of the limitation of the products, which reduce profit making for the micro-enterprise.

When the participants were asked how they used local resources, their comments varied according to the nature and types of implemented businesses. The participants said:

I do not need to go to other places to get fish for my business. The Limpopo River, which is the main river in Chókwè and Gaza province is a good source of fish. Even people from other districts come to Chókwè to buy fish as retailers to sell back in their districts. The fish from Chókwè is big, and there are many variety of fish in Chókwè (owner of fish business).

The fire wood that is used for my business is from the local bush. Although I do not cut the trees in the bush myself because I am a woman, I get it from the community. The local bush has strong trees, which are ideal for fire wood. This is because the kind of trees or wood from the local bush last longer when it burns (Owner of fire wood business).

This was evident particularly among some of the available local resources in the community in that they may be accessed or initiated by the respective beneficiaries in their own land, which are different from the other available resources that are of common use by the community. This was expressed according to the following comments:

The sand that exists in the community is ideal to make bricks. I can access it from anywhere in the community including in my yard. When this kind of sand is mixed with water it glues together and becomes as strong as mud. That is the reason why it is ideal for homemade bricks (Owner of homemade bricks business).

The vegetables from my garden are green and grow big because I irrigate them several times a day because the canal of water, which passes across my yard enables me to access water easily during summer. The water is easy to access because it is from the Limpopo River, which runs the length of the district. Water is important to grow the vegetables. Even if you use fertilizers, alone will not grow the vegetables. (Owner of a vegetables business).

Therefore, the participant who owned homemade bricks business pointed out that the heavy local sand in the area is used as the main material in the manufacturing of the bricks. The other participant mentioned that canals that source water from the Limpopo River were used to irrigate the fresh vegetables from the gardens and products from their small scale farming. The Limpopo River runs the length of the district hence it is the main source for fishing business. In addition, the trees that provide the fire wood are cut down from the local vegetation.

When discussing the advantages that the availability of the local resources offered to their micro-enterprises, the participants reported that the local resources promoted a comparative advantage in relation to their micro-enterprises. Here are some of the responses from the participants:

If I were to buy or get the sand from the other locations I would need to have money to buy both the sand and hire a truck to deliver the sand to my house in Chókwè. Depending on the place to buy the sand I would also pay for accommodation during the days that I would stay. In that case the money from the self-provision of the schemes would not be enough. I would need to have access to additional loans with big amounts, maybe from the bank. But it is difficult to get a loan from the bank. They require a lot of things, which I do not have. (Owner of homemade bricks business).

The bush that supplies the trees for fire wood is closer to the community. The cutting of the trees in the bush is for free. I just pay for some men from the Neighbourhood to cut the trees and cut them into the size for fire wood. I also pay them to carry the fire wood home. The money I pay for these services is low. Although it is also free to cut the trees in other districts where the bushes are available, apart from the other services, I would also pay for the truck to transport the fire wood and accommodation during the days in those districts (Owner of fire wood business).

Apart from the transport and accommodation expenses that the participants incurred when they did not have local resources for their small businesses, other constraints in case the resources/products were not locally available were highlighted by the participants:

The nature of my business is complicated. The vegetables have to look fresh all the times in order to attract the attention of the customers. If I were to buy the vegetables somewhere outside the 4th Neighbourhood or Chókwè district it would be difficult for my business. The vegetables such as lettuce and cabbage, which are common for my business would wilt along the way. Although I would not need to sleep because I would buy the vegetables in the near Neighbourhoods, I would still pay for my transport and goods (Owner of vegetable business).

The fish business is very reliable in relation to its transportation and keeping. The fact that we buy the fish locally is helpful since we can make local arrangements to keep the fish frozen. Buying the fish from other locations outside Chókwè would mainly pose a problems for us in terms of freezing it. Because of the distances that would be involved, the fish could easily get rotten. This is apart from the transportation and goods costs (owner of fish business).

The participants who owned the homemade bricks, vegetable gardening, fire wood and fish small businesses described the added value of the availability of local resources. The heavy sand, water source and vegetation were indicated as the main sources or materials, which are locally available and are used for the manufacturing or enhancement of their products. The participants mentioned that the promoted comparative advantage would be the exclusion of transport and accommodation expenses, and time that they would incur if they were to travel in order to have access of the respective products or materials in the other locations.

The participants reported that they did not receive any support from the Chókwè local government as they are informal traders. The lack of support from the Chókwè local government was a common aspect for the participants:

There are times when we are harassed by the municipality police and having our merchandise confiscated despite the fact that we have paid the agreed daily rate as informal traders. Moreover, the local government has not been able to mediate in the conflict between the Chókwè commercial farmers and our small businesses concerning the use of canals from the Limpopo River for irrigation purposes. Especially during the drought period in which the water levels of the Limpopo River recede, the commercial farmers pump the available water in the canals to irrigate their farms. This leaves us with no alternative to irrigate both our gardening farms and households small scale farms.

The theories and debates discussed as the literature throughout the relationship with SLA and the principles of community development highlighted the fact that empowerment cannot be viewed in isolation and that it is crucial that it is related to the local available resources in the community as well as structural constraints (Ife, 2002; Tesoriero, 2010).

The SLA through the relationship among its capitals/elements highlights that the livelihoods strategies that are linked to people's existing resources not only are adequate for the sustainable meeting of the basic needs but most importantly foster the sustainable environment in relation to natural resources. This justification is against the backdrop that development interventions

initiated locally by local communities since are not driven by massive exploitation of natural resources are favourable to environmental sustainability (Montesquiou et al, 2014).

Related to empowerment as the principle of community development although World Vision empowered the recipients of the self-provision of micro-credit schemes from the community grouping from the 4th Neighbourhood in Chókwè district through skills training on small business management, facilitated by the group member who firstly participated in the training of trainers course, the structural issue awareness component in terms of gendered norms and patriarchal practices was not included in the empowerment process. The structural issue component that was mentioned in the skills training was related to the reason why the majority poor people are excluded from the traditional financial institution linked to lack of collaterals.

In terms of the available local resources that are accessed by the recipients of the self-provided micro-credit schemes from the community grouping of 4th Neighbourhood in Chókwè, the owners of the homemade bricks, fish, fire wood and charcoal businesses highlighted the relevance of using the available local natural/resources in their small businesses. The heavy sand, Limpoo River and the local vegetation were highlighted as the local available natural resources intrinsically related to their small businesses. The heavy sand is used for the manufacturing of homemade bricks, Limpopo River is the source of the obtained fish and the local vegetation is the source of both fire wood and as material for the production of charcoal.

Linked to the need to have balanced relations among the SLA capitals/elements in order to promote sustainable environment, in terms of the use of the heavy sand and the vegetation as the available natural resources and integration of these natural resources in the small businesses and in the context of environmental sustainability, the process of empowerment did not promote the awareness on the effects of the use of massive natural resources for environmental degradation.

5.3.3. Sustainability of both micro-credit schemes and initiated income projects

The principle of sustainability in developmental initiatives is crucial and twofold in that it determines both how the developmental initiatives will proceed resulting from discontinuing of

processes and the relationship between the developmental initiatives and the natural environment (Brundtland Report, 1987).

When the participants were asked how they would sustain their micro-businesses after the self-provision of the micro-credit schemes ceased, they pointed out a number of strategies, which varied according to the implemented micro-businesses and the daily generated profits. One participant said that:

The advantage of the products I sell is that they do not get rotten, as long as they are kept in a cool dry place, without direct contact with the sun. I save 5% of my monthly profit a month. I deposit the savings in the bank in Chókwè. With the experience I gained from the current implemented micro-business, I intend to make transition to more complex business type. The savings from the generated profits would enable me to strengthen my contribution to the initial fund for the upcoming self-provision of micro-credit schemes next year.

The participants mentioned that they have been using a local strategy to enhance savings from their profits. That local strategy consisted in reserving part of the acquired products specifically for savings. Thus the money generated from selling the surplus product is not added to any activity. Here is a related comment from a participant:

I have been saving from the generated profits. In general I have managed to sell an average of eight chickens a day. My main customers are the informal restaurants in the market that sell food to people. Since the market is located in the corridor, many truck drivers make a stop to have lunch or dinner according to the time period they stop. The amount I make for the sale of two chickens a day is for the saving. I deposit the saving money in the bank in Chókwè every two weeks.

