Operational Evaluation of Saving for Change in Mali

Saving for Change group in Bougoula, Mali

Bureau of Applied Research in Anthropology
University of Arizona
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<tr>
<th>ACRONYM</th>
<th>FULL FORM</th>
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<tr>
<td>BARA</td>
<td>Bureau of Applied Research in Anthropology</td>
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<tr>
<td>BMGF</td>
<td>Bill and Melinda Gates Foundation</td>
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<tr>
<td>BNDA</td>
<td>Banque Nationale de Développement Agricole</td>
</tr>
<tr>
<td>CAEB</td>
<td>Conseil et Appui pour l’Éducation à la Base (Advice and Support for Basic Education)</td>
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<tr>
<td>CFA</td>
<td>West African Franc</td>
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<tr>
<td>CIDR</td>
<td>Centre International de Développement et Recherche (French NGO)</td>
</tr>
<tr>
<td>CMDT</td>
<td>Compagnie Malienne du Développement des Textiles (Mali Textile Development Company)</td>
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<tr>
<td>CVECA</td>
<td>Caisses Villageoises d’Épargne et de Crédit Autogérées</td>
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<td>FFH</td>
<td>Freedom from Hunger</td>
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<tr>
<td>GRAADECOM</td>
<td>Groupe de Recherche d’Action et d’Assistance pour le Développement Communautaire (Research Group for Action and Assistance for Community Development)</td>
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<tr>
<td>HHLS</td>
<td>Household Livelihood Security</td>
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<tr>
<td>KfW</td>
<td>Kreditanstalt für Wiederaufbau (German NGO)</td>
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<tr>
<td>NGO</td>
<td>Non-governmental organization</td>
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<tr>
<td>OA</td>
<td>Oxfam America</td>
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<td>ROSCA</td>
<td>Revolving Savings and Credit Association</td>
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<td>SfC</td>
<td>Saving for Change</td>
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<tr>
<td>TU</td>
<td>Technical Unit (for Saving for Change program based in Bamako, Mali)</td>
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Executive Summary

This report is an operational evaluation of the Saving for Change (SfC) program in Mali being implemented by Oxfam America, Freedom from Hunger, Plan Mali and the Stromme Foundation with local partners. The Bill and Melinda Gates Foundation funded this evaluation, which was prepared by the Bureau of Applied Research in Anthropology (BARA), University of Arizona.

This report focuses on the current functioning of Oxfam’s existing Saving for Change programs in Mali, specifically to provide the context on the mechanisms of group establishment, replication, and functioning. The study addresses four key areas of SfC operations in local contexts in Mali: (a) the SfC administrative structure, (b) functioning of savings, savings and lending groups (S&L), (c) household livelihood systems, and (d) perceptions of the impact of credit on livelihood systems. This study investigates the ways in which community members modify or vary the SfC model to meet local conditions and needs. It also seeks to characterize how SfCs have operated within the context of other local credit arrangements, including state programs, informal moneylenders, informal tontines (traditional rotating credit associations) and other NGO-funded microfinance projects.

Oxfam’s Saving for Change (SfC) Model: Oxfam's SfC program enables women to organize themselves into simple savings and loan groups and address the needs of those who are unlikely to be reached by institutional lenders. SfC starts with savings. Twenty or so women voluntarily form a group that democratically elects officers, sets bylaws, regularly meets and collects money savings from each member for a communal pool. The funds are lent to members at interest and by consensus. Over time, the interest allows a group's funds to grow, giving each member greater access money and greater savings than they could feasibly save on their own. Among the principal advantages of the SfC program is that since the group is lending its own money to its members, collateral is not required. Since the savings are internally generated there is more incentive to manage this money well. Collection seems seldom to be a problem, and available figures indicate that less than 1 percent of participants are late on loan payments.

In 2004, Oxfam carried out a feasibility study in Mali after the Norwegian-based Stromme Foundation showed interest in underwriting the introduction of Oxfam's Saving for Change (SfC) program in Mali. Following this study Oxfam and Stromme put out an RFP, and visited the NGOs that put forth the strongest proposals. Two partners were selected: TONUS and CAEB. The partners trained their staff of technical agents in SfC, and by August 2005, 216 groups with 5000 members had been formed. While 13 percent of the original 5000 members were also members of credit unions and other microfinance groups, and half were members of informal tontines (traditional rotating credit associations), SfC was also reaching a segment of the population that was not being served by either. One of the problems that SfC identified early on was that literacy rates in Mali were so low that written records were being keep by literate men or animators (staff replicating agents), so few groups were operating independently. In October 2005 a system of oral record keeping was developed and animators were trained in its use. Within a year, members had learned to keep their own records. By March of 2006, SfC
had grown to 11,000 members. A new barrier stood in the way of expansion. The SfC training manual was written in French, but most of the animators spoke only Bambara, so training was uneven. A pictorial version was created and replicating agents were trained in its use. In 2007, SfC expanded into Kayes and Sikasso regions, and membership in SfCs rose to 55,000. Many animators were redeployed from saturated zones into new ones. By November 2007, SfCs had 64,000 members. New partners have been recruited to provide training: CARE and Stop-Sahel. The ultimate goal is to completely saturate four of the five Southern regions, namely Kayes, Koulikoro, Segou, and Sikasso, and to have SfC grow to 336,000 members by 2010.

Methods Overview: Data collection by the BARA research team took place in Mali between June 9 and July 6, 2008. In collaboration with Oxfam headquarters in Boston and staff in Bamako, the team selected four prefectures for field visits: Kati, Kita, Bougouni and Sikasso. These were selected on the basis of geographic variability, variation in local NGO partners and the length of time of program operation in each area. Three of the four local Malian NGOs represented in the SfC program were included in the study: Tonus (Kati and Kita), CAEB (Bougouni) and GRAADECOM (Sikasso).

Based on the current number of SfC groups in each participating village, one village in the prefecture was selected for a two-day field visit. The choice of villages was purposive and was designed to capture maximum variability regarding ethnic composition of villages, dominant livelihood systems, distance from urban centers, and gender of the SfC technical agent. During field visits at each site the methodology included a community interview with the village chief and elders, three or four focus group discussions, two or three key informant interviews and three household surveys.

In addition to the formal data collection, the research team toured each village with a local guide and observed village and household dynamics. Key observations included aspects such as household organization and spacing, proximity of farmland, presence of local commerce, local vegetation and environmental conditions, quality of water sources and physical wealth indicators such as the presence of motorcycles, television antennas, animal traction devices, etc.

Findings Overview:

Strengths of the SfC Model. The SfC model clearly provides a much-needed service to the women and communities it impacts. It creates an essential buffer against crises and mitigates short-term fluctuations in income. Loans allow women to sell products at reasonable prices in an agricultural economy that sees tremendous seasonal fluctuations in the value of goods. SfC loans expands women’s options for petty commerce, allowing them to take advantage of market opportunities. The training system appears very effective in empowering women to make their own economic decisions. It is also clearly reaching women who would not otherwise be able to participate in microfinance.

From groups to agents to coordinators, people at all levels distinguish SfC from other models for its emphasis on women’s decisions and the transparency of the savings process. The fact that money never leaves the hands of the women in the groups is one of the great strengths of the program. Similarly, the oral system appears very effective both
in allowing illiterate women to keep track of their finances and in assuring that the process remain transparent at all levels. Women in SfC groups also attest to an increased role in the community and a greater sense of their own capacity than before the program arrived. A woman’s increasing ability to manage her nuclear sub-unit of the household increases her autonomy and helps the men of the household to manage the larger household economy.

**Economic impact.** Since this qualitative study is primarily designed as an operational study and not as an impact assessment, it is not possible to provide conclusive data on long-term impact of SfC. Instead we present perceptions and observations from our case studies, combined with document review from the program.

While it is very likely that SfC has had economic impacts, specifying and detecting them is tricky. In comparison to the scale of economic activities of households the impacts of the small sums involved in SfC are harder to detect. Because these households are very complex, SfC’s impact depends upon how resources are allocated internally, and to what degree of control women retain over the fruits of their labor. While we may know how these funds are invested, we do not know whether these activities are really successful. Sureshbabu (2007:24) cites data from a 2006 Oxfam study showing that “after joining SfC, both the poorest 25% and the best off 25% have self-reported increases in the amount of animals sold, garden produce sold, petty trading, firewood and charcoal sold, peanuts and rice harvested.” However, for the poorest quartile of households, the value animal assets appeared to fall (Sureshbabu 2007:25). These studies did not have valid control data, and to date there has been no empirical measurement to clearly discuss gains in assets.

Given the many shocks that affect their livelihoods, caution is needed around the assumption that increasing assets will necessarily be the best measure of impact as opposed to other gains, such as health and food security. Data from this study indicate that profits from small business investment are often used for household consumption and emergencies, all of which needs to be verified through carefully longitudinal study of loan use. One of the most frequently cited benefits of the program is better family health due to the availability of funds for women to seek health care and purchase medicine for family members in case of illness or medical emergencies. Other common benefits claimed by members in the four villages studied were increased access to food for the family in difficult periods of the year, easier access to credit, and ability to afford school fees for children.

Women perceive SfC as a buffer against shock. Loans are occasionally used for consumption emergencies and emergency loans are in fact prioritized by the group and in many cases are repaid without interest. Although such loans are an essential component of SfC, the long-term sustainability of the model requires that the size and frequency of such loans remain within reasonable limits\(^1\). As both Wrenn (2005) and Sureshbabu (2007) a livelihoods approach is needed to take into consideration reduced vulnerability as an important form of impact, as well as better frame a woman’s relative vulnerability within a wider system of household distribution and use of resources.

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1 A high percentage of emergency loans would greatly reduce interest gained for the group as a whole.
Agents are aware that many loans are taken out for purposes other than those stated in the groups, and a significant percentage of these are used for the activities of the men in the household. The study found no evidence that men are not repaying loans indirectly received through SfC; in fact, men had stepped in to prevent women from defaulting on their SfC loans in several of our case villages. In allowing for a certain degree of uncertainty in their control of the use of loans, more data may need to be collected on how earnings from activities funded by SfC loans are actually used.

SfC Social Impacts. Researchers have noted that SfC is associated with a range of social impacts. Women are using SfC funds to pay for school fees for their children, and as a result some evaluations suggest a modest increase school attendance, although boys are still twice as likely to attend school as girls (Sogodogo 2007, Oxfam America and Freedom from Hunger 2008). Members claim that SfC has enhanced cooperation, mutual assistance, and solidarity among members and more generally in their communities (Dembele 2007, Khan 2007, Davis 2008), Nelson (2007:28) writes that SfC “members support each other and have developed solidarity and cohesion amongst themselves. She notes that one group has a group field for cultivating groundnuts; another group offers financial aid to those in need in the village, and a third group has taken advantage of a unique leadership opportunity at the village level.” However, as both Duffy-Turnasz (2007) Sureshbabu (2007) argue, such claims need to be evaluated with some caution. Structures often already exist in villages, which build community solidarity, strengthen local governance, and enhance their abilities to problem solve.

From groups to agents to coordinators, people at all levels distinguish SfC from other models for its emphasis on women’s decisions and the transparency of the savings process. Control of money by women in the groups is one of the great strengths of the program. Similarly, the oral system appears very effective both in allowing illiterate women to keep track of their finances and in assuring that the process remain transparent at all levels. Women in SfC groups also attest to an increased role in the community and a greater sense of their own capacity than before the program arrived. A woman’s ability to manage her nuclear sub-unit of the household increases her autonomy and helps the men of the household to manage the larger household economy. Foremost among the indicators of SfC success is the motivation of women within the groups. SfC may be said to enjoy enthusiastic support from not only its women members, but also from their husbands, men in the village, village chefs and village authorities (Dembele 2007, Kone and Kone 2007, Sarr 2007, Sogodogo 2007).

Moreover, women speak to the ability to speak in front of groups of people, including men. SfC promotes women’s leadership, solidarity and mutual assistance, knowledge about malaria prevention and increased self-confidence. NGO agents emphasized the transformation they have witnessed in women’s self-confidence and leadership skills due to their participation in SfC. Examples from the case studies demonstrate that there has been substantial economic impact for certain participants, and that investments have led to an expansion of local economic activities.

Malaria education in SfC
In the third phase of their training, women receive education on malaria and its
prevention, a program designed by the consortium partner Freedom from Hunger. SfC members identify increased knowledge about the disease as a key impact of their SfC training, and in all areas we visited interest in malaria education is very great; technical agents say that meeting attendance is at its highest rates during these seven weeks of the third phase. Our household surveys corroborate information from previous studies that malaria is the major health risk identified by rural populations, and significantly impacts household productivity. Most households have mosquito nets, but not all members use them, nor do they tend to use them with regularity. Women who had gone through malaria training were able to identify the causes for malaria, and spoke to the importance of nets. However it was not part of the research methodology to investigate changing net use among SfC participants, and this may need to be studied through the impact research in 2009. There is some evidence that the cost of nets limits their prevalence; one head of household explained that he was able to provide nets for all members of his household only by taking advantage of the local health center’s policy to distribute them free to pregnant women, so that he could redistribute them afterwards. Several households had members who sought traditional medicine for malaria rather than expensive pharmaceuticals.

Administrative strengths: The administrative system of SfC also appears effective in facilitating both vertical communication (between groups, NGO structures, and the technical unit) and horizontal communication (allowing different NGOs to learn from each others’ experiences, and more recently in facilitating the formation of group associations). The elements cited most often by animators, coordinators and the TU as evidence of successful bottom-up communication that improved the model includes elements derived from the tontine model; the need for transparency; and creative systems for symbolic representation for accounting for non-numerate women. Local feedback can directly impact the model in this way because the administrative structure of SfC allows it to quickly evaluate and respond to the interests of women in the groups.

Limitations:

Structural constraints for women. Although SfC provides crucial assistance to poor women, it is not in itself capable of reversing poverty. Much of the structure of SfC emphasizes the capacity of poor women to lift themselves out of poverty through their own initiative and knowledge of their markets; however, this initiative alone does not address the structural factors that contribute to rural poverty. In every village we visited, the greatest problem communities faced was the same: a chronic shortage of water. Other common constraints include road inaccessibility, limited government intervention programs and poor access to health and education. The impact of SfC must be understood as fundamentally constrained by these factors.

The short-term nature of SfC loans, and their relatively high interest rates, place real limitations on the kinds of income-generating activities women may engage in with loan money. Although interest returns to members when the funds are divided, women who cannot absorb risk limit their loan use to activities that are almost certain to generate income; they model their behavior on examples of best practices from the technical and replicating agents, leading to similar loan use within group, despite a nominal emphasis on individual choice. This homogeneity also arises for practical purposes; fixed savings
amounts and informally standardized loan amounts simplify record-keeping, but also constrains flexibility in loan amounts, especially higher amounts. Thus, the model may discourage true entrepreneurial innovation, as groups tend to distribute loans for activities that are already proven to be remunerative.

