

Contribution of Village Savings and Loan Association to Economic Empowerment of Women: A Case Study of Stromme Foundation Supported Groups in Terekeka County, South Sudan

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Abstract: This study set out to assess the contribution of Village Saving and Loan Association to economic empowerment of women in Terekeka County, South Sudan. The key objectives were to examine VSLA empowerment of women towards increase in business income; decision-making process at household and community level, asset ownership at household level and gap identification. Total population of Terekeka is 140,390 people, 1,500 people in the VSLAs but only 300 sampled for research. Questionnaires focus group discussion and key informant interviews were used. Statistical Package for the Social Sciences was used for data analysis. The results indicated that 93.9 percent of the women were able to increase their business income, 97.6 percent experience improved decision making at household and community level while 99.3 percent own assets, either alone or together with husband. Identified gaps include lack of training opportunities, limited supervision from the project staff, insecurity, high taxation and high commodity prices. Women were able to increase their income, participate actively in decision making and confer ability to own assets. Purchase and ownership of productive assets such as machinery is still minimal. Stromme Foundation should introduce a wide range of financial services to increase women's ability to generate and control income and government to invest in time-saving infrastructure.

Keywords: Village Savings, Asset Membership, Community Level, Terekeda, South Sudan

1. Introduction

The problem of women's access to credit was given emphasis at the first International Women's Conference in Mexico in 1975 as part of the emerging awareness of the importance of women's productive role both for national economies and for women's rights (Mayoux, 2016). An assessment carried out by Stromme Foundation in South Sudan in 2011, indicated that the County has the highest poverty rate of 85%. The historical background of Terekeka County also indicated that tribal conflicts and cattle rustling disrupted economic growth in the area (Duflo, 2015), thus, empowering women through a quality program of Village saving and Loan Association will strengthen their economic independence, occupational skills and critical thinking, this will further reduce possibilities of the women in to falling back to a state of emergency. This finding resulted in the initiation of the socio-economic empowerment project which targeted

80% of women in Terekeka County from 2013-2018. However, the economic contribution of VSLA in relation to women economic empowerment has not been homogenous among the participating women (SF monitoring report, 2013). Lack of women involvement in decision-making process at household and community level and seeing women as properties in a community contributing negatively towards women empowerment (Dean, 2017). The United Nations in South Sudan estimated that 60% of the people living in Terekeka County are not fully empowered, despite interventions like VSLA program by other actors, however it didn't come out clearly how the VSLA program by SF contributed towards the economic empowerment of the women. Women in Terekeka County have long suffered powerlessness, discrimination and gender inequality in terms of access, use and ownership of vital resources despite their key role in enhancing better livelihoods at

household level and development in general (UN Poverty assessment report, 2012). however, VSLA has had some little contribution through the monitoring reports but the exact extent to which the VSLA contributed towards the economic empowerment of the women was not clear. Hulme (2010) made this point when he refers to the “naivety of the belief that every loan made to a woman contributes to the strengthening of the economic and social position of women”. As justification, the study has contributed to the body of knowledge on the influence of VSLA with emphasis on its economic contribution towards women empowerment and poverty reduction as well as informing the government authorities on VSLA management policy in the country especially the directorate of cooperative and rural development contributing to improved policies for better credit accessibility and utilization for informal savings groups. This study, therefore, set to examine the extent to which VSLA have influenced empowerment of women

economically as seen from the objective below. This study aimed at providing documented evidence on the milestones made by the VSLAs of the Sustainable Development Goal and provided opportunities for development practitioners and existing micro-financial institutions targeting the rural poor to make informed decisions on how best to empower the rural women economically as a result key objectives to establish the extent to which VSLA have empowered women in increase in business income, decision-making at household and community levels, to determine the relationship between involvement in VSLA and assets ownership in the household and to identify gaps associated with VSLA program in the supported groups in Terekeka County, South Sudan.

1.1 Conceptual Framework

The conceptual framework adapted from the conceptual microfinance impact model (Sebstad, 1995).