In addition to the partial savings from the generated profit, the participants also relied on the yearly shares that they are to receive at the end of the year according to the amount each participant contributed to the initial fund. In regard to that a participant pointed out that:

I intended to maximize my savings with the yearly shares collected at the end of project in December. But apart from that, each trip I make to

Mabalane district to buy the maize as a retailer, I buy two bags of maize in a month as a savings strategy. In order to cut the travel costs sometimes we make turns with my group members who own the same business to buy maize for me. We do not make these turns often because the maize business requires the presence of the owner to negotiate with the supplier.

However, the participants also reported that the sustainability of their micro-enterprises did not depend only on their efforts in terms of making savings, yearly shares collection and the experience gained from the implemented micro-businesses. Most importantly they mentioned that a partnership with the Chókwè local government was needed for the sustainability of their micro-businesses. The participants were concerned about the constant harassment by the municipality police and; having their merchandise confiscated was an issue that hindered the sustainability of their activities. The participant showed her frustration in relation to the acting of the municipality police through these comments:

All of us the informal traders pay a daily rate to the municipality, which is collected by their officers in our business place. But we still have our merchandises confiscated. This is very frustrating because most of the times the municipality police take our goods for their personal use rather than taking the confiscated merchandises to the municipality where the interested owners may claim for, upon payment of a fine. This is robbery!

The participants indicated that some of the municipality police took advantage of the fact that the informal traders sell their products outside the market, in highly frequented places and outside their yards depending on the variety of the small businesses, hence it is easier to harass them and confiscate their products. One participant said:

Some of the dishonest municipality police accuse us for selling in places not designated for certain types of products. While this is true, it is also true that the available spaces in the municipality market are not enough for all the traders to occupy. As a result of that we have to find places outside the market.

Some of the participants reported that they have insisted with the selected small businesses because it is the only alternative they have to satisfy their basic needs, but that the interference from the municipality police was discouraging. A participant commented:

I carry on with my business because I depend on it to put the food on the table for my children since I am the head of my family. But the municipality police are not helpful at all! They do not care whether I have sold or not during the day. They just want to collect the daily rate.

The participants were aware that the municipality police interference in their small business, posed a great concern on sustainability. This was the reason they sought alternative ways to curtail harassment and the confiscation of their products by the municipal police. A strategy recommended by one participant was that:

We the informal traders need to find a way to stop the harassment and confiscation of our products by the municipal police. First we have to organize ourselves and have a collective voice in the municipality. We are not strangers the municipality knows we are out there.

Most of the informal traders in Chókwè and indeed throughout the country sell their merchandises in public places such as sidewalks, bus stops, school gates and outside the markets to increase the visibility of their products. The municipalities charge taxes to the informal traders through a daily rate of 10 MTs, which corresponds to 0.5 US American dollar. This tax-base is aimed at improving the services provided by the municipalities such as waste collection and the installment of public sanitation. The merchandises, which are confiscated due to lack of payment for the daily rate are kept in the municipality warehouse, and are subject for recovery by the informal traders upon payment of a fine, which corresponds to the total days the merchandises were kept in the municipality warehouse (Public Administration Ministry, 2005).

The participants were however unaware of the damage to the natural environment from human behaviour. This could be linked to the types of small business they own, for example the cutting down of trees for fire wood and charcoal which destroy vegetation. The use of the heavy sand also causes environmental problems in that it is directly related to soil erosion. Fishing through the use of mosquito nets by some fishermen promotes elimination and depletion of some fish species. The participants could also not link the manufacturing of the homemade bricks and fish small businesses to environmental problems. The participants' lack of knowledge on environmental problems related to their small businesses are reflected by the following answers:

When I started this business, the three people who work for me first dug the sand close to the church. But because many other people were also digging the sand in the same place we moved to another place. Now we are digging the sand close to my yard because it is also close to the water source and mixing place, where the sand is mixed with the water. When the hole becomes deep we move to another place again (Owner of the homemade bricks business).

With the growing demand for wood by the bakery shops the bushes located around here have been cleared out. This takes into account the fact that there is specific kind of wood to make charcoal. Therefore, I and the other people selling charcoal are forced to go to distant districts, such as Chicualacuala district, which is about 300 kilometers from Chókwè in order to buy the charcoal from the suppliers (Owner of the charcoal business).

The SLA stresses that the systematic relationship between the livelihood strategies, the natural resources and satisfaction of basic needs is crucial for environmental sustainability. This is because if one of the elements of this systematic relationship is distorted, the implications affect the system as a whole. If the natural resources are not used adequately for people's livelihood the sustainable satisfaction of basic needs may also be hindered and the future generations compromised (Brundtland Report, 1987: 78; Morse and McNamora, 2013: 1; Ife, 2002:26). Practices related to some participants' micro-business have potential to result in unbalanced systematic relationship due to the destruction of vegetation without replanting, sequels of erosion and inadequate fishing practices, the basic needs may not be satisfied in a sustainable way and the needs of future generations may be compromised. In addition, the Chókwè Local Government has minimal interaction as partner in micro-enterprises processes.

5.3.4. The importance of social capital and social learning

The types of relations between the trading partners are very crucial since they determine the profitability of the initiated micro-enterprises. The relations characterized by equal trading powers between the partners tend to promote balanced negotiations, which also stimulate local business and consequently local economy (Shragge, 1993: 12).

When the participants were asked to discuss their relationships with diverse trading partners, there seemed to be a common agreement that the trading relations within the district were more favorable to them since they could determine the prices according to the quantity and quality of the products. This favourable environment occurred between the retailers or wholesalers. They also pointed out that even in the inter district trading relations with the neighbouring districts, where they are supplied with products to sell back in Chókwè as retailers, they had a common ground for price negotiation. In relation to inter district trading relations with other neighbouring districts within the same province, a participant who sells charcoal said:

When I negotiate the price to buy charcoal in Guija district to sell back in Chókwè district, I explain to suppliers that they have to take into account that I have to pay for transport, taxes and people to discharge the charcoal, and then they fix a fair price. These suppliers from the other districts in Gaza province are easy to negotiate with, and understand our situation because we have the same category of the small business. They also know that we are their longtime customers, because every time we go to Guija we buy the charcoal from them.

On the contrary, the participants mentioned that the intra district trading relations with other provinces have been found unfavourable. For example, the business partners from the urban centers such as Maputo want to buy their products as wholesalers and tend to fix the price they want. They take the advantage of the fact that the main traded product, the tomato, quickly gets rotten after harvest and that the small scale farmers are not organized. To illustrate this unfavourable trading relation with the trading partners from the urban centers, a participant who sells tomatoes from a small scale household farm reported that:

The people from Maputo who are our main clients make lots of profits from the products they buy from us. I know this because Maputo is very close and I have relatives there. For example, they buy from us a box of tomatoes, which corresponds to 20 kilograms for 80 MTs and in Maputo they sell it for 170 MTs! Despite the transport cost they pay to hire a truck they still make more profits than us. When I insist to fix a fair price that could benefit both of us, they threaten to leave my tomatoes, cabbage and carrots. The other disadvantage is that once you harvest these products

they have to be sold immediately they tend to perish. So we do not have many options.

The participants reported that the recipients of the self-provision of micro-credit schemes in the 4th Neighbourhood themselves and other business owners in the 4th Neighbourhood and Chókwè region, that depend on other forms of funding for the running of their businesses, are also to blame for the unfavourable environment during the trade relations with business partners from the urban centers such as Maputo. Here is an explanation from a participant in relation to the internal contributing factor during trade relations with external partners:

The reason that contributes to this situation is that all of us the small scale farmers bring in our harvested products to sell in only one day in a week, which is on Wednesday in the municipality market. Thus there is an abundance of products and give the opportunity to the buyers from the urban centers to negotiate on their favour. This is also because we cannot afford to return home with our harvested products. First, other products such as tomatoes and cabbage quickly perish after harvest and second, because we would pay to hire a car to return the products home.

When asked about the solutions that would resolve this situation, the participants proposed that the small scale farmers association in Chókwè region should visit and sell their produce on different days and not only on Wednesday. They also mentioned that most importantly, small scale farmers should alternate so that it is not all the farmers that bring in their products for trade. This strategy would allow products to be supplied according to the demand at the market. In this instance the excess produce can be kept on the farm and only harvested when needed in order to maintain freshness and life of produce:

We are many small scale farmers in Chókwè that dedicate to growing tomatoes, cabbage, carrots, green peppers and so on. This is because the soil is appropriate to grow these products. It is also easy to water these products because the water is close. But yet we do not have solid gains with all these facts. We need to discuss these problems in our association and come out with a strategy. For example, the one day we have to trade with partners in Maputo is not enough because we are many small scale farmers in Chókwè. So we need to come with another additional day to trade. We also need to allocate certain farmers to trade with partners from

Maputo and other provinces on specific days so that we control the situation.