The system of annual distribution of funds gives women access to their savings, especially during the hungry season, and allows groups to change bylaws, officers and membership. It also serves to reduce risk by restraining loans within a manageable size. Although there are good reasons to limit risk in investment and the potential non-repayment of loans, these factors also restrict SfC groups from engaging in larger projects that might be truly transformative. More study is needed; women may be reinvesting and turning over their loans into larger projects in ways not visible to the rapid field methodology used for this study.

**Limitations in reaching the poorest women.** Structural factors also limit the capacity of SfC to service poorest and most disadvantaged members of the community. The model’s conception of replication and saturation derives from the assumption that if most eligible villagers are members, the poorest people in a village will also have been reached. This assumption deserves a closer look at three levels.

Firstly, because SfC groups form SfC and spread through social networks, those with the least social capital are precisely those least likely to become members, especially if there is considerable overlap between the women with the least social and the least economic capital. Populations whose income is so tiny or irregular that they cannot participate are also effectively excluded. Young unmarried women also are not normally included in the model (Duffy-Tumas 2007) probably because they also have limited access to resources, and will marry out of the village. If village membership is saturated to all but a few women, these excluded women may indeed be the poorest and most vulnerable members. Since women may live in poorer sub-households of relatively comfortable households, they are not easily visible through household interviews with the head of household.

Secondly, our research shows some evidence that the structure of SfC may tend to produce groups of poorer quality for the poorest women, although this possibility requires further study and verification. In our small sample, we found the following scenarios: villages where the first wives form groups separately from the second wives (by the express design of the animator); artisanal caste groups (lower socioeconomic status) that live in outlying hamlets that are left to form spontaneous groups for logistical reasons; villages where old women, who didn't join at first, are now trying to mimic the SfC system together but are failing to understand the basic accounting practices. If disparities in quality indeed exist for the poorest women, membership alone may not in itself be an adequate indicator of success. Differences in leadership and outside assistance for replicated groups needs to be assessed. One question is whether those in stronger groups with better support, greater chance for association, larger weekly quotas and larger funds are rising faster than others; that is, whether SfC might accelerate or minimize disparities.

Thirdly, it is not clear that the very poorest members of society are always best served by
membership in SfC. Our interviews with members of the very poorest households indicate very compellingly that for those who are truly at the very margins of society, the weekly contribution to savings groups is a major expense, and the social pressures to take out loans virtually guarantee non-repayment when women are not in a position to undertake income-generating activities with these funds.

**Structural limitations of the administrative structure.** A more fundamental concern for the administrative structure of the SfC program is the pressure it places upon technical agents (TA) or “animateurs”. TAs are correctly identified as the most essential component of the program, serving as the true interface between the villagers and the administrative structure. The program’s sustainability depends upon the recruitment and retention of appropriate and qualified agents. Some interviews indicate problems that problems may arise between female agents and their male supervisors. This bears further scrutiny. Similarly, both TAs and members of the TU affirm that overextended agents are often obliged to reduce the quality of their visits.

**Cultural constraints on SfC effectiveness.** Both men and women express appreciation for the contribution SfC has made to their lives and communities. Yet they do so in ways that do not challenge the inherent cultural limitations placed on women’s economic activities within the household. Men see SfC as allowing women to meet their responsibilities to their nuclear subunit without drawing down on the resources men provide to the main household economy. Women therefore use their savings primarily to provide for their children during the part of the year when the larger agricultural production has been exhausted, to pay their educational fees, to buy condiments for preparing food, and other expenses related to the sub-unit. Women are obligated to prioritize the well-being of their children, and thus tend to put their profits back into consumption. If the scale of SfC were to increase to the point that women’s economic activities actually rivaled those of their husbands, it is not clear that the general approval of the model would persist.

A series of recommendations for improvement and further expansion of SfC activities is included in the conclusion of the report.
I. INTRODUCTION

Oxfam has been actively working on delivering credit to the poor for a number of years, and recently instituted its Saving for Change (SfC) program in Mali in 2005. Oxfam’s SfC program enables women to organize themselves into simple credit unions. The program is meant to address the needs of those who are not reached and are unlikely to be reached by institutional lenders and traditional rotating credit associations. SfC starts with savings. Twenty or so women voluntarily form a group that democratically elects officers, sets by-laws, regularly meets and collects savings from each member. At the meetings, each woman contributes a sum of money (previously established by the members) to a communal pool. When a woman needs a loan, she proposes the desired amount to the group and once all demand is voiced, the group collectively discusses whether there are enough funds, and how to divide funds and prioritize requests if there is not. While members can borrow from the group’s accumulated funds, loans must be repaid with interest. The interest collected continually increases the amount of money available to the women. Over time, the interest allows a group’s funds to grow, giving each member greater access to money and greater savings than they could feasibly save on their own. Each group manages its own funds that are mobilized entirely from the internally generated savings (with no matching or external loans provided). At a predetermined date, the group divides the entire fund equally among members, and decides whether to start a new cycle, and under which conditions. At this time groups sometimes opt to increase their weekly contributions, accept new members or change leadership positions. Among the principal advantages of the SfC program is that since the group is lending its own money to its members, collateral is not required. The fact that all money originates from the women themselves, as opposed to outside loans or savings-matching programs, also increases their incentives to manage this money well. Collection seldom seems to be a problem, and available figures indicate that less than 1 percent of participants are late on loan payments. The most frequently mentioned advantage of the system is the growth of the loan fund with interest charged on loans. When funds are divided at the end of a cycle, the average return is 30 to 40 percent or more.

In 2004 Oxfam carried out a feasibility study in Mali after the Norwegian-based Stromme Foundation showed interest in underwriting the introduction of Oxfam's Saving for Change (SfC) program in Mali. Following this study Oxfam and Stromme selected two Malian implementation partners: Tonus and CAEB. By August 2005, 216 SfC groups with 5000 members had been formed. While 13 percent of the original 5000 members were also members of credit unions and other microfinance groups, and half were members of informal tontines (rotating credit associations), SfC was also reaching a segment of the population that was not being served by either. One of the problems that SfC identified early on was that literacy rates in Mali were so low that written records were being keep by literate men or NGO agents, so few groups were operating independently. In October 2005 a system of oral record keeping was developed and later, a pictorial training manual, both to facilitate use in non-literate populations. Within a year, members had learned to keep their own records. By March of 2006, SfC had grown to 11,000 members. In 2007, SfC expanded into Kayes and Sikasso regions, and membership in SfCs rose to 55,000. Many technical agents were redeployed from
saturated zones into other zones served by the partner organization. By July 2008, SfCs had 95,000 total members with a growth rate of 2,600 new members per month. New partners have been recruited to provide training: GRAADECOM, Jeunesse et Developpement and Stop-Sahel. The ultimate goal is to completely saturate four of the five southern regions, namely Kayes, Koulikoro, Segou, and Sikasso, and to have SfC grow to 336,000 members by 2010 with funding from the Gates Foundation.

Background Data on Mali
The challenges of scaling up SfC in Mali are multiple. Mali is among the poorest nations in the world. In 2007, with a population 12 million, it had a GDP of 6.9 billion, and an average per-capital GDP of $1200 dollars. Some 64 percent of the population are living below the poverty line of $2 a day; and 21 percent live in extreme poverty, earning $1 a day or less. Aside from Bamako, the capital, which has over a million residents, Mali’s population is predominately rural. Approximately 90 percent of Mali’s population lives in the southern part of the country, and some 70 percent live in rural villages. About 10 percent of the population is nomadic, and some 80 percent of the labor force is engaged in farming and fishing. The country is also ethnically and linguistically diverse. While French is the official language, more than forty languages are spoken by its ethnic groups, which include the Mande language family spoken by over 50 percent of the population in central, southern and western Mali (including Bambara, the lingua franca of Mali that is native to the regions of Segou, Bamako, and Koutiala and widely spoken throughout the country; Malinke in the West near Kita and Kayes; and Soninke near the Senegal border); 50 percent Fulfulde spoken by Fulani pastoral and semi-pastoral groups dispersed throughout the country with a higher concentration in the North; Songhai spoken by 6 percent in the northern region near Gao; and 10 percent Tamasheq and Hassaniya spoken by the Tuareg and Moor population in the northern region near Timbuktu; and 5 percent others. (US Government, World Fact Book, 2008; US Government, Department of State, 2008 Bureau of African Affairs, Mali Profile).

Topography and Rainfall Data
Mali’s terrain is low-lying and flat, characterized by plains and low plateaus. The topography is primarily savanna in the south, while flat to rolling plains or high plateau, about 200–500 meters in elevation, in the north. The average altitude is approximately 500 metres. The two main rivers flow through the southern and central part of Mali, the Niger River and the Senegal River.

About 25% of Mali is in the Sudano-Guinean and Sudanian zone, while 50% is in the Sahelian zone. The remaining 25% comprises the Sahara desert. Only about 4% of the country is arable, hence the concentration of 70% of the population in the southern part of the country. The average annual rainfall is a high of 1,000 millimeters in south, and less than 500 millimeters in the north as the rainy season is confined to a short three months from June to September. In the Sudano-Guinean zone the rainy season may last for several months with an average rainfall of 1,300 to 1,500 mm. In the Saharan zone, the annual average rarely surpasses 200 mm.
Figure 1: Rainfall and Climatic Zones in Mali

Mali has eight administrative regions and one district, namely; Kayes, Koulikoro, Sikasso, Ségou, Mopti, Timbuktu, Gao, Kidal and the District of Bamako (the capital). The regions are further divided into arrondissements and communes with the District of Bamako divided further into six communes. Its nearly 12 million population however is concentrated along the Niger River and irrigated areas around and near Bamako the capital. Mali has a high population growth rate of 2.7% (Library of Congress Country Profile 2005).

Context of Chronic Vulnerability
Mali’s economic development has been stunted by a chronic foreign trade deficit, making it heavily dependent on exports, foreign aid, and workers’ remittances. The Malian economy is particularly vulnerable to shocks, fluctuations in world prices, policy changes, and droughts. The economy is heavily dependent on exports, especially cotton and gold; thus, fluctuations in world prices for these commodities send periodic shocks through the economy. Policy changes such as currency devaluation and other structural adjustment policies imposed by the World Bank have also provoked economic shocks. Because rainfall in much of Mali is negligible and droughts are frequent, climatic shocks are a major constraint on the economy, as seen in the dire consequences of the 2005 drought and locust infestations. There are many other factors that affect the economy that also may have implications for the SfC program’s expansion: lack of infrastructure, isolation, insufficient financing, lack of training and land security, and poor performance of agricultural services and producer organizations (IMF 2008,
As SfC expands its scope, it is imperative to understand how SfC groups function. This initial field research makes preliminary observations about the way savings and credit fits into the logic of local livelihoods and the factors that make women economically vulnerable. In addition it examines operational processes, such as how women have replicated groups and adapted rules to their unique circumstances, but also how to what degree of success groups have been able maintain themselves after two or ever three years of existence.

Research Objectives
Initial operational research in this phase focuses on the current functioning of Oxfam’s existing Saving for Change programs in Mali, providing context on the mechanisms of group establishment, replication, and functioning. The present study addresses four key areas of SfC operations in local contexts in Mali: the SfC administrative structure, functioning of saving and lending groups, household livelihood systems, and perceptions of the impact of credit on livelihood systems. In the Malian context, the study investigates the ways in which community members modify or vary the SfC model to meet local conditions and needs. Another area of study is how SfC groups have been operating within the context of other local credit arrangements, including state programs, informal moneylenders, informal tontines (traditional rotating credit associations) and other NGO-funded microfinance projects. Annex 1 contains the full set of research questions addressed by this study.

Not included in the present report is basic information from the Management Information Systems (MIS) dataset that is collected and monitored by Oxfam America. Data available in this system includes a summary of the size and frequency of loans, type of loans, trends in size of investment, loan size across all of SfC groups operating in Mali.

II. METHODOLOGY

The methodology for this study was conducted in several stages from April through August 2008 under the supervision of the Bureau of Applied Research in Anthropology at the University of Arizona. The first stage comprised a literature review of existing project documents from Oxfam and related literature on microfinance in Mali and other developing nations. In collaboration with partners at Oxfam and Freedom from Hunger, the data collection instruments were designed to capture a maximum level of qualitative data in a short time frame with the aim of responding to pertinent questions of the operational capacity of Oxfam’s Saving for Change program in Mali. The study methodology is based in the Households Livelihood Security approach (HHLS), which seeks to understand the micro-dynamics of household livelihoods at the local level through a combination of quantitative and qualitative methods, with an emphasis on community participation in identifying and analyzing household dynamics. The methodology was designed to maximize the range of voices captured from local populations by using open-ended focus group discussions and semi-structured interviews.
that allowed people to raise issues through natural conversation within a pre-determined range of relevant study topics.

Data collection in Mali took place between June 9 and July 6, 2008 by a team of BARA researchers comprised of Dr. Mamadou Baro, Dr. James Greenberg, Tara Deubel and Micah Boyer. While in Bamako the BARA team interviewed the Technical Unit (TU) staff Soumaila Sogoba and Mariam Coulibaly. Two Malian assistants were recruited in Bamako for translation and data collection. In collaboration with Oxfam headquarters in Boston and staff in Bamako, the team selected four prefectures for field visits: Kati, Kita, Bougouni and Sikasso. These were selected on the basis of geographic variability, variation in local NGO partners and the length of time of program operation in each area. Three of the four local Malian NGOs represented in the SfC program were included in the study: Tonus (Kati and Kita), CAEB (Bougouni) and GRAADECOM (Sikasso).

At each designated site, the team met with the director and SfC coordinators of the local NGO and obtained data on the current number of SfC groups in each participating village in the prefecture. Based on this information, one village in the prefecture was selected for a two-day field visit. The sampling strategy for the choice of villages was purposive and was designed to capture maximum variability regarding ethnic composition of villages, dominant livelihood systems, distance from urban centers, and gender of the SfC technical agent. Table 1 provides a summary of the sites selected for the study.