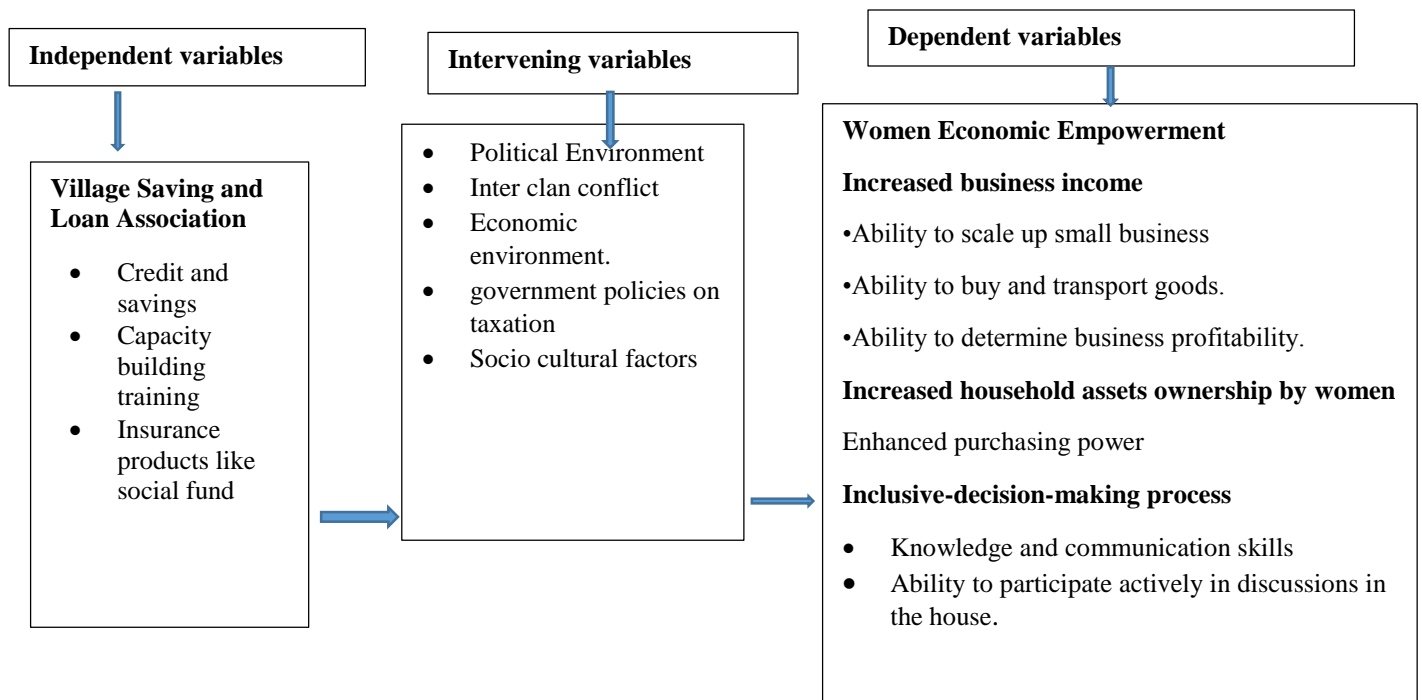


Figure 1: Relationship between VSLA and women economic empowerment

2. Literature Review

2.1 Empowerment of women by VSLAs in increasing business income

Rogaly (2016), in an empowerment theory, support that in sub-Saharan Africa, VSLA has positive benefits for the poor but not for the poorest, helping the poor to manage the money they have but not directly or sufficiently

increasing income and empowering women. Negative impacts, such as the exploitation of women, unchanged poverty levels, increased income inequality, increased workloads, high interest rates and loan repayment, creating dependencies, and creating barriers to sustainable local economic and social development (Duflo, 2017). Further in an empowerment message, women “empowerment” has increasingly become a policy goal,

