

**“WE DON’T WAIT FOR THINGS TO BE
HANDED TO US”: ASSESSING THE
EFFECTIVENESS OF A SELF-HELP
GROUP APPROACH IN EMPOWERING
WOMEN IN KWAZULU-NATAL**

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As the candidate's supervisor I have approved this short dissertation for submission.

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ABSTRACT

The need to empower women responds to the growing recognition that, especially in developing countries, many poor women lack control over resources and the self-confidence or opportunity to participate in decision-making processes. Women use various approaches and systems in order to survive, including self-help practices and kinship networks, informal moneylenders, rotating savings and credit associations, and accessing micro-finance. In South Africa, many rural women and their families would struggle to survive without the social security grants they receive from the government. This research, conducted with five Self-help Groups (SHGs) in rural KwaZulu-Natal, assesses the effectiveness of a Self-Help Group Approach in empowering poor women in rural communities of KwaZulu-Natal, socially and economically, by determining if the elements of resources, agency and achievements were evident within the groups. The main findings from the study suggest that there seems to be a positive relationship between SHG loans and government grants accessed with one complementing the other; and there was evidence, to varying degrees, to suggest that the determinants of empowerment existed in the SHGs involved in the study as well as within the wider SHG programme in KwaZulu-Natal. The study also highlights some weaknesses within the SHG approach that were identified.

Words: 199

DECLARATION

This dissertation represents original work by the author and has not been submitted in any other form to another university. Where the work of others has been cited, it has been duly acknowledged and referenced in the text accordingly.

Research was conducted in the community of Wasbank in KwaZulu-Natal between June and August 2006 under the supervision of Professor Francie Lund. The opinions expressed and conclusions presented are those of the author alone.

Signed,

A handwritten signature in black ink that reads "Donnell". The first letter 'D' is large and stylized, with a horizontal line extending from its top. The rest of the name is written in a cursive script.

20 March 2007

Philip Donnell

Date

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ABBREVIATIONS

ASCRA	Accumulated Savings and Credit Association
CBO	Community-based Organisation
CF	Community Facilitator
CLA	Cluster Level Association
CSG	Child Support Grant
FDS	Funding Development Services (coordinates the SHG programme in South Africa)
IGA	Income Generating Activity
KNH	Kindernothilfe (a German donor agency)
KZN	KwaZulu-Natal
MCI	Micro Credit Institution
NGO	Non-government Organisation
OVC	Orphans and Vulnerable Children
PRA	Participatory Rural Appraisal
ROSCA	Rotating Savings and Credit Association
SA	South Africa
SHG	Self Help Group
USIZO	The social services wing of the Uniting Reformed Church in South Africa.

MAP

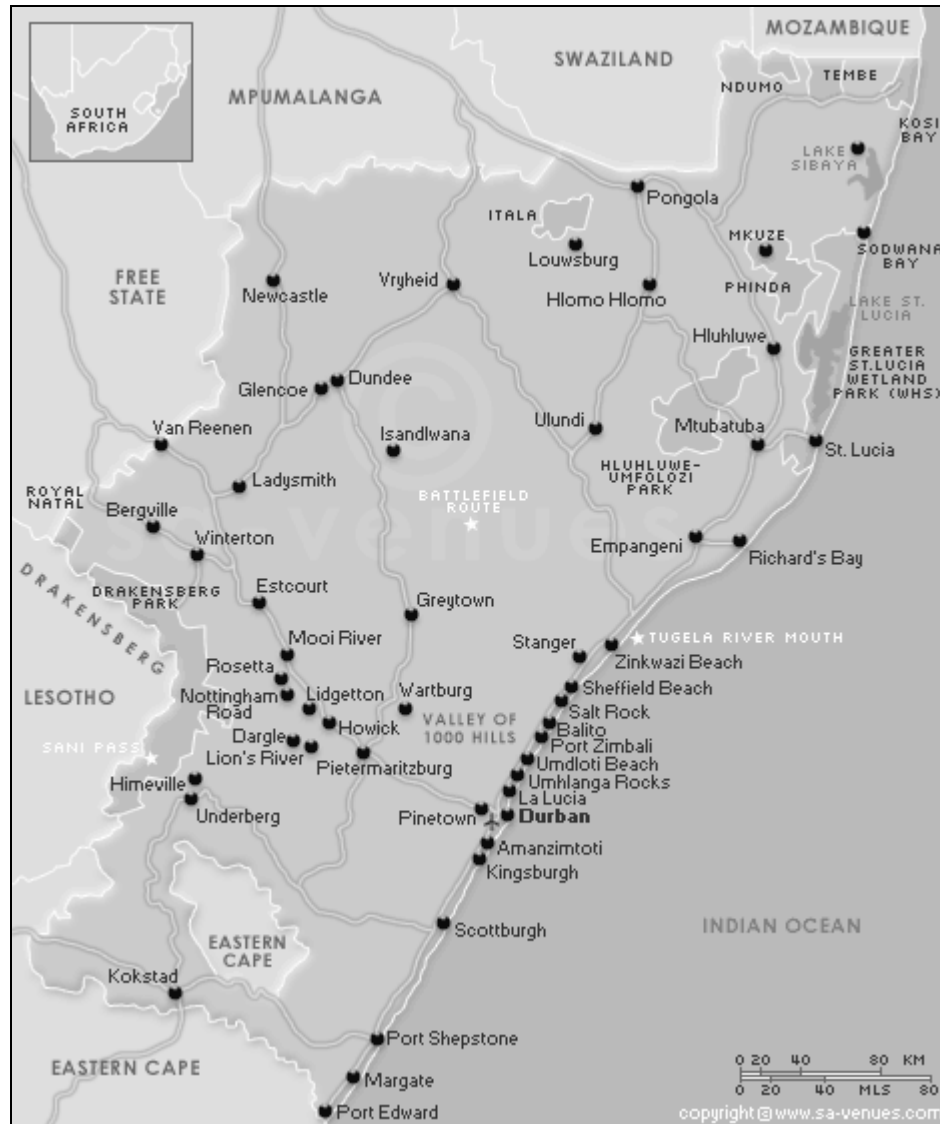


Figure 1 - Map of KwaZulu-Natal
(Taken from www.sa-venues.com)

Wasbank (marked in red), the community in which the research study was conducted, is close to Glencoe which is north-east of Ladysmith.

Chapter 1: Introduction

There has been much debate in recent years as to how evenly the benefits of the globalisation process have been distributed between and within countries, especially in countries where there has been no real decrease in poverty and inequality. The literature analysing the impact of globalization on gender covers a variety of controversial aspects and remains overall inconclusive. While there was some tendency in the initial literature to conclude that globalization might have reduced gender imbalances, largely due to increases in female participation rates, the more recent literature tends to show that the discrimination against women nevertheless continues (Gunter & van der Hoeven 2004). Further debate has centred on the extent to which women and men have been affected, with strong claims of trends towards the feminisation of poverty and an increase in gender inequality, especially in the informal economy and rural areas (Singh 2006).

Over two-thirds of an estimated 1.2 billion poor people in the world are women. Most struggle daily to have adequate food, clean water, sanitation, and health care. They often lack access to credit, land and inheritance; they are denied opportunities, choices, access to information, education, and skills; and their participation in decision-making is minimal at home and in the community (Pant 2004).

Although empowerment and equality should be enjoyed by all women and men, a focus on poor women is justified for several reasons. Gender inequalities exist among the rich and the poor, but they tend to be greater among the poor, especially for inequalities in capabilities and opportunities. Moreover, the wellbeing and survival of poor households depend on the productive and reproductive contributions of their female members, with an increasing number of poor households being maintained by women. A focus on poor women is therefore central to reducing poverty (Grown et al 2005).

During the 1980s and 1990s in India, a number of NGOs saw the formation of Self-Help Groups (SHGs) as a successful mechanism for the organisation, mobilisation and self-development of women. Organising poor women into SHGs and empowering them through building their capacity resulted in the enhancement of their competencies to access and manage resources, expand their options for sustainable livelihoods and enable them to participate actively in community development (Pant 2004, Sahoo & Tripathy 2006).

In South Africa, a variety of community development approaches have been tried with mixed success. Some address economic empowerment, such as anti-poverty approaches, while others focus more on addressing short-term or immediate needs. The need exists for an approach to achieve social and economic empowerment which can lead to self-reliance of the poor (Paul 2005). This is the aim of the SHG approach in South Africa, it does not seek to replace other community development approaches or the state social security grant system, but rather to complement them.

The purpose of this thesis is to assess the effectiveness of a Self-Help Group Approach in empowering poor women in rural communities of KwaZulu-Natal (KZN).

1.1. The Self-help Group approach

The South African government's social security system has reached and benefited millions of South African households, including many in rural areas, since before and after the transition to democracy. Many rural women and their families struggle to survive without the state pension that the grandmother receives or the Child Support Grant that the mother receives for her children.

Total spending on government grants in 2004/05 amounted to R41 billion, transferred to over 7 million people, which represented 10.2% of total government spending, and 3.1% of GDP (Samson et al 2006). However, high levels of poverty and inequality continue to persist in South Africa despite the billions of Rands transferred to poor households every month (Roberts 2005). It is evident that a regular income source from the government alone will not lift poor households out of poverty.

Many rural women in South Africa are trapped in poverty with little access to resources and information, living in a patriarchal tradition that places a lower value on their contribution within the household and does not allow them to participate in everyday decision-making or make broader life choices. The impact of the AIDS pandemic over the last decade has greatly exacerbated the burden of poverty that women and their families face (Leatt et al 2005).

The SHG approach has been promoted in KZN and the Eastern Cape for the past four years by Kindernothilfe (KNH), a German donor agency working in South Africa, and been coordinated by Funding Development Services (FDS). As at April 2006, ten local non-government organisations (NGOs) were forming and managing SHGs in mainly rural

communities and there were 211 SHGs functioning in KZN. The SHG approach promoted in KZN is similar to that developed in India. The very poor of a community are organised and their capacities built so that they play an important role in the development process of the whole community, which is intended to lead to economic, social and political empowerment (Ethiraj 2003).

There are four main components in this approach. First, it focuses on the poorest and most vulnerable sections of the community, organizing the poor and vulnerable into strong affinity groups (SHGs) so that they are no longer voiceless and powerless individuals. Second, it helps women realize their potential as individuals through initiating a savings and credit scheme whereby the members in the group save from their own meager resources and administer their own fund. Third, it provides capacity and competence through a series of training programmes provided by a local NGO, who can support the processes that increase self-confidence, develop self-reliance, and help poor people to set their own agenda. The fourth, and final component, is building the model up through clustering at least six to 10 SHGs into a Cluster Level Association (CLA) to work on the things that cannot be done by SHGs themselves effectively.

This thesis seeks to understand if the SHG approach in KZN has started a process which has resulted in the empowerment of poor women. In order to assess the effectiveness of the approach, quantitative and qualitative methods were used to address the following main research questions.

Firstly, many of the poorest women in rural communities are marginalised within the wider community and isolated from social support. To what extent, therefore, does the SHG approach provide mutual support and group cohesion for women?

Secondly, poor households struggle to have more than one meal per day, provide clothing for children, pay costs of school fees and access health services. To what extent does the SHG approach enable the basic needs of households to be met, and are women able to generate income for their family and begin to develop beyond a state of surviving from day-to-day?

Thirdly, poor women struggle to access credit for their own income-generating activities, often paying high interest rates from money-lenders. To what extent does the SHG approach provide ongoing access to credit and reduce interest payments?

Fourthly, often community projects are planned, implemented and owned by NGOs and government departments. To what extent do SHG members have ownership of their own projects?

Fifthly, to what degree can the SHG approach supplement and interact positively with the state social security grants system? Alternatively, is there any conflict between them?

Sixthly, and finally, to what extent is this approach able to empower poor women in a sustainable manner?

1.2. Thesis Structure

Chapter 2 examines the empowerment of women within the context of poverty, especially in South Africa, and also examines the SHG approach, specifically as it has been promoted in South Africa by Kindernothilfe (KNH), a German-based donor agency. It has three main sections.

It begins by exploring how the term empowerment is defined in the current literature, the difficulties that exist in measuring it, and three key elements for assessing empowerment are outlined, which are resources, agency and achievements. Firstly resources, including access to material and human and social resources; secondly agency, including processes of decision-making, being able to act upon one's goals, as well as less-measurables like negotiation; thirdly and finally, achievements, including well-being and outcomes. These three dimensions of choice are inter-related in determining the extent to which empowerment has taken place. Not everyone accepts that empowerment can be clearly defined or measured. There is agreement that empowerment is a process which has many dimensions – it is not an event, nor does it depend mainly on any one element or dimension.

International and local literature is examined to understand the background to the context of poverty and rural women, especially in South Africa, including survival strategies and systems used by poor women. The impact of the government's social security system is discussed as it brings a dynamic into the empowerment process which needs to be recognised and factored into any attempts to promote development and self-help. Finally, women's groups, specifically SHGs, have a history of being a successful vehicle for the empowerment of women. The SHG approach and what it hopes to achieve is outlined in greater detail, including how it is promoted in KZN by local NGOs.

Chapter 3 gives an overview of the research design and methodology used. The research methods used included both quantitative methods, with background information from five SHGs and an individual questionnaire completed by 55 SHG members, and qualitative methods, with a focus group discussion session with 11 SHG members and a case-study written up on two of the members. Background information and statistics on the 211 SHGs in KZN at April 2006 was provided by FDS, which promotes and coordinates the approach in South Africa on behalf of KNH. The records of the 10 NGOs involved were analysed so that comparisons could be made with the five SHGs in the study.

Chapter 4 deals with the main findings of the research conducted in the Wasbank area in KZN with five SHGs; analysis of the data was structured according to the three main variables discussed in the empowerment literature. The first part focuses on the issue of resources: to what extent have SHG members been able to have access to resources? The second part focuses on the issue of agency: to what extent have SHG members been able to make and act on decisions relating to their individual lives, household and group? Finally, the third part is around achievements: what have the SHG members managed to achieve personally and as a group?

Chapter 5 interprets the results of the research in terms of the literature and theoretical framework outlined in earlier chapters including a saving mindset being developed and loans being more easily accessed than previously; the repayment of loans being linked to the use of government grants; the poorest of the poor moving beyond survival; the importance of caring for women; gender issues and power dynamics at household level; and finally, external facilitation, group ownership and sustainability of the approach.

Chapter 6 summarises the main findings and recommendations of the study including donor concern for impact at the household level within developmental approaches, linkages between the social security programme and the use and repayment of SHG loans, the benefit of group record-keeping for monitoring and quantifying impact, and use of this study by NGOs involved in the SHG programme in South Africa.

Chapter 2: Empowerment of Women and Poverty Reduction

Many approaches within community development in recent decades have attempted to work with the poor, in order to change their social and economic situation, with varying degrees of success (Paul 2005). These include firstly, welfare approaches that seek to relieve suffering, such as relief programmes. Secondly, anti-poverty approaches that seek to involve the poor through a variety of programmes, such as income generation activities, savings and credit programmes. Thirdly, efficiency approaches that seek to improve the functioning of material assets, such as building or improving schools or water systems. Fourthly, equity approaches that seek to address exploitation and inequality through programmes such as co-operatives and unions. Fifthly, and finally, empowerment approaches that seek to enable people to take charge of their situation where poor governance and exploitation exist, such as through capacity-building, awareness-raising and community-based responses. This chapter examines one specific empowerment approach, the Self-help Group (SHG) approach.

The focus of Goal 3 of the Millennium Development Goals endorsed by world leaders at the UN Millennium Summit in 2000 is gender equality and the empowerment of women. A report prepared by the UN Millennium Project Task Force on Education and Gender Equality argues that there are many practical steps that can reduce inequalities based on gender which constrain the potential to reduce poverty and achieve high levels of well-being in societies around the world (Grown et al 2005).

To ensure that Goal 3 is met by 2015, the task force identified seven interdependent priorities necessary to empower women and alter the historical legacy of female disadvantage that remains in most societies of the world. These were to strengthen opportunities for post-primary education for girls, guarantee sexual and reproductive health and rights, invest in infrastructure to reduce women's time burdens, guarantee women's property and inheritance rights, eliminate gender inequality in employment by decreasing women's reliance on informal employment, increase women's share of seats in national parliaments and local governmental bodies, and combat violence against girls and women.

Although empowerment and equality should be enjoyed by all women and men, the task force believes that action on the seven priorities is particularly important for three subpopulations of women. Firstly, poor women in the poorest countries and in countries that have achieved increases in national income but where poverty remains significant; secondly,

adolescents, who constitute two-thirds of the population in the poorest countries; and thirdly, women and girls in conflict and post-conflict settings.

A focus on poor women is justified for several reasons. Gender inequalities exist among the rich and the poor, but they tend to be greater among the poor, especially for inequalities in capabilities and opportunities. The wellbeing and survival of poor households depends on the productive and reproductive contributions of their female members. An increasing number of poor households are headed or maintained by women. A focus on poor women is therefore central to reducing poverty (Grown et al 2005).

This chapter will examine the literature about the empowerment of women within the context of poverty, especially in South Africa, and then examine the Self-help Group Approach, specifically as it has been promoted in South Africa by KNH.

2.1. Defining and assessing empowerment

To be empowered, women must have equal capabilities and equal access to resources and opportunities as men do, and women must then also be able use these capabilities and resources to make strategic choices (Grown et al 2005). The need to empower women responds to the growing recognition that, especially in developing countries, poor women lack control over resources and the self-confidence or opportunity to participate in decision-making processes (Oxaal & Baden 1997).

In many low-income communities in Southern Africa men and women still lack access to resources, basic services and infrastructure (Khosa 2001). However, the realisation that women have an important role to play in social and economic development has become widely accepted; but if women are not empowered to participate along with men in the development process any development efforts will only have partial effect.

Malhotra et al (2002) argue that, in general, women do not take a central place in much of the literature on social inclusion or empowerment. Broad references to empowerment apply to women as well as other disadvantaged or socially excluded groups, such as people with disabilities or ethnic minorities or people living under the poverty line. It is important to acknowledge that *women's* empowerment encompasses some unique additional elements. Women are a category of individuals that exist within all other socially excluded groups, such as disabled people or the elderly; and women's empowerment requires systemic transformation in institutions supporting patriarchal structures.

What aspects of women's empowerment is there agreement on? Mosedale (2005) outlines four aspects which seem to be generally accepted in the literature on women's empowerment. Firstly, in order to be empowered one must have been disempowered, in this case for women it is relative to men. Secondly, empowerment cannot be bestowed by a third party – the most that NGOs or development agencies can do is to facilitate women empowering themselves by creating conditions favourable to empowerment. Thirdly, definitions usually include a sense of people making decisions on matters which are important in their lives and being able to carry them out at an individual and/or collective level. Fourthly, empowerment is an ongoing process – people are empowered, or disempowered, relative to others or to themselves at a previous time.

How then is empowerment defined within the context of community development, especially as it relates to women? Narayan (2002: 10) defines empowerment informally as including the following: self-strength, control, self-power, self-reliance, own choice, life of dignity in accordance with one's values, capability of fighting for one's rights, independence, own decision making, and being free. Formally, she explains empowerment as the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable institutions that affect their lives.