**Table 1: Site Selection**

<table>
<thead>
<tr>
<th>Region</th>
<th>Prefecture</th>
<th>Commune</th>
<th>Village</th>
<th>Local NGO</th>
<th>Gender of technical agent</th>
<th>Dominant ethnicity</th>
<th>SfC start date</th>
<th>No. of SfC groups present*</th>
<th>Estimated+ SfC saturation level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Koulikoro</td>
<td>Kati</td>
<td>Kalifabougou</td>
<td>Kalifabougou</td>
<td>Tonus</td>
<td>Male</td>
<td>Bambara</td>
<td>2005</td>
<td>2 TA 18 RA 5 SP</td>
<td>98% village 90% zone</td>
</tr>
<tr>
<td>Kayes</td>
<td>Kita</td>
<td>Namala</td>
<td>Bankassikoto</td>
<td>Tonus</td>
<td>Female</td>
<td>Malinke</td>
<td>2006</td>
<td>1 TA 1 RA 3 SP</td>
<td>95% village 45% zone</td>
</tr>
<tr>
<td>Sikasso</td>
<td>Bougouni</td>
<td>Zantiebougou</td>
<td>Bougoula</td>
<td>CAEB</td>
<td>Male</td>
<td>Bambara</td>
<td>2006</td>
<td>1 TA 2 TA 2 TA</td>
<td>95% village 30% zone(?)</td>
</tr>
<tr>
<td>Sikasso</td>
<td>Sikasso</td>
<td>Danderesso</td>
<td>Niaradougou</td>
<td>Graade com</td>
<td>Female</td>
<td>Senufo</td>
<td>2007</td>
<td>2 TA 2 RA 3 SP</td>
<td>90% village 25% zone</td>
</tr>
</tbody>
</table>

*TA= groups formed by technical agents; RA= groups formed by replicating agents; SP= spontaneously formed groups.

+All noted elsewhere in the report values for saturation are not based on consistent criteria and should be considered as rough estimates only.
Figure 2: Map of Mali with SfC Program Expansion Plan and Case Study Sites
Taken from Oxfam 2007

Figure 2: Satellite Image of Village Locations in Study
During field visits at each site the methodology included a community interview with the village chief and elders, 3-4 focus group discussions, 2-3 key informant interviews and 3 household surveys. Through contact with local NGO offices, local technical agents were informed one day in advance of the visit. Coordinators from each local NGO accompanied the team to the village, provided introductions to the local community and stayed for the duration of the study to facilitate research activities. The host communities were all very receptive and hospitable and greatly facilitated the team’s overnight visits in each site. In most sites the team lodged in the compound of the village chief.

In each village, the team met with the local village chief upon arrival to announce the purpose of the visit and to obtain permission for the study. The chief and his local counselors were requested to attend a community meeting with the study team. During the community meeting, the study objectives were presented and the independent nature of the team was emphasized to assure the participants that the researchers were not part of the local NGO or the Malian government.

The community interviews averaged two hours and captured general information on the village, including its history, current population, ethnic and linguistic variation, distance from urban centers and local markets, basic infrastructures (schools, health centers, roads, bridges and water sources), dominant livelihood systems and sources of household revenue, principal constraints in the village, local understanding and perceptions of SfC in the village, other credit structures, and suggestions for improvement. The topical outline is included as Annex 5 of this report.

Following the community interview, the research team divided into 2-3 groups and conducted a series of focus group discussions with women in each village. With the assistance of the local technical agent the team identified the number of existing SfC groups at each site and targeted at least one group of each type: formal groups trained by technical agents working for the local partner NGO, informal groups trained by local replicating agents who are recruited from within formal groups, and spontaneous groups that are independently created in villages based on the example of other groups they have seen. Some spontaneous groups receive periodic training from technical or replicating agents in the village on an informal basis. Each focus group discussion lasted approximately two hours and included 8-10 women from the group, who were randomly chosen from among the group members present. Discussion topics included the history of the group, group objective, criteria for membership, relation between members, loan history, income-generating activities undertaken with loans, division of group funds at the end of each cycle, group rules and decision-making processes, household gender dynamics, problems encountered, perceived impacts and suggestions for improvement. The topical outline is included in the report as Annex 6. In villages where not all women are currently participating in SfC (such as Bougoula) focus groups were also conducted with non-participants to understand their reasons for not joining SfC.

Key informant interviews with the technical agent and replicating agent in each village permitted the team to gather information about the zone and to acquire an understanding
of the strategies used to identify and train groups and replicating agents, the process of group replication, support provided by the local NGO, problems related to work, type of income-generating activities undertaken by women, perceived impacts, and suggestions for improvement.

Three household interviews at each site (twelve in total) were conducted to obtain more a detailed socioeconomic profile of individual participants and the role of SfC savings and credit within the larger household and village livelihood systems. The three households were purposively selected among current members of SfC groups. The households were stratified into three categories of wealth/vulnerability (corresponding with poor, average and wealthy households by village standards). Local criteria for vulnerability in each village were obtained from key informant interviews with selected members of focus groups. Informants provided relevant information on the type of indicators used to assess wealth at the village level. The main indicators used were landholdings, number of livestock, active household labor force, ownership of farm tools and plow, and remittances from migrants outside the household. Based on these local criteria, one household was identified in each category with the input of village elders and SfC group members who confirmed the vulnerability status of households chosen. Team members conducted interviews with the head of household in each designated household for approximately two hours (see survey instrument in Annex 7). In most cases, the first and/or second wife of male household heads was also present during household interviews. The small sample size of 12 total households does not allow any statistical conclusions; however, it provides in-depth household level data on individual case studies of SfC members and indications of the range of certain variables represented in local communities.

In addition to the formal data collection, the research team toured each village with a local guide and observed village and household dynamics. Key observations included aspects such as household organization and spacing, proximity of farmland, presence of local commerce, local vegetation and environmental conditions, quality of water sources and physical wealth indicators such as the presence of motorcycles, television antennas, animal traction devices, etc.

Geographic positioning system (GPS) points were systematically recorded at each site for the village coordinates (using the village chief’s compound as a central location), each household interview, key infrastructures, and the road leading from the village to the prefecture center. A map with recorded GPS points is provided in Annex 3. These points are valuable tools that can be used by the Technical Unit and sponsoring NGOs to track household level information over time and geo-reference pertinent socioeconomic data by household. This could also be used as the basis for a more sophisticated future monitoring and evaluation database in Mali.
III. LITERATURE REVIEW

Microfinance has become one of the basic tools in efforts to reduce poverty in developing nations over the past three decades. The aim of microfinance according to Otero (1999) is not simply about giving the poor access to capital, but about providing financial services to the poor, who are ignored by the formal banking sector. In assessing the success and failures of these efforts, it is useful to distinguish between two different approaches. The first is an administered model of microfinance, which depends on trained staff and bureaucracy to provide services to clients, in this case the poor. The second, an empowerment approach rests on capacity building of local people to manage their own saving and lending groups. It frequently builds upon existing cultural forms, knowledge, and principles to create groups that local people can control and run. This approach also stands the problem of microfinance on its head, because participants start with savings and not borrowing (Mumford 2008). The Grameen bank illustrates the first approach; Saving for Change (SfC) is an example of the latter. This review will highlight the lessons learned from these two approaches. As an empowerment approach builds upon and competes with traditional revolving savings and credit associations, (ROSCAs), this review will also underline some of issues the literature on ROSCAs addresses.

Administered Microfinance

Administered models of credit delivery have been around for a long time. In the 1950s and 1960s, the various development agencies and governments commonly administered and subsidized rural credit programs. However, in the 1980s a sea change in the approach occurred as neoliberal economic policies took root and emphasized privatization, reduced social spending, currency devaluation and removing trade barriers. Subsidies in particular fell out of favor in national economic planning. It became imperative that loans, however small, be repaid, and that interest rates cover the cost of credit delivery (Wrenn 2005). The Grameen Bank became the celebrated example for the new microfinance model. Begun in Bangladesh in 1976 by Dr. Mohamed Yunus, the Grameen approach to microfinance has its foundations in banking. The problem Yunus set out to solve was how to deliver small loans to the very poor, especially women, who have few assets that from a bank’s point of view could serve as collateral. Instead, the model relies on mutual trust among group members and peer pressure to guarantee repayment (Ledgerwood 1999). Women are encouraged to organize themselves into groups of four to seven members, and these oversee the weekly repayment; should a member default, the group would no longer receive credit (Benenbach and Guzman 1994). The Grameen approach’s origins in banking are apparent in other significant ways: 1) to prevent de-capitalization most loans are not subsidized, and carry market rates of interest; 2) loans are administered by the bank, which establishes a patron-client relationship with its borrowers. This requires an extensive bureaucracy. According to their own publications, as of 2007 the Grameen Bank had some 2,468 branches that served 80,257 villages in Bangladesh, and a staff of nearly 24,703 (Grameen 2007).

Grameen-inspired microfinance institutions (MFIs) have grown exponentially to provide credit to millions worldwide (Dokmo and Reed 1998). Despite this tremendous expansion of MFIs, it has become increasing apparent that high transaction costs due to
geographical, logistical, and administrative barriers generally place these services beyond the reach of the bulk of rural poor, often the poorest of the poor, who live in remote areas (Mumford 2008). And it is not just the rural poor who may not be reached: the Grameen approach of delivering financial services to self-organizing women’s groups may also lead to the exclusion of the poorest of the poor simply because people are likely to pick people they feel have the resources to make the required weekly payments, making it unlikely that the destitute, the sick, or the elderly would be included. A significant criticism of the Grameen approach involves its requirement for weekly repayments. Such weekly payment may necessarily constrain investments to ones that can quickly generate the needed cash, and ultimately depends on the success of the enterprise. If women fail to generate the needed cash, then they must resort to coping strategies: borrowing money, selling off goods, and going without (Fernando 1997). A failed enterprise that leaves the borrower's household with debt may increase its vulnerability (Roth 1997:6; Sudhirendar 2002). Evidence of this, as Rahman (2001) documents, is that many borrowers maintain their regular payment schedules, but do so by loan recycling (that is, by paying off previous loans with new ones), a practice that considerably increases the borrower’s debt liability.

Substantial questions have been raised over women’s control of either the money they borrow or over the money earned from their endeavors. Struggles for control may lead to conflicts. Rather than empowering women, they may be forced into a supplicant position if they need to borrow money to make their weekly payment. In such cases, women are often blamed for being poor money managers. Violence between husbands and wives over such issues is not uncommon. Members of the borrower's group may be drawn into such conflicts, and social relations between families may be affected (Goetz and Guta 1996, Fernando 1997). Finally, because such microcredit programs are built on the basis of mutual trust among participants, particular attention needs to be paid to what happens when there are problems or when trust breaks down, as these may have consequences far beyond the money involved (Vélez-Ibáñez 1983).

Microfinance Programs in Africa
In the African context, microfinance programs have spread rapidly since the 1980s, and though there exists a small literature on them in Mali, (Allen 2003; Chao-Béroff 1997, 1999, 2003, Fruman 1998, Goldstein et al 1999, Samassékou 2000, Seibel 2005, Solomon et al 2002), the impacts of these programs have not been systematically assessed. In West Africa, credit programs, including credit unions (which are the most common form of MFIs in West Africa) and MFI lending institutions, have been particularly successful in reaching remote, rural areas and providing high quality services. Some of the difficulties observed are in the uneven ratio of loan revenues to bank expenses, lack of start-up capital to increase the number of loans provided and lower financial sustainability ratings than the worldwide average (Webster and Fidler 1995). While the impacts of microfinance interventions in West Africa have generally been positive, particularly in delivery financial services to rural women, they continue to face challenges that include saturated and stagnant markets, lack of access to credit and savings, weak technical skills, inadequate information, and poorly developed infrastructure (ibid). The latter includes
weak or inadequate regulatory frameworks governing community-based cooperative banking, savings and credit associations (Basu, Blavy, and Yulek 2004).

Loan repayment is commonly cited as evidence of program success (Buckley 1997); however, the social and economic impacts of lending programs at the household and community level have not received adequate attention in the literature. Several non-finance factors have been identified as limits to credit impacts in the African context. These factors include the engagement of micro-entrepreneurs in a variety of simultaneous, impermanent activities in the informal economy that spread their resources, and the role of extended family and kinship networks in draining entrepreneur resources (Buckley 1997). The information available suggests that although microcredit does not result in significant net gains in employment, it does lead to increased use of family labor. Furthermore, there is no solid evidence of business growth as the result of microcredit, but credit has often enabled enterprises to survive in times of crisis. These findings coincide with Khandker's (1998) impact study of Bangladeshi MFIs, which revealed that better credit availability alone does not ensure growth of income or employment in the rural informal sector. More generally, relatively little work done on the differences between microcredit logics in urban and rural sectors or how credit fits into local livelihoods (Graham 1992, IFAD, 2000, Thomas 1988). Since such diversities point to fundamental differences in risk and vulnerability, these are issues that need to be addressed.

Empowerment Approaches
The Centre International de Développement et Recherche (CIDR) was among the early pioneers of the empowerment approach in West Africa. In 1986, this French NGO established a program of village banks for savings and self-managed credit (Caisses Villageoises d’Épargne et de Crédit Autogérées, or CVECAs) in the Dogon region of Mali with funding from Kreditanstalt für Wiederaufbau (KfW). The aim of their program was to set up a system of village banks that would be managed by villagers and would be financially self-sustaining. Among CIDR’s innovations was the linking of the CVECA to the National Agricultural Development Bank (Banque Nationale de Développement Agricole, or BNDA). Under this arrangement, village associations enforce financial contracts. To achieve sustainability, CVECAs adopted a savings first approach. Before members could borrow they were required to make savings deposits. The underlying principle was thereby to mobilize local savings that could be lent within the village. However, no interest was offered on savings. CVECAs, which on average have 422 members, have generally functioned fairly well. Of the 52 CVECAs originally founded, only two have failed (Thi-Dieu-Phuong Nguyen et al 1999). CIDR’s program has since expanded to 276 community banks and 120,000 members (Oxfam America and Freedom from Hunger 2008). Nonetheless, there are a number of limitations to the program. While the average loan of 50,000 CFA is not only larger and longer (six months) than those typically available from SfC groups, and the interest rates are less 36-60 percent per year, however, unlike SfC, borrowers must provide collateral (ibid). This requirement alone, of course, means that the poor have little chance of obtaining such loans. The program, however, does offer a number of lessons that are particularly relevant to the Malian context.
One of the principal problems that CVECAs faced was the issue of training. The low levels of education found within villages meant that CIDR staff had to provide villagers who ran the CVECAs with extensive training for some eleven years before these village banks could be managed without assistance. (By contrast, SfC groups are independent within one year and receive intensive training for less than six months). Another common problem with which most CVECAs contend are fluctuations in season demands, as well as frequent and unpredictable shocks—drought and locusts—which lead depositors to make large withdrawals, creating liquidity problems for the CVECAs (ibid). The sustainability of CVECAs is also constrained in other ways. The small size of village markets, the low population densities, and the distances between markets affect the volume and size of transactions, and severely constrain the capacity of the village to generate the large volume of financial transactions needed to sustain small enterprises or to repay loans (Nteziyaremye and McNelly, 2001). The specific lesson for SfC here is that petty commerce within villages faces these same constraints.