The theoretical framework highlighted that the circulation of resources, including the financial resources within the community has boosted local economy. This is because first, the trading partners within the community have equal power relations. Second, the generated income provides local governments with revenue through tax collection (Tesoriero, 2010). This has proven to be true in Chókwè since the internal and inter trading relations with the neighbouring trading partners from the other districts have been favourable to the recipients of micro-credit schemes both as retailers and suppliers.

In view of the SLA, the study found that the communities may have access to available local resources for their livelihoods strategies. In addition the processes that entail the relationships among the stakeholders are crucial for the attainment of the livelihoods outcomes. Unbalanced processes also influence the vulnerability context of the communities since their resource base is devalued (Neefjes, 2000). This is the case of the trading relations between the schemes recipients and the trading partners from the urban areas of Maputo which are characterized by biases unequal power relations with the communities of Chókwè that in fact own the resources.

5.4. Impact of micro-credit schemes in alleviating poverty and job creation

Since the primary recipients of micro-credit schemes are vulnerable people, the impact of these micro-credit schemes can best be evaluated by what enabled them to access through the generated profit from their micro-businesses.

The self-provision of micro-credit schemes project has been positive. All households have been unanimous over the positive impact of micro-credit schemes. The participants stressed that with the generated profit from their micro-businesses allowed them to buy monthly basic food stuff school materials and uniforms for those who have children attending school. The participants also mentioned that they were able to pay and access clean drinking water from the private water suppliers and pay for transport, especially for medical assistance in provincial capital:

Before starting my small business it was difficult to have a decent meal for me and my children. For most of the days we had two meals namely, lunch and dinner. But for dinner we only had bread and tea. Sometimes we only ate once in a day. But now things have changed. Now with the profit from my business I am able to buy monthly basic food, which include 25 kilos of rice, 2 kilos of sugar, 2 liters of cooking oil and 5 kilos of maize flour. I buy beans from measured by a variety of cans from other informal traders. Once you have the basic food, mainly rice and maize flour to last for a month it becomes easy to get sauce (Owner of vegetable business).

The government opened some public water taps but the water is not constant. But now with the profit I get from my small business I have clean water for our necessities, which I buy from the private water suppliers in the community. With the generated profit I am also able to buy at least a pair of uniform for my boy to wear when going to school. Putting on school uniform is mandatory, if it was not for my business maybe my child would not be attending school (Owner of used clothes business).

The most concrete achievement that has been mentioned by the participants as a result of the generated profit from the small businesses is the improvement of their housing. There has been a significant replacement of the traditional reed built houses with more durable and comfortable bricks houses. The participants pointed out that before they joined the schemes, they were not able to make minimum savings. Thus they associate the savings to profits made in their micro-business.

Social relations in a community are determined by the established values and norms. These values and norms through their compliance not only define the subordination process for people's responsibilities and rights but also reflect the variety of power in a community. Respect above all has been the contested attribute that community member earn as recognition of their compliances to the established values and norms (Barbara, 2005).

The participants of the self-provision of micro-credit schemes are the heads of their households. Therefore, their households are women headed households. In this context they are the power holders at least at the household level since they are the decision makers. The participants mentioned that at the community level the income generated from their micro-business enabled

them to exercise power and thus earn respect from the community members. This is because they were able to buy and take related presents and items to important events such as weddings and other ceremonies. In terms of acquiring a position of power in the community, one participant commented:

My business has helped me to buy chickens or other types of presents and take them to weddings. During the traditional ceremonies I also buy and take goats and thus my relatives are able to see that my household is also represented although it is headed by a woman. If you do not take presents especially to close relatives or neighbours, they also do not bring any present when you invite them to come to an event that you organize.

The discussed theories and the literature on micro-credit programs emphasized that although women are overwhelmingly the recipients of micro-credits worldwide and that in some cases there are positive impact at the household related to generated income through the corresponding micro-enterprise development, this does not necessarily empower women to partake in the decision making process and gain self-esteem (Ellis, 2000).

Although women are the overwhelming recipients of micro-credit schemes, their schemes are associated with the survivalist type of micro-enterprise. In addition, women's transition to robust business is viewed constrained due to the minimum loan size that they are allocated (Johnson, 2004).

It was also pointed out that although the MFIs have channeled micro-credit schemes to the majority of women worldwide than men, the accrued positive impact has only enhanced welfare related basic needs such as health, food and water. Micro-credit programs failed to be associated with the empowerment principle for women to in fact recognize and challenge structural systems (Eade, 2000).

Therefore, although the MFIs targeted most of women as recipients of micro-credit schemes worldwide, and especially in developing countries, men still held power due to structural issues mainly related to gendered norms and patriarchal practices. In fact the various perspectives of

power discussed such as the individual, pluralist, structural and post structural perspectives of power had something in common, which pointed to exclusion of majority poor, especially women from resources and opportunities (Tesoriero:2010).

The recipients of the self-provided micro-credit schemes from the community grouping of the 4th Neighbourhood in Chókwè district, in their capacity of the head of their households were empowered in terms of decision making process at the household and community levels and through the corresponding micro-enterprises generated household income.

In relation to overall relatives and community expectation as indication of power status, the women recipients of the self-provided micro-credit schemes from the community grouping of 4th Neighbourhood in Chókwè district were enabled/empowered to comply with the role of meeting social expectations as ordinary men do, for example, provision of gifts in the wedding ceremonies.

The fact that the women who headed their households not only were enabled by the implemented micro-enterprises to generate households income and meet their basic needs and concurrently be able to fulfil social expectations as ordinary men do at the community level, was an indication of fostering gender equality.

The micro-credit schemes have contributed to alleviate poverty and created jobs. The researcher was able to observe improvement particularly brick houses and access to private water source as mentioned by the participants. The participants emphasized that through the generated profit from their micro-businesses they were able to access clean water. They mentioned that the ability to access clean water from the private sector was important taking into account the fact that although many sources of water provided by the local government are free the water provision was not reliable.

The alleviation of poverty and creation of jobs need to be seen in the context of the underlying objectives of the research. The operation of micro-credit schemes in the 4th Neighbourhood in Chókwè district was efficient due to the participatory way in which the criterion for the functioning of the schemes were discussed and agreed by all the women participants of the self-provided

micro-credit schemes. The empowerment process in partnership with World Vision, which included skills training on the management of small business was adequate since it also included awareness on the exclusion of poor people, especially women in accessing loans by traditional financial institutions, and therefore, the importance of initiatives such as self-provision of micro-credit schemes as an alternative to financing. However, it was noted that the empowerment process should have importantly also included the structural systems awareness since they are viewed as major barrier for women's participation in development interventions. Overall the advantage of use of local available natural resources was crucial. The micro-enterprises that integrated the available local natural resources had relatively higher profits. Nevertheless, all the schemes recipients were able to meet household basic needs through the generated income linked to their micro-enterprises.

Throughout various issues discussed in the literature review related to the positive impact of micro-credit, it was stressed that micro-credit recipients that borrow for minimum amounts generate less profits from their micro-enterprises compared to those who have borrowed larger amount. Comparatively women are considered as better credit managers than men (Khandker, 1998; Morduch, 1998; Javed et al, 2006). Indeed the study proved that the participants with minimum loans had their basic needs relatively met in a less sustainable way when compared to others. In relation to minimum loans and less sustainability in meeting their basic needs the participants commented that:

I sell cool drinks outside the market. Many other people sell cool drinks in the same place with me. I have been able to sell, but the profit I generate is not that much. This is because the loans I have requested from the group schemes are not enough. This does not mean that the group schemes cannot give me the loan amount I need to implement my business properly. The problem is that I still want to practice and gain more experience. Although I still make a little profit I am not able to buy the necessary food to last for a whole month every month. My child still goes to school but I was not able to buy the school bag that he likes (Owner of cool drinks business).