Singh (2006: 235) focuses on control over power and resources, viewing the empowerment of women as “the process of challenging the existing power relations and of gaining greater control over the sources of power and to enable poor women access to and control of, both material and informational resources”. Mosedale (2005: 243) compares what women can be and do in relation to men and defines empowerment as “the process by which women redefine and extend what is possible for them to be and do in situations where they have been restricted, compared to men, from being and doing”. Malhotra et al (2002: 84) define empowerment as the ability of people to make strategic choices in areas that affect their lives

Kabeer (1999: 437) defines empowerment as “the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them” and reflects on the measurement of women's empowerment from the understanding that the empowerment of women is about the process by which those who have been denied the ability to make strategic life choices acquire such an ability. Kabeer argues that the ability to exercise such choice is made up of three interrelated and indivisible elements – resources,

agency and achievements – all of which need attention before assertions about empowerment can be made. Firstly resources, including access to material and human and social resources; secondly agency, including processes of decision-making, being able to act upon one's goals, as well as less-measurables like negotiation; thirdly and finally, achievements, including well-being and outcomes. Kabeer argues that these three dimensions of choice are inter-related in determining the meaning of an indicator and its validity as a measure of empowerment.

Malhotra et al (2002) concur with Kabeer and present a review of current theories and strategies to foster women's empowerment in the development context. Two key factors in the process of empowerment are identified in their review of 45 studies: control over resources, the conditions for empowerment, and agency, the ability to formulate choices. Most studies conclude that enabling factors such as education, employment, positive marriage or kinship conditions, or programmatic interventions such as microcredit lead to women having more choice, options, control, or power over their life conditions. Similarly, studies examining the intermediary role of empowerment also conclude that women's control of assets, income, household decision-making, etc. leads to better outcomes for their families, improved child well-being, and reduced fertility rates.

This research study will use the key elements identified in the literature by Kabeer (2005), Malhotra et al (2002), Grown et al (2005), Narayan (2005) and Mosedale (2005) as a basis for structuring this research study and assessing to what extent the SHG approach in KZN has been able to give attention to the elements of *resources, agency and achievements* within the process to empower poor women.

How easily can these elements be assessed or measured? Kabeer et al (2001: 18) point out that not everyone accepts that empowerment can be clearly defined or measured. They hold that when related to women's empowerment, for many feminists "the value of the concept lies precisely in its 'fuzziness'". Malhotra et al (2002) through their review of 45 empirical studies conclude that there is little evidence of the contribution of empowerment to development outcomes or of the determinants of empowerment.

Singh (2006: 239) maintains that measuring empowerment is not easy – "It can only be felt over a period of time. The various aspects of empowerment are a sense of internal strength and confidence to face life, the right to make choices, the power to control their own lives inside and outside their house. The confident smile on the faces of the women may be the ultimate measurement of empowerment." According to Mosedale (2005: 1-2) while there

is now a significant body of literature discussing how women's empowerment has been or might be evaluated, there are still major difficulties in doing so. Many programmes which promote women's empowerment show little evidence of attempts to define what this means in their context or to assess to what extent they have succeeded – in such cases it is not clear what is added by using the word 'empowerment'.

It is clear that not everyone accepts that empowerment can be clearly defined or measured. There is agreement that empowerment is a process which has many dimensions – it is not an event, nor does it depend mainly on any one element or dimension.

2.2. The context of poverty and rural women in South Africa

Five clear trends have emerged in the analysis of welfare shifts in the post-apartheid period in South Africa (Bhorat & Kanbur 2006). An increase in both absolute and relative income poverty; an increase in income inequality; an increase in unemployment rates irrespective of the definition used; a large and swift fiscal resource shift has engendered widened access to assets and basic services to poor households; and finally, these changes in poverty and well-being have occurred within an environment of moderate economic growth rates.

The government has invested significantly into a social security system which has benefited poor households. However, how are rural women affected by the increases in income poverty, income inequality and unemployment? Around 72% of South Africa's population who live in poverty are in rural areas and the majority are women; African rural women comprise almost 50% of the poorest of the South African population; and 60% of female-headed rural households are below the poverty threshold (Bentley 2002). For the majority of women in South Africa existing socio-economic rights, as guaranteed in the constitution, remain inaccessible resulting in the perpetuation and increase, as well as the feminisation, of poverty (Kehler 2001).

People are not poor only because they have low household income; women living in chronic poverty are in a situation which “involves the coincidence between poor health, meagre education, and fractured families, on the one side, with skewed resource distribution, inadequate infrastructure, and scarce opportunities on the other. The combination is more than sufficient to trap many people in poverty.” (Aliber, 2002: ii)

Poverty and HIV/AIDS are integrally linked. Families with people infected with HIV/AIDS are more likely to fall into poverty as people get sick, are less able to work, prioritise medical and funeral costs over other expenses, and in some cases, are forced to sell productive assets to meet urgent and immediate needs. With growing medical and funeral costs, families are becoming less able to meet the basic needs of children in their care. The greatest burden of HIV/AIDS is borne by families and communities that support large numbers of dependants. The vast majority of orphaned children are being cared for within networks of close kin. The impact of HIV/AIDS has left many grandmothers in the role of primary caregiver and many African female-headed households live in chronic poverty (Leatt et al 2005).

2.2.1. Survival strategies and systems used by rural women

How have poor people managed to exist and survive in this context of poverty? Local and international literature outline some of the existing approaches and systems, socially and economically, that poor rural women have made use of in order to survive, including self-help practices and kinship networks, informal moneylenders, rotating savings and credit associations, and accessing micro-finance.

Sotshongaye & Møller (2000) investigated the development needs of rural women and their perceptions of opportunities available for addressing these needs and being able to empower themselves as rural women. Their case-study in rural KZN showed that rural women are willingly to play their part in developing their community, and women are encouraged when their small-scale development projects, such as community gardens and income-generating activities, are successful.

This willingness of the poor to help and empower themselves is further explained by Wilkinson-Maposa et al (2006) who conducted qualitative research within Southern Africa - in Mozambique, Namibia, South Africa and Zimbabwe - into how and why people who are poor help each other. They conclude that help between poor people is widespread, deeply embedded in communities and it operates as a vital element for both survival and progress. Their research emphasizes both material support (food, money and clothes) and non-material support (knowledge, physical support and emotional support). They point out that the poor are both givers and receivers of help, able to mobilize and pool resources in response to need and problems; also, that help is not always a free choice, and it can come from a sense of social

duty or moral obligation; and finally, that monetary and material help should not be seen as the main priority, as non-material help is also a significant contribution.

The interpersonal relationships of women through their households, kinship networks and community structures, which bring moral, social and economic support, serve as indispensable survival mechanisms for rural women in KZN (Singh 1999). Examples include grandmothers caring for their grandchildren while their mother is away, collective harvesting of produce, sharing of local knowledge and products, and access to loans for trading. Singh asserts that collaborative work, borne out of the 'economy of affection', sustains value systems, creates social security networks, induces people to act more creatively and assures that rural-based communities do not disintegrate. Although Singh does not acknowledge that a dark side of community life also exists in the form of jealousy, rivalries and crime.

Poor people in South Africa manage their available money through a variety of financial instruments. Although they use more informal than formal financial instruments, poor households have more complex financial lives than one might expect (Collins 2005). A financial diaries survey of 166 households in both rural and urban areas showed that the most widely and frequently used financial device was family contacts. Relying on friends and neighbours was a common strategy to cover debts or smooth cash flows. Significant amounts of money were raised for lifecycle costs, such as illness or deaths. Surveys also showed that, on average, rural households relied on government grants for almost 50% of their household income, highlighting the significant effect of state assistance on many poor households. Only 15% came from regular jobs. In general, poor households both save money and borrow money.

The informal money-lending business has also served as a survival strategy for black South Africans. It has positive aspects, such as the availability of credit giving some people a platform for developing income-generating activities, and negative aspects, with some unscrupulous moneylenders who charge exorbitant interest rates (Siyongwana 2004). Siyongwana highlights the strong informal system of credit that has existed from unregistered moneylenders (*Mashonisa*) to stokvels (*Amafele*) to rotating savings and credit associations (*Umgalelo*).

Within international literature, Vonderlack & Schreiner (2002) assert that the shift in terminology from microcredit to microfinance in the late 1980s reflected the acknowledgement that saving services, and not just loans, could help improve the well-being

of the poor in general and women in particular. They maintained that both savings and loans have a place for the poor, but that savings is often a better choice for poor women. They suggested that the poor have a strong demand not just for loans but for financial services that help them manage household liquidity, quoting evidence that many business loans are used for consumption and are repaid out of existing income sources.

Micro-finance has been popular since the late 1980s as a poverty-alleviation strategy, but has it been effective for women's empowerment? Leach & Sitaram (2002) examined the link between them and concluded that it may be empowering for some women, but for others it is marginally so and in some cases leads to domestic violence against women, this can occur if men are excluded from financial issues which relate to issues of economic status, power and control.

Using household survey data from South India, Holvoet (2005) explored the importance of the borrower's sex and the gendered decision-making processes within the household. The results showed that existing decision-making patterns within households did not change if the credit borrower was female or male, but it did change when credit was combined with financial and social group involvement. Holvoet concluded that women's group membership substantially shifts overall decision-making patterns to more joint and female decision-making; while longer-term group membership and more intensive training and group meetings strengthen these patterns.

The Grameen Bank in Bangladesh is well-known for providing credit to poor women to engage in income-generation (Osmani 1998), but how has this impacted on their well-being? Osmani concluded that impact on the relative well-being of women was positive in that women's autonomy improved as well as their access to household resources; however, there was no positive impact overall in women's control over decision-making in the home. A crucial reason was that exposure to income-earning activities in a single generation cannot wipe out centuries of cultural conditioning of women.

Finally, a host of financial self-help groups exist in low-income countries which were increasingly recognised in development and academic literature during the 1990s. Bouman (1995) examined and compared two popular self-help group type models, Rotating Savings and Credit Associations (ROSCAs) and Accumulated Savings and Credit Associations (ASCRA). Bouman was critical of international donors pushing financial services into survivalist economies through the involvement of local NGOs, who had less success than the

Grameen Bank. This was often due to the fact that uniform formulas do not exist across countries and any model needs to be adapted to new environments. However, Bouman believed that there was a place for the international donor community to promote self-help models.

Poor women in rural communities manage to live and survive using a variety of mechanisms and systems. Certainly many women do want to help themselves move out of a state of poverty but often are not able to do so due to one or more of the key elements being missing that are needed within the empowerment process. There might be access to credit (resources) but self-confidence to begin income-generating activities is lacking (agency); or a person might have resources and agency in place but due to isolation and little support then there are no successful outcomes (achievements).

2.2.2. The impact of the social security system on rural women in South Africa

In South Africa, poor women who are pensioners or disabled have access to one regular source of income that women in most other developing countries do not have: a social security system in the form of government cash transfers. These transfers have an important role to play on the empowerment process in both positive and negative ways. It is important to gain a deeper understanding of the impact and reach of the current social security grants available to poor rural women, as well as the proposed universal basic income grant or BIG, before looking at the SHG approach which is the focus of this thesis.

Ardington & Lund (1995) focused on the old age pension in South Africa and found that more than 80% of elderly South Africans, mainly African, were receiving the grant. Also more women than men received the grant, and women receive it earlier than men (60 rather than 65 years), and for longer, because women tend to live longer. Pensions were held to be “a significant source of income ... they are a reliable source of income, which leads to household security; they are the basis of credit facilities in local markets, further contributing to food security; they deliver cash into remote areas where no other institutions are; they are gender sensitive towards women; and they reach rural areas as few other services do.” (Ardington & Lund, 1995: 571).

Møller & Sotshongaye (1996) carried out a study amongst urban, peri-urban and rural female pensioners in KZN which explored the significance of pension income for the budgets of multigenerational households; the vast majority of African pensioners live in three-

generation households. Their study explored the meaning of pension income for family welfare and the self-respect and empowerment of pension recipients. The study found that pensioners regarded the pension as individual rather than family income, although pension sharing was the norm, and the amount of the pension was inadequate for the family needs. The pension enhanced the self-respect of older women who prided themselves in their economic self-reliance and creditworthiness. Yet the sharing of their pension within the household explained why pensioners typically tended to see themselves as 'poor' in spite of having a higher income than perhaps any other time in their lives, especially in the case of women.

A more recent study examined how older poor benefited from state interventions from 1995-1998, specifically pensions (Møller & Devey 2005). Their study concluded that the non-contributory, means-tested state pension appeared to be the most effective mechanism for poverty alleviation in South Africa as it enables some older households to be lifted out of the bottom income groups. Their study showed that pensions target the most vulnerable households which are female-dominated or female-headed households in the remoter areas with larger-than-average dependency ratios.

Leatt et al (2005) also assessed the Child Support Grant (CSG), which was established in 1998 and currently provides regular contributions to caregivers of more than seven million children, progressively increased over time so that poor children up to 14 years are now eligible. Positive aspects of the CSG were that it provides some financial security to families; supports spending on children's food, school fees and clothing; and the regularity of payment also supports planning and risk management. However, Leatt et al (2005) highlight problems in the conceptualisation and implementation of the grant. Some problems focus on the means test used to assess eligibility for the grant with increasing evidence that those who are most poor are unable to access the grant for a combination of reasons that mainly have to do with having insufficient cash to negotiate the bureaucratic government systems.

More critically, Roberts (2005) reviewed the achievements and shortcomings of the government poverty policies over the last decade. He showed that high levels of poverty and inequality persist, despite evidence of an improvement in the quality of life for some South Africans. He argued for an improvement in the reach, meaning reaching to the poorest of the poor outside of the state's social net; reasoning, meaning a more open attitude to criticism by

the government; and range, meaning increased public participation in poverty policymaking, of anti-poverty policies.

Finally, Lund (2006) critically reviewed social security spending in South Africa and suggested that a gendered analysis of social security would need to bring together in one place what are often seen as separate factors of analysis including: the needs of women and men for support over the life cycle; the interaction between changing patterns of work and employment and the need for social assistance; the relationship between state social spending and 'social wage' provision; and the interaction between privatisation of aspects of welfare and the care economy. She believes that further work needs to explore how different sources of income in households interact with each other, and how intra-household decision-making about these sources takes place.

The social security system brings a dynamic into the empowerment process which needs to be recognised and factored into any attempts to promote development and self-help. At a basic level there is an expectation that the government is providing assistance but in general it is seen to be never enough within the poorest households. There are positive and negative aspects to the grants which need to be examined further in the context of promoting self-help. A self-help approach would need to complement the grants system and add on to it.

2.3. Background and components of the SHG Approach as promoted in South Africa

Addressing poverty and the empowerment of women through the form of self-help and collective action is not a new concept; the SHG approach has been promoted and implemented successfully for several decades in India, and has also been introduced in other African countries. Wilkinson-Maposa et al (2006) assert that Africans have strong traditions of self-help, self-support, voluntary institutions, rotation credit and associations like South African *stokvels*. But people have not been able to tap into this tradition enough and don't usually think of its various expressions as development tools. La Ferrera (2002) examined self-help groups in the informal settlements of Nairobi, Kenya, as a means of generating income for poor households. Women and young people were more dependent on group activities for living while adult males often had an alternate source of income; and one of the most important functions of the group was that of giving access to loans to otherwise credit

constrained individuals. Her evidence suggested that SHGs are an important source of income for women and that composition and homogeneity of the members is important.

Moving to the growing literature of India's experience of SHGs over the past few decades, Sahoo & Tripathy (2006) claim that SHGs have emerged as the most successful strategy in the process of participatory development and empowerment of women in India. Singh (2006) asserts that belonging to a group can change the way women think about themselves and their ability to act independently. Groups, particularly women's groups, have been formed to achieve a number of goals and targets to improve the lives of the women, their families and the communities in which they live. Singh concludes that SHGs can give women social leadership through the collective strength to lobby and campaign and achieve tasks beyond the ability of a single woman; women can support each other to take on new projects and ideas and make changes in their lives; the group can help women to feel valued and to know their needs are being considered; and SHGs have been used to achieve economic security for women and their families.

Finally, Gariyali & Vettivel (2004) write about the success of the SHG approach especially in the state of Tamilnadu in South India where, as of 2003 after 15 years, about 140,000 SHGs were formed. They report that just less than 2.5 million SHG members were impacted with an average of 17 members per SHG; loan repayment rate of 95% by members; and 426 NGOs have been working with these SHGs.

Women's groups, specifically SHGs, have a history of being a successful vehicle for the empowerment of women. But what are the main components of an SHG, what are the strengths and weaknesses of an SHG approach to empowerment, and how have SHGs been promoted in South Africa? The Self-help Group (SHG) approach has been promoted in KZN and the Eastern Cape for the past four years by Kindernothilfe (KNH), a German donor agency working in South Africa since the early 1970s. KNH has worked with partners in nine African countries in the past few decades to support child-focused development and 'institutional' child-care programmes, mainly using child sponsorship and later family empowerment approaches. In the late 1990s, on reviewing their programmes implemented with local partner organizations over the years, KNH were convinced that the root causes of poverty needed to be addressed.

KNH viewed the SHG approach as a "successful instrument for combating poverty in a sustainable way; it empowers the very poor, the majority being women, socially,

economically and politically empowering them to live a life of dignity with their children in the community” (Lichtenberg, 2006: 1). KNH understood an SHG to be “an informal association of poor people in a village with a common objective of working together for their economic and social development and also for their overall village development” (Ethiraj, 2003: 5).

KNH initiated a process to promote the Self-help Group approach in 2001, adapted from the model being used in India at the time. Since 2002, KNH has supported SHGs in Rwanda, Ethiopia, Uganda, Kenya, Swaziland and South Africa which has seen some 1800 SHGs formed with over 30,000 SHG members and nearly 150,000 children impacted up to February 2006 (Lichtenberg 2006). Initial meetings with interested NGOs took place in South Africa in late 2002. Over the next four years, various organisations in KZN and the Eastern Cape began to promote the SHG concept in local communities where they worked. By June 2006, 270 SHGs had been formed and maintained by 10 NGO partners within KZN and 4 NGOs in the Eastern Cape, with the majority in KZN, with over 3,200 SHG members and nearly 23,000 household members being impacted (Donnell 2006).

There are four main components to this approach. Firstly, it starts with the poorest and most vulnerable sections of the community, who are normally left out and considered non-viable by most other approaches – organizing the poor and vulnerable into strong affinity groups (SHGs) so that they are no longer voiceless and powerless individuals. Secondly, it helps women realize their potential as individuals through initiating a savings and loan scheme whereby the members in the group save from their own meagre resources and administer their own fund, however small the savings may be initially. Thirdly, it provides capacity and competence through a series of training programmes provided by a local NGO - who can support processes that increase self-confidence, develop self-reliance, and help poor people set their own agenda. Fourthly, and finally, it builds the model up by clustering at least six to 10 SHGs into a Cluster Level Association (CLA) to work on those things that cannot be done effectively by SHGs themselves (Paul 2005, Ethiraj 2003).

Women are the predominant target group for the SHG approach as KNH had noticed, through their working with women’s groups, that responsibility for their families and especially for their children takes priority (Lichtenberg 2006). Furthermore KNH views poverty as the outcome of an unjust and inequitable system, where the poor are denied opportunities, choices and rights; there is domination by the rich and powerful leading to great

disparity; hunger, disease and a sense of hopelessness have overtaken the poor. It is not just a lack of material resources but strategic denial of a rightful position in society that has kept the poor where they are.

To make any significant difference in this highly polarized state, the poor have to be empowered socially, economically and politically - not party politics - so that they will have their rightful place. Empowerment of the poor cannot be achieved just by providing material resources - the poor have to be gradually developed by helping them realize their potential and equip them to use the resources around them (Paul 2005).