CARE’S Village Savings and Loan (VS&L) model
The Village Savings and Loan (VS&L) model developed by CARE is a somewhat different saving-led approach. Developed in Niger in the early 1990s, and since replicated in 21 countries, this model was introduced to Mali in 2000. Instead of trying to create a village-based banking system, CARE’s VS&L model attempts to improve upon indigenous group lending traditions, most notably rotating credit associations (ROSCAs) that are called tontines in West Africa (Mumford 2008). While these exist in many variations (Velez-Ibanez 1983), in their classic form ROSCAs are group-based saving clubs, typically composed of a group of 9 to 12 friends, kinsmen, or workmates. Participants meet regularly to contribute a fixed amount to a pool, which then is given as a lump sum to one of the members in a cycle of turns until everyone in the group has had a turn. CARE’s idea was to build on principles that were already well understood from experience with tontines: savings clubs, managed by villagers, chosen by group members, operating under rules commonly agreed to and understood, with transparency in the collection of payments and distribution of loans.

The VS&Ls organized by CARE are typically larger than tontine groups, having 25-35 members (Mumford 2008), however, like them, they are self-organizing, and consist of people who share trust. Somewhat more formally organized than are tontines, VS&L have a set of democratically elected officers (president, secretary, treasurer, and two controllers responsible for counting money). Like a tontine, these groups meet weekly both to pay their savings quotas—and to consider loan requests and collect repayments. CARE’s VS&Ls offer variable quotas. When a cycle begins, each member may decide to purchase between one and five shares. As illustration, if one share costs 100 CFA, then each week a member will pay 100 CFA for each share they have. Like tontines, VS&Ls operate on a cycle. However, rather than members taking turns receiving lump sum payments, members may take interest bearing loans (commonly 10 percent a month), with length varying from 1 to 3 months. Unlike CIDR village banks, members cannot withdraw their savings until the end of the cycle, a period usually of 9 to 12 months (Ibid). However, because interest is paid on loans, when the cycle ends, the groups funds
(which consequently have earned interest) are divided according to shares. While loans are ideally are to be used productively to fund money making activities, VS&Ls ear-mark a potion of quotas as a social fund, reserved to help members meet emergencies, such as an illness or death in the family. Such loans are interest free. VS&Ls have a number of notable advantages, like tontines because all transactions are done in front of the assembled group, the system is perfectly transparent. Unlike CIDR’s village banks to obtain a loan, no written applications or collateral is required, and requests for loan may be handle within a week. VS&Ls do have some notable constraints: 1) it takes at least five weeks of savings before groups accumulate enough capital to make loans; 2) the size and length of loans is constrained by both the rate at which funds grow and demand for them; 3) the complexities of the share system, tracked with passbooks, requires literacy; 4) participation in meetings is mandatory and time consuming; 5) while the flexible share are likely to attract those who are better-off, the very poor may be excluded by self-organizing groups, or they be either unable to make the weekly quotas, or be unable to make the time commitments to attend mandatory meetings.

**Oxfam’s Saving for Change (SfC) Model**

Oxfam's SfC model enables women to organize themselves into simple savings and loan groups. The model is meant to address the needs of those who are unlikely to be reached by institutional lenders. SfC starts with savings. Twenty or so women voluntarily form a group that democratically elects officers, sets bylaws, regularly meets and collects savings from each member. At the meetings, each woman contributes a sum of money (previously established by the members) to a communal pool. When a woman needs a loan, she proposes her idea to the group and they collectively discuss and decide the amount of the loan that will be approved. While members can borrow from the group's accumulated funds, loans must be repaid with interest. The interest collected continually increases the amount of money available to the women. Over time, the interest allows a group's funds grow, giving each member greater access money and greater savings than they could feasibly save on their own. Each group manages its own funds that are mobilized entirely from the internally generated savings (with no matching or external loans provided). At a predetermined date, the group divides the entire fund equally among members, and decides whether to start a new cycle, and under which conditions. Among the principal advantages of the SfC model is that since the group is lending its own money to its members, collateral is not required. As well, the fact that all money originates from the women themselves, as opposed to outside loans or savings-matching programs, also increases their incentives to manage this money well. Collection seems seldom to be a problem, and available figures indicate that less than 1 percent of participants are late on loan payments.

Loan size, interest rates, and repayment schedules have some basic implications for the model. Greater loan sizes entail more risk, so it is imperative that loan size is closely matched to repayment ability. SfC prefers making smaller loans, explicitly recognizing that larger loans put the group’s savings at greater risk should a borrower default (Oxfam America and Freedom from Hunger 2008). Smaller loans, of course, also mean that they are unlikely to meet all of the member’s needs for capital. Although some large loans of 25,000 – 60,000 CFA have been reported, most loans are in the 3,000 to 30,000 CFA
range, and the average seems to be closer to 7,500 CFA (Nelson 2007; Mumford 2008; Oxfam America and Freedom from Hunger 2008). Commonly, the interest rate for most loans is 10 percent per month (usually set at this rate for ease of calculation), there is some variation both between groups and according to purpose (Sarr 2006, Bore, 2007, Mumford 2008).

While a rate of 10 percent per month may seem high, compared to private moneylenders these rates are seen as fair. And, although CVECAs may offer lower rates, few village women can meet their many requirements, including collateral, or bear the many other transaction costs loans entail, particularly in terms of time and travel costs. Because of this 10 percent rate, most loans are typically for a month. Given the need to repay these loans with interest within a short period, their productive uses may be constrained to those activities with quick turnovers and high profits. Unfortunately, few activities can provide such quick returns, especially when everyone is forced to choose the same ones. In theory, the amount paid in interest returns to the group when the funds are divided among members at the end of a cycle; however, monthly interest payments are still a significant constraint in terms of women’s choice of investment activities. As Nteziyaremye and McNelly (2001) observe, because of the small volume of transactions in local markets and distances between markets the success of these strategies may be severely hampered. To underline significance of this observation, while the use of loans in petty commerce and other productive activities has been documented extensively (Wrenn 2005, Khan 2007, Duffy-Tamasz 2007, Nelson 2007, Mumford 2008) little attention has been given to the nature of these enterprises themselves leaving the question of how successful they are (Nteziyaremye and McNelly 2001). Although despite the range of shocks villagers frequently face, repayment rates are very high, which is also true of consumption loans, but how these funds are obtained, remains to be documented. This is an important question—since it relates to how credit is used and how debts are managed.

Access to credit
Because villagers in Mali may use a variety of sources of credit—*tontines*, local moneylenders, various midlemen, banks, or other microfinance institutions (e.g. credit unions), it is important not only to understand how SfC may compete with or complement these pre-existing sources, but also to understand what factors lead people to seek credit from one source over another. The issue here is not simply one of competition, but also one of access. The questions raised are not just one of their various requirements, but who may be excluded and why, particularly the poor, the elderly, and the sick. Evidence suggests that usage of banks, MFIs, and credit unions is very modest. Although MFIs and cooperatives have extended their services into some rural areas, particularly targeting cash crop producers such as cotton growers, they reach only some 25 to 30 percent of the population, and the majority of these are men (Nteziyaremye and McNelly 2001, Seibel 2005). Ashe (2005) similarly reports only 20 percent of SfC group members have ever had a loan from an MFI or credit union, and that only 12 percent are current borrowers. He further notes that it is better-off villagers who are more likely to qualify for such credit and they also receive larger loans compared to poorer villages. This is consistent with findings that MFIs coverage of the rural poor in Africa is lacking
(Mumford 2008, Wright and Dondo 2001) primarily because MFI are forced to make a trade-off between sustainability and services to the very poor. Middlemen and moneylenders play significant roles in extending credit in the countryside (Duffy-Tumasz 2006). It would be wrong, however, to think of moneylenders or middlemen necessarily as men, since women may be significant actors in such activities (Perry 2002). Regardless of gender, middlemen are notorious for providing cash advances for seeds, fertilizers, and other inputs against the purchase of cash crops at low costs, often rolling hefty (and sometimes hidden) interest into the bargain. Moneylenders are likewise known for their high interest rates. Ashe notes (2005) that Malian women who produce and sell certain cash crops also obtain loans through middlemen, although a very low rate of moneylender loans was observed overall. Loans for seeds repaid in-kind were more common at the village level. Ashe (2005) documents the rate of loans from moneylenders is higher among women who are not members of SfC, suggesting that SfC provides an effective alternative. It should be observed that access to credit from middlemen and moneylenders depends upon having something to sell in the first case, and having collateral or the ability to repay in the second case, and so are not necessarily sources of credit for the very poor.

Oxfam claims (Ashe 2005; Oxfam America and Freedom From Hunger 2008) with some justification that SfC groups are superior to many traditional forms of savings (money under the mattress, investments in animals and jewelry, or participation in tontines) in that these forms of savings are both more risky (easily lost or stolen) and (with the exception of animals, which may die) do not increase one’s assets. Some evidence indicates that as SfC membership has risen, the percentages of those using such traditional means are declining (Ashe 2005, Davis 2007). But this is a complex phenomenon. While SfC offers distinct advantages, it is not necessarily a replacement for other forms. As Nelson (2007) observes, each of these forms has different purposes. The case of tontines is illustrative. Tontines tend to have higher weekly quotas than SfC, on the order of 500-1000 CFA as compared to 100 CFA. Although tontines are smaller, their cycle is faster, and they can distribute significant sums perhaps 3 or 4 times a year. While tontines offer no interest, neither do they entail any debt (aside from the weekly quota). Such money can be readily used for major purchases, or to pay off debts. Many SfC members, in fact, continue to do both (Nelson 2007; Kone and Kone 2007). That there has been some drop in tontine participation among SfC members probably is a better indication that SfC is meeting its goals of attracting poorer women. These women cannot afford to do both, and find the lower quotas, flexibility loans, and interest earn of savings offered by SfC to be a better choice (Ashe 2005, Duffy-Tamasz 2007).

**Use of Loans**

Bankers draw a sharp distinction between productive loans and those used for consumption. The former create assets that may be used to liquidate the debt, the latter do not. Arguing that only when money is lent out for productive purposes is its potential unleashed, many MFIs only provide loans for productive activities. Because for the poor tomorrow’s production depends on today’s consumption, this distinction is a bit too precious. Studies document that SfC women are using loans not only to start, expand and sustain micro-businesses, but also to buy food (particularly in the lean months before the
harvest), medicine, clothes or shoes for the children, pay school fees, and help meet expenses for funerals, weddings and other ceremonies (Sureshbabu 2007, Davis 2008). These findings were corroborated by the BARA study, which suggested that use of loans for immediate household consumption needs outweighs investments in enterprise development.

Although SfC does not require that loans be used for only productive activities, when loans are taken for consumption, the question of where resources for repayment come from is an important one. It is likewise important to ask the same question about loans taken for productive activities. Just because a loan is taken for a productive purpose, this does not guarantee the activity will be successful. This issue here is not whether loans are repaid, since clearly 99.8 percent are (Davis 2008), but where the money to do so comes from, as the answer to this question goes to the heart of the program’s impacts. This issue is whether credit may push women into deeper debt (Mahmud 2003). Similar concerns have been voiced (particularly with respect to the Grameen Bank) that the intense pressure women come under to repay such loans may cause increasing tensions within families, and may even escalate violence toward women (Rahman 1999). While no evidence indicates that violence is an major issue for SfC, there is some evidence that women may take loans to help their husbands, who may not always repay them (Bore 2007, Duffy-Tumasz 2007, Sureshbabu 2007, Mumford 2008). Whether or not enterprises are successful, and how funds to repay loans are obtained, are both questions that clearly require further study by using methods such as qualitative, financial diaries and time-series household asset registers.

Savings
SfC is, in part, an attempt to replace traditional forms of savings (money kept at home, animals, jewelry and tontines) with a form of savings that is both less risky and more productive (e.g. earns interest). As Wright (1999) observes, because money is easily squandered, the poor often prefer to put some of savings into things that either have less liquidity, or into compulsory savings schemes that will provide them with large lump sums, such as tontines. Unfortunately, sometimes this means that they may frequently be short of cash. The great advantage of SfC is that it both provides a savings mechanism to build up large lump sums, and through its loans provides members access to cash if needed. One of the biggest constraints of SfC is that the weekly quota is the foundation for savings. Because SfC seeks to deliver financial services to the poorest of the poor, quotas are usually based on the lowest common denominator, 100 CFA. Unfortunately this quota fails to capture savings that better-off members could contribute. While there is some evidence that use of traditional forms of savings has declined among SfC members (Sureshbabu 2007), undeniably low quotas constrain the degree how far this process may go. In some areas, such as Kati, groups have also adopted a system of multiple shares to increase the savings amount. In this case, certain women contribute up to 500 CFA per week and receive a higher payout during the division of funds according to her number of shares. Overall SfC has a strong capacity to diversify women’s savings portfolios (ibid).

What women do or plan to do with their SfC savings tells us a great deal. They widely report that they are saving to augment their funds for petty enterprises and petty
commerce; that they will use their savings to help finance agricultural activities; that they intend to use their savings to buy an animal (poultry, goats, sheep, or cows); or that they will use them to meet social or health expenses. It is noteworthy that many want to buy animals, which although it is a traditional form of savings is also an important social indicator of status (Dembele 2007, Sogodogo, 2007).

The following Table (2) provides a summary overview of the MFIs mentioned in this section.

**IV. HOUSEHOLD LIVELIHOOD STRATEGIES AND COMMUNITY PROFILES**

During this rapid appraisal the team visited four communities in the following order: Kalifabougou (in the region of Koulikoro, prefecture of Kati, and commune of Kalifabougou); Bankassikoto (in the region of Kayes, prefecture of Kita, and commune of Namala); Bougoula (in the region of Sikasso, circle of Bougouni, and commune of Zantiebougou); and Niaradougou (in the region and circle of Sikasso, and commune of Danderesso). This section provides an overview of household structures and each community profile interspersed with examples of households visited in each community in three general wealth categories established by local residents.

**Livelihood Strategies and Household Structure**

Perhaps the best way to understand the logic of the livelihood strategies of these households is start with the premise they are based on a kin or domestic mode of production, but also dependent on markets. As kin groups they control and deploy labor, and use various forms physical, financial and social capital not just to meet consumption needs, but also to support their productive activities. Thus livelihood systems are comprised by subsistence efforts and activities to generate cash (although the line between these is not always clear). At a very simple level, the problem basic households face is to find enough food and cash to meet their day-to-day needs. They do this by either working harder or consuming less, both of which have limits. Generally households try to secure their subsistence base if they can, by growing foods for their own consumption, selling any surplus, but also by growing cash crops, and engaging in assorted strategies to earn cash. Cash, of course, is required to buy needed seeds, inputs, tools, and assorted goods and services (health care, school fees) --which during part of the year may include their staple foods.