I sell cow and goat meat to my customers. Because of the sensitiveness of meat, I only buy the quantity of meat that can be distributed to my customers, and they pay me at the end of the month. While some

customers are honest and they really pay me at the end of the month as soon as they receive their pay, others are not. The combination of the sensitiveness of meat and the strategy of my business, make me ask for less money from the scheme groups. Because of the dishonest customers, the profit base of my business is unstable and inadequate. So the provision of the basic needs, mainly food for my family depends on this situation in terms of the quantity and frequency that I buy that food (Owner of the meat business).

In the same context, the beneficiaries who asked for larger loans or have accumulated loans have been able to attain durable basic needs such as improved housing compared to others. Since all the micro-credit recipients in the selected community grouping in Chókwè district are women, it was not possible to determine whether they are better micro-credit managers than men as indicated in the literature review/conceptual framework.

Figure 6: The private source of clean water supplied to households



5.4.1 Opportunities and advantages of micro-finance on income generating projects

The essence of micro-credit provision is that they accrued benefits linked with the generation of profit. The generated profit would enable the households not only to access valuable assets but also to improve their socio-economic status.

When the participants were asked to discuss the opportunities and advantages they gained from their micro-businesses, they mentioned that the loans were determinant in promoting a shift on

households' socio-economic status. Participants who owned relatively established fledging micro-businesses such as homemade bricks, maize, women's hair products, charcoal and tomatoes from their small scale farming, mentioned to have experienced upwards shift on their socio-economic status. In fact those participants reported that the established micro-businesses, as part of self-employment promotion, have been a source of household income that enabled the attainment of the basic needs in a sustainable manner. A participant said that:

Definitely I am not rich, but somehow the type of the house, belongings, the degree of satisfaction of our basic needs in my family, and some of the services that we are able to pay for allowed us to improve our life in the community compared to other households. Although my house is not as big as others in the community it is a brick house, which is durable and offer more comfort. I used to sleep in a typical house in the community, which was made of reed and plastered with heavy sand.

The participants were proud of the durability of their properties. This is of extreme importance, when taking into account the fact that some of the basic needs may be accessed in periodical basis and depends on additional services for their sustainable use. A participant opinioned that:

Although I could have the water stored in my cemented water container, this water depended on the rain fall. Now the 1000 liter rubber container that I bought allows me to store water in it all the time. This is because it is removable, which enables it to be transported to the distant water source location to be filled with water in case we face some problems in the community in terms of drinking water. The generated profit also enables me to hire a small truck to carry the rubber container for the transportation purpose.

The participants also reported that the income and profit generated from their small businesses afforded them an opportunity to improve their housing situation through the use of locally based and conventional resources. In addition, the generated profit enabled these households to have enough time to prepare their farms.

I still have my reed built house but it is comfortable now because its walls are now plastered with cement. Houses in the community are generally plastered with heavy sand. The floor of my house has also been upgraded

with cement. This makes the house more comfortable. The other valuable thing that I managed to buy through the profit from my small business is the leather furniture that replaced the straw furniture. We used to take a lot of time ploughing the farm with oxen but now with the generated profit from the small business I hire a tractor. With the tractor the whole farm is ploughed in a single day, while it took several days when we used oxen (Owner of maize business).

The participants mentioned the fact of owning the leather furniture, brick houses, rubber made water containers to store water, ability to hire a tractor in order to plough their household farms and bricks built wall around the yard and other improvements in their households were indicators of upward mobility on their socio-economic status. The participants stressed that these belongings and the ability to access these services whether owned separately or partly still indicated an upward shift on household socio-economic status. Most of the participants mentioned owning a brick houses as the most valued aspect of their upward mobility.

The established fledging micro-enterprises promoted the generation of profit, the level of these micro-enterprises have enabled the participants to own a two roomed type of housing comprised of a bedroom and a sitting room. The houses tend to be 3 meters of high, and a length of 12 meters of which 9 meters are for the sitting room and 3 meters for the bedroom. The houses have two windows, one in the bedroom and the other in the sitting room. There is one door to the house. There is a curtain of the size of the door to close the entrance to the bedroom. The priority of the owners is to plaster the inside of the house, while gathering the funds to plaster the outside. The house is covered by corrugated iron. The inside walls are plastered with cement and the floor is also made of cement.

Most of the houses and yards in the outskirts of Chókwè are built of reed. The water containers are made of cement. Although the houses may have furniture, it is of low quality materials. This is why brick houses, yards, the rubber water containers and the leather furniture are mostly valued by the people. Most of the households have used the rudimentary cattle system to plough their farms. However evidence from some of communities shows that ploughing land by tractor apart from being efficient is a quicker method (Statistics National Institute, 2016).

The self-provision of micro-credit schemes by the selected community groupings of Chókwè district provided an opportunity to the households to address their basic needs. Nevertheless, those participants who owned more established fledging micro-businesses attained relatively higher socio-economic status than others, and this enabled them to move to the horizontal level of social mobility.

Theoretical Framework discussed various aspects of social mobility such as vertical, horizontal, absolute, relative, inter-generational and intra-generational types of social mobility. While the vertical mobility measures individuals or groups of people through a lineal process as moving up or down wards from a socio-economic level, the horizontal mobility compares the up or down wards movement of people within the same socio-economic level (Habit et al, 2008).

Daniel (2009:3) points out factors related to social mobility including education, discrimination and credit-limitation. Viewed in a holistic perspective the credit-limitation factor is crucial in that it has influence on both education and discrimination. Credit-limitation may particularly limit access to education, especially in relation to the majority poor people from developing countries in rural areas due to lack of enrolment fees, costs for school materials and long distances to access schools which is associated with transport costs.

In addition to some improved houses, brick built walls to protect yards and rubber water containers that the researcher observed during an interaction with the participants, the oldest participant in the self-provision of micro-credit schemes characterized horizontal mobility based on the changes she had seen taking place particularly in the 4th Neighbourhood and in Chókwè district in general. She added that:

Some of us have been implementing our small businesses before the self-provision of the schemes in the community, because of that the accumulated experiences have indeed enhanced the generation of profit in a sustainable manner. We are all from the same community, even long before the schemes we had this sense of community bondage that allows us to live as a group, share our problems and have solidarity. What I want to say is that the life of some households recipients of the

schemes have relatively improved when compared to other households recipients of the schemes. This does not mean that those households are now rich. But you can notice the difference in terms of their houses, yards, and some have bigger farms than before. The other important as a gain because of our business is the fact that almost all the children from that live in the households that benefit from the loans from our group at least go to school.

In intra-generational mobility the social status are compared within the same generation while in the inter-generational mobility the social status is compared with the last and subsequent generations. While in absolute mobility the upward socio-economic transition is compared between a society and their parents' social status, in relative social mobility the income distribution is the focus of upwards socio-economic comparison in relation to a certain segment or category of the society (Birdsall and Graham, 1999).

5.4.2. Challenges faced by micro-finances beneficiaries

The process of the running of micro-enterprises is complex in that, it does not take place in isolation. It involves relationships and sharing common resources by different stakeholders. Throughout the challenges related to the running of micro-businesses, the participants indicated the unfavourable environment created by the Chókwè Local Government and the unfair trading relations with trading partners from other provinces. Some of the challenges cited were that:

The Chókwè Local Government has provided us with minimum support. The municipality police confiscate our merchandises in spite of the daily rate we pay. Although the confiscated merchandise is supposed to be stored at the municipality, when we go there to claim them they are never returned to us (Owner of maize business).

The inter provincial trading relations with trading partners from other provinces, mainly from Maputo province involve unfavorable negotiating power which is always against us. The trading partners from Maputo tend

to fix the prices they want mainly due to our disorganization. On a trading day in the municipal market the farmers bring in from their farms lots of tomatoes, cabbages, green peppers, carrots and so on. Because the traders from other provinces know that some of these products quickly get rotten and that we cannot afford to take these products back home, we accept low prices (Owner of vegetable businesses).

The participants mentioned that the dispute between small scale farmers and commercial farmers over the opened canals from the Limpopo River for irrigation purposes also remained unsolved. The participants highlighted that the frequency of disputes were notable during the drought period. During the drought period the Limpopo River levels recede and hinders households to access water from the canals to irrigate their small scale farms. The commercial farmers have taken the advantage of using pumping machines to pump the water from the canals to their farms. In terms of the water dispute from the canals for irrigation purposes one participant said:

During the drought period in Chókwè we face problems just to irrigate our farms and vegetable gardens. The main problem is not that the canals do not have some water. There is water but it does not reach our area because the commercial farmers pump it all with their pumping machines! The commercial farmers cannot even give us some time for the water to reach our area. They use their machines the whole day. Maybe the commercial farmers would open their own canals because they have a lot of money. The Local Government is taking a lot of time to resolve this dispute, which is biased against us. I do not know whether the Local Government is not interested, or lacks the capacity to resolve this dispute.