both as an end to itself and to achieving other development goals and further urged that intra household bargaining power has exogenous increases in female share of business income at household level and was attributed to provision of free space for women to express themselves fully in relation to their preferences to which business to have, thus empowerment (Duflo, 2017). Empowerment is related to change and VSLA has changed women status economically by having small businesses (Littlefield, 2015). Village Saving and Loan Association is a mechanism of provision of credit to the poorest of the poor on a group liability basis instead of any collateral and this finding concurs with the views of (Littlefield, 2008) that micro-finance clients around the world demonstrate access to financial services which enable poor people to increase their household business incomes further ensuring women economic empowerment. Allen (2016) study in Vietnam indicated that there was a considerable expansion in the share of female owned enterprises from around 20 percent in the 1990 to around 45 percent in 2009, of which 1.0 percent increase attributed to being in VSLA groups. In Kenya, micro-savings impacts report by CARE in 2008 suggest that household income increased significantly for women clients participating in the VSLA because they were so much engaged in small business activities, which was attributed to the availability of loan funds from the saving. Pronyk (2016) pointed out that increasing access to and use of quality financial products and services is essential to inclusive economic growth and poverty reduction because of increase in income at household and community level among women. Dean (2017) stated that women have less access to income because of lack of credit and access to information related to market opportunities, therefore they are less likely to benefit from entrepreneurship and extension services and Such constraints like low literacy are not only costly to business profitability but also to economic growth. Study conducted by CARE in Terekeka in 2012 indicated that increasing women's incomes has a disproportionate effect on household economic empowerment compared to increasing men's incomes. Women tend to spend their income earned from various sources like business on food, education, and other productive means.

2.2 Empowerment of women by the VSLAs in decision-making process at household and community levels

Holme (2017) argued that women are mostly involved in repetitive and monotonous household work irrespective of the fact that they share most of family responsibilities and perform a wide range of duties in and outside home but hold less power in making decisions on many things at

household level. further pointed out that in Tanzania, one male stakeholder interviewed said that women in Tanzania “want to be submissive to fit the requirements of a ‘good wife,’ as explained by priest on her wedding day.” He added that because of this, women give all their decision-making power to their husband. Another stakeholder from Ghana which appeared on Ghana daily mail in 2011 noted a pervasive “cultural challenge, where men were seen as superior and women as subset.” This stakeholder said that women must work extra hard to be heard. “Even in the house have to do all the cooking and cleaning,” she said. “Ghana is too much of a male-dominated society and is not yet at the level where men appreciate women as career women. Bhalotra (2014) suggested individuals’ control over resources, involvement in household and community decision-making, levels of participation in community activities and social networks and electoral participation as indicators of empowerment for women which is still low in many developing countries. Conner (2015) in a study on women’s empowerment in Nepal shows 68% of women experience an increased confidence in their decision-making roles. This confidence increase in the decision-making process is in the areas of family planning, child marriage, buying and selling property, and sending their daughters to school. Study conducted in Nepal by Global Micro finance in 2016, as in most parts of South Asia indicated that women commonly have less power and autonomy than men in making decisions about their own health care. Scott (2016) showed that overall, women’s participation in the decision-making process is critical when assessing women’s empowerment, gender equality, and other developmental goals. A study done in Uganda (Wakiso) in 2018 by CARE showed that VSLA contributed positively to a women’s decision-making power at both community and household levels. Study conducted by Bisnath (2015) shows that members in the VSLA groups were able to learn leadership skills to the point of formulation of councils and ministries in the local community settings in Tanzania and this has given women to monitor progress through relevant governance indicators, gives women responsibilities for planning, making decisions, recommending policies, coordinating empowerment efforts and this allocation of responsibility has been useful in initiating adjustments to laws and national plans to include a gender component in decision making at various levels. In South Sudan especially in Terekeka County, women are less important in major decision-making process and thus not involved by men, over 90% of the decisions at household and community level are done by men without seeking consents from the women according to the UNDP, 2013 report. The high rate

of illiteracy in Terekeka County especially among women causes immense vulnerability through exclusion by men in major areas of concern. Girls married at tender age, are without access to decision-making, and are denied their basic human rights as citizens. Impact evaluation report by Norwegian People Aid, 2013 in Terekeka revealed that Women's ability to make household decisions is enhanced while contributing financially which was not the case in Terekeka and women not expected to participate in any activities that will make them contribute ideas and even in community meetings, they are supposed to keep quiet and sit behind unless permitted by the men.