Beyond active labor force, households may have a variety of productive assets, including gardens, fields, orchards, tools, and domestic animals. Land is not generally a commodity; rather households have access to land (technically from the village chief) but in practice through kinship, and wives specifically through their husbands. Frequently these large families compounds have multiple buildings and granaries. Wealthier people also may own an array of industrial and traditional commodities: radios, TVs, bicycles, motorcycles, donkey carts, beds, etc.

In general, households in the Bambara, Malinke and Senufo villages visited during the
study are all built around patrilineally-related men and their wives that share a compound. These households consist of extended and polygamous families that often have sub-units comprised by their wives and children. As residence is also patrilocal, wives marry into villages, and daughters marry out. These patrilineages are age-graded. When a man dies, his property goes to the eldest of his brothers, before passing to his sons, starting with the eldest. If a wife dies, her goods go to her husband if he’s alive, who will probably distribute them among his other wives. If a husband dies without brothers or sons, his wives divide up his goods. As residence is patrilocal, any access wives have to land in the village generally comes through her husband, who may assign plots to her, or by leasing land from others. Thus, we see a pattern of men's and women's fields and men’s and women's crops. Men collectively work a common field for the household and store grains in a common household granary and in individual granaries for food produced in individual fields. In some cases, men may also have their own fields that they work together in turn. Food produced by women on their plots is also stored separately in individual granaries. Married women usually obtain land through their husbands, and work their fields with their children if they are old enough to help. Generally co-wives do not share these tasks. The significance of this division of labor is particularly apparent during the *soudure* (the lean months before the harvest). During the *soudure* a distinction is made between the “large plate” from which all adults are fed, and the “small plate.” Men's grain crops—corn, millet, sorghum—which are stored in a separate granary—are used to feed the entire household for part of the year, and provides the large plate during the *soudure*. Each woman provides her own children with the small plate from her own resources. Among the implications of how these households are organized is that assets and livelihood strategies not only vary between men and women, but also within household’s sub-units, so that even a wealthy household could contain significantly poorer segments and members. This finding demonstrates that the future locus of study for SfC impacts needs to be on the sub-unit of wives who participate in savings groups rather than the household as a whole.

While wives depend upon their husbands for access to land, it is fairly clear that crops they produce and any revenues that flow from them are theirs. In some villages, we found that women own animals, even cattle. Generally, women in SfC groups who take loans for petty commerce, agriculture, market produce, and so on retain control over these investments and the revenue they generate. It is clear, however, that the revenues go to meet her sub-units needs, illness of children, educational fees, and ritual costs. We see little evidence of the revenues from investments being used to grow an enterprise. While women tend to retain control over loans taken from their SfC, they do report asking for loans to help their husbands meet an emergency, but also were very emphatic that they repay them. SfC savings are seen both as capital that can be used to make an investment, and as an emergency fund.

**Men's livelihood strategies**

Men livelihood strategies in these agricultural villages seek to provide both food security and the cash needed to meet their other needs. Thus, men grow both food and cash crops, have orchards, keep bees, and engage in market gardening. Animal husbandry is also an important activity. There are thriving markets for animals, chickens, guinea hens, sheep,
goats, and cattle, so men engage not only in animal husbandry, but also in buying and
selling animals both for food and income. Thus, aside from their primary occupation as
farmers, men frequently engage in secondary occupations that provide them cash in
addition to the lump sums they may earn from agriculture. Some of these include market
gardening, petty commerce, traditional healing, blacksmithing, carpentry, bakery, thatch
roof maker, mechanic, bicycle repair, musician, hunter, well digger, and welder. Some of
these skills, like blacksmiths and hunters and are caste occupations. Others such as welder,
radio repair, and house painter reflect skills gained in labor markets beyond the village.
Migration and emigration are likewise important strategies to earn needed cash. In
general, because elder men in the household have greater claim to its resources, it is
younger, unmarried men who are more likely to leave the community to find work.
Seasonal migration seems to be primarily within the country, although Migrants seek
work in the larger labor markets in cities such as Bamako and Sikasso. Many of the
emigrants have gone to the Cote d’Ivoire, but we also heard of migrants in Libya, Gabon,
Equatorial Guinea, Angola, as well as in France, Spain, Russia, and the United States.

Women’s livelihood strategies
Women’s livelihood strategies also seek to provide food security and earn needed cash,
however their access to land is through men. Women receive plots of land through their
husbands, which they work to provide the sauce condiments for the common meal, and to
support their children. Daughters begin helping their mothers with domestic work as soon
as they are old enough. Even so, women not only have less labor at their command then
men, but they work smaller parcels. What women can cultivate is constrained as well
both by the other demands on their labor, (meal preparation, laundry, child care, hauling
water, etc.). Women’s crops, therefore, tend to be labor extensive rather than intensive.
Because they also do not have the same access to capital as men, they tend to grow crops
that require fewer inputs. Peanuts and rice are women’s favored cash crops. Such crops
take little preparation other than planting. They grow vegetables, okra, eggplants, hot
peppers, tomatoes, beans, watermelons, in parcels and small gardens as garnishes to their
staples. Women also may have chickens, goats, sheep, and even cows. Petty commerce is
also an important source of cash for women. Such activities may be as simple as buying
raw peanuts, and shelling them to sell, gathering wild eggplants to sell, buying
condiments (onions, tomatoes, sugar, powdered milk, and spices) in the market to sell in
the village. Women also engage in secondary occupations, but most are extensions of
their domestic skills: cooking, hairdresser, and millet pounder. Migration does not appear
to be a common option—unless they are accompanying a male member of the family. In
some parts of Mali young girls migrate to cities to work as maids or to live with wealthier
relatives to work in their homes and/or to attend school; however, this phenomenon was
not observed in the study villages.

Women’s position within the household also would seem to have implications for
individual strategies. First wives, for example, are more likely to have older children to
help than second wives. Likewise, the access of daughters (who may be old enough to
help their mothers), to the fruits of their labor is limited. Formal SfC groups, in fact, seem
to recognize this and exclude unmarried women from membership. Unmarried women
are also likely to leave their village of origin if they marry husbands from elsewhere;
thus, their interests may be somewhat different than other women in the household. For example, one of their main goals is to amass a trousseau of household goods to take with them when they marry.

Risk management
Risk management is central to these livelihood strategies and commonly includes diversification, savings (which may be in the form of assets that can be readily sold to meet an emergency), and credit both in cash and in-kind. Diversification is a fundamental way of spreading risks. Households not only spread their risks by growing a variety of crops, but by having multiple fields. If they have animals, similar principles apply. Animals, particularly cows, represent significant capital and a form of savings that can be used in emergencies. Aside from agricultural activities, households frequently have members engaged in a gamut of cash earning activities locally--working as artisans, doing wage work, involved in trade--but also migrating in search of work both nationally and internationally. Many households receive help in the form of remittances from members elsewhere, although there is great variation in amounts and frequencies from one region to another. Households engage in a lot of reciprocal transfers including lending both in cash or in kind. Such lending can reinforce bonds between people, and provide both social and financial capital that can be potentially mobilized when needed. Involvement in both tontines and SfC is a form of risk management through diversified access to credit. Tontines were found in Bougoula and Niaradougou operating side by side with SfC groups.

Community Profiles
Selection of the case study sites was made in close collaboration with the coordinators and TU, with a primary interest in maximizing variation of the number of NGO partners and the time since inception of each SfC program. Although the scale of this evaluative research was very small, our site selection for the case studies nevertheless allowed us to collect data on zones with considerable variation between them in ethnic composition, climate and livelihood strategy, population dispersal, proximity to urban areas, household economics and accessibility. Kalifabougou and Bougoula are almost entirely Bambara, Bankassikoto is predominantly Malinke, and Niaradougou is almost entirely Senoufo. Variation in climate and livelihood follows a gradient from Kayes to Sikasso, with the northernmost and most arid villages of the study, Kalifabougou and Bankassikoto, most dependent on rainfall and most vulnerable during the *soudure*. Bankassikoto’s vulnerability is greatly exacerbated by its inaccessibility during part of the year. The economy of these communities is primarily based on millet and cotton, both of which have had disappointing yields in recent years. Bougoula has greater agricultural diversity, but also suffers critically from a lack of water since both its dam and pump have been rendered unusable through a combination of bad fortune and government neglect. Lack of water has increasingly obliged villagers to migrate with their animals or find other labor during at least part of the year. In Niaradougou, agricultural production is further diversified, and proximity to the markets of Sikasso allows for market gardening.
In all villages, animal husbandry plays a significant but not a dominant role. Kalifabougou, Bougoula and Bankassikoto seek to abandon cotton production, but remain economically bound to the government cotton agency. Niaradougou is actively transitioning away from cotton, but its farmers recognize that the cotton system has left them dependent on high-cost inputs to generate profitable yields. All communities have a clearly gendered division of labor. Peanuts, beans and condiments for sauces are generally cultivated by women, whereas the primary staples such as corn, millet and sorghum are grown predominantly by men. In Kalifabougou and Bankassikoto, men work common fields and assign smaller plots to each wife. In Bougoula and Niaradougou, sub-units of women and their children prepare food from their individual granaries once the collective stores have been exhausted.

Villages are also diverse in terms of infrastructure and social cohesion, in roughly inverse relation. Bougoula, having once been a thriving community, retains a strong sense of communal purpose despite their current difficulties and relative lack of services (the village has no health center and has had to fund its own school). Bankassikoto also has rallied behind SfC as a means for collective improvement with particular energy, despite (or because?) of the problems the community faces with isolation and uncertain harvests. As one of the earlier villages to receive SfC training, Kalifabougou is now less certain of SfC’s promise and the village’s capacity to sustain savings programs without a technical agent; the villagers of Niaradougou have been particularly resistant to the model in the past, perhaps because of cultural difference. Overall, however, one element that is shared by all villages is a favorable view of SfC, and general optimism that the program will continue to provide valuable opportunities for women.

Site 1: Kalifabougou
Kalifabougou is a Bambara village in the commune of Kalifabougou that was founded about 100 years ago and includes 15 surrounding hamlets. The commune of Kalifabougou has an estimated population of 13,702. There is some question about the size of Kalifabougou village. Figures from 2001, put its population at 3,123, divided among 212 households. Villagers claim that the population has grown by at least 1000 members since, but do not think that the number of households has increased. As the head town in the commune, Kalifabougou has some infrastructure: elementary school, buildings belonging to the state owned CDMT cotton company, the mosque, and a health center. The village lies in a semi-arid area, characterized by thorny brush, and was clearly the most arid of the places visited. Walled compounds generally with several adobe houses, some with tin roofs, and ramada porches, and round thatched granaries, characterize the village shoulder high, open roofed latrines and bathing structures. Interspersed among these compounds are good-sized shade trees, and small gardens surrounded by thorny fences.
Social organization
Like most Malian villages, Kalifabougou has a traditional village chief, who works with a council of elders. There is also a state appointed mayor since Kalifabougou is the seat of the commune. Women have their own association as well, and elect a president. There is a parent-teacher association (PTA). Kalifabougou also has an Imam who leads Islamic religious activities. As elsewhere, the village is socially stratified between nobles and lower castes. Some of these castes, such as blacksmiths, potters, and griots, can suffer social marginalization, and have unequal access to decision making within the village. Land is owned by the village chief who assigns land to families without a rent fee. Further research on land tenure and the ways in which land is distributed would be beneficial in the second phase of the study.

Economy
The village economy is based on agriculture, with some animal husbandry-- particularly goats. There are some artisans: blacksmiths, carpenters, but also occupations such as radio repair, well digger, musicians, etc. As well, given the uncertainties of agriculture, there is significant migration, particularly to Bamako but also to Cote d’Ivoire. The village’s proximity to Bamako and the town Kati, also mean that many households have small gardens near their houses, enclosed to keep goats out, and engage in market gardening. Men in large polygamous families work common fields, and assign smaller plots each of their wives, which they work with their children if they are old enough to help. Men grow millet, corn, and cotton. Women’s crops include peanuts, and many women engage in petty commerce. Cotton, of course, is the major cash crop, but given the high costs of inputs advanced on credit (with interest), it is barely profitable. Millet and corn are the main staples, but this last year (2007) was particularly bad. Rainfall was insufficient, and the harvest fell considerably short of normal. In a community focus group, elders emphasized that because of the lack of rain, and shortage of water, they are facing food security problems. In their own words, "No rain. No food. No life. We need food before we can think about other things." Many households have gone through their stores of grain, and must purchase food. Most households have adopted survival
strategies to weather out the *soudure*, or hunger period, by cutting back on consumption, gathering wild plants and other strategies. Life is also made harder by frequent bouts with malaria, and the costs of treatment drain away valuable resources from households.

**SfC**
SfC arrived in Kalifabougou in 2005. There are now 25 total SfC groups, five of which are brand new, in Kalifabougou and its hamlets. The first two were started by a technical agent. Two dynamic replicating agents from Kalifabougou have been responsible for the rest.

**Site 2: Bankassikoto**
Bankassikoto is a predominantly Malinke community, but also has some Bambara and Fulani inhabitants. The 1998 census put its population at 498. In our focus group, elders counted 41 households. The village lies 17 km away from Namala, the head town of the commune, and 60 km from the town of Kita. There is a market, which is held weekly on Sundays, but residents also attend the market in Namala on Wednesdays; and the market in Moromoro on Tuesdays (22km away). Access to Namala, however, is difficult. The road is bad, and the bridge over the river has long since washed away. Residents constructed a tenuous and dangerous narrow footbridge without rails that is made of wood and woven grass mats. This bridge washes away each year with the rains, cutting off access from Bankassikoto to Namala for months at a time. Villagers lamented that this inaccessibility is a great risk in medical emergencies and a major obstacle that impedes commerce. The community has a mosque, CDMT buildings and facilities, and a primary school. However, students who want to continue their education must go to Kita, Sanjambourou, Djidja, or Namala and find lodging there. The community also has a health care center, and malaria was cited as the most common disease.

**Social Organization**
Bankassikoto was founded in 1953 by Sambou Diakite, but the Keitas, a noble caste, now predominate. In addition to the village chief and council, there is a state appointed representative, a women's association, a PTA, and an imam. As is common, the village is organized by traditional divisions between noble and artisanal caste families. Housing in the village is characterized by large compounds, with combinations of adobe houses with tin roofs, and porches are clustered together with traditional round houses with thatched roofs, and associated thatched granaries. These are large polygamous, patrilineal extended households who share a compound, and whose men work lands together, although as elsewhere women are assigned separate farming plots and their personal production is used to help support their children.