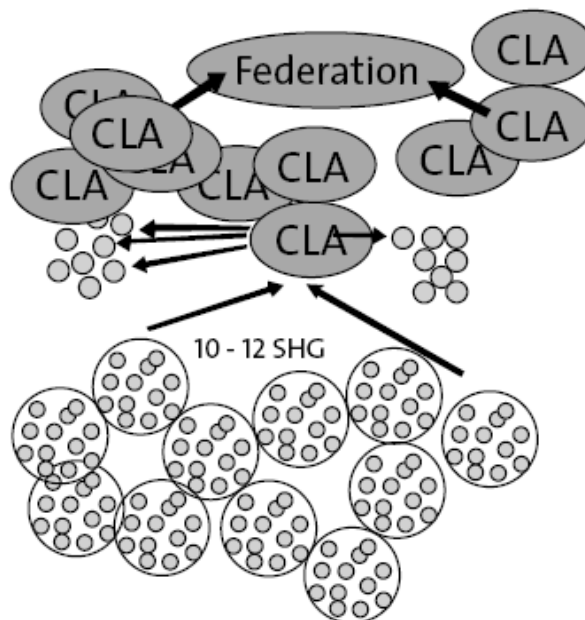


Figure 2 - The 3-phase SHG approach promoted and funded by Kindernothilfe (Lichtenberg, 2006)

Figure 2 shows that the SHG approach has three phases (Lichtenberg 2006). Phase One (Introductory Phase) involves setting up and supporting the first SHG over six months which is done after preparatory work of presenting the SHG approach to local leaders, conducting home visits within the community and a participatory rural analysis of poverty (PRA) which identifies the very poor in that community. Phase Two (Expansion Phase) involves setting up many SHGs and forming the next superordinate group called Cluster Level Associations or CLAs over 24 months. Each CLA is made up of 6-10 SHGs and acts as a link between the SHGs, forming a network and taking on issues which the SHGs identify

but cannot take up on their own; each SHG has 2-3 representatives on in the CLA; in time, the CLAs begin to take over the functions of the supporting NGO, providing linkages between the SHGs and other organisations and resources is a key role. Phase Three (Consolidation Phase) involves setting up a superordinate Federation which consists of six to ten CLAS and the withdrawal of the supporting NGO over two or more years.

Forming a Federation is an important step in taking over the administrative tasks from the supporting NGO, which now steadily withdraws from the SHG process in that community. Strong SHGs and CLAs are needed before a federation can be formed; each CLA is represented in the Federation by 2-3 members. The main tasks of the federation are advocacy and lobbying; also fundraising and financial management of the wider system. It concentrates on problems and issues which are of importance for the whole geographic area that it covers. As such, it is an umbrella organisation.

2.3.1. A closer look at an SHG

A typical SHG is made up of 15 to 20 members who are the poorest in their community. It is important that members are from the same socio-economic background as homogeneity is important for group success. This type of group usually works well with women, although a mixed group can succeed as long as there are more women than men. Members select a name for their group and decide when they should meet and how often, usually once a week. Members will bring their savings to every meeting and will decide how much their savings should be per member.

Groups elect their own office bearers in rotation so that all members have the opportunity to run a meeting. Members form their own group rules which are documented in their group records. Individual savings and loan books and a group minute book are kept. A bank account is opened in some groups to keep group's savings that are not being used by members as loans. All decisions related to the group are made by the members. The regular meeting together brings a new sense of identity to the members (Ethiraj 2003).



***Figure 3 - SHG members meet weekly to save, loan, discuss, plan and support each other
(Photo taken by K. Pfahler, KNH)***

Figure 3 shows members of an SHG in KZN at their weekly meeting, including some women with a child or grandchild with them. Each SHG member has their own personal savings and loan book, which some members are holding, and this reflects their weekly and total savings since the group started as well as every loan that the member has taken from the SHG and repaid with interest.

How important are these regular SHG meetings for women? Sahoo & Tripathy (2006: 15) claim that the “Self Help Group enables the members to become self dependent, self reliant and provides a forum for members for discussing their socio-economic problems, developing decision making capacity and leadership qualities among members equipping women with the basic skills required for understanding transactions. The SHG holds the power and provides strength and acts as an antidote to helplessness of the poor.”



**Figure 4 - SHG members use loans for consumption needs, development needs and income-generating activities
(Photo taken by X. Gule, FDS)**

Figure 4 shows a member of a group in KZN who has borrowed a loan from her SHG for the purpose of income-generation. When savings grow, usually after two to three months, members start taking loans for consumption needs, such as food and basic daily needs in the family, and collect it back with interest. This is set by the group and is usually between 5% and 10% but can be set as high as 20%. When savings grow still further, usually after three to four months, members take loans for income-generating activities, most often buying and selling specific items. Why are regular savings and having access to loans so important within the SHGs? Singh (2006: 56) claims that:

“A key activity for women’s groups has been the establishment of savings and credit. Savings and credit groups have been set up throughout the world as a way of supporting women to take control over their own lives and work and to overcome poverty. Women’s groups offer the members the opportunity to support and learn from each other and a flexible way to build up income generating activities. Having at its root a savings and credit component will give the group focus and help it to develop the discipline and skills to take on other activities.”

Pant (2004: 122) argues that “When provided with access to economic and educational opportunities, as well as the autonomy needed to take advantage of such opportunities, poor women are enabled to make strategic life choices to negotiate their poverty. The provision of credit, especially micro-credit, is increasingly being recognised as an effective strategy for poverty eradication. Self-Help Groups (SHGs) formed to encourage savings and credit activities are one of the effective methods of socio-economic development of women.”



**Figure 5 - SHG members receive training and capacity-building
from a local CF
(Photo taken by P. Donnell, FDS)**

Figure 5 shows the SHG staff member of an NGO in KZN assisting a CF to conduct a participatory exercise with SHG members as part of their capacity-building programme. Various capacity-building inputs are provided to the members to develop their potential. Capacity-building focuses on six main areas initially, provided as training modules: understanding self-help and mutual help; understanding the importance of savings and loans; developing a vision for the SHG and developing an annual action plan; improving communication and leadership skills within members; dealing with and resolving conflict; and individual and group income-generating activities.



**Figure 6 - SHGs manage their own funds and have a simple recording system maintained by a trained book-writer
(Photo taken by K. Pfahler, KNH)**

Further training is provided on record-keeping within groups, especially for the SHG book-writer, and often groups work towards improving the functional literacy and numeracy of members; starting group projects also occurs through developing a better awareness of key issues within the community. Figure 6 shows the book-writer and moderator of an SHG in KZN at their weekly meeting. The book-writer is a literate member who volunteers to keep the main minute-book of the group each week; she is trained by the CF on how to use a simple format to do this. The book-writer usually remains in that position in the group for at least 2 years. The moderator changes every week and each SHG member takes a turn to perform this role; she sets the agenda for the group in that week and chairs the meeting. Members are trained by the CF on how to organise a weekly meeting.

Are these basic capacity-building inputs or training modules essential? Gariyali & Vettivel (2004: 59) argue that “Training is the backbone of the Self-Help Groups in Tamilnadu ... What sets the Self-Help groups in Tamilnadu part from those elsewhere is that they undergo a well conceived and well structured training through the specifically developed training modules.”

The formation of the SHG, introduction of the concept and workings of the group, and facilitation of the training modules are provided by a local community facilitator (CF) who works under the local NGO within the community where she lives. The CF meets with the SHG weekly for the first three to four months and then gradually reduces her presence and

input as the month's progress until after one year she might only meet with the group monthly. It is intended that the CF facilitates the six training modules during the first six to eight months after group formation; providing only one module of training per month to the members as well as specific functional training to the nominated book-writer (Ethiraj 2003).

How important is the role of the CF to the SHG in terms of her facilitation and support? Pant (2004: 123) argues that "Poor women lack resources, skills, education and collective strength to break the cycle of their oppression and exploitation. External facilitation through voluntary development organisations plays a crucial catalytic role by creating a platform for learning."

As shown in Figure 2, the SHG approach aims to develop the collective strength of women through building a vertical structure. Six to ten groups come together to form Cluster Level Associations (CLAs) and six to ten CLAs come together to form a Federation. Linkages to other development players are established to access resources and services; and the power of collective strength and action is emphasised. Mason (2005) draws evidence from a collaborative, survey-based study of women's empowerment and demographic change in 55 selected communities in India, Malaysia, Pakistan, Thailand and the Philippines. She argues for the strategic importance of collective action by women themselves as it can be used to empower poor women who individually might fail to be empowered if their local culture remains unchallenged, but an intervention which organises women into groups can succeed in changing ideas about social order and in increasing opportunities for women, for example, the Grameen Bank in Bangladesh.

	<u>Economic</u>	<u>Social</u>
SHG Level	<ul style="list-style-type: none"> - Savings carried out - Internal lending begins - Individual IGA and Group IGAs started - Resource Mobilization begins. 	<ul style="list-style-type: none"> - A new sense of group identity emerges - A sense of belonging begins - Self-esteem and self-confidence increase - Mutual care and support grows - Community Action Programmes and Social Action programmes are planned.

Table 1 - Expected benefits of the SHG approach at the level of the SHG within the overall model promoted by KNH (Ethiraj 2003)

Table 1 summarises the various benefits that are expected by KNH through the SHG approach which they promote and that is implemented in communities by NGOs. It can be seen that economic and social benefits are intended to occur through parallel processes. Social empowerment in the SHG approach is intended to be seen through an increase in the self-esteem and self-confidence of women, mutual care and support and a new group identity being developed, women acquiring new skills and developing the capacity plan their own activities and projects, in men beginning to change their view of women and share an equal status, an increase in the participation of women and power of decision-making at household level and community level, and signs of overcoming social, cultural and religious barriers.

Economic empowerment in the SHG approach is intended to be seen through greater access to financial resources outside the household, reduced vulnerability to crisis situations, a significant increase in own income and the power to save such income and use it at their discretion, and financial self-reliance, both in the household and in the external environment. For many people, economic empowerment of women is considered a means of achieving overall empowerment, there is a strong connection between a women's access to independent income and her control over family resources and her position in the family. So when women are provided with credit and they take up income-generating activities, their income is expected to increase; when they earn money, their position in the house is expected to improve. (Singh 2006)

2.3.2. Weaknesses and challenges of the SHG approach

As with all empowerment approaches, the SHG approach has many benefits and advantages, but still has its own weaknesses and challenges. Sahoo & Tripathy (2006: 9-11) point out several major concerns. The SHG approach aims to form groups for women below the poverty line, yet at the same time it requires that members have some entrepreneurial ability if they are to generate income from the loans they access within their group. The success of the SHG approach lies in the choice of viable income-generating activities, both individual and group, but most SHGs operate in remote rural areas that are far from key markets and trade centres so accessibility is a problem in many cases, while quality of products are another problem. Sometimes even the SHG approach fails to target the very poorest of poor women due to the manner in which each group is formed. Finally, increased livelihood of members is a basic aim of an SHG through providing access to loans from

members' savings. However, many members only take loans for consumption needs and not income generation which to some extent defeats the purpose of economic empowerment.

These are real concerns that need to be taken into consideration when assessing the effectiveness of the SHG approach in KZN. Can the SHG approach really reach the very poorest women? Rutherford (1998) examined the success of Bangladesh's micro-credit institutions (MCIs), such as the Grameen Bank, to assist the poor with self-help savings-and-loan devices through exploiting the poor's capacity to save. He found that although the MCI's way of working did benefit many poor people, it often excluded the very poorest who were seen to be too much of a risk to be able to save and borrow regularly and effectively, excluded by staff of the MCIs and by other better-off poor. Rutherford questioned whether the poor found their loans useful and how barriers to the very poor could be removed. This criticism can also be made of the SHG approach. Despite it attempting to reach the poorest of the poor, does it manage to do so or is it working with slightly 'better-off' poor women?

Does a savings mindset exist in the communities where the SHG approach is promoted as this is a key component of the promoted approach? Chris Needham (2005) writes about the savings rate in South Africa and concludes that the culture of savings is very poor. While at the same time, banks charge very high fees to use a bank account. He examines a Research Surveys study that interviewed a representative sample of 3 885 South Africans aged 16 years and older between June and August 2005, 35% of whom were in metropolitan areas and 65% were outside of these areas. He says that "The survey found that, overall, 45% of South Africans say they have no money left to save after they have paid their monthly expenses" (2005: 1).

To what extent is the SHG approach grappling with gender issues and challenging male domination? Longwe (2000) asserts that current NGO and development agency strategies in Africa to support women's political empowerment are based on two assumptions: firstly, that women's increased access to resources, especially education, will lead to their increased representation in political positions; and secondly, that governments are genuinely committed to leading national programmes of action for women's advancement. Longwe argues that both of these assumptions are seriously mistaken - development organisations supporting women's empowerment should recognise the true obstacles women face in gaining political power, and develop programme strategies to overcome them. The key problem is the covert and discriminatory systems of male resistance to women who dare to challenge male

domination of the present political system. A gendered analysis of the SHG approach in KZN would therefore be important.

Finally, how important is the role of the local community facilitator (CF) in initially assisting in the formation of the group and capacitating the SHG members? Is she really needed in the process of empowerment or can the SHG members manage without her? This will need to also be explored.

2.4. Main conclusions reached

Firstly, relating to resources. Poor households struggle to have more than one meal per day, provide clothing for children, pay school fees and access health services; to what extent are the basic needs of households not only met but are women able to generate income for their family and begin to develop beyond a state of surviving from day-to-day? Poor women also struggle to access credit for their own income-generating activities, paying high interest rates from money-lenders; to what extent does this approach provide ongoing access to credit and reduce interest payments?

To what degree can the SHG approach add on to existing community development programmes and the state social security grants system or is there any conflict between them? Many of the poorest women in rural communities are marginalised within the wider community and isolated from social support; to what extent does the SHG approach provide mutual support and group cohesion for women?

Secondly, relating to agency. Poor women face many pressures and stresses within their household, often lacking self-esteem and having low levels of education. In what ways have the self-confidence and basic skills of SHG members changed since the SHG was started? Often community projects are planned, implemented and owned by NGOs and government departments; to what extent do SHG members have ownership of their own projects?

Thirdly, and finally, relating to achievements. The SHG approach intends for individual SHG members and the group as a whole to begin to achieve positive outcomes for the women themselves, their SHG, their household and their wider community. In what ways has there been personal growth and development of individual SHG members? And to what extent is this approach able to empower poor women in a sustainable manner?

These three dimensions of choice are inter-related in determining the extent to which empowerment has taken place. They are used in Chapter 4 to assess to what extent empowerment of women has taken place through SHGs in KZN. In terms of measuring empowerment, it is clear that not everyone accepts that empowerment can be easily measured, it is a 'fuzzy' concept and many studies on empowerment show little evidence on the contribution of empowerment to development outcomes and on determinants of empowerment.

Rural women struggle to realise their socio-economic rights - they are almost 50% of the poorest of the South African population as a whole and 60% of female-headed rural households are living below the poverty line. However, rural women do have various strategies and mechanisms which they use to survive.

The aim of this thesis is to assess how effective an SHG approach can be in empowering women. The concerns and challenges to the approach raised indicate in advance that the SHGs involved in the research study will probably have limited effectiveness. This thesis will explore these issues in Chapter Four in relation to the main findings of the research study which was conducted with five SHGs in the Wasbank area of KZN.

Chapter 3: Research Design and Methodology

3.1. Introduction

Research was conducted among 55 SHG members in five SHGs in KZN to explore the extent to which this approach had empowered these members and how their households had benefited from their participation in the SHGs. The research methods used included both quantitative methods, with background information from five SHGs and an individual questionnaire completed by the 55 SHG members, and qualitative methods, with a focus group discussion session with 11 members from the five SHGs.

In deciding whether to use quantitative or qualitative research methods, or a combination of both, I referred to Malhotra et al (2002: 23) who reviewed 45 empirical studies that used quantitative and/or qualitative data to understand certain aspects of women's empowerment. The majority of the studies (28) used quantitative methodologies. However, a significant proportion of the studies used a combination of quantitative and qualitative techniques as well as efforts at triangulation in their analyses (7). They also noted that "empirical analyses of women's empowerment are heavily concentrated at the individual and household level, and our review of the literature suggests that this is the level of aggregation at which the greatest strides in the measurement of empowerment have been made."

Background information was collected on the five SHGs from their SHG minute-books in early June. The purpose of doing this was to obtain background information on each SHG which was common to all of them that would assist in building an understanding of the core elements of each SHG, such as group composition, frequency of meeting, amount of saving per member, training modules conducted, and group activities. This information was collected with the assistance of the community facilitator (CF) of the promoting organisation, USIZO, who had worked with each SHG from its formation. The CF went through each minute-book, before the SHG's regular weekly meeting in mid-June 2006, along with the SHG book-writer, who is responsible for recording the information at each SHG meeting. I personally have known the USIZO CFs since 2003, however, I had no control over their participation in collecting data from the SHGs; their SHG staff person supervised their work.

Indepth interviews were conducted individually with 55 SHG members from the 5 SHGs in the second half of June 2006. The purpose of doing this was to obtain a better understanding of each SHG member personally, her perceptions and experience of being in

her SHG, and the household she represented, household composition, household income sources, shocks to the household, and any perceived benefits to the member and her household through being part of her SHG. The CF sat with each individual SHG member and asked her each question in the questionnaire then recorded her responses, mainly ticking the option she chose or writing down the number she indicated. The background information from the minute-books, and responses from the individual questionnaires, were collated and analysed by the researcher.

Specific issues were drawn from the analysis of the information collected and discussed further with eleven SHG members who were selected by their SHG to participate in a focus group discussion in August 2006. The purpose of doing this was to enable a small group of individual SHG members to express their views and share their experiences of being part of their SHG. Open-ended questions were used in the discussion to stimulate discussion. Topics discussed in the focus group included perceived personal changes in the individual SHG members, reported benefits to the households of the SHG members, specifically how the social and economic situation of SHG members had changed, and perceptions of how the wider community viewed and interacted with the SHG members. I was not a participant in this group discussion. Two of these women were interviewed at length after the focus group meeting in order to hear more of their personal story and these were used as mini case-studies.

3.2. Sample design and sampling methods

The SHG approach has been promoted in KZN and the Eastern Cape for the past four years by KNH, a German donor agency working in South Africa since the 1970s. The SHG approach has been promoted and coordinated by FDS, based in Durban, on behalf of KNH since 2002. After discussion with FDS and some of the promoting NGOs, it was decided that USIZO, one of the ten NGOs involved, would be requested to participate in the research study as in 2005 they had participated in an external evaluation conducted by KNH and had shown that their SHG team of staff and CFs could work well with an external person.

USIZO is the social services wing of the Uniting Reformed Church in SA and is active mainly in the areas of caring for vulnerable children through its almost 200 crèches, educating youth on a healthy lifestyle, training crèche teachers, caring for families affected with HIV/AIDS and poverty relief programmes. USIZO has its main offices in Ladysmith but has been promoting the SHG approach since 2003, funded mainly by KNH, in Msinga, Weenen,

Ezakeni, Mnambithi and Wasbank. By April 2006, USIZO had 38 functioning SHGs (18%) of the 211 SHGs formed in KZN. The five participating SHGs of USIZO, 2% of the all of the KZN SHGs, were located in Wasbank.

FDS provided background information and statistics on the 211 SHGs in KZN for April 2006 and this contributed to criteria for the selection of SHGs for the research study. FDS records showed that the average size of SHG membership per group was then 13 members, from a minimum of 9 members to a maximum of 23 members. The average time the SHGs had been in existence was then 14 months, the youngest was two months old and the oldest was 41 months old.