The participants who owned fish micro-business pointed out the lack of freezers as challenging to them. This takes into account the fact that fish is a sensitive product:

Some days we do not manage to sell out all the fish, the remaining fish gets rotten because we do not have freezers to keep the fish. Although when there is much remaining fish sometimes we buy blocks of ice to keep it, this has not been often since the ice is expensive and we won't make daily profits. Lack of freezers hinders us to buy a lot of fish from the fisher men. Buying a lot of fish as retailers would really compensate the days of scarcity of fish, thus our business could not stop even a single day. We have to find a way to buy our own freezers.

The owners of the charcoal micro-business associated the challenges they faced with the transportation expenses and distances they have to travel to purchase the charcoal. In regard to this a participant had this to say:

With the growing demand of the wood by the bakery's shops in order to produce the bread, the forest located in the surrounding areas have been cleared out. Therefore, we are forced to go to distant districts, such as Chicualacuala district, which is about 300 kilometers from Chókwè in order to buy the charcoal from the suppliers. The other challenge associated with buying charcoal in far districts such as Chicualacuala is the fact that we are forced to spend more than three days because a return journey depends on the availability of cars to hire to transport the merchandise back home. We also incur the cost of accommodation and food expenses when compared with buying charcoal in closer locations.

The SLA establishes that the balanced relations between its capitals/elements is the reflection of a conducive development environment. This perspective is concurrently reinforced by the principle of local economy embedded in community development approach (Al-Ami et al, 2015).

In relation to empowerment and various perspectives of power, Tesoriero (2010: 65-67) argues that the level of power exercised by the stakeholders is detrimental to determine the level of relation among those stakeholders. When the levels of power are different, the relations become unbalanced on the favour of the stakeholder with more power. The challenging unbalanced relations faced by the recipients of the self-provision of micro-credit schemes from the community grouping from the 4th Neighbourhood in Chókwè are at four dimensions.

The first dimension is related to unfavourable environment that is at policy/legislative level between the Chókwè Municipality and the owners of micro-enterprises. This dimension is characterized by the informality of the trading process and minimum support by the Chókwè Municipality. The second dimension is related to the unbalanced relations between the micro-enterprises owners in farming related activities and the commercial farming sector in Chókwè district. The relation is favourable to the Chókwè commercial farming sector since they are financially powerful. The third dimension is related to the unbalanced relations between the micro-enterprises owners in the farming related activities and inter provincial trading partners. The

trading relations between the micro-enterprises owners in the farming related activities and the trading partners from other provinces, mainly Maputo province as a typical urban province tend to be unbalanced on favour of the external trading partners from other provinces since they hold negotiation powers. The fourth dimension is related to the balanced relations between the micro-enterprises owners in the farming related activities and the trading partners from Gaza province (Chókwè district is within Gaza province). The trading relations tend to be balanced because of the same power level held by the trading partners.

5.5. Conclusion

This chapter has analyzed and the presented the analyzed data. The findings have demonstrated how micro-credit schemes are operated in the Chókwè region, how the beneficiaries participate in the processes for the functioning of the schemes and how they have been enabled to properly manage their micro-enterprises. The findings have also demonstrated that equal power trading relations with the counterparts are crucial for a favourable environment in terms of running income generating activities by the beneficiaries.

The findings show that the implemented micro-enterprises had a positive impact in the satisfaction of the basic needs, particularly the micro-credit recipients who owned established fledging micro-enterprises were able to move to horizontal social mobility when compared to others.

The survivalist-type of micro-enterprises, run by individuals was identified to have been common for all the beneficiaries. The integration of the available local resources maximized the generation of profits through micro-enterprises however the involvement of local government as partner in the process of micro-enterprises was minimum.

The findings revealed that the beneficiaries would be able to sustain their micro-enterprises when the self-provision of the schemes ceased. Some of the micro-enterprises had a negative impact on the natural environment; therefore there is a need to integrate environmental awareness in the process of empowering beneficiaries.

Chapter 6: Conclusion and Recommendations

6.1. Introduction

In spite of employment opportunities in Chókwè district mainly in the agricultural sector linked to the combination of fertile soil and Limpopo River, which runs the length of the district, the provided work especially to the majority women in the commercial farms is seasonal. Men's remittances from mine work in South Africa that provided solid households income were seriously affected by the massive retrenchments in South Africa. The cyclical floods in Chókwè have severely destroyed the households' assets, making it hard for poor households to recover and earn household income. Despite this the traditional financial institutions, for example the commercial banks have excluded the poor for accessing financial credits as they are considered as risk group.

The overall scenario of lack of employment or unsustainable employment has triggered women to initiate self-provision of micro-credit schemes to promote self-employment through micro-enterprises.

In that context the primary purpose of this research was to explore and assess the impact of the self-provided micro-credit schemes by community-based women's groups in Chókwè, Mozambique in terms of processes, challenges and outcomes. The chapters that comprise this research have highlighted that:

- Chapter 1 has laid the background of the study in terms of providing a general overview of Mozambique and Chókwè district as the site of the study in terms of the socio-economic situation. In that context it has been highlighted that the majority of people in Mozambique, especially in rural areas are poor, without valuable assets as collaterals for their credit legibility by the traditional financial institutions. In response for the overall poverty, CBOs have been highlighted as facilitating the establishment of community groupings to mobilize their own funds for self-provision of micro-credit schemes. Micro-credit schemes were tied to micro-credit enterprises to generate household income to meet the basic needs.
- Chapter 2 provides theoretical framework of the study. Through the theoretical debates in the related themes of: advantages of micro-finance, micro-credit practices, typologies of

micro-enterprises, the perceived impact of micro-credits in community development, the gendered role of micro-credits, effectiveness of micro-credit for social mobility and the socio-economic and environmental sustainability through micro-finance. The chapter highlighted global perspectives and experiences related to the functioning of micro-credit programs vs created types of micro-enterprises. A part from the group solidarity that is distinctive among the recipients of micro-credit schemes, the theoretical debates also discussed the gender aspect for the legibility of the recipients of micro-credit schemes. In that context women were indicated as the overwhelming recipients of those schemes. However, households men's influence in the decision making process was still viewed as influent. The discussion on MFIs focused on the issue of reaching out the poor people verses their financial sustainability. The generation of income through micro-enterprises was not detached from sustainable natural environment.

- Chapter 3 is the literature review. It provides the analytical framework of the study through the combinations of the SLA and community development approach. It was highlighted that the balanced relationship between the natural, human, social, physical and financial capitals as the elements of the SLA not only promotes the sustainable meeting of basic needs but it also promotes sustainable environment. The process-oriented participation, empowerment linked to promotion of people's capabilities and awareness on structural issues, local economy based on local available resources and valuing local resources both tangible and intangible were highlighted as the underlying principles of community development. Synchronization of the principles of community development with the community development interventions may result in sustainable meeting of basic needs and promotion of the sustainable environment as well.
- Chapter 4 provides the case study context of the 4th Neighbourhood in Chókwè district as the research site linked with the community grouping of the recipients of the self-provision of micro-credit schemes as the case study of this dissertation. The purposive sampling method was used since the focus of the research was all the 20 recipients of the self-provision of micro-credit schemes of the community grouping in the 4th Neighbourhood in Chókwè district. A combination of Participant observation, focus groups and self-administered structured questionnaires were used for data collection methods. Constant

comparative approach was used to analyze the collected data since it exposed the pattern of thought and behaviour for analysis.

- Chapter 5 is the finding and analysis chapter. It provides the presentation of the findings and analysis of the collected data from the participant observation, focus groups and the self-administered structured questionnaires. These research methods were used to collect the data from the 20 participants of the self-provided micro-credit schemes from the community grouping of the 4th Neighbourhood in Chókwè district. The findings of the research were discussed in the context of the literature review, the sustainable livelihood framework and community development approach.