Figure 4: Community Interview in Bankassikoto

Economy
Agriculture is the mainstay of Bankassikoto's economy. Cotton dominates, but residents also produce millet, peanuts, corn, and beans. Women produce peanuts (an easily grown cash crop) and beans. If they have a surplus families generally sell their millet, but rarely their corn. The village engages in some animal husbandry, including cows, goats, sheep, donkeys, chickens, and guinea fowl. Residents also do some garden marketing, but the limiting factor is a lack of water. Although they have streams and ponds, both disappear in the dry season and the river dries up. There are about 21 traditional hand dug wells in the village, but not every family has its own well. More importantly, there is just one mechanized pump well in the village, which must be shared by the whole village when traditional wells go dry during the dry season. Two years ago there was a severe drought, and they had almost no harvest. Last year, they hoped for a good harvest, but the rains were late, and their grain and cotton harvests were disappointing. Such events are frequent enough that villagers can articulate their strategies to deal with them. In good seasons, the elders noted, "with good rains, we try to plan for the long-term. We sell part of the harvest to meet our consumption needs, and use the rest to buy a sheep or bull as a long-term investment. In bad years, we may be forced to sell them, or if you have sons who've emigrated you can ask for help from them." While there are not a lot of emigrants from Bankassikoto, the village does have members in Spain, Cote d'Ivoire, Libya, and Bamako. Some of these help their families regularly, whether things are bad or not, by sending wire transfers via Western Union to Kita. As in other villages, the households observed were engaging in various survival strategies during soudure period-- cutting food consumption, eating cheaper and less preferred foods, etc.

The problems with cotton this year have made this dry season particularly bad. In normal years a cotton farmer in Bankassikoto could expect to produce about 4 tons of cotton. Because the rains were so bad this past year, the maximum anyone produced was 2 tons,
and many produced less. The price set by CMDT, the government company that has a monopoly over cotton, was only 155 CFA per kilo for first quality cotton, and a mere 140 CFA for second quality. The combination of poor harvest and low prices meant that many cotton growers ended up in debt, owing CMDT money for the fertilizers, and pesticides advanced to them on credit. Some villagers were even forced to sell their sloughing bulls to reimburse debts owed to CMDT for inputs. Six months post-harvest, CMDT has yet to pay producers for their last crop, although it is willing to advance them inputs on credit to plant cotton again. While the CMDT is promising an increase price this year of 200 CFA for first quality; 175 CFA for second quality, they have also hiked the cost of all the inputs by 50 percent. As a result, many people are either growing less cotton or avoiding it altogether. Many feel others feel trapped in a vicious cycle. They see CMDT as their only source of credit for fertilizers, which they also need to grown corn, and so many have decided to plant some cotton again despite its poor performance as a cash crop.

**Other Credit**

Aside from CMDT, there are no formal savings and loan programs in Bankassikoto. Some people access loans informally from the community chest (**caisse villageoise**) in the village and in other surrounding villages, such as Fantekouroula, Djidja, and Banankora. Bankassikoto has a number of other community level organizations, such as a cereal bank and a men's group that organizes group field labor for a fixed price. The money for the community chest, a fund used for public works, comes from a tax that the community imposes on its cotton production. Each ton of cotton is taxed 900 CFA. Half of this amount goes to pay the workmen who weigh the cotton, and load the trucks. The other half goes into the community chest. Last year, the village produced 69 tons, yielding 31,050 CFA in tax funds. The village used to have a real cereal bank, but due to a run of bad years, they just contribute enough funds to the community chest to pay for school fees, or cover the costs of feeding a stranger who comes to visit.

**SfC**

SfC arrived in Bankassikoto in 2007. There are presently five SfC groups: one formal, one replicated, and three spontaneous groups. The elders of Bankassikoto see the advantages of SfC as allowing women not only to save money, but also to easily get loans to do petty commerce. Many women buy rice and sell food on market days; they also make beignets, bloti (meatballs), and some have fruit trees, or they buy mangoes and sell them at the market for a profit. Aside from its economic advantages, they see the solidarity resulting from SfC. The village chief, in particular, thought it worked well. The elders remarked that, "We hope it prospers and that women evolve. We hope that women can make a garden on the outskirts of the village. If each woman puts in 150 CFA apiece it should be able to function."

**Figure 5: Traditional Well in Bankassikoto**
Profile of a Poor Household in Bankassikoto

This Malinke household represented the direst conditions observed during the study for members of SfC. The poverty of the household was apparent at first glance. The head of household, a widow named Ami, had a very small cooking pot on the fire in the compound with the day’s food ration. Her three children (ages 10, 5 and 7 months) wore ragged clothes and showed signs of illness (respiratory infections and skin rashes). Ami was widowed last year and left on her own with three small children to care for. She has no other extended family in the village to help her. She moved to Bankassikoto from another village and the family lived in a hamlet a few km away from the main village until three years ago when a brush fire destroyed their house and they were forced to move to the main village. Since they lost all their belongings in the fire, Ami left the family and emigrated to Bamako for six months to seek wage labor as a dish washer and laundry woman to support her children in the village. She received 6000 CFA per month in salary and reported that her living conditions were poor and she did not receive adequate food. Since her husband’s death she can no longer emigrate from the village in search of wage labor.

Ami is illiterate and has one child in school. Her house is made of mud/clay with a straw roof and has two rooms. A flashlight is the only source of light at night and wood is used for cooking fuel. The family uses a well located 300 meters from the house, and Ami spends an hour per day collecting 100 liters of water. Her main occupation is agriculture and domestic work. She inherited two hectares of land from her husband and uses them to plant millet and peanuts. Before her husband died he grew millet and she grew peanuts. Now she is responsible for both and has to ask volunteers to help her farm because she is the only adult laborer in the family. Last year her yield was 100 kg of millet and 200 kg of peanuts, which was less than normal. The food supply lasted for only one month. A large portion of the harvested millet was used for her husband’s funeral to feed visitors who came to the house. She sold 100 kg of peanuts in small quantities to meet household food needs. Ami does not own any animals. Her only source of revenue consists of pounding millet each day for another Fulani household. She receives 150 or 200 CFA per week from the family for this work and uses this money to make her weekly 100 CFA contribution to SfC.

Due to the extreme food insecurity of the household, the family consumes only two meals per day. Ami’s main coping strategy is to ask other people in the village for food. Other strategies are eating bean leaves, borrowing food from friends, collecting shea nuts, decreasing food portions (from preparing 2kg of millet to 1kg), reducing her own food consumption and giving more to children and selling household items for cash. She revealed that there are times when a day passes without any food for the family. The common illnesses in Ami’s family are malaria, headaches and diarrhea. All members of the family have had malaria in the past year and they don’t have mosquito nets. When she or her children are sick she seeks treatment from a woman healer in the village and asks for assistance from other villagers to pay for it.

Ami has taken one loan from SfC this year in the amount of 10,000 CFA for one month at 10 percent interest. The reason for the loan was to purchase food for the household. She has not been able to pay back the loan and has no other forms of savings. She is waiting for the division of funds in the group to buy peanut seeds to plant this year (she is expecting to receive 3,000 CFA). Ami stated that SfC is a good program for women and it should be continued as a long-term activity in the village. She is also interested in literacy training. Given her circumstances, it is remarkable that she is able to participate in SfC and contribute weekly savings. The consequences of her present inability to repay her 10,000 CFA are unclear because she will have no sources of income until the next harvest.
Site 3: Bougoula
Bougoula is a Bambara community located in the circle of Bougouni and the region of Sikasso. The 2006 census estimated its population at 404, but the current population is probably at least 25 percent higher, around 500.

Social Organization
Bougoula was founded by Kone Banza Nyougou in the early 19th century. The Kones, a noble family, are the dominant last name group. Bougoula is comprised of three neighborhoods: the old neighborhood, the new one near the highway, and the neighborhood of the blacksmith caste. There are some hamlets, but they are just temporary field houses used during the agricultural season. In addition to the village chief and council, Bougoula has a state appointed representative, a women's association, a PTA, and an imam. While Bougoula is a predominately Bambara community, there are other ethnic groups present. A few families of Minianka arrived a few families a year or two ago. Some Dogon also came recently, asking for permission to stay in hamlets, like the villagers do in the agricultural season. They agreed to respect the rules of the village, including participating in ceremonies held when someone dies, and helping to pay taxes imposed by the government. The village welcomed them, wanting to see the population of the village grow. They expected that the Dogon would move into the village after the agricultural season, but they stayed in their hamlet. When animals started disappearing, tensions built up in the community and the Dogon were blamed for livestock theft and asked to leave the village.

Economy
Agriculture is the backbone of Bougoula's economy. Men grown cotton, sorghum, millet, corn, and beans, but production is heavily dependent on agricultural inputs, and severely limited by water shortages. Rice and peanuts are primarily women's crops, grown in their own fields. Both men and women do some animal husbandry, and have about 100 head.
of cattle total in the village, as well as goats, sheep, chickens, guinea hens, and donkeys. They also keep bees. Migration is also important feature of the village economy. Almost every household has at least one member who has emigrated. Many go to Bamako, but there are also migrants in Cote d’Ivoire, Spain, France, Equatorial Guinea, Angola, and the United States (New York City). Since the water crisis, emigration has increased. Residents receive significant remittances from those who have been abroad for a long time. Petty commerce and apiculture also contribute significantly to village economy. Although a long time ago the village had its own market, but it no longer has one. The largest market in the vicinity is held on Thursdays in Bougouni, which lies 35 km away on a good road. There is a market in Koumantou 34 km held on Wednesdays. There is another held on Thursdays in Zantiebougou 7 km on a good road; one in Sirakoro 3 km held Fridays; one in Mamisa 9 km away, (across the river), and another in Kibila on Sundays. Some people from the village even go to the Cote d’Ivoire to buy and sell. The year is divided into two parts: following the harvest, there is adequate food for perhaps 7 months, and women prepare food for everyone using grains from the common granary. When these stores begin to run out during the *soudure* period, (June to October), each woman prepares food for her children from her own individual granary. This year the harvests were disappointing, and households as of mid-June were deploying survival strategies, and cutting consumption in various ways.

**Infrastructure**

Bougoula's infrastructure is fairly basic. The village has no health center and uses the maternity in nearby Sirakora. Bougoula recently opened its first school. It has 106 students in school this year, in 2 classes, for the first year. It was supposed to have three classes, but the school turned out to be a very expensive proposition for village, as it had to provide the construction materials. Some materials, like sand, had to be brought in from far away and were expensive to transport. They obtained some of the raised money from relatives working in Bamako, but emigrants abroad did not contribute. The funds raised were not adequate to cover all costs, and the project had to get credit from the trucker bringing in the materials. He agreed to deliver 10 loads for 700,000 CFA, but asked for an advance of 200,000 in kind. They still need another 4 loads, and they are still struggling to pay for them. Now they also need to pay each teacher 25,000 CFA a month. On top of this, the village gives each teacher 2.5 sacks (250kg each) of millet, condiments and fuel each month. The state is supposed pay the rest of their salaries. So far the state hasn't paid the teachers, and the village is worried that they will refuse to come back next school year if they don’t get paid soon.

The village has it share of problems. There used to be a dam across the river nearby built by an NGO (ACO-DEP), but it failed in 2004, because the state did not maintain it, and it was not well constructed. While it existed, Bougoula had a high water table, but since its failure the water table has dropped. Now, even the river dries up part of the year. Villagers get water from (women’s) family wells, dispersed throughout the village, but these dry up for 2-3 months of the year and there is a serious water shortage during in the months just before the beginning of the rainy season. ACO-DEP had also installed a pump near the village, but an elephant damaged it beyond repair three years ago. The village well committee went to the mayor of commune and contributed 50,000 CFA of
funds collected by villagers to install a new pump. They received no response and the money was unaccounted for.
Among the many problems Bougoula faces is a lack of agricultural inputs: pesticides, fertilizer and seed. The village depends on CMDT, the state cotton company for their agricultural inputs, provided on credit, which they repay from their cotton earnings. While CMDT has ads on TV promising big increases in cotton prices (200,000 CFA per ton for this campaign, up from 160,000 CFA a ton last year), this increase is inconsequential in light of rising input costs, which have gone up by 50 percent this year. While they have received a partial payment for last year’s crop for fertilizers, as of mid-June was C.M.D.T more than 6 months late with its payment. As a result, villagers are cutting back on the cultivation of cotton, noting that cotton requires an excess amount of work, for which one earns very little. They would like to stop growing cotton, but they don’t produce enough sorghum, their staple subsistence crop to meet their needs, and need to supplement it with corn. However, corn requires fertilizer and other inputs, so they are planting the minimum amount of cotton, about a hectare, to pay for the inputs they need.

**Other forms of credit**
Various kinds of credit are available to people in Bougoula. Aside from SfC and credit for inputs from CMDT, there is a traditional tontine system in the village. Both men and women may join. The weekly quota is 250 CFA. There is an institutional caisse in Zantiebougou. However, they have very strict requirement, and many forms that must be filled out correctly. They offer up to two loans per year, but the interest rate is very high. Bougoula also has a community chest that is supported by collective labor in people’s fields. The community chest is often used for public works projects in the village. Following Muslim custom, people also give zakat (alms) in kind after the harvest to the imam, who distributes the resources to the poorest members of the community-- who often include elderly, handicapped, and widows.

**SfC**
Elders in Bougoula expressed their satisfaction with the SfC program. They see SfC first and foremost a source of security--as a women’s resource that helps provide a buffer against unforeseen disasters. They credit SfC with helping women to foster an entrepreneurial spirit. They noted that women may have had ideas before, but were powerless to act on them. SfC provides women the credit they need to pursue them. Reflecting on its social impacts, the elders felt that SfC helped create greater solidarity, and helped to reduce the gap between the rich merchants and the poor. Discussion of problems with SfC, brought forth the response that at first there was an initial problem of trust. Phony credit programs had harmed villagers in the past, so it took a while for people to see its advantages. The first division of funds later this year, will confirm the program’s success. They asserted that if rains are good the village should really see a benefit. The money from the division of funds prior to the planting season will allow women to buy seeds to plant peanuts, something they couldn't afford before. While there is no men's SfC group as yet, they hope to establish one in the future.
Profile of a Wealthy Household in Bougoula

This was by far the wealthiest household visited during the study. The second wife, Djeneba (34 years old), is president of an SfC group. She owns cattle and women take private loans from her and buy peanut seeds from her. Djeneba’s husband is a 67 year-old jack-of-all-trades with many occupations including farmer, mechanic, beekeeper, traditional healer and occasional fisherman.