The average amount of savings per member per week was then R2.00, the least was 50c per member per week and the largest amount was R5.00 per member per week. The average total savings per SHG was then almost R1,100, the lowest amount of savings was R80 in a new SHG and the largest amount of total savings was over R4,500. The average number of loans given to members within an SHG was 20 loans, the least number of loans given was no loans and the largest number of loans given to members was 86.

The majority of SHGs had received training on three modules of the six scheduled modules, the newest SHGs had only received one module of training and some SHGs had received all six modules of training. Only 18 SHGs were part of a Cluster Level Association (CLA). It was decided that five SHGs would be included in the research study for several reasons: this number of SHGs would result in at least 50 SHG members participating in the study which was a reasonable sample size. The USIZO SHG team furthermore felt that they could cover this number of SHGs within their monthly workload in June which was the month allocated to the fieldwork.

The SHGs were selected using specific criteria. In terms of activities, each group had to be actively functioning as an SHG, which included meeting and saving regularly, and have given out loans to members, and have conducted training modules. In terms of longevity, each group had to be more than 24 months in order to allow the SHG sufficient time to have developed as a group and for specific capacity-building to have been conducted by the promoting NGO. Each group had to have a membership of at least ten members so as not to be too small as a group. Finally, each SHG had to be a member of a CLA. This was to allow for the SHGs to have reached the next level within the self-help model promoted by USIZO as developed by KNH.

There was no attempt to pre-select SHGs that were considered to be ‘the strongest groups’ or ‘the best SHGs’ according to the KNH self-help model; rather the focus was on the basics of the concept being in place within functioning SHGs. In hindsight perhaps strong SHGs should have been selected in order to see what could be achieved through the SHG approach when it was operating in a best-case scenario.

The one criterion that eventually determined to a large extent which of USIZO’s 38 SHGs would be included in the research study was being a member of a CLA. It was expected that only average to strong SHGs would be formed into a CLA; however, USIZO had allowed weak SHGs into their CLA. Only 6 of the 38 SHGs were part of the one CLA that had been formed in Wasbank by April 2006. In hindsight, this CLA criterion biased the study and resulted in weaker SHGs participating in the study, and this is discussed further in section 3.6 under limitations of the study.

3.3. Sample profile

The five participating SHGs were as follows: Hlanganani, meaning ‘coming together’ in isiZulu, with 11 members; Qhubekani, meaning ‘moving forward’ in isiZulu, with 10 members; Vulingqondo, meaning ‘opening our minds’ in isiZulu, with 10 members; Zamokuhle, meaning ‘try our best’ in isiZulu, with 11 members; and Zizwe usekhaya, meaning ‘feel at home’ in isiZulu, with 14 members. The names of the SHGs in isiZulu give an insight into the aspirations of the group members, such as ‘coming together’ and ‘moving forward’; while for some coming together as a group was a source of inspiration, such as ‘opening our minds’ and ‘try our best’.

The five SHGs were on average 29 months old, ranging from 27 to 30 months, with an average starting membership of 15 SHG members and a current membership of 11 members. Weekly savings per SHG member currently ranged from R2.00 to R2.50 per week. All of the SHGs held weekly meetings. Four of the five SHGs had opened bank accounts. All were members of the same Cluster Level Association (CLA). All SHGs kept a group minute book weekly and all SHG members kept their own Savings and Loans book.

The five SHGs had a total of 56 members. Fifty-five of the 56 members participated in the research study (98%) and were interviewed individually, each member represented different households, while a smaller group of eleven of the 55 members participated in a focus group discussion. Fifty two participating SHG members were female (95%) and only

three members were male (5%); three groups were all female, one group had one male and another had two males.

In terms of the definition of a household, I let the SHG members self-define what this meant to them. However, they were guided according to pre-set codes (shown in Appendix 3).

3.4. Data collection methods and fieldwork practice

I did this research while formally involved with the NGOs who are promoting the SHG approach. I began to do consulting work with KNH from 2003 which included being the National Coordinator of the SHG Programme in South Africa. This involved promoting the SHG concept to NGOs within KZN and the Eastern Cape, contracting with NGOs who wanted to form and manage SHGs in order to provide funds to the NGO and capacity-building to their SHG staff and CFs, and managing the overall coordination of the programme. I was assisted by an SHG Fieldworker/Trainer, Ms Xoli Gule, from 2005.

I had worked with the NGO involved in the research, USIZO, since 2003. I had also previously visited three of the five SHGs involved in the study during monitoring visits in 2004 and 2005. I was very aware in wanting to conduct research with the SHG members that I would be in an unequal power relationship with them. I was aware that respondents in many cases could have expectations that they would receive something from the researcher, either in material or monetary terms.

To address this issue as well as the need to conduct the research in isiZulu, I worked through the local community facilitators of USIZO who had an existing relationship with the participating SHGs since their formation over two years ago. The CFs also had an unequal power relationship with the SHGs but I felt that there would be much less expectation of the CFs as they had never given the SHGs any material or financial contribution since forming each group. I met in early May 2006 with the FDS SHG Fieldworker/Trainer, the SHG staff and CFs of USIZO to outline the aims of the research study and to listen to their comments and ideas. It was agreed that the USIZO CFs would work with the SHG members using the recording formats provided by the researcher. These formats were refined with the input of the USIZO team during May.

It was agreed that there would be three parts to the study. In the first part, the CF would work with each SHG book-writer to record basic information taken from the SHG's minute-book – planned for June 2006. In the second part, the CF would sit with each SHG

member individually to interview them and complete a personal questionnaire – planned for June 2006. In the third and final part, a focus group discussion meeting would be held with selected SHG members (two members from each SHG, chosen by the SHG itself) which would be attended by the USIZO team and be facilitated by the FDS trainer – planned for August 2006.

The five participating SHGs signed a consent form agreeing to voluntarily take part in the research – the consent form stated that SHG members understood that participation in the research was voluntary and that SHG members could withdraw at any time; the identity of SHG members would be kept confidential; and if examples or comments were used then a fictitious name would be used instead. The book-writers met with their CF before their weekly meeting to go through their minute-book and complete an information form. SHG members were interviewed in their usual meeting place by their CF after their weekly meeting. The minute-book details and individual questionnaire were recorded manually by the CF.

The focus group discussion took place in a central venue in August 2006 for three hours with 11 SHG members participating from the five SHGs involved in the research. They all signed a consent form agreeing to voluntarily take part in the focus group. The individual interviews with the SHG members and the focus group discussion were conducted in isiZulu. The focus group discussion was tape-recorded then written up afterwards by the FDS trainer and translated into English. Basic notes were also taken during the meeting by the USIZO staff person in English. The quotes from the taped focus group discussions were translated verbatim into English from isiZulu.

3.5. Data analysis

Once the USIZO team had completed the data collection process in June, they sent the completed forms to the researcher who then began the data capturing process. The captured data was then analysed by the researcher in conjunction with available USIZO and FDS records. Throughout the data analysis process triangulation was used in order to validate the data collected. Instead of using just one research method in isolation it is best to supplement research with other methods in order to cross-check the validity of the data collected.

The observations and comments of the USIZO SHG team and the FDS Trainer were added to those of the researcher, and the available records of USIZO and FDS of the participating SHGs as well as the non-participating SHGs within KZN were analysed.

3.6. Limitations of the study

Overall I was satisfied with the quality of the data received from the CFs. Although I tried to keep the recording formats as simple as possible, used a coding system to enable easier recording for the CFs, and went through the formats with the USIZO SHG team, there still were possibilities for error. The areas for error include firstly, the influence of the CF in asking, explaining or interpreting questions for the SHG members. Secondly, the accuracy of the CFs in recording the responses of the SHG members on to the recording formats. Thirdly, SHG members in answering the questionnaire may have been embarrassed or afraid to answer certain questions truthfully, or may simply not have wanted to divulge personal information as it related to themselves or their household.

Another aspect that limited the study was making one of the selection criteria that participating SHGs had to be a member of a CLA. I had included this criterion as I felt that it was important for the SHGs participating to have developed to the next level of the SHG model where they are clustered together into a CLA; and usually SHGs are only accepted into a CLA if they are well-developed and stronger groups. However this was not the case with the USIZO CLA. While other USIZO SHGs may have been ready to be formed into a CLA, unfortunately USIZO was slow in forming new CLAs in 2005; the SHGs in the CLA in Wasbank were in general weaker groups but USIZO were prepared to form them into a CLA due to their age with the hope that the SHGs would be strengthened over time.

The result was that only six SHGs from Wasbank were eligible to participate. These SHGs were some of the first SHGs ever formed by USIZO and unfortunately did not receive as much capacity-building from the USIZO CF as did those which were formed later. This was due to a lack of focus on capacity-building in the initial year of the programme because of CFs having less time available for SHG work. This changed from 2005 onwards.

Therefore, other USIZO SHGs that were potentially stronger than the five involved in the study were excluded from selection due to not already being part of a CLA. In hindsight, the CLA criterion should have been excluded for this study, especially as the research questions were not specifically interested in the impact of the CLA on the SHGs. I have taken this into account in the discussion of the data.

Chapter 4: Findings from Research Conducted

The findings of the research are divided into three parts which focus on the key elements needed for empowerment to be evident which were outlined in Chapter 2: resources, agency and achievements. The first part focuses on the issue of resources – to what extent have SHG members been able to have access to resources? The second part focuses on the issue of agency – to what extent have SHG members been able to make decisions and act on them relating to their individual lives, household and group? Finally, the third part is on achievements – what have the SHG members managed to achieve personally and as a group?

4.1. Profile of the sample

The SHG approach has been promoted in KZN and the Eastern Cape for the past four years by KNH, a German donor agency working in South Africa. In April 2006, 211 SHGs were functioning in KZN. Research was conducted among five of these SHGs to explore the extent to which the SHG approach had empowered women who were SHG members and to what extent their households had benefited from their participation in the SHGs. As will be seen in this chapter, the data collected showed that the five groups in the study were functioning with the basics in place of what it means to be an SHG as KNH understands it, as outlined in chapter 2.

To set the context for the findings that follow, a profile of the sample revealed characteristics of the individual SHG members and their households as well as on the five individual SHGs.

Twenty five of the SHG members (45% of the sample) lived in multi-generational households with grandchildren or great grandchildren; many women who were grandmothers were caring for orphaned grandchildren – two women each had as many as nine grandchildren in their household. Many of the SHG members reported experiencing various shocks to their household over the past three years. Thirty eight members had experienced the death of at least one household member (69%) and 12 had experienced serious injury or illness to a household member (22%).

Eleven households (20%) indicated that they had at least one person living in the household who was not immediate family, usually the child of a relative. Almost half of these respondents belonged to Hlanganani, which were mainly older women, mostly grandmothers.

In the context of the AIDS epidemic, this could relate directly to household members, especially the children or siblings of the SHG member, dying or being very sick as outlined in the reported shocks to the households.

In terms of membership of the five SHGs, Vulingqondo and Qhubekani had the smallest number of members, ten each; Zamokuhle and Hlanganani had 11 members each, while Zizwe usekhaya had the largest number of SHG members, 14.

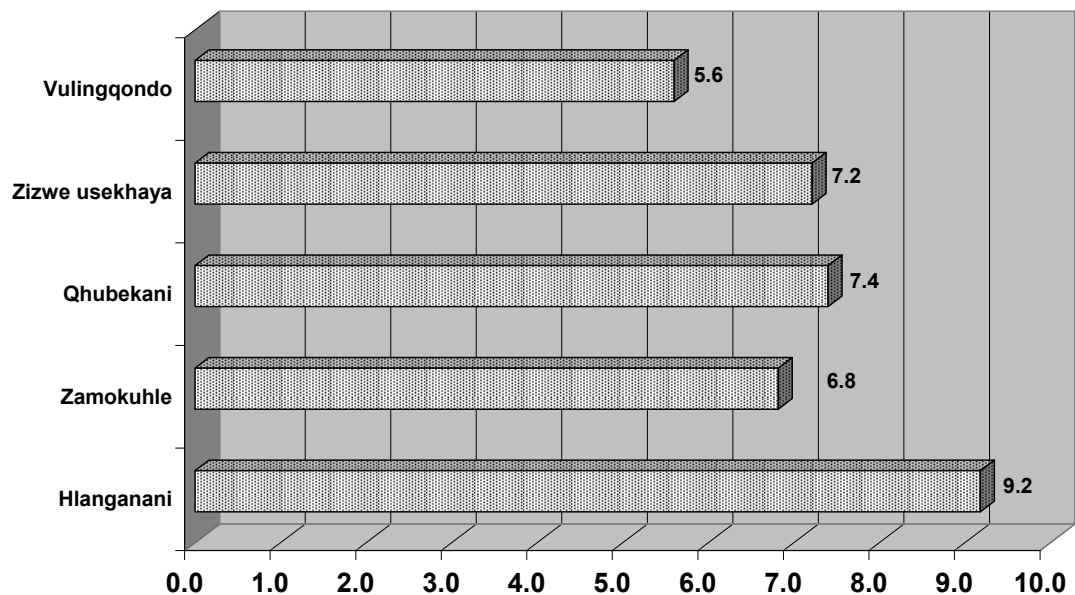


Figure 7 - Average number of household members per SHG member in each SHG

The households of the 55 SHG members from the five groups had 407 household members, giving an average household size of 7.4 persons. Figure 7 shows the average number of household members per SHG member in each SHG, the smallest was an average of 5.6 persons per household in Vulingqondo and the largest was 9.2 persons per household in Hlanganani. Hlanganani only had 11 SHG members but had the largest average household size per SHG member; while Zizwe usekhaya had 14 SHG members but had a smaller average household size per SHG member.

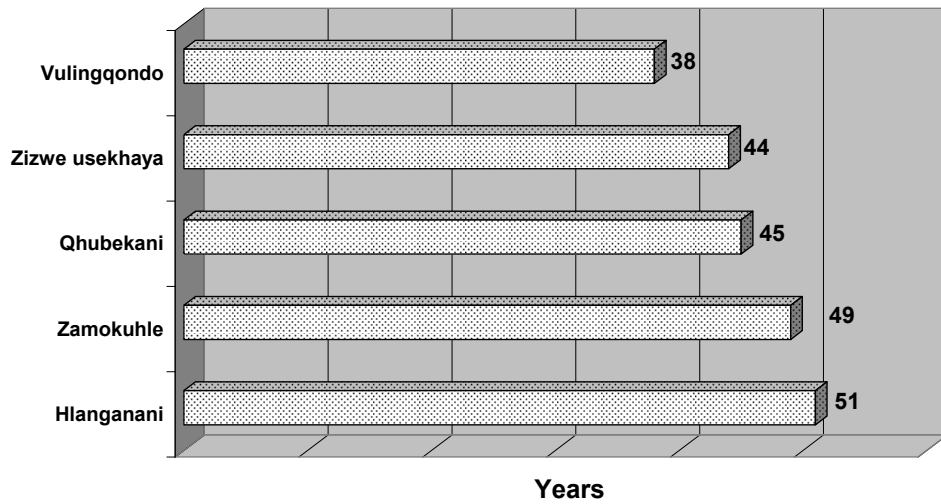


Figure 8 - Average age of SHG members in each SHG

The age of SHG members ranged from 19 years to 72 years with the average age being 45 years. Figure 8 shows the average age of SHG members in the five SHGs. Vulingqondo had the youngest average age per member of 38 years and Hlanganani had the oldest at 51 years.

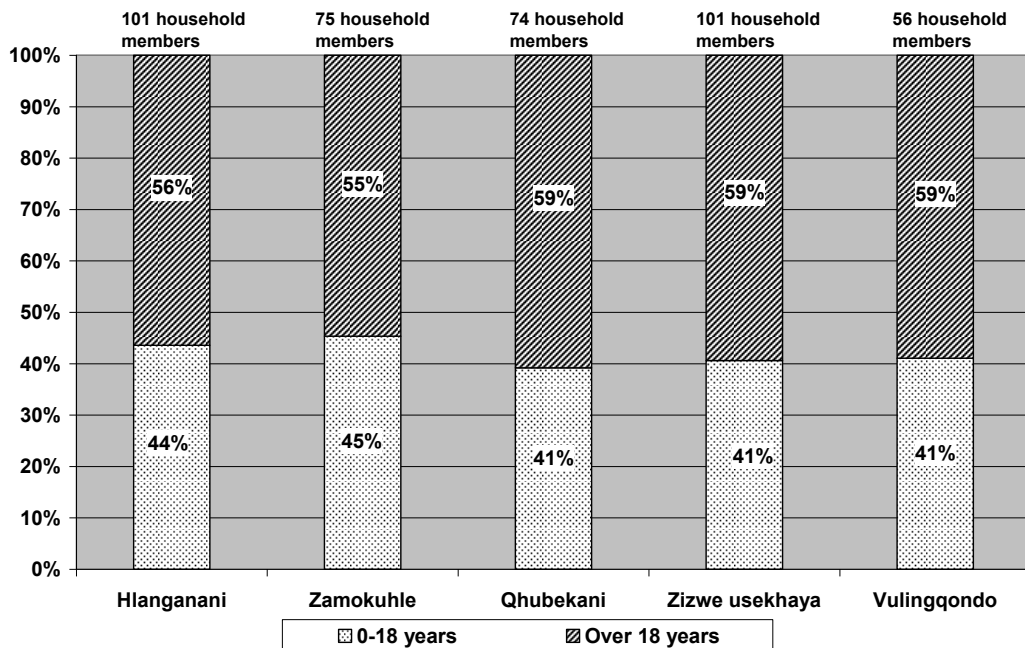


Figure 9 - Total number of household members, showing percentage under and over 18 years, represented by SHG members in each SHG

An estimated 181 children, grand-children and great grand-children from 0 to 18 years were resident in these households, representing 44% of the total number of household members across the five SHGs. Figure 9 shows the total number of household members represented by each SHG as well as the percentage of children under 18 years and adults over 18 years represented.

Hlanganani and Zizwe usekhaya are similar with each representing over 100 household members including over 40 children each. Zamokuhle and Qhubekani are also similar with each representing around 75 household members including around 30 children. Vulingqondo is different from the others with a smaller number of household members and children represented. When Figure 8 is viewed together with Figure 7, it shows Vulingqondo having younger SHG members and also smaller households, as one could expect younger women to have fewer children than older women. Hlanganani has the oldest SHG members and has the largest households; in many rural communities, grandmothers often not only have their own children staying at home but their grandchildren also. As was discussed in Chapter 2, one of the consequences of the AIDS epidemic is that household sizes have grown as grandmothers take care of their grandchildren, while their children are sick or have passed away due to AIDS-related diseases.

A focus group discussion took place in August 2006 with 11 SHG members participating from the five SHGs involved in the research. The comments of these women on the issues discussed are used later in this chapter. The 11 women represented 109 household members with an average of ten members per household, the smallest household size was 4 members and the largest was 15 members. The average age of the participants was 52 years with the youngest being 30 years and the oldest being 74 years.

Five of the women had at least one household member in casual or regular employment. Nine of the eleven households represented were receiving a total of 23 social grants between them: 5 pensions, 3 Disability grants, 1 foster care grant and 14 Child Support grants. However, another 16 children under fourteen years were eligible for a CSG but were not yet receiving it yet within these households. Eight of the 11 households had experienced the death of at least one household member in the past three years. Nine of the 11 women had taken and repaid at least one loan from their SHG since joining; three of the nine had used their loans specifically for their small business. Average savings amongst the 11 women was R207.