6.2. Summary of the findings

6.2.1. Selection criteria and micro-enterprises initiated

The findings of this study revealed that the self-provision of micro-credit schemes and the initiated micro-enterprises by the community groupings in the 4th Neighbourhood in Chókwè have had a positive impact. This takes into account the fact that the households were enabled to attain their basic needs in a sustainable manner. The available resource-base in Chókwè such as the Limpopo River which runs through the district enhance the development of many associated micro-enterprises for the recipients of the schemes. This process of taking the advantage of the available resource-base, linked to community development interventions is in light with the SLA and community development approach in that it is associated with people's livelihoods and valuing of community assets (Serrat, 2008).

The group based modality is crucial for the functioning of the schemes since it informs the lending and the selection criteria. Since the group members are the source of funds for the schemes they are thus the primary legible recipients of the schemes. Nevertheless, they had to comply with the main schemes functioning rules such as the deadlines to pay back the loans at 10% interest rate within 3 months, after which they could apply for more loans. Non group members are also legible for the loans, but in defaulting situations the responsibility lies with the group member who invited the external member. The fortnightly periodical group meetings are mandatory for the members since not only is the occasion for the transaction of the schemes but they also provide the learning

opportunity for the members in terms of best practices to avoid defaulting. The group structure, which is comprised of a president, two secretaries and an accountant facilitate the transaction and non-transaction proceedings during the periodical meetings in the presence of the group members in order to promote transparency.

The process of the functioning of the self-provided micro-credit schemes by the community grouping from the 4th Neighbourhood in Chókwè district involved all the 20 participants in the related identification and establishment of the related rules. This environment characterized by openness in the discussions was due to an interactive participation. Interactive participation enables the participants to have the same level of participation in the process. This process-oriented type of participation also enables the participants to have the sense of belonging to the process (Oitheten, 1999).

The nature and types of business initiatives run by the participants ranged from recurrent and non-recurrent. The recurrent types of business were, sale of fresh vegetables from the gardens, rice and tomato from household small scale farms; first necessity products such as sugar, rice, oil, maize, chickens, meat and fire wood. The non-recurrent types of business were comprised of sale of used clothes, charcoal, women's hair products, cool drinks and homemade bricks. Among both the recurrent and non-recurrent types of business the considered established fledging business could be identified and the owners either had livelihood experience or had some advanced level of education. The established fledging business were charcoal, women's hair products, chickens, tomato from household small scale farms and maize.

The initiated micro-businesses in the 4th Neighbourhood are characterized by both household and community's bonding relations, which enabled the non-interruption of the business even in the absence of the owners. This is because the other members of the households' recipient schemes and their neighbours were familiarized to the selling modalities of those business. Community development approach is people-centered in which the human values are characterized by trust, collective sharing of rights and responsibilities and dignity. Therefore, community development approach is unlike conventional development approach which is exclusively profit-driven and isolationist in that it focuses on the individual level (Tesoriero, 2010).

6.2.2. Outcome implementation of Community Development Principles

The nature of participation was characterized by self-mobilization and interactive types of participation in that the participants mobilized themselves and identify proactive ways to bring about change in their communities and they were involved in all the stages of the project (Hogan, 2002). The group members established the schemes functioning rules, which included the composition of the group, the deposited amount and the periodicity of those deposits and the related lending and paying back criterion. The structure of the group was also established by the group.

The training content that is based on people's experience and livelihoods is crucial in that it does not exclude people's participation (Oxenham et al, 2002). The content of the training for the participants in small management business was devised through participatory needs assessments approaches, which took into account the daily activities of the participants. This took into account the fact that most of the participants were running small business even before the self-provision of the schemes project. The participants also determined the types of business they wanted to engage in, according to their related experiences and the opportunities they saw in implementing those businesses. This minimalist approach differs from the income generating approach, which is characterized by conditioning the legibility of schemes to the types of business, which have been determined by the funding agency (United Nations Report on Micro-Credit, 1997).

Apart from the empowering environment coupled with the process-oriented participation, which enabled the beneficiaries of the self-provided micro-credit schemes to participate in the decision making process and taking control of the rules for the functioning of micro-credit program, there were other two components for the beneficiaries' empowerment. The beneficiaries participated in small business management training, and they were also told the reasons for poor people's exclusion from formal financial institutions. The beneficiaries made use of the available local resources. The heavy sand, the Limpopo River and vegetation are the main sources or materials which are locally available and used for the manufacturing or enhancing products. The micro-enterprises that took the advantage of the available local resources were homemade bricks, vegetable gardening, firewood and fish business. The comparative advantage consisted in cutting

down the transport and accommodation expenses, and time that the beneficiaries would incur if they were to travel in order to have access to the respective resources in the other locations.

The relations between the owners of micro-enterprises and the Chókwè local government are unfavorable. First, their merchandise was always confiscated by the municipality police and second, there was a conflict between the owners of farming related micro-enterprises and the Chókwè commercial farmers over the use of canals from the Limpopo River for irrigation purposes which remain unresolved.

The sustainability of their micro-business was enhanced by both the savings from the generated profit and the yearly shares collected at the end of project in December. These savings could also increase the beneficiaries funding base for the upcoming schemes next year. The saving association and the gained experience running business could enable the beneficiaries to make transition to other types of business. However, the role of the Chókwè local government was seen as crucial for the sustainability of their income generating activities in terms of eliminating the related harassment by the municipality police.

The SLA highlights the systematic relationship between the natural resources, livelihood strategies and the satisfaction of the basic needs as crucial for environmental sustainability (Brundtland Report, 1987: 78; Neefjes, 2000: 18; Ife, 2002: 26). Although the owners were unaware, the environmental relationship with their micro-business was characterized by the destruction of vegetation, erosion of the land and elimination of some fish species. These environmental problems were respectively linked to the cutting of trees for fire wood, use of heavy sand for the manufacturing of the homemade bricks and use of mosquito nets for fishing.

Social relations and social learning were determinant in the running of the initiated micro-enterprises. The trading relations that involved trading partners with the same equal powers were favorable to the micro-enterprises owners, which resulted in the boosting of their profit base. This proved to be true during the internal trading relations in Chókwè and in the inter district trading relations with the neighbouring trading relations within the same Gaza province. The intra provincial trading relations with trading partners from urban centers from Maputo province were

unfavorable to the owners of the small business since they did not have equal powers. The trading partners from the urban centers had higher negotiating powers and tended to take the advantage of the trading relationships by fixing the prices they wanted. This is because the owners of the small business in Chókwè were also disorganized.

The principle of local economy, which is embedded in community development approach argues that boosting of local economy occurs when the trading relations happen between trading partners with equal powers. That is because those trading partners create an environment to enable concerted concessions until reaching common agreement. On the contrary, trading partners with unequal powers the tendency is co-option of the partner with less trading power, which result in lack of consensual agreement. The trading partner with less power becomes disadvantaged in this trading relation (Ife, 2002).

6.2.3. Impact of the implemented micro-enterprises

The implemented micro-business had a positive impact for the households. In general the households were able to attain the basic needs such as food and water. Those households that had school going children could also afford to buy school uniform and materials for their children. The more concrete impact of the income generating activities was the improvement of the houses by some beneficiaries. Traditional reed built houses have been replaced with more durable and comfortable brick houses. Minimum savings have also been registered as a positive impact of the schemes. This takes into account the fact that before joining the schemes the households were unable to save.

The socio-economic status in a given society condition the attribution and attainment of power as determined by the community members, according to their values and norms (Barbara, 2005). The schemes and the initiated micro-enterprises have enabled the beneficiaries, who are women that are the heads of their households, to attain some social power. This power has been manifested through respect through social interactions at events such as weddings and traditional ceremonies. This was because the generated profit has enabled these women to access what is valued by the society in those events.

Therefore, the positive impact of micro-credit program through the generated income rendered women with social power within the community, when taking into account the fact that the accrued social power in rural communities like Chókwè, linked to gendered norms and patriarchal relations has been exercised by men. Then the women's acquired social status as influenced by the self-provided schemes contributed to gender equality (Khandekar et al, 2008).

While all the households that owned micro-enterprises had the opportunity and advantage of experiencing the satisfaction of basic needs such as food and water in a sustainable manner, those who owned established and fledging business experienced a shift in their socio-economic status. This upward mobility has enabled their households to move to horizontal social mobility. The fledging small businesses were comprised of homemade bricks, maize, women's hair products, charcoal, chickens and tomatoes from their small scale farming. The characteristics that distinguished the shift to horizontal social mobility included owning the leather furniture, bricks built houses, rubber made water containers to store water, ability to hire a tractor in order to plough their household farms and bricks built wall around the yard. In the context of SLA and related to financial capital the livelihoods strategies that have characterized people's way of living prior to self-provided schemes were boosted by the generated income linked to developed micro-enterprises (Serrat, 2008). For example, widening their farm yard through hired tractor ploughing.