The family is Bambara and originates from Bougoula. In total there are 46 members in the compound. The first wife has 7 children and the second wife has 6 children. The brother of the head lives in the compound with three wives and 14 total children. Two of his sons are married and live in the compound with their wives and a total of 6 children. The highest level of education is incomplete primary. None of the women are literate. In total 8 women are members of SfC and each one contributes 100 CFA per week (800 CFA total). Ten total members have migrated outside the house for wage labor at one time and five are currently outside the home.

The daily food consumption is divided into three meals per day. The household is completely food sufficient and does not rely on coping strategies. The difference that SfC has made in terms of food security is allowing more choice of what foods to prepare and enabling women to buy their condiments. The houses are built of mud/clay with a combination of mud/clay and tin roofing. Kerosene lamps are used for light along with lightbulbs that run on battery. Wood is used for cooking fuel. In the household there is a cemented well and the family uses approximately 1000 liters of water per day. The inventory of major household goods comprised 5 bicycles, 1 motorcycle, 3 radios, 10 mosquito nets, 3 pick axes, 1 fence, 2 plows, 20 hoes, 2 shovels, and 1 donkey cart.

Agriculture is the main occupation of all family members. The family cultivates 20 hectares of land and lends 1-2 hectares to others. Women are given their own plots and grow rice, beans, peanuts and millet. The main crops grown by the family are millet, sorghum, rice, peanuts, sweet potatoes, manioc, cotton and corn. Last year the family produced 2 tons of millet on 3 hectares of land that has lasted all year. This production was more than normal. Usually the family waits until the new harvest comes in then sells any remaining grain from the year before. Their estimated monthly consumption of millet/sorghum is 7 sacks (350 kg). With .5 hectares they yielded 150 kg of rice and with 4 hectares of cotton the yield was 5.5 tons (sold at 155 CFA per kg). The yield of corn and sorghum was hard to estimate since they store it on the stalks. The household also has 40 cattle, 3 of which were sold this year for a total of 370,000 CFA. An unspecified number of cattle belong to Djeneba. The reason for the sale was daily household expenses and funeral expenses when his mother died. They also have 8 oxen, 10 sheep, 20 goats, 40 chickens, 3 guinea hens, 5 donkeys and 10 ducks. They listed their main sources of income as cotton, corn and remittances from wage labor in the dry season. This year Moussa received a radio, bicycle and battery from his son who worked in Bamako. Moussa reported that revenue has greatly increased this year due to an increase in the number of hectares cultivated, better management of farmland, and seasonal migration.

Moussa’s wives who are members of SfC have both taken loans of 11,000 CFA for 9 months at 10% interest for agricultural needs. It was not possible to get information on the 6 other women in the household who are involved in SfC. Moussa has no current debts himself and has lent money to others (150,000 CFA total) without interest. He has also given away 300 kg of millet. His other forms of savings are in livestock purchases. In the past Moussa had a bank account with his savings in Bougouni but he closed it once the money was used. He has no other cash savings now.

Malaria is the most frequent illness and that he has backaches from working in the fields. Nearly all family members have had malaria over the past year even though they use mosquito nets. The longest illness lasted for 3 months. All children are vaccinated. Women go to Sirakoro for childbirth and when people are sick in the family they use bark and leaves for traditional treatments. Since SfC started Moussa noted that he has noticed that the women in the family are more active and he realizes that the program is a good thing. In the long-term he thinks it will change the revenue of people in the village and improve the lifestyle of the village population.
Site 4: Niaradougou

Niaradougou is a predominantly Senufo village in commune of Danderesso that lies down a poor road 24 km from Sikasso. The village chief and elders could not give an exact figure for Niaradougou’s population, but they listed 30 families, and said that there 306 taxable adults (between 18 and 60). Given its young demographic profile, it is reasonable to suppose that the actual population is twice the taxable adults, around 600. Niaradougou has a mosque and a school with 3 classes (funded by the precursor to GRAADECOM). There are currently 86 students in school. The government pays the sole teacher 25,000 CFA a month. There is no health center, or midwives, although there are some traditional healers. The closest health center is in Danderesso, 8 km away. Malaria is the most frequent health problem. Access to the village is poor, especially during the rainy season. The road, which the community built themselves over 50 years ago, floods after heavy rains, and becomes impassable. While these floods usually don't last long, it is sometimes impossible go to Sikasso without a canoe. While Niaradougou doesn't have its own market, it does have access to several. In the rainy season, however, there are just two options: the market in Danderesso held on Wednesdays, 28 km distance on foot, and the market in Sikasso on Sundays. During the rest of the year there are markets in Nebadougou and Nizano on Fridays; and one in Warasu on Wednesdays.

Social Organization

Niara Coulibaly founded the village over 300 years ago, even before Tieba founded Sikasso. Residents claim that they were originally of Sarakole ethnicity, but over time they have become Senufo. The village has three hamlets: Dramane and Yooro, each of which is comprised of a Fulani family; and Sunkalo Diabate where a Djoula (Bamana) family lives. As in other places, the village is organized by a distinction between noble
and caste families, such as blacksmiths and *wulusuw* (a type of griot). In addition to the village chief and council, there is a state appointed representative, a women's association, a PTA, and an imam. As elsewhere households are comprised of polygamous families--patrilineally related men and their wives. However, architecturally, the village has a distinctive look that includes high walls between adobe buildings enclose compounds. Within the compound, are numerous round granaries with thatched--large ones for men's crops, and many small ones belonging to their wives. Each household has a shoulder height walled latrine and walled bathing area.

**Economy**

Agriculture is the basis of Niaradougou's economy, and grains provide the base of their diet. Residents currently produce corn, sorghum, millet, beans, rice, potatoes, and sweet potatoes. They used to grow cotton, but after last year's poor rains, poor prices, and the high price of inputs, farmers decided not to plant cotton this year. Instead, Niaradougou's proximity to Sikasso allows them to engage in market gardening, and they produce eggplant, cucumbers, hot peppers, and watermelon. Corn is planted with the first good rain, usually in June. One month after planting, they do a weeding, and a few days later apply fertilizer. Corn is harvested in the third month. Millet and sorghum are planted around the same time as corn. Two months later, the fields are weeded and fertilized, and it is harvested about the same time as corn. This is not, however, a mixed crop system. While these crops are not grown in the same fields, they do rotate crops: for example, millet and peanuts switch places from year to year. They grow two varieties of peanuts, one that is ready to harvest in three months, and the other in four. Rice, which is a woman's crop, takes little preparation, other than planting. They usually start planting in early May. By late June, they are doing the weeding, and then they will fertilize the crop. Rice is harvest after everything else--corn, millet, sorghum, in November or December. The period in which they are most likely to experience a labor shortage is during planting (late June) when there are lots of simultaneous tasks to do, and everyone's running around. There is also a labor shortage when vegetables are being planted for market gardening, when they start planting potatoes in September. There is a critical window in which potatoes must planted, millet and sorghum, which may be harvested, can wait. While men and women normally do all these things together, during this period women are busy with their rice, so there are labor shortages. The village gets its fertilizer from the general commercial area in Sikasso, where there are a group of vendors. However, they don’t take out loans to buy fertilizers. If they don’t have the money, they don’t use fertilizers. Fertilizers cost 18,750 CFA for a 50kg bag. They use two types of fertilizers: first they apply N-P-K to their fields, and then treat them with urea. Urea used to be just 16,000 CFA, but it’s gotten much more expensive. They used to get their fertilizer from CMDT, but this year it’s not available yet. Often, the CMDT keeps its price slightly lower the market price to encourage farmers to buy from them. As one old man observed, "We used to not have to use pesticides and fertilizers, now we can’t get any production without them [CMDT]; our dependency on them and their high cost are the source of our current financial problems."

Even in Niaradougou’s more favorable environment, the community is subject to droughts. When the rains come late as they did this year, this can have significant affects
on production. There is also a serious lack of water. There’s a reservoir, 1 km away that they use for construction. There is also drilled well built by a project about 10 years ago. There are 13 traditional wells in the village, and one cement well.

**Figure 8: Senufo granaries in Niaradougou**

Animal husbandry---cows, oxen, sheep, goats, poultry and donkeys-- represents another important dimension of local livelihood systems. They provide food and transportation, pull plows, fertilize fields, but are capital that can be converted in times of need to cash. Petty commerce is another significant aspect of their livelihoods. Women buy and sell condiments in Sikasso, such as Maggi (a popular mass-produced artificial flavoring), dry fish, salt, onions, etc. Five households currently have migrants in Bamako or the Cote d’Ivoire.

**Other Credit Sources**

There are other formal credit institutions present in the region. Some villagers have used Kafo Jiginew, a credit institution in Famma, 27 km away, which offers loans of 4 to 6 months during the dry season. There is also a savings bank (*caisse d’épargne*), which requires collateral for loans. Collateral can be in the form of houses, buildings, plantations of fruit trees, but not in the form of animals. Such forms of collateral, of course, presume clear title, which may be problematic for many. People used to get credit from CMTD, but as they have stopped growing cotton, this source has dried up. As a result, access to fertilizers and potato seed, which cost 50,000 CFA for a 50 kg bag, is problematic.

**SfC**

The elders expressed their satisfaction with SfC. "We wish its success: when women do well, it helps the heads of the households. When there’s insecurity, now women can help. We don’t know what they do with the loans; what we do know is that when we’re
in difficulty, women help: they loan and they pay back. But we’ve never been interested in what they do with the loans."
Profile of an Average Household in Niaradougou

A lively, sharp minded, ninety-three year old Quranic teacher, Sidi, heads this household, which is fairly well off, though currently facing economic problems. The compound speaks of a well-off family, with its 16 well-built living quarters of adobe, with tin roofs, cement floors, and well fitted locking steel doors. Typical of Senufo there are walls between buildings that enclose the compound, and its more than 20 large and small round granaries with their distinctive thatched roofs. The large ones store the men's crops, and the smaller ones store women's produce. Like most compounds, they share a common latrine, and a bathhouse. The compound also boasts its own traditional well, and although the household uses more than 1000 liters of water a day, women are spared carrying it long distances.

There are 45 total household members: 19 males, 8 of whom are married, and 26 females, 11 of whom are wives. Like many such Senufo households, the household represents a local patrilineal group comprised of Sidi's unmarried 17-year old daughter, his six sons from two wives, and their respective wives, their children, one of whom is already married and has a child. Two of his sons, have two wives, although one of them is a wife, taken as a second wife from a deceased brother. The household in fact has 8 or 9 subunits consisting couples and their children.

This is also an educated household in which a total of 13 members have had some education. Nevertheless, agriculture is the base of the household economy. Twenty-four members of the household (14 women and 10 men) engage in agriculture, and 8 of the men also do some gardening as a secondary occupation. None of the resident members are involved in seasonal migration for work. And, although the family does have seven family members who have either married out or are living elsewhere, they do not depend on nor receive remittances from anyone. The family owns 8 bicycles, a motorbike, a radio, a TV that runs off a car battery, 13 mosquito nets, a donkey cart, 100 hoes, and 2 plows.

The family practices a complex agricultural system. They grow millet, sorghum, sweet potatoes, potatoes, mangoes, legumes, and corn. They used to produce cotton, but have abandoned it as a crop, given the low return on labor. Land comes from the village chief, and usufruct is assigned permanently to households. Sidi's family has 20 hectares, 10 of which are in production. Because they have more land than they can work, he has lent a half-hectare to another household, without rent. Married women get access to land through their husbands-- small plots that they use to feed their children, producing rice for example. This last harvest was bad. Rains came late, and production suffered. The harvest of millet and sorghum, which would normally last the family through the year, only covered their needs for 3 months. They did get a good crop of potatoes that they attribute to using better varieties of potato. The principal sources of revenue for the household are potatoes and sweet potatoes. According the household head, while household has some animals-- 2 oxen, 15 chickens, and a donkey none of these belong to women-- nor did they sell or lose any animals this last year.

While this household could be considered well off in many respects, because of the poor harvest, it was actually food insecure, and was forced to undertake hardship and conservation strategies. In this respect, despite the other indicators of wealth, this household certainly fits a middle-income profile. They were forced to cut consumption, and assign the responsibility of feeding children to their mothers. In times of stress, while they still eat three meals a day, instead of preparing 15kg of grain per meal, they consume 8 kg. They also have moved to using cheaper and less preferred foods, to supplementing their consumption with wild foods and game, and reducing the amount that adults eat in order to feed children.

There 10 women in this household that belong to SfC. In total, the household saves 1000 CFA a week in the two SfCs, and estimate they have 24,400 CFA in savings. The patriarch considers SfC to be positive. It enables women to help their families meet their needs when necessary. The very high participation of this household in SfC is consistent with the story we got from focus groups that nearly every married women of working age was a member. All the women in the household have taken loans from SfC to do petty commerce, but none currently have one. This could be related to the poor harvest this year, and the financial hard times the family is currently facing. In fact, the Sidi borrowed 50,000 CFA from a friend, (who generously will allow him to repay it without interest) to help meet household food needs. The health issues the household faces have a familiar ring: malaria, headaches, and stomach problems. During the last 12 months, 4 members were afflicted with malaria, despite the fact that the household has and uses mosquito nets. They have vaccinated their children under 5, and when ill seek care at the local medical center, but also admit to using traditional medicine. One of the elements that emerged in this interview is that in these large households, despite sharing of some resources, they often have large wealth differences within them, and some sub-units may be remarkably poor.
V. FINDINGS FROM COMMUNITY RESEARCH

During the course of the study the team conducted focus groups with a total of 11 SfC groups in 4 villages (Table 2). The groups demonstrated considerable variation in terms of their membership, functioning and uses of loans.