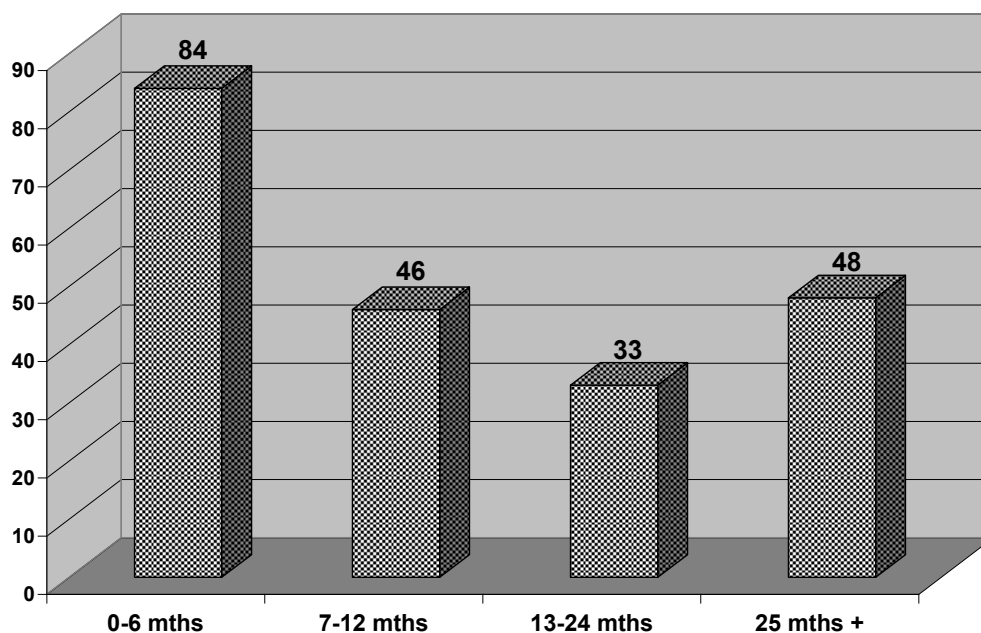


Figure 10 - Comparing the 211 SHGs in KZN at the time of the study in terms of age

Finally, it is interesting to compare the five SHGs who participated in the study with the other 206 SHGs in KZN at the time when the research took place. Records from FDS, obtained from the NGOs on a quarterly basis, enabled this comparison to be made. Figure 10 shows the age of all of the SHGs in KZN in April 2006 – 62% were less than one year old and only 23% were more than two years old, including the five SHGs who participated in the study. The average age of SHGs in KZN was 14 months, the youngest was two months old and the oldest was 41 months old.

The average size of SHG membership in KZN was 13 members, the smallest was 9 members and the largest was 23 members, whereas the average size of the SHGs in the study was 11 members. Thus the group size was similar but the SHGs in the study were twice as old as the average SHG in KZN.

4.2. Access to resources

In terms of resources, has reliance on specific income sources, such as government grants, and overall household income levels changed for families since the SHG began? Has access to regular loans at lower rates of interest impacted on income-generating activities for

SHG members and development of small business activities? And have the self-confidence and basic skills of SHG members changed since the SHG was started?

Three main types of resources – financial, human and social - are examined in terms of the extent to which SHG members had access to the resources and if they benefited from having access to each specific resource.

4.2.1. Financial resources

The focus of the SHG approach is on women from households that are poor, specifically on the ‘poorest of the poor’. Such households by definition have limited access to financial resources. Thirty two households of the SHG members (58% of the sample) indicated that they had no-one employed in their household in regular or casual employment.

In terms of reported sources of household income, 40 of the SHG members (73%) indicated that their household income was under R320 per month before joining their SHG, but only 23 members (42%) indicated that their household income was still under R320 per month at the time of the study, almost two and a half years later. SHG members on average reported an increase of 45% in the amount of household income received per month with more than 60% having a household income above the poverty line if two dollars-a-day per household is taken as the poverty line.

What could be reasons for the reported increase in money? More than half did not have a household member receiving a salary or wage, so this type of income source is not likely to have been the main cause of the increased income. One obvious income source is the government’s social security grants. The majority of SHG members (89%) were receiving at least one social grant in their household - pension, child support grant (CSG) or a disability grant - and a total of 90 social grants were being received between the 55 households. Twenty six household members were of pensionable age, 6% of total household members, but only 24 were reportedly receiving a state pension. Although 55 children under 14 years in SHG member households were receiving a CSG, 112 children under 14 years were eligible for the grant; overall 28 SHG members (51%) had at least one household member who was not receiving a social grant that they were eligible for.

Thirty eight SHG members had experienced the death of at least one household member (69%) and 12 had experienced serious injury or illness to a household member (22%). These shocks are usually accompanied by loss or reduction of income, if the

household member who died or was sick was previously contributing income into the household; and a loss of assets or savings as medicines and visits to a clinic, hospital and/or traditional healer are incurred for a sick person; and funeral costs must be covered in the case of the death of a household member. Nine SHG members had experienced a household member losing their job (16%), four had experienced divorce or abandonment by their husband/partner (7%), and 2 had experienced a government grant being cut-off or decreased (4%). These types of shocks have an impact on the household income; but the shocks are also accompanied by emotional trauma and stress for various household members.

Households of 11 SHG members (20%) had at least one person living in the household who was not immediate family, usually the child of a relative; consequently the household size expands as does the household costs. In some cases the household income also increases, if the child is less than 14 years and can be registered for a CSG, though this is not guaranteed as outlined above.

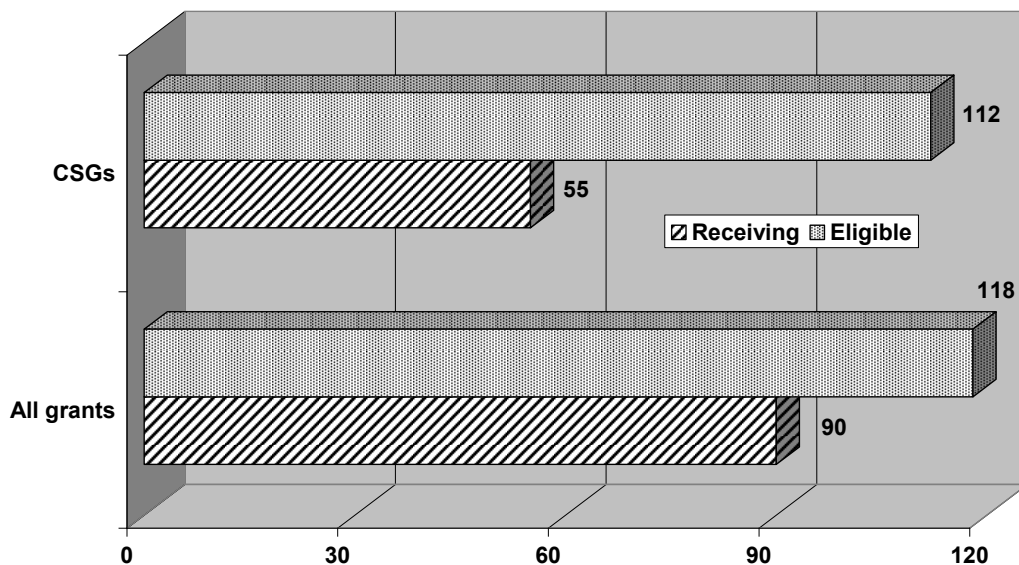


Figure 11 - Total number of social grants, especially CSGs, that household members were eligible for and receiving

The households of 49 SHG members (89%) were accessing at least one social security grant from the government. Nearly half of the households (47%) had accessed two or more social grants. Figure 11 shows that 90 of the 407 household members (22%) within the five SHGs accessed a social grant, although just over half (51%) were eligible for at least one

other CSG or pension which they were not yet receiving. 112 children under 14 years were eligible to receive a CSG and almost half (49%) were receiving one; there were 26 household members who were eligible for an old age pension and almost all (92%) were receiving one. Ten SHG member households (18%) were accessing a disability grant; however, no households were receiving a foster care or care dependency grant.

Why should some household be accessing grants while others were not; specifically why are some eligible household members accessing grants while other eligible household members were not? One of the main intended consequences of participation in an SHG, as understood by KNH, was economic empowerment and access to financial resources, so to what extent did this happen? A significant amount of grant income was being received in the households of the majority of SHG members despite there being a number of household members who were eligible (according to age) but not receiving a grant.

SHG members were asked about this issue and how reliance on other income sources, such as government social grants, had changed for the household since joining the SHG? Responses included:

“The grants help me to support my family but with the SHG now I have a helping hand.”

“I have seen change with so many of my grandkids going to school. I always used to rely on my pension grant and cover some of the fees but at the beginning of this year I managed to pay all their school fees at once and I have repaid the money I loaned.”

“I’m still saving, things are going well because now I don’t trouble other people for them to borrow me money, and I come straight to my group and get help.”

“We are no longer solely dependent on the grants as the grant at times will stop.”

The minute-books records of the five SHGs show that all members were saving regularly and that the majority of members had taken at least one loan from their SHG. The above comments show that members felt their SHG did enable them to access finance through their savings and that they felt this reduced their dependency on government grants or other previously available income sources. SHG members expressed further that they were benefiting from the SHG system of savings and loans.

“I have the burden of looking after grandkids that have lost their parents and I get a lot of help as I borrow money from the group so that they can have something to eat.”

“I now know that I can save cents and also manage to educate my children.”

“I am a new member in my group. I have seen us working together as women, we have started gardens with all sorts of vegetables – we don’t all get the same amount of income but at least everyone gets to take money to their family.”

A key research question was how had saving regularly, and having access to loans at lower rates of interest, impacted on having money for their household needs and income generating activities? Responses included:

“Saving these two Rands has been helpful because one is able to use money wisely.”

“Saving every week is very helpful to me because when I have to fetch my medical treatment every month I don’t have to worry anymore as I rely on loans so I can catch transport to get to the clinic and I sell at the school so I can return what I borrowed.”

“Now that we have our own money there is no need for us to borrow from sources outside this meeting. You don’t have to tell your neighbours your problems who will in turn gossip about you, your SHG is here to help you and you pay back the money as agreed.”

“Change comes very slowly but I can see improvements in my life. I never thought to put away the little money I had, but now I know better - that no matter how small it will see me through.”

“When I have borrowed a R100 I am able to buy more stock and sell so that I can pay back with interest.”

“Some members of our group dropped out because they didn’t believe that putting away 50c would work for them, I have seen this work for me so I cannot let it go.”

“I can see that my business is growing. I can afford to buy enough stock and also have something left to support my family.”

And if an SHG member started a small business/IGA while in their SHG, what role did access to loans play?

“Before I had to reduce spending on unnecessary things or not so urgent needs at home so I can afford to buy stock.”

“I started my business with a small loan I took from my group and I was able to buy my start –up stock.”

“I no longer go to Mashonisa to loan as interest in my SHG is more reasonable than in Mashonisa.”

SHG members clearly understood the importance of saving small amounts regularly in order to begin to build up money which could be accessed as loans for consumption needs

such as buying food, development needs such as for school fees and health costs, and income generation needs such as start-up capital for a small business or paying for new stock.

However, an important question was to what extent this actually occurred? Did SHG members in the five SHGs access loans from their savings? And how does this compare to the experience of SHG members throughout KZN?

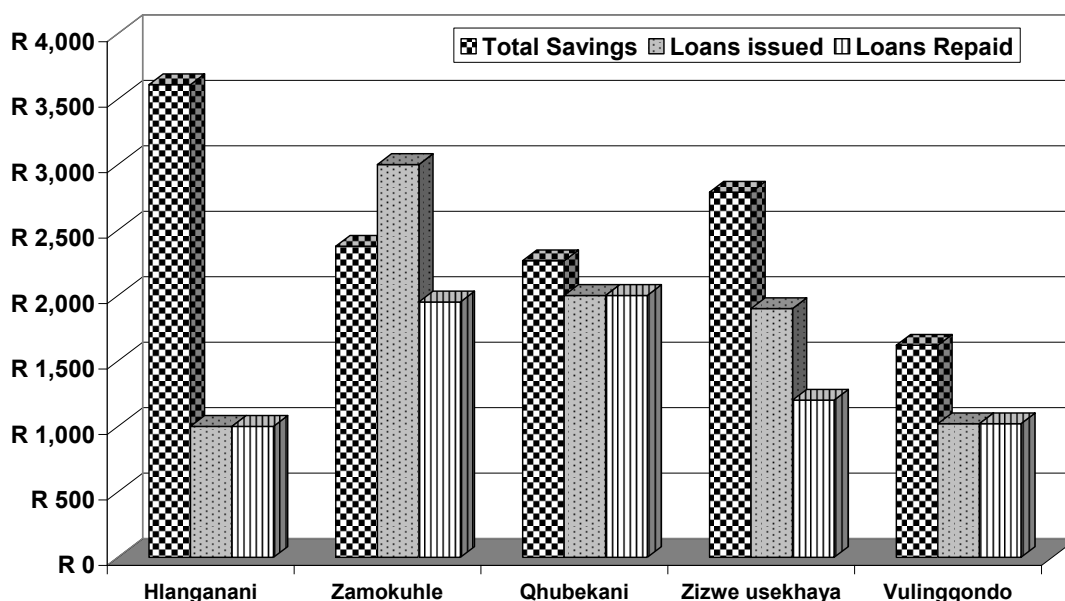


Figure 12 - Economic activity within the five SHGs: savings, loans and repayments

The lowest total amount saved was R2,265 in Vulingqondo and the largest amount saved was R3,610 in Hlanganani. The average total savings of SHG members in the study to date was R244 per member with the lowest total savings being R199 and the highest being R328. It can be seen that all of the SHGs had succeeded in saving up a sizeable amount of funds, relative to each member's monthly household income, that could be given out as loans to members. Figure 12 shows the total savings, total amount of loans issued and loans repaid by each of the SHGs in the study. While savings were significant in all five SHGs when compared to the weekly amount saved, being R2.00 to R2.50 per member, most SHGs had a low loan-to savings ratio (less than 1:1). Only Zamokuhle achieved higher than this (1,26:1). In other words, Zamokuhle may not have saved the most money but members loaned out more funds than they had saved, which is an important indicator of the extent to which members were accessing loans from their available savings. Vulingqondo, on the other hand,

saved the most amount of money but had the lowest loans-to-savings ratio (0.63:1), indicating that they were not accessing loans to as great an extent.

	Number of SHG members in study	Loans Issued	% share of total loans
Zizwe usekhaya	13	24	28%
Hlanganani	11	20	23%
Zamokuhle	11	20	23%
Vulingqondo	10	13	15%
Qhubekani	10	10	11%
Total	55	87	100%

Table 2 - Number of loans issued to members by each SHG

Table 2 shows that 87 loans were issued across the 5 SHGs over the average period of 29 months since formation, with 24 loans in Zizwe usekhaya which gave the highest number of loans taken and 10 loans in Qhubekani which gave the lowest number of loans taken. Zizwe usekhaya, Hlanganani and Zamokuhle members each took an average of almost two loans; Vulingqondo and Qhubekani members each took an average of only one loan.

	Consumption	Development	Income-generation	Total
Zizwe usekhaya	0	7	17	24
Hlanganani	10	10	0	20
Zamokuhle	6	3	11	20
Vulingqondo	0	0	13	13
Qhubekani	0	10	0	10
Total	16	30	41	87

Table 3 - Purpose of loans taken by SHG members

Table 3 shows that nearly half (48%) of the loans taken were for income-generation, 30 (34%) were taken for development needs, while 16 (18%) were taken for consumption needs. The value of the average loan was R190 for consumption needs, such as for food; R171 for development loans, such as school fees or health costs; and R71 for income generation loans. SHG members took more loans with smaller amounts for their income generation activities; but they took larger amounts, though less loans, for their consumption and development needs.

In terms of consumption loans, only two SHGs took loans for this stated purpose, with Hlanganani taking half of its loans for consumption and Zamokuhle taking a third of its loans for this. In terms of development loans, almost all of the SHGs took loans for this stated purpose, with Hlanganani taking half of its loans for development and Qhubekani taking all of its loans for this purpose. Finally, in terms of income-generation loans, three SHGs took loans for this stated purpose, with Zizwe usekhaya taking three-quarters of its loans for income-generation, Vulingqondo taking all of their loans for income-generation, while Zamokuhle took just over half of its loans for this purpose.

	Number of SHG members in study	SHG members who received at least one loan	SHG members who took at least one loan for income-generation
Zizwe usekhaya	13	11	10
Hlanganani	11	9	0
Zamokuhle	11	8	4
Vulingqondo	10	9	9
Qhubekani	10	6	0
Total	55	43	23

Table 4 - SHG members who took loans including for income generation

Table 4 shows that 43 SHG members took at least one loan, 77% of all the SHG members; and 23 SHG members who accessed loans (53% of members who took a loan), took at least one loan for the purpose of income-generation. In terms of the total loans given out amongst the five SHGs, less than one loan was given out to an SHG member in each group every month on average. This is low considering the amount of funds that were available to be given out and considering the fact that all of the women in the groups had low levels of household income. All of the five SHGs had enough funds available to give each of their members a loan of at least R100 to R150 every month if needed. Although the five SHGs had been saving regularly, they did not choose to access loans from their funds to any great extent. This is a critical finding as it shows that although poor women had managed to save a large amount of funds over almost 30 months, they did not access their savings for loans. Reasons for this could include group members wanting to build up the group fund to a larger amount before taking individual loans, members lacking the confidence to take and repay a loan, little or no capacity-building around the issue of self-help, savings and loans.

	Amount of loans taken by SHG members in study	Amount of loans repaid by SHG members in study	Repayment of loan ratio
Zizwe usekhaya	R1,900	R1,200	63%
Hlanganani	R1,000	R1,000	100%
Zamokuhle	R3,000	R1,950	65%
Vulingqondo	R1,020	R1,020	100%
Qhubekani	R2,000	R2,000	100%
Total	R8,920	R7,170	80%

Table 5 - Repayment of loans by SHG members

(Note: it is not known what amount of loans taken that were not yet due for repayment)

Table 5 shows that loan repayment varied within the five SHGs, with Hlanganani, Qhubekani and Vulingqondo repaying fully; whereas Zizwe usekhaya and Zamokuhle had a repayment rate of just over 60%. The majority of loans taken were repaid with interest (80%) so it seems that most SHG members did not have a problem in repayment of loans.

But how did the five SHGs from the study compare to all of the other SHGs in KZN in terms of savings and loans? The average amount of savings per member per week in KZN was R2.00; the lowest amount saved was 50c per member per week and the largest amount was R5.00. Compared to this, the average amount of savings of the SHGs in the study was R2.50 per member per week. The average total savings per SHG in KZN was almost R1,100; the lowest amount of savings was R80 in a new SHG and the largest amount of total savings to date was over R4,500; with the average total savings per SHG in the study being R2,532.

This is understandable as the SHGs in the study were saving a similar amount of weekly savings per member as the average SHG in KZN, but the SHGs in the study had a total savings of more than double the average SHG in KZN due to having been meeting more than double the amount of months as the others.