2.3 Empowerment of women by VSLAs in assets ownership.

Panetta (2017) stated that in East Africa (Ethiopia, Tanzania, Rwanda, and Kenya) Village Savings and Loans Associations contributed immensely to household access to assets like cattle, goats, sheep, chicken, agricultural tools. Hashemi (2016) indicated that women participating in the groups have increased ownership of property and assets at the household level compared to members who are not participating in groups. Daley (2014) show that the households of VSLA clients especially women have, on average, better empowerment status through asset ownership compared to non-client households but on contrary, a study by (Conner, 2015) in Tanzania reveals VSLA participation has little effect on asset ownership by women, but has a substantial positive impact on quality, evident through an increase in assets numbers and further shows participating members in the VSLA group have their productive asset base ownership by women (linked mainly to household items) increased compared to non-participating members. According to Dupas (2016), Poor women participating in VSLA invest in income generating activities that increase their economic security, provide more assets for their families and this has positive contributions towards the happiness of their husbands leading to respect of views of the women. Friedmann (2018) further note that participation in VSLA has a substantial positive impact on assets acquisition and ownership by women. In Tanzania, women participation in the Village Savings and Credit Association significantly had positive increase in asset ownership because of enhanced financial ability (Gay, 2016). In South Sudan, women are less likely than men to own and control assets, especially productive assets based on the impact assessment done by CARE in 2013. SF baseline assessment report in 2012 show that women are the most vulnerable groups in Terekeka with less than 5.0 percent ownership of assets at household level. Men own most of

the assets at home, as women have no right in everything, they are only married to take care of the domestic work like grazing cattle, cooking, looking after the children. Goetz (2016) Critics, by contrast, claimed that women's loans often controlled and invested by male relatives and thus losing control of resources by women and loans given to women do little to alter their subordinate position within the household and may lead to heightened levels of violence against women due to conflicts over control of resources and decision making at various levels.

3. Methodology

A cross-sectional and descriptive survey design was used, both quantitative and qualitative data collection methods were applied. Quantitative method was used because it is a formal, objective, systematic process to describe and test relationships and examines cause and effect interactions among variables of the study. Qualitative approach enabled the researcher to focus on the examination of characteristic traits or properties of certain activities, groups and situations, not dwelling in the frequency of appearance but on the underlying factors behind the figures, 6-8 members from each of the 20 VSLA group selected to participate in the FGD. Three (3) Focus group discussions conducted from among the 20 VSLA groups randomly selected. A Key informant interview targeted project staffs (Community based facilitators, Manager and the supervisor). Sample size for quantitative data collection was determined using the standard formula by Yamane (1967), $n = \frac{N}{1+N*(e)^2}$ Where n – the sample size, N – The population size, e – The acceptable sample size, * =95% confidence level and p = 0.5 assumed. Both probability and non-probability sampling techniques applied. Three sets of data collection instruments used: structured questionnaires for women participating in VSLAs, focus group discussion guide for the VSLA groups and Key informant interview guide for the CBFs, VSLA manager and the supervisor. Pilot testing was done to ensure the validity of the instruments, the opinions of the University supervisors were sought for improvements and verify whether the instruments adequately addressed the objectives of the study and answer the research questions. Test re-test method was used to assess the reliability of the instruments as well as consistency of people's responses across the items on a multiple-item measure. Statistical Package for Social Sciences (SPSS) was used for data analysis (version 20). Data was analyzed by descriptive statistics as well.

4. Results and Discussion

4.1 Empowerment of women by VSLAs in increasing business income

Sources of capital for starting IGA

The finding shows that 85 percent of the respondents started up their small business using the loans got from the VSLA groups and this helped them to get started with IGA, hence increased income because of the small business.

'I used to stay at home and didn't have any work to do because I don't have money, but when I joined the group, I was trained on how to select, plan and manage small business using loans from the saving group and this greatly helped me in having successful business which was not the case before, so am grateful to the project'

IGA improvement after joining VSLA

Majority of the members at 93.9 percent said yes, their business improved greatly in terms of increase in profits, income and size of the stocks. This has been attributed to the training gained, sharing of business ideas with other members of the group and literacy program given to them that enhanced record keeping.

Decision making on control of resources at household level

Sources of borrowing for business

Majority of members used VSLA as sources of capital for their business 97.0 percent borrowed from the saving group which they belong to, the borrowed amount invested in the various business. The 3.0 percent did not borrow due to lack of collateral and fear for inability to pay. Thus, VSLA contributed positively to increase in income at household as the borrowed amount were invested in business and other various activities.