The implemented micro-enterprises through the self-provision of the schemes faced challenges. The interference of the local government in their business characterized by harassment and the confiscation of their products was one of the major challenges since it has a direct impact over the generation of profits. The trading relations with the trading partners from the urban center such as Maputo province have promoted unfavorable environment for their business, considering that there is no power balance in those relations. Therefore, the urbanites tended to fix the prices they wanted. The dispute over access to the canal water from the Limpopo River for irrigation purpose, mainly during the drought period was another challenge for the owners of the business, especially for the owners of the small scale farms, and vegetable gardens since the development of their products are conditioned by water for irrigation purposes.

The environmental problem associated with the destruction of local vegetation has caused the charcoal business owners to travel to distant districts to buy charcoal to sell back in Chókweè region. This has led to extra transport and accommodation expenses. The owners of the fish business lack freezers to keep their fish, and this led to additional expenses as they sometimes have to buy the blocks of ice to keep their fish refrigerated.

6.3. Suggestions for Future Research

The self-provision of micro-credit schemes by the community grouping and the related micro-enterprises in the 4th Neighbourhood in Chókweè district exposed other research areas in the field of micro-credit functioning. Further research in this area could provide a learning opportunity and best practice to be used throughout the country and other countries as well. Below, the researcher provides some topics that could be used for other research.

- Self-provision of micro-credit schemes by groupings of men
- A comparative study between the self-provision of micro-credit schemes by groupings of women and men
- A comparative study between the self-provision of micro-credit schemes and micro-credit schemes provided by an agency
- The impact of the self-provision of micro-credit schemes integrated with the available local resources
- The impact of the self-provision of micro-credit schemes through partnership with the private sector
- The impact of the micro-credit schemes through establishment of co-ops
- The impact of the self-provision of micro-credit schemes in promoting employment
- The impact of micro-credit schemes for social mobility
- The impact of micro-credit schemes in promoting the satisfaction of basic needs at the household level
- The impact of trading relations in the initiated micro-enterprises through the self-provision of micro-credit schemes

- The sustainability of the promoted basic needs through the self-provision of micro-credit schemes
- The type of social mobility that is best promoted by self-provision of micro-credit schemes

6.4. Proposed Recommendations

The recommendations in this research are directed to two sets of stakeholders; the recipients of the micro-finance schemes and policy makers who comprise of government and financial institutions. The implementation of the initiated micro-enterprises through the self-provision of the micro-credit schemes, despite being a community based initiative, for its effectiveness the consolidation of the stakeholders' relationships has to be taken into consideration. Below, the researcher provides some recommendations to enhance the effectiveness of the implemented micro-enterprises.

6.4.1. Recommendations for the recipients of the micro-finance schemes

- **Awareness of environmental issues**

The recipients of the self-provided schemes have demonstrated lack of awareness of environmental issues in relation to their initiated micro-business. The environmental issues linked to the initiated micro-business include destruction of vegetation, erosion of the land and the depletion of some fish species. These environmental issues are related to cutting down of the trees for fire wood and charcoal, use of heavy sand for the manufacturing of the homemade bricks and the use of mosquito nets for fishing.

In order to promote environmental awareness to the recipients of micro-credit schemes, World Vision as part of the facilitating partners, who are in charge of facilitating the related small business management training, should integrate the component of environmental awareness in the training content. This would enable the participants to understand that although the available natural resources in their communities may be integrated in the income generating activities, their unsustainable use may bring devastating effects locally and globally. This would also enable the participants to familiarize themselves with coping strategies to minimize the effects of extensive tree cutting and soil erosion on the environment. The role of World Vision was to provide the skills

training in small business management, mediate conflicts related to the operation of the self-provided micro-credit schemes program and administrative and minimum administrative support. For example in terms of start office materials as paper and pens.

- **Sound partnership between the owners of micro-enterprises and local government**

The Chókwè local government instead of being a promoter of local business, which could contribute to stimulate local growth, it has rather hindered the development of small business. The hindrance of the development of small business has been through the acting of the municipality police in relation to the informal sector business. There are times when the owners of small business were harassed by the municipality police and having their merchandise confiscated. This has happened despite the agreed daily rate collected on behalf of Chókwè local government.

In order to put up the claims collectively and in an organized manner in relation to the harassment and confiscation of merchandise, the owners of micro-business through the self-provision of the schemes and other small business owners in the informal sector in Chókwè region, should form an association. The representatives of this association could represent the interests of the informal sector before the Chókwè local government.

Moreover, the local government has not been able to mediate in the conflict between the Chókwè commercial farmers and the micro-credit recipients concerning the use of canals from the Limpopo River for irrigation purposes.

The Chókwè local government is the appropriate institution to resolve the dispute over the canals from the Limpopo River for irrigation purposes. The local government just needs to agree with both the counterparts about the ideal time per day when the small scale farmers may use the canals to irrigate their crops during the drought period, taking into account that this is the period of dispute due to the reduction of the level of water in Limpopo River.

- **Establishment of co-ops for some types of micro-enterprises**

The nature of some initiated micro-enterprises and the process involved to store the corresponding products are determinant for profit generation. While the products from some types of micro-

enterprises such as homemade bricks, charcoal, women's hair products and used clothes are easily kept, the products from other types of micro-enterprises such as fish are sensible by nature and easily get rotten if not frozen. The findings in the study showed that the owners of the fish business have faced challenges to freeze their fish due to the fact that they do not have freezers and buying ice blocks to freeze the fish proved to be expensive as could not make any profit.

The owners of the fish business from the self-provision of the schemes and even members from other schemes who also own the fish business could establish a co-op. The establishment of a co-op would enable them to buy the necessary freezers to keep their fish. This could also enable the members of the co-op to buy enough fish from the fishermen as retailers to compensate the days of scarcity of fish from the Limpopo River. If well organized the co-op could become the main source of supplier of fish in the 4thNeighbourhood and Chókwè region.

- **Sound partnership between small scale and commercial farmers**

The 4thNeighbourhood and the Chókwè region have a potential for farming due to the fertile soil and the Limpopo River that runs the length of the district, which offers good opportunities for irrigation purposes. This is the reason most of the households dedicate themselves to small scale farming and there are many commercial farms that take the advantage of the favourable farming conditions. Nevertheless, as the findings of the study highlighted there are many cases where the harvested products get rotten due to lack of market, especially in regard to intra provincial trading relations with urban centers from other provinces.

The commercial farmers' produce from Chókwè is supplied to all the provinces in Mozambique. The commercial farmers distribute the produce themselves to those provinces and this affords them favourable negotiating powers over the local traders in those provinces. The commercial farmers also supplied tomatoes, to the food industries who process the products into canned products.

Effective partnership between the household small scale farmers and commercial farmers would allow the harvest from the household small scale farms to be allocated to commercial farmers.

This is because the commercial farmers have a strong distribution channel base of their products throughout the country.

6.4.2 Recommendations for policy makers: Government and Financial Institutions.

Most of the micro-credit schemes funded by NGOs, financial institutions or government agencies have been characterized by high levels of default of payment by the recipients of those schemes. This is mainly because in these schemes have no group identity and group solidarity, unlike in the self-provision of schemes. Here are some of the recommendations for policy level.

- **Group based provision of micro-credit schemes by the funding agencies**

It is a normal practice that the formal financial institutions have allocated the micro-credit schemes individually to their clients. Therefore, the reimbursement responsibilities are also expected to be adhered to individually. In most of the cases the clients may come from the same or close location.

Although maintaining their individual based responsibilities in terms of allocation and reimbursement principles, the policy makers could integrate the group based principles in the transaction process of the formal financial institutions. This process could enable the clients to learn from the group members in terms of the challenges faced and best practices for the implementation of their small business. The dividends of this process could also benefit both the financial institution and the clients in that the former would increase the rate of reimbursement and the latter would avoid the collaterals effect.

- **Adoption of minimalist approach in the provided micro-credit schemes**

The formal financial institutions have chosen their area for the provision of micro-credits. The areas would be agriculture, fishing and so on. While the chosen area is related to the specialty of those financial institutions, many beneficiaries have been excluded from the related micro-credits since they are not familiar with that area.