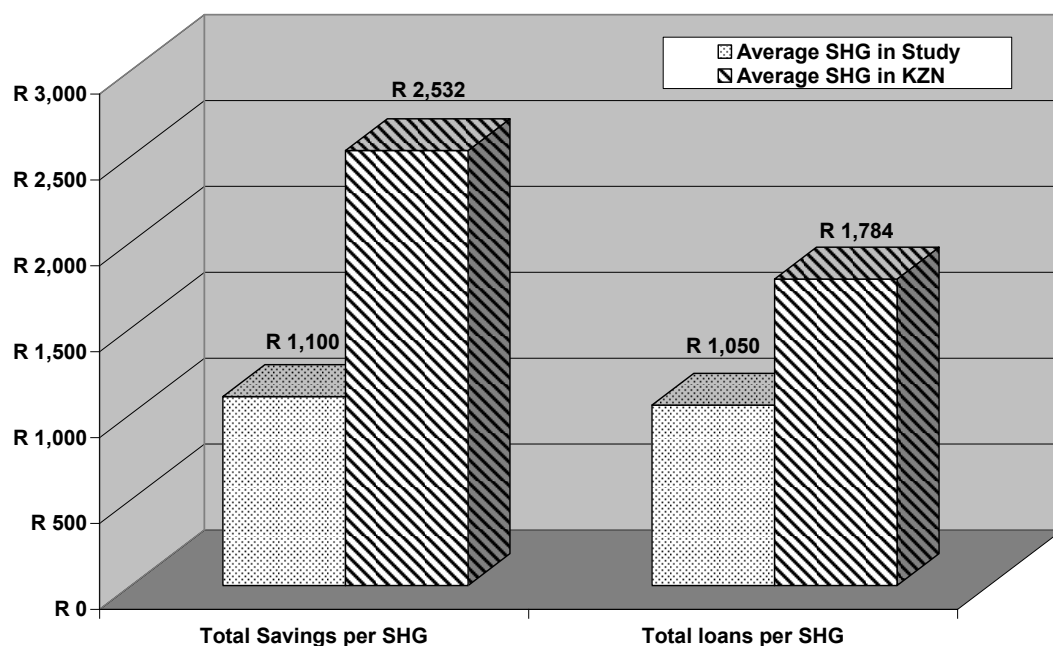


Figure 13 - Comparison of total savings and total loans between the SHGs in the study and in all the SHGs in KZN

The average total amount of loans given out to members per SHG in KZN was R1,050, no loans were given in new SHGs and the largest amount given in one SHG was over R6,000; with the average total amount of loans given per SHG in the study being R1,784. Figure 13 clearly shows that although the average SHG in KZN had saved and loaned less money than the average SHG in the study, the loan-to-savings ratio for the average KZN SHG was 0.95:1 compared to 0.7:1 for the average SHG in the study - even though the SHGs in the study had more than double the amount of time in which to give out loans.

	Average age of SHG	Average number of loans
Average SHG in Study	29 months	17 loans
Average SHG in KZN	14 months	20 loans

Table 6 - Comparison of age of SHG in months and number of loans issued to members between the SHGs in the study and in KZN

Table 6 shows that the average number of loans given to members within an SHG in KZN was 20 loans, the least number of loans given was zero loans to new SHGs and the largest number of loans was 86; while the average number of loans per SHG in the study was 17 loans. When one correlates the number of loans taken by SHG members with the age of

the SHG, it shows that 1.4 loans/month were issued by the average SHG in KZN while only 0.58 loans were issued by the average SHG in the study. Further when one correlates the loan-to-savings ratio with the age of the SHG, it shows that SHGs in the study were not giving out many loans from their savings despite having access to a significant amount of money saved within the group over a longer period of time. Even though they were able to repay loans that they did take with interest in the majority of cases.

The average total amount of loans repaid by members per SHG in KZN was almost R800, the lowest amount of loans repaid was R0 where no loans were taken and the largest amount repaid was R5,700; while the average total amount of loans repaid by members per SHG in the study was R1,434. When one relates the figures for total savings and total loans per SHG, the average SHG in KZN had a repayment-to-loan ratio of 76% compared to 80% for the average SHG in the study. Unfortunately there were no figures to show how much of the total loans had just been taken and were not due to be repaid at that time. Overall this shows that the SHGs in the study have a similar repayment-to-loan ratio to the average SHG in KZN.

Finally, four of the SHGs in the study had a significant amount of cash-on-hand or in their bank account. Hlanganani had R660 representing 17% of their total group income, while Vulingqondo had R1,620 representing 69% of their total group income. This shows that the majority of the SHGs in the study had 'idle' capital, gaining very little interest in a bank account, rather than maximising loans to members which would bring in interest to the group.

It was clear from the focus group discussion that the SHG members regarded savings as an important achievement. When they first joined their SHG initially, some even thought that they would not be able to save the R2.00 each week. They realised that their savings was the means of opening up the possibility for loans to be taken and there was a system in the SHG that helped them to pool their small resources which can be used for themselves. This confirmed earlier findings of Lathamala & Majola (2005: 8) who worked with two of the five SHGs from this study, Hlanganani and Vulingqondo, in a KNH evaluation in 2005 and concluded that "Though the group saving is small in size ... it can be regarded as an achievement, since there was no habit of savings previously."

It was also clear from the focus group discussion that availability of loans within the SHG was regarded as a major achievement by the SHG members. In the absence of such loan availability, the members previously had to take loans from local moneylenders at a high rate

of interest, reportedly over 50% per month in some cases. Now they never went to money-lenders and rarely even went to family members when they needed money for consumption, development or business needs. Although the SHG members voiced this and had significant amounts of money available for loans relative to their needs, in reality comparatively few loans were taken over the period since the SHGs were formed. On average, almost all of the five SHGs gave out one loan each per month while they could have potentially given all of their members a loan each month.

Two SHG members who participated in the focus group discussion were interviewed afterwards in more depth. Their case-studies provide good examples of the interaction between income sources such as SHG loans and the old age pension, and on starting a small business using SHG loans.

Gogo Zondi is 72 years old and lives in a household with 14 members, including three of her children, all are unemployed, and 10 grandchildren, 8 of whom are at school. Three of her grandchildren lost their parents several years ago. They receive child support grants, the rest do not although another three children are eligible. Stable sources of income in Gogo's household are her old age pension and child support grants for three of her grandchildren.

Life in a household where 10 grandchildren and 3 unemployed adults look up to Gogo for meeting the entire families' needs is difficult for her. Things never used to be like this – previously the parents of the three orphaned children were still alive and had jobs which helped to bring in extra income into her home. She also had cows before but since the death of four of her children, she has had to slaughter or sell them all for the burial and cleansing ceremonies.

Every month her main priority is to get basic food for the household though that often doesn't even last them the full month. They survive on maize meal which gets finished quickly because it is eaten for breakfast as porridge, pap and phutu for lunch and dinner. She also buys beans and meat sometimes. She also keeps some live chickens and has a small garden where she harvests potatoes and some greens.

“I get a lot of help through the women in my SHG. I now know that I can loan money and meet some emergencies that come up in my home. I take this money and then pay it back when I get my pension.” Gogo used to beg for food from her neighbours and also bought on credit from the local trading shop and would use her pension to pay debt month after month. But since she joined her SHG, she doesn't do this anymore or borrow money from *abomashonisa*.

Gogo has currently saved over R200 in Hlanganani SHG, which she joined in January 2004. She had previously borrowed several loans from a local money lender before joining her SHG. She has borrowed and repaid three loans from her SHG of between R100 to R200.

Gogo indicated that since joining her SHG, her household income has improved, she has many more friends through her group, her self-confidence has increased, she is more aware of issues in her community and she is better able to care for her grandchildren's basic needs. She has also been involved in her group's projects including a community vegetable garden, caring for orphaned and vulnerable children, and in handicraft work.

Vignette 1 - Case Study 1: interaction between sources of income

Vignette 1 highlights the hardship faced by an older grandmother who was caring for several of her children and many of her grandchildren. The importance of receiving a state grant was obvious as no-one in her family was employed. The deaths of four of her children have resulted in funeral costs draining the household of assets, in this case it was cattle. The grandmother was able to express ways in which she and her household had benefited from being part of her SHG, including access to several loans for consumption and development needs at a lower interest rate. This case-study shows the interaction between different sources of household income: the state grant and SHG loans.

Nomthandazo is 30 years old and lives in a household with 13 members, including her mother, 2 siblings and 8 other relatives (6 of whom are children at school). All of the adults are unemployed. She gets a disability grant because she cannot use her left leg any more. With this money she was able to contribute towards the costs of food and electricity in her home.

Stable sources of income in her household are her disability grant and Child Support Grants for three of her sister-in-law's children. Several months ago, unexpectedly, her mother's disability grant was cut off for no reason. She was referred to a government office to sort this out but it currently is still not being received.

She runs a small business selling juice, snacks and sweets to school children in a nearby primary school. The reason for starting this small business was so she could help bring in money at home, which was after taking ill while working as a child minder in Johannesburg. Her business was started over a year ago when she took out an SHG loan to help towards buying her first stock. She borrowed R50 initially and three other R100 loans later – she was able to repay both loans with interest. She says that, "Being part of my SHG helped me to borrow money so I could stock up on a monthly basis and through the income I was able to pay back the loan easily."

Selling outside the school gates was not easy for Nonhlanhla because there was lots of competition - at one point she was chased away by rivals. But now the situation is better as she joined together with three other women and they now sell from the school premises and pay a monthly rental of R30.

Nonhlanhla hopes that she can continue with her business and help others to see that it is possible to earn money for yourself and not be dependent on others. "I have gained a lot from around how to save and borrow loans in order to meet my personal and business needs", says Nonhlanhla. She would love to receive further business training so she could do her best in her business.

She has currently saved R350 in Hlanganani SHG, which she joined in January 2004. She had previously borrowed several loans from a money lender before joining her SHG. From the profit made from her business, she says that most of it goes towards food in her household and for school fees and uniforms for the children attending school.

Vignette 2 - Case study 2: starting a small business

Vignette 2 highlights how an SHG member was able to start up and expand her small business through accessing loans for income-generation from her SHG. She also comes from a large household with no-one being employed. She saw the value of being able to access money through her group and has developed self-confidence in her ability to run her business. She expressed the need for further business training.

4.2.2. Human resources

In the SHG approach, each SHG is formed and assisted, in the early months after formation, by a local community facilitator (CF). The CF lives in the community where she works to form new SHGs. In the first three to four months after the group is formed, it is intended that the CF attends the weekly meetings of each SHG in order to encourage, motivate and build the capacity of the group members. The CF slowly reduces the time she spends with the group as their capacity is increased until by one year from formation, she is only attending their meeting once a month or as needed. She is a human resource to the SHG and is available on a regular basis.

The SHG members were asked what were some ways in which their CF assisted their SHG. Responses included:

“CFs give us a lot of insights into things we were not aware of, we get to learn a lot.”

“She always comes through when we need her - she came to my house the other day unexpectedly just for a visit, I really appreciated that.”

“She has been really good to us and comes to see us regularly, no matter how horrible the weather is she never fails to come.”

“When she comes to visit us sometimes she finds us demotivated, but always finds a way to cheer us up and encourage us.”

“She walks long distances to reach us - one day I asked her if she ever gets sick or has high blood pressure and she said no she feels fine. This made me realize that she is passionate and is really dedicated to her work.”

“When she gets to us she gives us all her time and her trainings are useful, she sometimes finishes with us later than planned but she stays on until we are done and then she goes home.”

The SHG members expressed that they found their CF to be a very valuable human resource. However, the CF interviewed the SHG members for their individual questionnaire and was present in the focus group discussion, so the responses given could be biased. After group formation, one key responsibility that the CF was meant to perform was that of capacity-building, specifically facilitating six modules of training to all SHG members in the group and functional book-writing training to two selected group members. The intention of the provision of the six training modules was to capacitate the SHG members on key issues, develop self-confidence and the group's ability to manage its own affairs.

These training modules are meant to be provided from the first month after group formation and should be completed within nine months at the latest. The training modules include introducing key concepts of self-help, regular savings and access to credit to the SHG members (modules 1 and 2); building capacity to enable the group to set an annual action plan (module 3), to communicate with each other and provide leadership (module 4), and to resolve conflicts as they arise (module 5); and finally, motivating and equipping the SHG members to start, or improve on, income generating activities as individuals or as a group (module 6).

	Module 1	Module 2	Module 3	Module 4	Module 5	Module 6
Hlanganani (11)	8	9	0	0	0	2
Zamokuhle (11)	8	3	0	0	0	3
Qhubekani (10)	6	5	5	0	0	5
Zizwe usekhaya (14)	5	6	0	0	0	2
Vulingqondo (10)	10	10	0	0	0	8

Table 7 - Number of SHG members per group that participated in each training module

Table 7 shows that the SHG members in the study received various training modules from their community facilitator. Overall, out of the 55 members in the study, 37 members (67%) received training on the SHG concept, 33 on savings and credit management (60%), 20 on income generation activities (36%), and only 5 on vision-building and annual action plan (9%). No SHG members received training on conflict resolution or leadership and communication as was intended. At least one SHG member per group had a person trained as a book-writer to record in the group minute book at weekly meetings.

It was intended that all 55 members should have attended all six of the training modules, however, the CF failed to run all of the training modules and, when she did provide certain training modules, not all SHG members attended in each SHG. The fact that, after almost 30 months, a third or more of SHG members did not receive the first two modules on the basic concepts of the SHG, that very few received training on vision-building and forming an annual action plan, that only a third received training on income generation, and that none received training on conflict resolution or leadership and communication skills, would seem to be a weakness in terms of what the CF was expected to provide to the SHG members. But did this hinder group development by not providing all of the training modules?

SHG members expressed that the most helpful trainings they received in their groups included the self-help concept, savings and loans, and income generation activities which were all provided by the CF. Also helpful were home-based care and HIV/AIDS awareness, household and community vegetable garden training which were provided by an external organisation.

How did the five SHGs from the study compare to all of the other SHGs in KZN in relation to accessing the intended training modules? The FDS records showed that over 90% of all of the other KZN SHGs had conducted at least the first three modules of training, while over 40% had received all six modules. Capacity-building was obviously taking place in most of the other SHGs. When one correlates the training modules received to the age of the SHG, it is clear that the SHGs in the study received much less training despite having twice the amount of time for this to have taken place.

The reason given as to why all of the training modules were not given to these SHGs in the study was that they were some of the first SHGs ever formed by USIZO and unfortunately did not receive as much capacity-building from the USIZO CF as those which were formed later. This was due to a lack of focus on overall capacity-building in the initial year of the programme and proper training materials were not available at that stage. This situation changed from 2005 onwards and the CF began to provide all of the training modules to her new SHGs, however, she did not ever go back to the older SHGs to provide training on the modules they had missed earlier.

This study was not able to determine if there was a direct correlation between the quantity and quality of training given by the CF to the functioning of the SHG, such as the number of members who accessed loans and the frequency of taking loans, and the number of members who started a small business or an income-generating activity.

4.2.3. Social resources

Another intention of the SHG approach is to address the isolation that many poor women face. Women in rural areas do not always have a large social network of friends and neighbours who provide support or offer assistance in times of hardship or crisis. An SHG intends to provide mutual support, encouragement and group cohesion – members should be a social resource to one another, their household and potentially the wider community. The

SHG members were asked in the focus group discussion about this issue and their responses included:

“I see coming together this way as women as great, instead of us always thinking about our problems and sufferings alone in our homes.”

“There is a lot of encouragement that goes on in the groups, it is a great thing that we have each other and relate well.”

“I have seen the difference since I joined the group. I used to be someone who was always indoors carrying on with my daily duties ... But now I have a place where I can get together with other women ...”

“Although we have had our challenges, we work at resolving problems and continue to champion ahead together.”

“I am thankful for being part of this movement ... because we get knowledge that one would not have found if we were in our homes and not getting together with other women to share common struggles.”

SHG members were adamant that their SHG members did provide support and encouragement to one another which they greatly appreciated. Their SHG meetings were a place where they could share their problems, receive support and seek solutions. SHG members were also asked if they thought that one day they might no longer need to be part of their SHG? Response included:

“I want to continue with it because it has helped me get together with other women in my community.”

“I wouldn’t want to distance myself from my group, I have gained a lot and the fact that I have come to realize that we share similar life struggles, that I’m not the only one with burdens, there are other women just like me.”

“This is a good idea for me to have other women I can share ideas with for the betterment of my life - why would I want to stop coming to my meetings?”

“I never see myself out of this group, I live for it.”

Women expressed that they would not want to leave their group as they felt it met their various needs. This is a critical finding of the study as it shows the high value that SHG members place on the social aspects of their group.

4.3. Agency

In terms of agency, SHG members having the ability to make and act on their decisions, the research asked whether SHG members owned the process of their own development and empowerment since their SHG started? And what were important lessons learnt by members from participating in their SHG? SHG members were asked for examples where they had made decisions to do something and managed to carry that decision out. Response included:

“In our meetings we agree on how much we can afford to save and set our own rules for lending. We also set how much our interest on loans will be and so far we all think it’s manageable as we are able to make payments with interest and come back for more loans.”

“My home was not a good place to be in, but now things have changed, there is a difference since having started with SHGs. It has given me a broader way of thinking and processing things, and I found a source of wisdom as a mother who is able to persevere in all extremes so that my future could be a success.”

“I am thankful for this SHG has opened my mind up a lot. I have a sewing machine at home that I had kept hidden away because I had no more use for it. But now since coming to this group I have started sewing again. I also started selling from my home. At first I wasn’t sure whether putting away these little savings could make a difference - it really have opened my thinking.”

“I have boys in my home ... recently we were talking about what next we can plant so that by December we can harvest and sell for extra income, they welcome that idea and work well with me.”

“We are all here for one common reason to get insight and do things with our own hands. I certainly have gained - I am now able to make crafts and earn money ... I have hope that my household will come out of misery.”

“I told one of my neighbours jokingly that we are on our way to parliament, that the next time they see me I’ll be someone big and if she wants a better life she should also join SHGs.”

SHG members expressed that being part of their SHG had opened their mind to various issues which they could do something about including what they could do to earn more income, how to cope better within one’s household, and having a vision of what might be possible into the future.

Part of the intention of providing training on vision-building and annual action plan was to assist each SHG to decide for itself what group activities it would want to undertake after it had been formed and members could choose which activities they would voluntarily participate in. However, the SHGs in the study did not receive this training from their CF. In spite of this, the five SHGs showed a high degree of participation in specific activities.

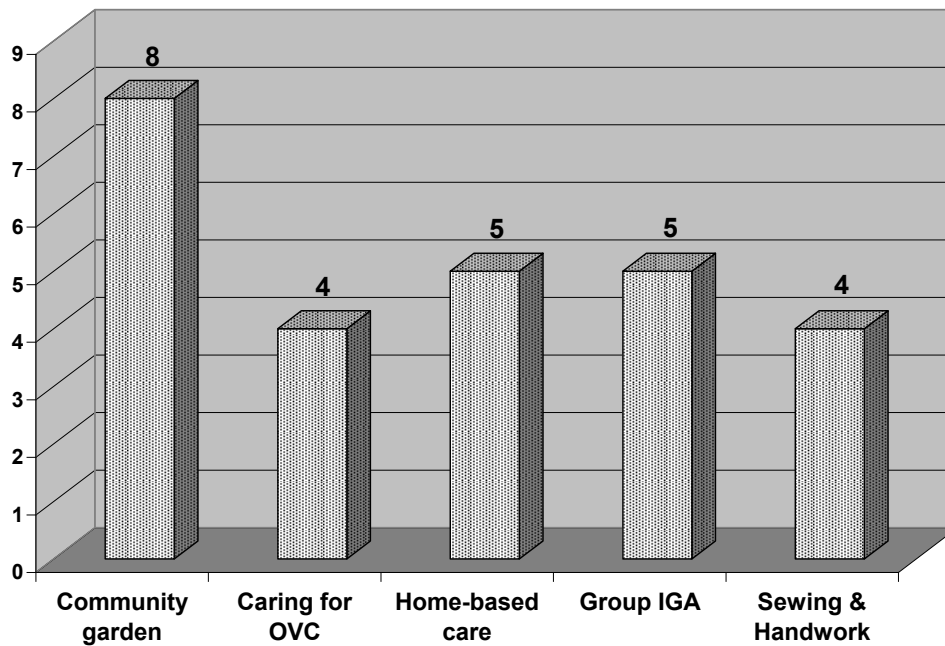


Figure 14 - Average number of SHG members participating in group activities

Figure 14 shows the extent to which SHG members voluntarily participated in various group activities. Forty two SHG members in the study participated in growing vegetables in a community garden, on average 8 members per SHG; 26 SHG members participated in caring for community members who were sick at home, on average 5 members per group; 25 participated in a group income-generating activity, on average 5 members per group; 22 participated in caring for orphans and vulnerable children in their community, on average 4 members per group; and finally 20 participated in learning sewing and handwork activities, on average 4 members per group. Participating in a group income-generating activity (IGA) directly benefited the member and her household; while the care of orphans and vulnerable children (OVC) and the care of community members who were sick at home are vital services that are needed in a community.