'Before joining VSLA, my business was very small but after joining, I realized that I was able to borrow more capital from the group and reinvest in my business, I can say my business and income hav increased by 40 percent'

4.2 Empowerment of women by the VSLAs in decision-making process at household and community levels

Participation in community local activities

Majority of the members at 99.7 percent indicated that they have actively participated in community local activities like meetings and electoral process after joining which used not to be the case for many of the members

'I used not to interact with other people apart from my children at home but after joining VSLA, I was able to participate in group work like meetings, elections and other community interventions like cleaning exercises, am happy because all this came as a result of joining VSLA'

Table 1: Control of basic resources at household

	Land	Cattles	Goats and Sheep	Food crop harvest	Loans	Cash savings
Husband only	4.4	3	4.7	10.4	2.4	16.8
Husband mostly	13.1	9.4	15.2	13.5	10.8	20.2
Both husband and wife	64.3	36	74.1	69.7	41.4	59.6
Wife mostly	15.5	33.7	4	5.1	23.9	2
Wife only	2.7	17.8	2	1.3	21.5	1.3

The respondents were able to indicate who has the greater control over land, cattle, goat and sheep, food crop harvest, loans and cash saving and the results shows that 64.3 percent said land is under the control of both husband and wife, 4.4 percent husband only, 15.5 percent by wife mostly, 13.1 percent by husband mostly and 2.7 percent by wife only. On control of cattle at their household; the

result indicated that 36 percent said both husband and wife, 9.4 percent husband mostly, 3 percent by husband only, 33.7 percent by wife mostly and 17.8 percent wife only. The respondents were also able to indicate who takes control in terms of goat and sheep at household level, the result shows that, 74.1 percent by both husband and wife, 15.2 percent by husband mostly, 4.7 percent by husband

only, 4.0 percent by wife mostly and 2.0 percent by wife only. Further respondents were asked about the control of food crop harvest at household and majority 69.7 percent said it is controlled by both husband and wife, 13.5 percent by husband mostly, 10.4 percent by husband only, 1.3 percent wife only and 5.1 percent by wife mostly. On the control of loans, 41.4 percent of the respondents said both husband and wife take charge, 10.4 percent by husband mostly, 23.9 percent by wife mostly, 21.5 percent by wife only and 2.4 percent by husband only. The respondents

asked who controls cash savings at household, 59.6 percent said both husband and wife, 20.2 percent by husbands mostly, 2.0 percent by wife mostly, 16.8 percent by husband only and 1.3 percent by wife only. This finding confirms Dean & Chris (2012) who found that in Ghana participation on VSLA had enabled both husband and wife to work collectively in managing available cash at household leading to economic empowerment of women. It can be deduced that VSLAs has empowered women over control of cash at household.

Ownership of asset at household level

Table 2: Asset ownership at household

	Chickens	Grains	Goat and sheep	Calves	Heifers	Cows	Land
Don't have	0	0	0	0	0.3	0.3	0
Husband only	1	2.4	19.2	47.5	64.6	48.1	50.2
Husband and wife	51.5	73.7	77.1	51.9	34.3	51.2	46.5
Wife only	47.5	23.9	3.7	0.7	0.7	0.3	3.4

The respondents were able to indicate who owns chicken, grains, goat and sheep, calves, heifers, cows and land at household, the results 51.5 percent said both husband and wife collectively responsible for the ownership and sale of chicken, 47.5 percent by wife only and 1.0 percent by husband only. The respondents were asked on the ownership of farm grains at household level, 73.7 percent said ownership both by husband and wife, 23.9 percent by wife and 2.4 percent by husband only. Respondents also asked about the ownership of goats and sheep, 77.1 percent said ownership by husband and wife, 19.2 percent by husband only and 3.7 percent by wife only. Majority of the respondents at 51.9 percent said calves owned by husband and wife, 47.5 percent by husbands only and 0.7 percent by wife only this it indicated that through VSLA activities, women were able to contribute financially in purchase of calves as such they have the share to own because of their contribution. The ownership of heifers at household shows that 64.6 percent by husband alone, 34.3 percent by both husband and wife and 0.3 percent do not have heifers. The finding indicated that heifers were dominantly owned by husbands, this is because most of the heifers were inheritances from the parents to their sons as such women have little ownership over them. The respondents further indicated that majority 51.2 percent said ownership of cow collectively by both husband and wife, 48.1 percent by husband only, 0.3 percent by wife only and 0.3 percent not having any cow at home. This finding showed that women played a very big role toward