In order to promote inclusion, the policy makers could establish the minimalist approach for the legibility of micro-credit recipients. In the minimalist approach the beneficiaries choose the area to implement their small business. This could enable the beneficiaries to apply their micro-credits in the areas of their familiarity. The advantage of the application of micro-credit schemes in the familiarized areas is that the people make the integration with their life experience and livelihoods. This also increases the rate of reimbursement for the institution and avoids the collaterals effect for the client.

- **Provision of basic training**

The provision of the basic training to the recipients of micro-credits in the area of small business management is crucial for the effectiveness of those small businesses. This is because the basic training in small business management provides the recipients of the schemes with the basic principles of implementation of their small businesses.

The policy makers could integrate the provision of basic training in small business management to the recipients of micro-credits so that the beneficiaries could enhance the profit base from their businesses. In this way the beneficiaries would be able to comply with paying back loans to financial institutions.

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The Self-Provision of Micro-Credit Schemes by Women's Group in Chókwè: Processes, Challenges and Outcomes

Appendix A

Consent form

Consent form for recipients of the self-provided micro-credit schemes who will participate in the focus groups discussion and self-administered structured questionnaires:

Objectives of and need for the study

The primary purpose of this research is to explore and assess the impact of the self-provided micro-credit schemes by community-based women's groups in Chókwè, Mozambique in terms of processes, challenges and outcomes. The assessment of processes, challenges and outcomes will be in the context of the sustainable livelihood framework and the principles of community development. This research will interrogate the relationship between the self-provision of micro-credit and sustainable livelihoods, with a specific focus on food security. This research aims to demonstrate that it is preferable to have civil society organizations engaged in micro-enterprise development as opposed to financial institutions since they appear to be more sensitive to pro-poor dynamics and social justice agendas.

What I hope to demonstrate in this research is that this form of micro-credit lending is an adequate and effective alternative mechanism for enhancing poor households' livelihoods in sustainable way.

Study procedures

Through a focus group discussion guide and self-administered structured questionnaires all the 20 recipients of the self-provided micro-credit schemes from the community grouping of the 4th Neighbourhood in Chókwè district will be asked to provide their input by participating in the group discussions and responding to the self-administered structured questionnaires. Your decision to participate in the focus group discussions and self-administered structured questionnaires is completely voluntary.

Right to refuse or withdrawal

Your decision to provide the requested inputs by participating in the focus group discussion and self-administered structured questionnaires is entirely voluntary. You are free to refuse or withdraw at any time. Ideally you should participate in the group discussion until the end of the session but you may choose to leave at any time.

Confidentiality

The information you provide to the researcher through the group discussion and the self-administered structured questionnaires will be kept completely confidential. Only the researcher will know the information you provide. Your name will not appear on any report or other document of this study.

Benefits

You are not required to pay any fee to participate in this process, what is required is only some of your time. The findings of the study may be shared with you. Since the findings of this study will also be shared with the recipients of the self-provided micro-credit schemes from the community grouping of the 4th Neighbourhood in Chókwè district, it is expected that the program would be improved to better assist the beneficiaries. Do you have any questions? If at any time during the process of providing inputs through the group discussions and the self-administered structured questionnaires, you may speak to Mario Enoque Bambo.

Would you like to take part in providing us with the requested information? [If yes]: I am now going to read you a statement, and if you agree to it, Iwill sign this paper to confirm your consensus in participating.

Agreement to Participate

The above description of the project was read to me by Anything I did not understand was explained to me and all my questions were clarified. I agree to participate in this process of providing information through participating in the group discussion session and responding to the self-administered structured questionnaires.

1. _____ I agree to participate in providing the requested information.

2. _____ I do not agree to participate in providing the requested information.

Name of Person Giving Consent: _____

_____/_____
(Signature of Person Giving Consent) Date

Name of Person Obtaining Consent: _____

_____/_____
(Signature of Person Obtaining Consent) Date

Name of Witness: _____

_____/_____
(Signature of Witness) Date

The Self-Provision of Micro-Credit Schemes by Women's Group in Chókwè: Processes, Challenges and Outcomes

Appendix B

Self-administered structured questionnaires

Self-administered structured questionnaires by recipients of self-provided micro-credit schemes		
Respondent's code.....		
1- Gender: Male..... or female.....		
2-Respondent's age		Years
3-What is your level of education?	None	
	Adult training	
	Primary school	
	Secondary school	
	University level	
	Others	
	Do not know	
4-How many members are in your household?.....		
5-How many children go to school? If children do not go to school please justify.		
6-Which distance separate where you live and the school where your children study?		
7- When the household members are sick or need care where do they go for health services?		
8- Which distance separate where you live and the clinic where your household members go for health services?		
9-How many people work in your household?.....		
10- What other forms of work does someone in your household do?.....		
11-What is the monthly overage income in your household?.....		
12-How much money for loan have you received?.....		
13-How many times have you applied for the loan?		
14-Which average amount have you applied in each loan?.....		
15-In how many installments have you reimbursed the loan?.....		
16-Which monthly overage profit have you had from the run business?.....		
17-What kind of activity/business have you implemented with the loan?.....		
18- Have you had profits from the income generating activity?.....		
19- How many meals do you eat in a day?.....		
20- Has your household received food packages from a relief organization?		

21- What do you do with the income you generate from the business?.....

This space may be used as an extension of a certain response. The number of the question may be indicated.

The Self-Provision of Micro-Credit Schemes by Women's Group in Chókwè: Processes, Challenges and Outcomes

Appendix C

Focus groups discussion guide for recipients of self-provided micro-credit schemes:

1. How did you become aware about the provision of the micro-credit schemes by a community-based group in your community?
2. Would you discuss whether the used selection criteria to be illegible for the loan insured that both the vulnerable women and men are in fact the beneficiaries?
3. How the issue of gender equality has been prioritized in the income generating activities, since women have been the majority participants in micro-credit schemes?
4. Would you discuss whether you have had some kind of training/knowledge on running income generating activity before benefitting from the loan?
5. Have the beneficiaries benefitted from training on running income generating activity? How have the beneficiaries of the loan been involved in selecting the relevant training in order to enhance their income generating activity?
6. Would you discuss how the beneficiaries have been involved in the discussion and decisions concerning the overall strategies and processes related to the provision of the loans? (Composition of the micro-credit group membership, the amount to be deposited, the periodicity of those deposits, related lending and reimbursement criterion for both group and non-group members).
7. Would you discuss about the various kind of income generating activities the beneficiaries have adopted to ensure generation of profits?
8. Would you discuss about the adequacy of the provided loan to run a generating income activity? What strategies have you used to overcome the barriers in case the loan has not been adequate?
9. What is the most valuable contribution that the generated profit has helped you achieve for you or for your households members?
10. Would you discuss the contribution that the generated profit has had in the education of your children or other members of your household?
11. Would you discuss the contribution that the generated profit has had to promote health or access health services for your household?

12. Would you discuss the contribution that the generated profit has had to access adequate housing for your household?
13. Would you discuss the contribution that the generated profit has had to improve access to clean drinking water for your household?
14. What is the food do you usually have in your household? Would you discuss how has your household had access to food?
15. What contribution has the use of available natural resources brought to your income generating activity?
16. Which implications those and other types of implemented small businesses have had in relation to the natural environment?
17. Which local resources the beneficiaries or in partnership with World Vision have been used to promote the sustainability of the income generating activity?
18. What kind of support that local structures, in particular the “Chókwè” local government, have provided to the beneficiaries to facilitate the operation of these small businesses?
19. To which extent the operators of the income generating activities in the farming area have liaised with their industrial counterparts as their product suppliers, taking into account that the “Chókwè” district has been considered as the country's livestock?
20. In which trading levels, whether the inter- district relations with the other districts within the Gaza province, whether the intra- provincial relations with the big urban centers in Maputo and Inhambane provinces are favourable to the beneficiaries as trading partners?
21. Concerning the sustainability of your income generating activity in relation to the provided loan, would you discuss whether you have been able to continue running the business on your own without applying the money from the loan as the result of the generated profits?
22. What assessment do the beneficiaries have on the effectiveness of the provided micro-credit by community-based groups like the one in Chókwè?
23. Would you discuss the main barriers that the beneficiaries have faced in relation to running the income generating activities?