SHG members were asked their perceptions to what extent they owned the process of their own development and empowerment, and made decisions about their own future since their SHG was started. Most responses centred around dealing with conflict and group problems, for which they received no training, and these comments included:

“People who are not in SHGs always ask us what we get out from being in these meetings, my response is always that we work hard for ourselves and don’t wait for things to be handed to us.”

“Last year we thought things were getting really bad, there was no progress, but we decided to talk through what was causing the problems and we worked on making our SHG to be a priority.”

“Although groups can become weak at times we always believe that because we started them we also have to pick ourselves up and rectify mistakes we have made and continue with the work for ourselves.”

“Members that leave the group affect progress of the group a lot - when we haven’t seen a particular member coming to meetings, we go to them to find out what is holding her back and also encourage her to come back.”

“Some of us who are CLA members have once visited an SHG to resolve some conflict, we were able to help them identify the root cause and find ways to deal with it - I am happy to report that everything seems to be going okay with this group.”

“One group had a problem with a male who was dominating and tore the group in half, the CLA was sent there to advise on the situation - since that male has left the group there is harmony and the group has moved on.”

“If a member who owes money doesn’t pay back, she knows she has to answer to all the other members because we mean serious business.”

SHG members expressed that they were able to make decisions for themselves and to solve their own problems within their group. They had experienced the benefit of working together within their own SHG and, to a lesser extent, working together as a group of SHGs through the CLA. Overall they expressed the belief that they were progressing as individuals, as a group and within their households.

The CF would have played a role in the early stages of each group in assisting them to deal with conflict; it seems that the CF stopped being involved in this and let the SHG members handle such situations by themselves after around 12 to 18 months.

4.4. Achievements

In terms of achievements, how have the SHG member and her household benefited since the SHG was started? The SHG approach intends for individual SHG members and the group as a whole to begin to achieve positive outcomes for the women themselves, their SHG, their household and their wider community.

Specific achievements can vary from one SHG to another and between individual SHG members depending on what is important to them. A variety of achievements were reported by SHG members in the study including personal growth and development of individual SHG members, changes to the SHG members' households, support and recognition of SHG members' contribution by their husbands/partners, and how other community members viewed their involvement in their SHG.

4.4.1. Individual achievements

Firstly, concerning the personal growth and development of individual SHG members. They were asked to rate their own perceptions of themselves before joining their SHG and then at the time of the study, with 1 being the lowest score that could be given and 5 the highest score.

	Before joining SHG (average score out of 5)	At the time of the study (average score out of 5)	% increase from before to present (average)
Feeling isolated or supported?	1.4	3.7	164%
Involved in community projects?	1.5	3.0	100%
A parent meeting your child's needs?	1.5	2.9	93%
Aware of community issues?	1.7	3.1	82%
Poorest or richest in your community?	1.2	2.1	75%
Your confidence and skills?	1.9	3.1	63%
Having a voice and decision-making?	2.6	3.7	42%

Table 8 - Changes in SHG members' self-perception on various issues from before joining their SHG to the time of the study

Table 8 shows that SHG members indicated positive increases in their own growth and development as a person, reflecting the perception of being in an improved situation than before joining their SHG almost 30 months before. SHG members reported substantial

increases of 100% or more in terms of being a person with many friends and neighbours, dealing with women feeling isolated and alone, and in terms of being a person involved in community projects, dealing with addressing needs that exist in the immediate community.

SHG members reported a large increase, over 90%, in terms of being a parent who is able to care for all of her children's needs, dealing with the ability to cope with household demands; and over 80% in terms of being a person who is very aware of issues and involved in community action, dealing with awareness-raising amongst women. SHG members also reported increases in terms of whether they saw themselves as being the poorest person in their community (75%), in dealing with being able to view oneself in a more improved economic situation (75%); of being a person with much self-confidence and many skills, in dealing with building the esteem and capacity of women (63%); and of being a person who can make decisions in her home and whose voice is heard, dealing with feeling heard and respected within the household and being able to participate in making decisions in the household (42%).

4.4.2. Household achievements

Secondly, concerning changes to SHG members' households. SHG members were asked to rate their own perceptions of changes to their household before joining their SHG and then at the time of the study, with 1 being the lowest score that could be given and 3 the highest score.

	Before joining SHG (average score out of 3)	At the time of the study (average score out of 3)	% increase from before to present (average)
Change in household income/month?	1.1	1.6	45%
Change in ability to pay funeral costs?	1.5	1.9	27%
Change in number of meals for children?	2.3	2.8	22%
Change in the health of children?	1.9	2.1	11%
Change in ability to pay school fees?	2.0	2.2	10%
Change in livestock kept at home?	1.0	1.2	10%

Table 9 - Changes in SHG members' perception of benefits to their household from before joining their SHG to the time of the study

Table 9 shows that SHG members indicated positive changes and benefits to their household, again reflecting the perception of being in an improved situation than before joining their SHG almost 30 months before. SHG members reported increases of 100% or more in terms of being a person with many friends and neighbours, dealing with women feeling isolated and alone, and in terms of being a person involved in community projects, dealing with addressing needs that exist in the immediate community.

SHG members reported increases of between 20-45% in terms of the amount of household income received per month, of being able to pay towards funeral costs, and of the number of meals that their children eat daily. SHG members also reported a small increase of around 10% in terms of the health of their children, of their ability to pay school fees, and of keeping livestock at home. Most of the reported benefits to the household were financial or material benefits.

4.4.3. Household power relationship achievements

Thirdly, concerning the support and recognition of SHG members' contribution by their husbands/partners. SHG members expressed that their husband's response and attitude towards their participation in the SHG had generally been positive and supportive:

“My husband is very supportive - when I tell him what our plans are as a group he often gives helpful ideas for me to bring to the group.”

“Our husbands know that when we get up early for the gardens we work hard for our families.”

“He knows how good these meetings are for me and he sees the benefits to the home so he understands.”

This achievement relates to intra-household power dynamics which some women reported in a positive manner. It is possible though that other women may have had a negative experience and not reported it, relating to issues such as her bringing income into the home or wanting to participate more in decision-making. Unfortunately this study was not able to investigate this issue due to a limited amount of time for the focus group discussion.

4.4.4. Community perception achievements

Fourthly, concerning how other community members viewed the involvement of SHG members in their group:

“Most never believe in what we are doing and sometimes the things they say can really leave one demotivated, but I don’t care I just want to do my best.”

“I always say to them that our meetings are for women who want to take charge of their lives and make a difference by just saving a little every week.”

“After a while some tend to see that SHGs work for us, it might seem like we have little to show for it but we know better - who knows maybe one day they will come to us for help.”

“People want to be part of schemes that they can see huge changes and results in a short space of time, ours is a slow process and that doesn’t appeal to them.”

“Most people want to receive something tangible, they don’t believe in doing things for yourself so they don’t really understand what we do, they think it’s a waste of time.”

Community members were aware of the presence of SHGs in their community and had interacted with SHG members. Although SHG members received mainly negative comments from community members, the women themselves persisted with their group and saw it as an achievement that their group was recognised within the wider community.

Chapter 5: Discussion on Main Findings

Chapter 4 assessed the SHG approach promoted in KZN using the three elements, outlined in Chapter 2, needed in order for empowerment to take place: resources, agency and achievements. This chapter will discuss the main findings of the research in relation to the research questions asked and concerns raised around the SHG approach.

5.1. A saving mindset and accessing loans

A potential concern raised with the SHG approach (Needham 2005) was whether a savings mindset existed in the communities where the SHG approach was promoted. Was this the case? It was not evident to what extent a savings mindset previously existed but this did not prove to be a problem for the SHGs in the study or for the other SHGs in KZN. The study showed that although the members were poor, they agreed to save a small amount weekly as intended in the SHG approach and it was evident that members did see the value of saving and were able to do so every week for almost 30 months. Most members expressed that they did not save any money before joining their SHG, but this mindset was developed through participation in the group and receiving training on the concept of self-help and on savings.

One of the research questions related to what extent the SHG approach provided ongoing access to credit and was also able to reduce high interest payments? This linked to another concern expressed that increased livelihood of members is a basic aim of an SHG through providing access to loans from members' savings, yet the SHG approach aims to form groups for women below the poverty line (Sahoo & Tripathy 2006). It requires that members have some entrepreneurial ability if they are to generate income from the loans they access within their group. And if most members only take loans for consumption needs and not income generation, does this not to some extent defeat the purpose of economic empowerment?

Although SHG members in the study managed to save a large amount of funds over almost 30 months, they were not choosing to access their savings for loans to the extent intended in the SHG approach. On average, almost all of the five SHGs only gave out one loan each per month while they had money available to potentially give all of their members a loan each month. Yet the FDS records showed that many of the newer SHGs in KZN were

already taking more loans from their funds in less than half of the time as those in the study did, which is a positive sign for the approach if the loans taken were being repaid as planned.

Table 3 showed that nearly half of the loans (48%) taken among the SHGs in the study were for income-generation and only 18% were for consumption needs; although the value of the average loan for consumption needs (R190) was more than twice than for income generation (R71). The purpose that loans were taken for varied between the SHGs, with Hlanganani taking half of its loans for consumption needs, Qhubekani taking all of its loans for development needs, and Vulingqondo took all of their loans for income-generation. This shows that the needs of SHG members were different within each group. Some of the SHG members in the five SHGs may have been more interested in savings than in taking loans, while others might have thought they could not repay loans with interest as 12 of the 55 SHG members in the study did not take any loans over the 30 months; others may have been unsure if they could succeed in an income-generation activity as only 23 of the 43 SHG members (53%) who took loans did so for the purpose of income-generation.

Before joining their SHG, women had expressed that they had been paying up to 50% interest per month on loans from money-lenders. However, in their SHG, women paid between 10 and 20% interest per month and any interest paid remained in the SHG. So the SHG certainly did assist in reducing the high interest payments that members had been paying previously.

Table 5 showed that the average number of loans given to members within an SHG in KZN was 20 loans after 14 months, with the largest number of loans taken in any SHG being 86, while the average number of loans per SHG in the study was 17 loans after 30 months. So it seems that many SHGs in KZN that did not participate in the study were taking loans at around double the rate of those in the study, given the time period in which the loans were taken. Overall it seemed that around half of the SHG members in the study were either cautious about taking loans or in taking a loan for income-generation, even though that was one of the main intended functions of an SHG. What could be a reason for this?

One possible reason could relate to an already expressed weakness being that the success of the SHG approach lies in the choice of viable income-generating activities, but most SHGs operate in remote rural areas that are far from key markets and trade centres (Sahoo & Tripathy 2006). This was a valid concern as SHG members in the study were far from the main trade centres of Ladysmith and other surrounding towns. Data from the study

showed a limited variety of activities, mainly petty trading. Unfortunately, due to the sample design of the study, no comparison could be made with SHGs in urban areas.

The SHG approach acknowledges that the poorest women usually struggle to save (Lichtenberg 2006, Ethiraj 2003). Many may not have entrepreneurial ability or experience or training, and those involved in small businesses may struggle to access larger markets for their products or services (Sahoo & Tripathy 2006). For these reasons the SHG approach intends that women should be trained in six training modules including understanding the concept of self-help, the importance of savings and loans, and income-generating activities (Gariyali & Vettivel 2004, Pant 2004). The intention is that the six training modules are conducted by the CF within the first eight months after each group is formed. In the case of the SHGs in this study, the extent to which the failure of the CF to conduct the training modules with most of the SHG members links to fewer women carrying out income-generating activities or taking loans in general is not easy to prove.

If all of the training modules had been conducted properly to members as planned would more women have accessed loans and tried to generate income? An indication of this lies with the other SHGs in KZN, the majority of which were also in rural or peri-rural communities. Not only did these SHGs take loans at double the rate of those in the study, but the majority had already received the first three training modules in less than six months and over 40% of groups had received all six modules. This would seem to imply an important correlation between capacity-building conducted with SHG members and the accessing of loans, including for income-generation purposes. However, other factors such as being closer to viable markets, input and encouragement of a CF, and motivation of the SHG members, could account for the difference between these SHGs.

5.2. Repayment of loans linked to use of government grants

The issue of repayment of the loans is an important one; especially around the degree to which the SHG approach can supplement and interact positively with the state social security grants system. Alternatively, was there any conflict between them?

At the time of the study, 80% of the amount of funds taken in loans had been repaid, with three of the SHGs having a repayment rate of 100%. This indicates that in general most members who took loans were able to repay them, with interest, including those who took loans for consumption and development purposes. If a loan is taken for income-generation

activities which are successful, then the SHG member can more easily repay the loan. However, how can SHG members repay loans, with interest, if they do not use the loans for income-generation (Sahoo & Tripathy 2006, Singh 2006)?

There is an important link here between repayment of SHG loans and receiving state grants, especially the old age pension and CSG. The majority of SHG members (89%) were accessing at least one grant, while nearly half of the households (47%) had accessed two or more social grants as regular income, and it seems that money from the grants could have been used to repay a loan that did not generate income. The grandmother in Vignette 1, the first case study, was a good example of this being the case. She took three loans from her group and repaid them using her old age pension. Other women in the focus group indicated that they use their grant to repay their SHG loan if needed.

Even though it could be argued that some SHG members might choose not to use SHG loans as they are receiving government grants and have less need for them, this does not seem to be the case. In the focus group discussion, other women mentioned that the SHG loan was a help to them besides their grant. The young woman in Vignette 2, the second case study, was a good example of an SHG member accessing loans for income generation where she started up her own small business and expanded it using four loans. However, she also receives a disability grant that she uses for household costs and three CSGs are also received in her household. Once again the two sources of income combine to assist in the household.

There would, therefore, seem to be a positive relationship between the SHG loans and government grants accessed, with the one complementing the other when consumption or development loans had to be repaid, and for paying for household expenses while conducting income-generation activities. This would seem to be an important contribution of this study to other literature which focused on how government grants interact with other income sources.

Móller & Sotshongaye (1996) found that in one-third of households interviewed in a study in KZN that an old age pension was the only source of household income. Case & Deaton (1998) concluded that old age pensions were effective in reaching the poorest households and those with children; while Woolard (2003) further concluded that the combination of old age pensions, CSGs and disability grants played a large role in redistribution and poverty reduction in South Africa and that their combined effect reduces the number of individuals in poverty and also strongly reduces inequality.

Case et al (2005) investigated whether the CSG was well-targeted for poverty through a survey in KZN on the reach and impact of the CSG; they found that the CSG did reach children whose parents were less well educated and unlikely to be employed. Also households with greater numbers of children age-eligible to receive the grant reported receiving a larger number of grants, on average. Children, whose mothers were non-resident, or dead, were significantly less likely to receive a grant as compared to children with a resident mother, and to children whose father was non-resident or dead. Lack of widespread knowledge of the fact that primary care givers need not be mothers was another possible explanation for cases where age-eligible children were not accessing the CSG.

In the SHGs in the study, almost half of the households (51%) were eligible for at least one other CSG or pension which they were not yet receiving. Overall, 112 children from households in the study were age-eligible to receive a CSG and almost half (49%) were receiving one, while of the 26 household members who were eligible for an old age pension only two were not receiving one. Ten SHG member households (18%) were accessing a disability grant; however, no households were receiving a foster care or care dependency grant. Samson et al (2006) found that the administrative requirements associated with the means test are thought to be the main barrier to greater take-up of social grants among poor households, particularly so in the poorest rural areas, where the poor have the least access to official identification documents necessary to access grants.

It could be argued that even greater access to eligible grants by the households of the SHG members would result in greater financial impact within the household (Leatt et al 2005, Roberts 2005) and also possibly improve the link with repayment of SHG loans.

5.3. The poorest of the poor moving beyond survival

Another concern expressed of the SHG approach was whether it was reaching the poorest of the poor (Sahoo & Tripathy 2006, Rutherford 1998). Many community development approaches worldwide have this problem and the poorest people can sometimes be disregarded in terms of attempting economic empowerment. The SHG approach intends to reach the poorest of the poor but not all members will, for example, be under the poverty line. The approach also tries to bring women together from the same socio-economic background (Lichtenberg 2006, Ethiraj 2003). At times the SHG approach fails to target the very poorest of poor women due to the manner in which each group is formed (Sahoo & Tripathy 2006).

CFs are meant to use home visits and PRA exercises to determine who is the poorest but often take short-cuts and don't actively try to reach the poorest people in a community, often accepting poor people who indicate that they want to be in an SHG but who are not necessarily the very poorest. However, it is a difficult task for CFs who are meant to reach the poorest people, but need to choose reliable people who will repay loans once in an SHG – yet many SHG members join their group with little clear understanding of self-help or that they will take loans from their savings; instead some even have expectations that they might receive some material or non-material resources once in the group.

All SHGs members in the study were poor, as evidenced by reported sources of income. Forty of the SHG members (73%) indicated that their household income was under R320 per month before joining their SHG. Thirty two households of the SHG members (58%) indicated that they had no-one employed in their household in regular or casual employment. So in terms of the SHGs in the study, it seems that the very poor were being reached.

One of the research questions focused on to what extent the basic needs of households are not only met but the household begins to progress beyond a state of surviving from day-to-day. SHG members in the study reported an increase in terms of the amount of household income received per month after being in their SHG for around 30 months. They reported an increase in terms of being able to pay towards funeral costs and school fees, an increase in terms of the number of meals that their children eat daily, a small increase in the health of their children and a small increase in terms of keeping livestock at home.

For the women in the SHGs in the study, it could not be said that within the 30 months they had been in their group that they were fully meeting their basic needs or totally moved beyond a state of daily survival. However, there is evidence to show that progress was being made towards this goal with members having acquired access to resources that can assist them to do so into the future.

5.4. Women and caring

Women's group activities are often shown to be much more focused on care than on income generation. This may be inevitable given the consequences of the AIDS epidemic in terms of caring for family members who are sick within the household as well as being responsible for grandchildren or other relatives if a family member dies (Leatt et al 2005, Singh 1999).

Almost half of the SHG members in the study (45%) lived in multi-generational households with responsibility for grandchildren or great grandchildren as their mothers were either unemployed or had passed away. Almost 70% of SHG members in the study had experienced the death of at least one household member and over 20% had experienced serious injury or illness to a household member. Eleven households (20%) were caring for at least one person who was not immediate family, usually the child of a relative.

It is clear that caring for household members was an important household task for the majority of women in the SHGs in the study. Some of the SHG group activities were also focused on caring activities, with sick community members and orphaned and vulnerable children in the community. Many of the women clearly responded to a caring role within their community. However, other group activities were focused on access to resources including growing vegetables, group income generating activities and handicraft activities.