ownership of cows at household, this was because they were able to contribute towards the purchase of the cows at household as a result of participation in VSLA, thus VSLA contributed positively towards ownership of cattle as an asset. Lastly respondents on ownership of land indicated that 50.2 percent said land at household owned by husband only, 46.5 percent by both husband and wife and 3.4 percent only by wife. Land being mostly inheritance from parents, mostly it gave higher chances for the men/husbands to own them, however those which were acquired after marriage were able to be owned by both husband and wife which gave women access to own land and Khandker (2005), state that Microfinance programs are generally reported to have a positive impact on the level of household asset ownership especially by women.

5. Conclusions and Recommendations

5.1 Conclusions

VSLA methodology is a worthy initiative as it empowers women economically in terms of increase in business income, improved decision-making process at community and household and asset ownership. The study established that more women become empowered economically because of the participation of women from those households in the VSLAs.

From the findings, it was noted that VSLAs had empowered women towards increase in business income

at household through having small business income, operation IGA for over a year which gave them experience to run profitable business, provision of starting capital for small business from VSLA, business skills gaining through training on business selection, planning and management which gave them the opportunity to profitably operate their business.

VSLAs had empowered women towards increased and better decision making at household and community through participation in community activities like meetings where women got the courage to express their ideas openly, their spouse feelings were comfortable towards their participation, spouse were able to allow their wives to participate in VSLA after seeing the impact with their successful groups, majority were able to convince their spouse in decision making at household, spouse and other family members able to buy the ideas of the women. Further finding showed that women participating in the VSLA had strong influence and control over resources in terms of decision making at household on control of cattle, poultry, goat and sheep, purchase and sale of crop harvest, crops to be grown, loan utilization, savings utilization, children education and purchase of clothes for children.

The ownership of asset by women at household can be attributed to the participation of the women in VSLAs, this was seen through women having access to capital through saving accumulations, ownership of other assets other than cash savings include cattle, chicken, crop grains, goat and sheep, calves, heifers and land.

Some of the key gaps identified include limited support in terms of training opportunities to the members, poor formal financial services like Banks that can offer other service products like insurances, fluctuation of commodity process affecting business, high inflation in the country especially Terekeka, insecurity along the road making transportation a challenge and bad road during rainy season thus delivering products becomes difficult to lend money from their VSLAs to buy adequate food for the household members. Moreover, participation in VSLAs enabled the women to address unexpected circumstances that compromise their household food security by among other things building their capacity to manage entrepreneurial risk for IGAs. As a result, nutritional stability and security at the household has been enhanced.

5.2 Recommendations

There is need for Stromme Foundation to recognize that poor people need a range of financial services not just savings and credit, given that their incomes are 'low, unpredictable and irregular'. They need to enhance

linkages of the established VSLAs to financial and agricultural institutions.

The government should invest in time-saving infrastructure, such as basic energy and water infrastructure or the organized provision of childcare services, to reduce the time and effort women dedicate to providing household services so women can have more productive hours for business in increasing business and household income.

The government should enhance women's ability to access better markets. This can be accomplished by investing in infrastructure and transportation services that enable women to travel safely, in a reasonably priced and culturally appropriate way; sharpening their negotiating skills; and by facilitating women's participation in associations or cooperatives.

To maximize the positive effect that VSLAs is having in empowering women economically, Stromme Foundation should make efforts to increase women's ability to generate and control income by involving their husbands on round table discussion about the roles of women at home.

The government should enhance women's ability to fulfill their roles as bread winners and businesswomen by improving women's access to resources, technology and information. More efforts should be put to safeguard women's right to land ownership.

Better taxation policy for the rural women doing small business in the market through reduction on service tax by government, this will motivate women in joining business industry.

Stromme Foundation must advocate for better security through the government to encourage safer movement of people, goods and services along Terekeka-Juba road.

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