Can women in SHGs be both carers and resource providers? This seems so from the evidence within the study. Women certainly were carers within their households and community. However, through their savings and loans, group activities, and management of social grants received, the women were also shown to be resource providers for their households. Twenty-three of the SHG members in the study (42%) did take at least one loan for the purpose of income-generation, and this was in spite of few of the SHG members receiving training on income-generation. With further training in income generation and developing a small business, it is possible that more women could be encouraged and motivated to engage in income generation activities.

Another research question related to this issue of care queried to what extent does the SHG approach provide mutual support and group cohesion for women? It was very clear from the study that this occurred to a large extent and women expressed that this was a real benefit to them within their group.

5.5. Gender issues and power at the household level

Another concern expressed around the SHG approach was to what extent are gender issues grappled with and male domination challenged (Longwe 2000)? The SHG approach in KZN deliberately focuses on the empowerment of women but it does not have a specific training component dealing with gender issues. There was some evidence in the study that the husbands and partners of members were supportive of their involvement in the SHG and

appreciated the value of the improvements that this brought to their household. This is encouraging, however, the study was not able to determine the extent to which this occurred for all women, or if there were any negative responses. Overall a more gendered approach within the SHG approach in KZN would seem to be needed (Gariyali & Vettivel 2004).

Firstly, it would be important to assist women in the SHGs whose husbands or male relatives are not so supportive or understanding of their involvement in their SHG. Some husbands may become angry or uncooperative if women are starting to bring income into the household, or if women want to have more input on decision-making in the household. These areas of power dynamics are traditionally problems for women and can be a source of conflict within their household. Women need to have their capacity developed to better deal with conflicts and power dynamics, little of such training is currently provided to SHGs in KZN, especially within those in the study.

Secondly, the SHG model intends to build up through the Cluster Level Associations (CLAs) and develop political empowerment among the women in the SHGs. If this is to occur then various systems and structures within communities and government will need to be engaged. In South Africa, the majority of traditional systems and structures are male-dominated, with most traditional leaders, such as amakosi and izinduna, being male. Once again, most women will need to have their capacity further developed to better engage with leaders and government officials, yet little of such training is currently provided to SHGs in KZN including those in the study.

5.6. External facilitation, group ownership and sustainability

Another research question queried to what extent do SHG members have ownership of their own projects (Pant 2004)? This was linked to a concern around the CF, is she really needed in the process of empowerment or can the SHG members manage without her (Gariyali & Vettivel 2004)?

The CF was present in the focus group discussion when these comments were made and she completed the individual questionnaires so some comments might have been biased. However, the focus group discussion clearly expressed that the SHG members found their CF as a very valuable human resource in the role she played with the group. Overall the main comments from SHG members were that her support, guidance and the training she did provide were appreciated and helpful.

A final research question focused on the extent to which the SHG approach was able to empower poor women in a sustainable manner? The fact that the SHGs in the study were still functioning properly after almost 30 months was a positive sign. A few group members had dropped out since the group was formed but the majority of members continued to see value in their group. The women were contributing the money that enabled loans to be accessed, no external funds were received. The women were running their own group without needing the regular input of the CF. They had also decided which group activities to start and were carrying these out.

Therefore, there are signs that the SHG members in the study were to some extent being empowered in a sustainable manner, and one day when the NGO withdraws the SHGs will not simply collapse.

It was discussed in Chapter 2 that the concerns related to the approach indicated in advance that the SHGs involved in the research study would probably have limited effectiveness. Overall this was shown to be the case in the research study with the five SHGs in Wasbank. However, there were encouraging signs that empowerment was occurring within the SHGs, even if it was limited.

Chapter 6: Conclusion

6.1. The main findings obtained in the study

The study set out to assess how effective an SHG approach can be in empowering women. Research conducted with five SHGs in Wasbank set out to determine if access to resources, agency and achievements were evident within the groups. Overall the extent to which these elements had taken place varied from individual to individual and from group to group; however, it was evident that all three elements of empowerment could be identified to varying degrees in each of the five SHGs.

The initial research questions were able to be answered. There was evidence to show that some progress was being made towards the basic needs of SHG members' households being met with members having acquired access to resources that can assist them to do so into the future so that women are able to generate income for their family and begin to develop beyond a state of surviving from day-to-day. The extent to which the approach was sustainable was indicated by the fact that the SHGs in the study were still functioning properly after almost 30 months with only a few group members having dropped out since the group was formed. The group members bring financial and human resources into their SHG, they rely on little external resource except in the form of the CF who reduced her time and input with the SHG over the initial year.

On the weaknesses of the approach, the main concern expressed within the literature was that the SHG approach aims to form groups for women below the poverty line, yet at the same time requires that members have some entrepreneurial ability (Sahoo & Tripathy 2006, Rutherford 1998). This concern was shown to have validity as less than half of the women from the five SHGS were involved in ongoing entrepreneurial activities.

Linked to this was the concern that increased livelihood of members is a basic aim of an SHG through providing access to loans from members' savings and required loans to be taken for income generation (Sahoo & Tripathy 2006, Singh 2006, Pant 2004), however, more than half of the members only took loans for consumption and development needs and not for income generation. This was a valid concern which was evident within the five SHGs in the study, like in many other such approaches, as there were few loans being taken each month in all of the five SHGs and only around half of the loans were for income-generation. But this concern was less evident in the other SHGS within KZN.

The study was not able to determine the extent to which the SHG approach in KZN was able to target the poorest of the poor or to what extent the SHG approach was grappling with gender issues and challenging male domination. It was evident, however, that the majority of members were very poor; while the self-confidence and decision-making capacities of women had been improved such that intra-household power dynamics were beginning to change in many households. The concern of a savings mindset not existing in the communities where the SHG approach was promoted prior to groups being formed was not a valid one in this case.

When I relate the main findings of the study to the theory of empowerment discussed in Chapter 2 (Grown et al 2005, Mosedale 2005, Malhotra et al 2002, Narayan 2002, Kabeer 1999, Oxaal & Baden 1997), it is evident that empowerment had taken place amongst the women in the SHGs to varying degrees although the evidence is not strong. Although, as outlined in Chapter 2, it is difficult to measure empowerment (Singh 2006, Mosedale 2005, Malhotra 2002, Kabeer et al 2001). The three interlinking elements of resources, agency and achievements were visible in each SHG. The literature reviewed showed that the main components of empowerment include a process of moving from a state of being disempowered to one of being able to make and carry out life choices; this process was certainly evident for the SHG members over the 30 months that they had been involved in their groups.

In terms of deciding if the results of the research confirm or deviate from what I expected, the results do confirm that the SHG approach does empower poor women in rural communities as was expected but in a limited manner. The five SHGs selected for the research were not some of the strongest groups in KZN; many other groups are more active in terms of taking loans for income-generation or in getting involved in community programmes.

The result is that although the various elements of empowerment were found to be evident in these five SHGs to a certain extent, when these groups were compared to other groups in KZN, in certain cases it would seem that the elements of empowerment had occurred to a larger extent in other SHGs, such as in accessing loans from their savings. From a positive perspective, however, this means that even the weaker SHGs in KZN are able to empower the women in their groups, at least to a limited extent, due to the key elements of empowerment being present.

6.2. Recommendations of the study

There are several recommendations that come out of this study. Firstly, there is a growing emphasis globally on not just ensuring the ‘coverage’ but the ‘impact’ of programmes as much donor funds have been seen to have been wasted with little sustained impact made at the household level. The study of the SHG approach in KZN was not able to show significant impact or benefits to SHG members and their households in a manner that women were able to sustain by themselves. However, there was sufficient indication of progress being made which would make it worthwhile for donors to consider funding an SHG approach alongside, or as part of, wider community development programmes that they fund – especially if some of the weaknesses of the SHG approach were specifically addressed

Secondly, South Africa has a significant social security programme in place which reaches into rural areas and even to remote areas where few other services reach. The SHG approach is not in competition with these grants, nor does receipt of a grant mean that a person is not being self-sufficient. I would recommend that the NGOs promoting the SHG approach should investigate how SHG members can better link their use and repayment of SHG loans to receipt of government grants. Also CFs should work with SHGs to ensure all members have up-to-date information on grants which they are eligible for and what actions they can take if there are blockages or delays to accessing grants that have been applied for.

Thirdly, this was a small, mostly qualitative study, but it was able to show that empowerment had taken place amongst poor women; this was possible to determine with the assistance of organisational and group record-keeping that are used for monitoring and quantifying certain aspects of impact. I would recommend that promoting NGOs consider conducting a follow-up study that is more participative in nature which involves more of the SHGs and CLAs in KZN and Eastern Cape. The value of regular record-keeping should be maximized by SHGs and CLAs as these records can assist groups as they assess their progress.

Fourthly, and finally, the results of the study have already been shared at Forums arranged by FDS in the second half of 2006 for NGOs who are promoting the SHG approach in KZN. These Forums were held for SHG staff, CFs and NGO management. A copy of the full study will be made available to these NGOs in early 2007. I would recommend that NGOs involved in the SHG approach should take time to go through the results of this study to help them in identifying the strengths and weaknesses of their own SHG programme.

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Appendices

Appendix 1: Format used to obtain information on each SHG from its minute-book.

Appendix 2: Format for individual questionnaire completed by every SHG member.

Appendix 3: List of codes used by the CF when conducting the individual questionnaire.

Appendix 4: Form of Consent signed by each SHG prior to participation in the research.

Appendix 1: Format used to obtain information on each SHG from its minute-book

1. Name of the SHG and its community	SHG Name:		Community:	
2. Date when the SHG was formed	Date:			
3. Composition of SHG (tick)	Women		Mixed	Men
4. Current membership	Number of members:			
5. Frequency of meeting (tick)	Weekly		Every 2 weeks	Monthly
6. Type of records kept (tick which is used and write any other)	Minute book		Individuals book	Other:
7. Amount saved by each member per meeting when started	R			
8. Amount currently saved by each member per meeting	R			
9. Number of SHG members at the time of formation	Number of members:			
10. Number of members who attended each training module, if held?				
1. SHG concept	Number who participated:			
2. Saving and credit management	Number who participated:			
3. Vision building & annual action plan	Number who participated:			
4. Conflict resolution	Number who participated:			
5. Leadership and communication skill	Number who participated:			
6. Income generation	Number who participated:			
A. Book-writers training	Number who participated:			
B. Exposure to another SHG	Number who participated:			
11. How many members been involved in any activities as an SHG?				
1. Growing vegetables in a community garden	Number who participated:			
2. Caring for orphans and/or vulnerable children	Number who participated:			
3. Caring for community members who are sick at home	Number who participated:			
4. A group income-generating activity for the SHG	Number who participated:			
5. Other: please specify -	Number who participated:			
12. SHG bank account opened (tick), if yes, what date?	Yes		No	Date:
13. Is the SHG a member of a CLA (tick), if yes, what date?	Yes		No	Date:

Income and Expenditure of SHG to date	
1. Total Savings of the SHG to date	R
2. Total Fines of the SHG to date	R
3. Total Loan repayment by members of the SHG to date	R
4. Total External loan to the group from outside to date, if any	R
5. Total Other income of the SHG to date, if any (donation, bank interest, admission fee, etc)	R
6. Total interest received from loans taken by members to date	R
Total income of the SHG (add 1 – 6)	R
7. Total Loans issued of the SHG to date	R
8. Total External loan repayment to date, if any	R
9. Total Other expenses of the SHG to date, if any (bank charges, stationary, etc.)	R
10. Cash currently with the SHG	R
11. Bank balance currently, if any	R
Total expenditure of the SHG (add 6 - 11)	R
Loan Patterns of SHG to date	
Consumption loans (such as for food, medical expenses, funeral costs, etc.)	
Total number of Loans issued to members to date	
Total amount of loans issued (in Rands) to date	R
Total number of loans fully repaid by members to date	
Income generation (IGA) loans (such as for small business)	
Total number of Loans issued to members to date	
Total amount of loans issued (in Rands) to date	R
Total number of loans fully repaid by members to date	
Development loans (such as for school fee, school uniforms, house repair, etc.)	
Total number of Loans issued to members to date	
Total amount of loans issued (in Rands) to date	R
Total number of loans fully repaid by members to date	

Appendix 2: Format for individual questionnaire completed by every SHG member

All members of the household must be allocated a letter, the SHG member must be A	A	B	C	D	E	F	G	H	I	J
Write in the first name only of each household member as known by the household members										
Go through every household member and allocate them a number in relations to the SHG member (USE CODE 1)	1									
Write in what the age in years of each family member will be in 2006										
Indicate the sex of every family member (USE CODE 2)										
Indicate what activity each family member is mainly involved in – choose ONE only (USE CODE 3)										
Indicate which government grant each member receives if any - write all codes that apply (USE CODE 4)										
Indicate what is the main material used for the walls of your house where your household members live - choose ONE only (USE CODE 5)										
Indicate what is the most often used source of water in your household - choose ONE only (USE CODE 6)										
Indicate which family members have had to go to the hospital during the past 3 months (put X under each one)										
Which of your family members are happy and supportive of you participating in your SHG? (put X for each one)										

1. How many loans have you received from your SHG from when it started till today? Lowest and highest amount of loans received?	Number of loans		Lowest	R	Highest	R
2. Indicate the source of other loans received during the same period if any (USE CODE 7 – write all codes that apply) and the highest amount of loan received?	Source of other loans		Highest			R
3. Indicate the main use of your SHG loans (USE CODE 8) – rank them in order of use from 1 being the main use then 2 and 3 and 4 (as apply).	Main use 1:	Main use 2:	Main use 3:	Main use 4:		
4. Were you able to repay all of your SHG loans and with interest? If no, why not?	Yes	No	Why not?			
5. Did you generate income or do small business before joining the SHG? If yes, what type of business?	Yes	No	Business?			
6. While in your SHG, did you ever take a loan to do small business? If yes, what type of business?	Yes	No	Business?			
7. Indicate what items you spent money on using your profit made from income generation with SHG loans (USE CODE 9) – rank them in order from 1 being the main item then 2 and 3 and 4.	Item 1:	Item 2:	Item 3:	Item 4:		
8. Indicate what shocks your household has experienced in the last 3 years (USE CODE 10) - write any that apply, up to 4 shocks	Shock 1:	Shock 2:	Shock 3:	Shock 4:		
10. How much savings do you have today in your Savings and Loan book?	R					

	Before joining your SHG (tick one)			After being in your SHG (tick one)		
1. Number of meals your children eat daily	1 meal	2 meals	3 meals	1 meal	2 meals	3 meals
2. Your ability to pay school fees	Can't pay	Pay a little	Pay all fees	Can't pay	Pay a little	Pay all fees
3. The health of your children	Sick a lot	Sick sometimes	Never sick	Sick a lot	Sick sometimes	Never sick
4. The physical condition of your house	Needs repair	OK	Good condition	Needs repair	OK	Good condition
5. Keeping livestock at your home	None	Few	Many	None	Few	Many
6. Having to pay towards funeral costs	Can't pay	Pay a little	Pay a lot	Can't pay	Pay a little	Pay a lot
7. Income received in your household/month	Under R350	R350-R820	Over R820	Under R350	R350-R820	Over R820

	Before joining the SHG (write in the number)	After joining the SHG (write in the number)
If 1 = the poorest person in your community and 5 = the richest person in your community, what number would you be?		
If 1 = a person who is alone with few friends or neighbours and 5 = a person with many friends and neighbours, what number would you be?		
If 1 = a person with no self-confidence and little skills and 5 = a person with much self-confidence and many skills, what number would you be?		
If 1 = a person who is not aware of community issues that need action, and 5 = a person who is very aware of issues and involved in community action, what number would you be?		
If 1 = a person who is not involved in any community projects, and 5 = a person who is involved in many community projects, what number would you be?		
If 1 = a person with no voice and who cannot make decisions in her home, and 5 = a person who can make decisions in her home and whose voice is heard, what number would you be?		
If 1 = a parent who is not able to care for her children's basic needs, and 5 = a parent who is able to care for all of her children's needs, what number would you be?		

Appendix 3: List of codes used by the CF when conducting the individual questionnaire

CODE 1: Household members	CODE 3: Main Activity involved in	CODE 4: Government grants accessed	CODE 5: Main materials of walls of home	CODE 6: Most often used water source
1 = SHG member 2 = Her husband or partner 3 = Son or daughter 4 = Father or mother 5 = Grandchild 6 = Grandparent 7 = Mother- or father-in-law 8 = Son- or daughter-in-law 9 = Brother- or sister-in-law 10 = Sister or brother 11 = Other - specify	1 = Regular employment 2 = Casual employment 3 = Self-employed 4 = Housewife/Child rearing 5 = Unemployed 6 = Pre-school/Crèche 7 = Primary School 8 = High School 9 = Tertiary education 10 = Retired/Pensioner 11 = Other - specify	1 = Old age pension 2 = Child Support Grant 3 = Foster Care Grant 4 = Disability Grant 5 = Care dependency grant 6 = War veterans grant 7 = Other – specify	1 = Bricks 2 = Cement block 3 = Pre-fab 4 = Corrugated iron 5 = Wood 6 = Plastic 7 = Cardboard 8 = Mixture of mud/cement 9 = Wattle and daub 10 = Other - specify	1 = Rainwater tank 2 = Flowing river/stream 3 = Dam/stagnant water 4 = Protected spring 5 = Piped - internal tap 6 = Piped - yard tap 7 = Water tanker 8 = Piped - public tap (free) 9 = Piped - public tap (paid for) 10 = Borehole 11 = Other – specify
CODE 2: Sex				
1 = Female 2 = Male				

CODE 7: Source of other loans	CODE 8: Main use of SHG loans	CODE 9: What you spent money on using profit from income generation	CODE 10: Shock to household in the last 3 years
1 = Stokvel 2 = Family/Relative 3 = Neighbour 4 = Money lender 5 = Bank 6 = NGO 7 = Other - specify	1 = Food 2 = School fees/uniforms 3 = Clinic or hospital fees/medicine 4 = Clothes 5 = Funeral costs 6 = House repair 7 = Business/income generation 8 = Other - specify	1 = Food 2 = School fees/uniforms 3 = Clinic or hospital fees/medicine 4 = Clothes 5 = Funeral costs 6 = House repair 7 = Business/income generation 8 = Other – specify	1 = Household member lost job 2 = Serious injury or illness to household member 3 = Death of household member 4 = Divorce or Abandonment by husband/partner 5 = Cut-off or decrease in government grant 6 = Destruction of or serious damage to home 7 = Physical abuse/rape of a household member 8 = Other - specify

Appendix 4: Form of Consent signed by each SHG prior to participation in the research

Form of Consent from the SHG

Name of the SHG:

Name of USIZO CF:

Name of researcher: Phil Donnell

Contact details: 031-3092510

Name of supervisor: Francie Lund

Contact details: 031-2602365

Purpose of the research: To assess how effective SHGs have been in empowering SHG members and to what extent members have benefited from being a part of the group.

The SHG has discussed the request to include their SHG in the research and members have agreed to participate. It is understood that participation in the research is voluntary and that any participants may withdraw at any time. The identity of SHG members will be kept confidential; if examples or comments are used then a fictitious name will be used instead. A copy of the research report will be available to the SHG by the end of 2006.

Signed by

Researcher

SHG representative

USIZO CF

Date

Please feel free to contact the supervisor of this research project, Professor Francie Lund, at the Department of Development Studies at the University of KwaZulu-Natal on 031- 2602365 if needed.