Table 2: Administrative Structure of SfC Groups Studied

<table>
<thead>
<tr>
<th>Prefecture</th>
<th>Village</th>
<th>Type of Group</th>
<th>No. women</th>
<th>Date created</th>
<th>No. literate members</th>
<th>Member of Association</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kati</td>
<td>Kalifabougou</td>
<td>Formal</td>
<td>24</td>
<td>2005</td>
<td>4</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Replicated</td>
<td>25</td>
<td>2005</td>
<td>9</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Spontaneous</td>
<td>23</td>
<td>2005</td>
<td>0</td>
<td>No</td>
</tr>
<tr>
<td>Kita</td>
<td>Bankassikoto</td>
<td>Formal</td>
<td>25</td>
<td>10/07</td>
<td>0</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Replicated</td>
<td>25</td>
<td>10/07</td>
<td>0</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Spontaneous</td>
<td>20</td>
<td>10/07</td>
<td>0</td>
<td>No</td>
</tr>
<tr>
<td>Bougouni</td>
<td>Bougoula</td>
<td>Formal</td>
<td>27</td>
<td>2007</td>
<td>4</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Replicated</td>
<td>15</td>
<td>2007</td>
<td>0</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Spontaneous</td>
<td>20</td>
<td>2007</td>
<td>0</td>
<td>No</td>
</tr>
<tr>
<td>Sikasso</td>
<td>Niaradougou</td>
<td>Formal</td>
<td>24</td>
<td>10/07</td>
<td>1</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Replicated</td>
<td>21</td>
<td>10/07</td>
<td>0</td>
<td>No</td>
</tr>
</tbody>
</table>

SfC Group Formation and Membership
Formation of SfC groups at the village level follows a standardized model with four basic steps. First, the technical agent contacts the village chief to explain the project objectives and obtain permission. Second, the agent holds a meeting with all the male household heads in the village to introduce SfC and obtain permission from the women’s husbands. The next step is a general assembly with all the women in the village during which the agent provides a detailed explanation of SfC and invites participation. Common problems encountered at this stage are mistrust of the program on the basis of past failed microfinance or development projects and lack of interest since there is no initial financial incentive for women to join SfC. The study found that issues of mistrust were more pronounced in the Sikasso area and in parts of the Kita area that had experienced failed or fraudulent microfinance schemes in the past in which women lost money.

Following the women’s general assembly, the agent establishes a list of initial participants to institute a formal SfC group. In each formal group the technical agent identifies a volunteer replicating agent who receives training to form other groups in the village. In many villages, agents reported that it is common to find older women joining SfC groups more readily at the beginning and younger women tend to wait longer to see the effects of the program before joining. In addition, more wealthy or prominent women leaders tend to join earlier and acquire leadership positions within SfC. For example, in Bougoula, the SfC president is a 33 year-old woman who is married to one of the wealthiest community members. She owns cattle and sells seed stock to other women in the community for profit.
Participation in SfC groups is largely limited to married or widowed women due to their geographic stability. An SfC member in Bougoula noted that accepting unmarried women is a risk for the group because if they marry someone outside of the village they will move away and leave the group. For this reason, married women within the village are considered optimal members. According to participants, “Groups are formed by affinity and there must be trust between them.” Women from the same households tend to join groups together. Each SfC group in the study had multiple members from at least 5-6 common households. A replicating agent cited other qualities that make a good member: “Women have to be active and have good morals. A member must be someone who can put the required weekly amount into savings, who can make it to the meetings, who can participate in decision-making, and who can reimburse their loans.” Social affinity with other members, reliability and good moral standing in the community and ability to adhere to group norms are major indicators of what SfC participants consider a “good member.”

Although there tends to be some reticence on the part of village women at the outset of the program, one of the most effective recruitment tools has been word of mouth, as non-members start to hear about the benefits accrued by SfC members they are connected with through family or friendship ties. The local market is also a main source of information sharing between villages. Khadija, one of the initial members of SfC in Niaradougou, explained that, “We were the first group to form in the village; at first, we didn’t see why it was interesting, but once we were integrated into the SfC system we saw the value and started telling other women about it.” Khadija originally opted to join because she thought the group would create solidarity in the village and would allow women to be more independent and solve financial problems themselves.

Although the majority of groups comprise married adult women, there are exceptions to this model. In Kita, for instance, the Tonus coordinator reported that there are groups of young women saving for their wedding trousseau, two groups of mixed gender youth ages 5-12, and a group of schoolteachers in Maromara with a total of 90,000 CFA in their fund. Further research on these groups would be beneficial for extending the model to additional target groups in future expansion activities. There are no mixed gender groups of adults. An agent in Sikasso explained that the presence of men would constrain women’s ability to participate and express themselves freely and men may tend to dominate meetings. He stated that, “When there’s a man around women don’t talk. This is a masculine weight that silences women.”

Spontaneous men’s groups exist in some areas as offshoots of women’s groups. The presence of men’s groups was confirmed in Kati (one group of 30 members) and Kita (two groups in Sebekoro and Maromara) by the NGO coordinators. The collective objectives of the men’s groups in Kita are to purchase a bull for the Tabaski holiday and to purchase pesticides. None of the sites visited in the study had active men’s groups but men expressed interest in forming SfC groups in Bougoula during the community interview. The male agent in Bougoula was skeptical about the potential success, explaining that, “women are better-organized and more trustworthy when it come to
money. The guardian of the community chest and the keys can’t be from the same household, so the savings are safe. But if men were doing it, someone might break into the lockbox in a time of need.” In the Sikasso area the GRAADECOM coordinator explained that they have started integrating men’s group but they generally don’t function very well because men want to benefit from the formal training program rather than create spontaneous groups but the NGO priority is working with women.

Group Demographics
All groups in the study were mixed in terms of age and wealth stratification. In general older and wealthier women tend to join the first formal groups in a village and serve in leadership positions. Wealthier women and women from polygamous families also tend to have more free time to engage in activities outside the household. For polygamous families, this is a result of the division of household labor between wives. In Bankassikoto, the technical agent explained that first and second wives from polygamous households started in the same group and she later separated them into two groups to avoid interpersonal conflict. This dynamic was not observed in other villages in the study.

As mentioned in the community section, family groups in Malian society are stratified by caste designations that include nobility, artisan groups, and ex-slaves. In common usage in French, the term “caste” is used in Mali to refer to a member of particular group, such as a blacksmith, tanner, potter, or praise-singer (griot). These artisanal caste groups are locally identifiable by their family names. Historically these groups did not intermarry with noble families and this is still true in many areas of Mali today. In the past caste families did not own farmland or practice agriculture (although this is no longer true today) and were supported by noble families in exchange for specialized labor and performances. The influence of caste on SfC membership is mixed and merits further research. Most groups had women from artisanal families integrated into the group and in some cases women griots are powerful members since their traditional status allows them to act as village spokeswomen and voice opinions of the group. The CAEB coordinator in Bougouni stated that, “There are no real problems with marginalized groups. Everyone intermarries here and we have many groups with nobles and castes associating together easily.” However, other data showed that in some villages there are artisanal caste groups concentrated in outlying hamlets are generally not included for logistical reasons due to their distance from villages. In Bankassikoto, the technical agent explained that she prefers to develop SfC groups for non-noble castes apart from the others, and as spontaneous groups. This is based on the availability constraints of artisanal caste families that derive a large percentage of their income from attendance and performance at social ceremonies (baptisms, marriages and funerals). They are highly mobile and travel frequently to other villages for ceremonies, especially in the dry season. This mobility poses a problem for meeting attendance in particular.

Role of husbands in SfC membership and loan reimbursement
Husbands also play an important role in determining membership patterns of village women in SfC. Women in Kalifabougou explained that they must ask their husband’s permission before joining the savings group. This trend was common in all the villages
visited and is in fact built into the program structure, since SfC agents first present the program to the men of the village to seek their collective approval before approaching women. In general, men are very supportive of the program and its goals. A member of a spontaneous group in Bankassikoto said that, “Men really appreciate SfC because it also gives them the opportunity to get credit through their wives who are members. Some men appreciate it more than the women.”

Husbands of members also assist members with loan reimbursement under certain conditions, such as sickness or business failure, that disable a member from repaying her debt. This was a general observation in all four villages. During a household interview in Kalifabougou, an SfC member in an average-income household stated that she doubted her ability to repay her loan and expected her husband to cover the difference. Her husband was present at the interview and agreed that he would be responsible for covering her shortfall when the loan comes due. Besides members’ husbands, there were cases in which other male family members, such as the husband’s older brother, provided assistance for loan repayment (Bankassikoto).

**Leadership and Decision-making**

Good leadership is critical in the success of SfC groups. The Tonus agent in Kita emphasized that, “A good president who is well chosen, respected and motivated means success in 90% of cases. If there is not good leadership, things don’t work.” There are four main leadership positions in SfC groups, according to the standard model: president, secretary, treasurer, and key guardian. Groups tend to choose the oldest woman in the group as president since elders are greatly respected as leaders. In some cases, when the oldest woman in the group is not capable of effectively assuming leadership duties, agents have encouraged groups to designate her as the honorary president and elect a more capable, articulate and dynamic younger woman as the acting president. Groups with a literate member have a treasurer that keeps track of loans in a notebook. Since the beginning of the oral accounting system, this position is less important since there is a collective responsibility for accounting in the group as a whole. However, this person is responsible for handling cash during group meetings. The box keeper is responsible for keeping the community chest and the key guardian holds the key separately from the chest. The box keeper and key guardian cannot be from the same household for security reasons. Some groups also have a rule-keeper who has responsibility for rule enforcement and imposing fines set by the group in cases of non-compliance.

In the villages studied, leadership positions have tended to remain constant for the life of the group. While the division of funds generally presents an opportunity to change leadership positions at the start of a new cycle, this rarely occurs. Group presidents are generally wealthier women in the community, some of whom lend private resources (money or grain) to women in the village (as in the case of Bougoula). This raises the question of group domination by village elites over time. Instituting a mandatory leadership rotation once every year or two years would be an effective way to ensure that SfC leadership positions are not dominated by elite members of community that have higher economic or social status in the village. This would ensure a more democratic...
rotation of leadership and increase the capacity-building component of the program in general.

**SfC Group Regulations**

Each SfC group agrees upon its internal regulations that are repeated at the start of each meeting as a reminder and means of enforcement. Meetings are scheduled on a weekly basis for approximately one to two hours in the morning and participants reported that the time devoted to meetings does not interfere significantly with their domestic or agricultural workload. Table 3 below summarizes the basic regulations of groups studied.

**Table 3: SfC Group Regulations and Goals**

<table>
<thead>
<tr>
<th>Village</th>
<th>Type</th>
<th>Amt. per week</th>
<th>Int. %</th>
<th>Max. length of loan permitted by group (mos.)</th>
<th>Late payment fine</th>
<th>Absence fine</th>
<th>Tardy fine</th>
<th>Cases of late payment</th>
<th>Group Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalifabougou</td>
<td>Formal</td>
<td>100</td>
<td>10</td>
<td>1</td>
<td>50/day</td>
<td>50</td>
<td>25</td>
<td>yes</td>
<td>Divide funds</td>
</tr>
<tr>
<td></td>
<td>Replicated</td>
<td>100</td>
<td>10</td>
<td>1</td>
<td>50/day</td>
<td>50</td>
<td>25</td>
<td>yes</td>
<td>Divide funds</td>
</tr>
<tr>
<td></td>
<td>Spontaneous</td>
<td>100</td>
<td>10</td>
<td>1</td>
<td>50/day</td>
<td>50</td>
<td>25</td>
<td>yes</td>
<td>Divide funds</td>
</tr>
<tr>
<td>Bankassikoto</td>
<td>Formal</td>
<td>100</td>
<td>10</td>
<td>1-2</td>
<td>50/day</td>
<td>50</td>
<td>25</td>
<td>no</td>
<td>Divide funds</td>
</tr>
<tr>
<td></td>
<td>Replicated</td>
<td>100</td>
<td>10</td>
<td>1</td>
<td>50/day</td>
<td>100</td>
<td>50</td>
<td>yes</td>
<td>Divide funds</td>
</tr>
<tr>
<td></td>
<td>Spontaneous</td>
<td>100</td>
<td>10</td>
<td>1</td>
<td>100/day</td>
<td>50</td>
<td>25</td>
<td>no</td>
<td>Divide funds</td>
</tr>
<tr>
<td>Bougoula</td>
<td>Formal</td>
<td>100</td>
<td>10</td>
<td>1</td>
<td>250/week</td>
<td>50</td>
<td>50</td>
<td>no</td>
<td>Plow /oxen</td>
</tr>
<tr>
<td></td>
<td>Replicated</td>
<td>100</td>
<td>10</td>
<td>1</td>
<td>250/week</td>
<td>50</td>
<td>50</td>
<td>no</td>
<td>Plow /oxen</td>
</tr>
<tr>
<td></td>
<td>Spontaneous</td>
<td>100</td>
<td>10</td>
<td>1 or 9</td>
<td>250/week</td>
<td>50</td>
<td>25</td>
<td>no</td>
<td>Plow /oxen</td>
</tr>
<tr>
<td>Niaradougou</td>
<td>Formal</td>
<td>100</td>
<td>5</td>
<td>1</td>
<td>200/week</td>
<td>50</td>
<td>100</td>
<td>no</td>
<td>Mill and maternity</td>
</tr>
<tr>
<td></td>
<td>Replicated</td>
<td>100</td>
<td>10</td>
<td>1</td>
<td>200/week</td>
<td>100</td>
<td>50</td>
<td>no</td>
<td>Mill</td>
</tr>
</tbody>
</table>

Among the groups participating in the study, many similarities were observed in the regulations. All of the groups visited contribute 100 CFA per week and all but one charge 10 percent interest for loans. Loan amounts ranged from 2500 – 25000 CFA in the groups. The typical loan is given for one month maximum but some groups have devised a system of longer-term agricultural loans for the rainy season. This was the case in Bougoula where every member of the group receives a nine-month loan of 11000 CFA at
the beginning of the rainy season and repays it after the harvest. Members invest these loans in agricultural inputs such as seeds, plow rental and hired field labor.

SfC groups generally impose fines on members for infractions such as late payment of loans, unexcused absences, and tardiness at meetings. These fines are set by each individual group and tend to be similar among all groups within a village since they tend to replicate the first model started in the village. Other infractions that incur fines in groups visited in Bankassikoto and Niara Dougou are excessive talking, quarrels and lack of respect for group leaders. Members who join SfC groups that are already in process generally must pay the equivalent total amount that the other members have contributed since the start of the group.

After roughly a year of operation agents encourage SfC groups to divide their collective funds among members and begin the savings process again. A reason for dividing funds given by an agent was that this avoids the problem of accountability for larger amounts of money as the community chest grows over time. Funds are usually divided in public by using a stone marker for each member and distributing money in piles in the presence of all group members. After the division the group begins a new fund and often raises the weekly contribution to a higher amount. Members that opt to terminate their participation before the division are not entitled to ask for their money back. Groups with objectives of making a collective purchase such as a plow or mill plan to continue saving until the financial objective is met. In these cases, funds are not divided among members.

**Distribution of Loans**

In every SfC group a common goal stated by focus group participants is for all members to take loans, however, not all groups have reached this objective. Members who have not taken loans cited fear of inability to reimburse loans and lack of experience with income-generating activities as the main reasons. Decision-making processes about who receives a loan are generally based on the priority of need and likelihood of repayment. Each SfC member has a partner in the group who keeps track of her loans, reminds her how much she owes and speaks for her in case of absence. A member can also bring her partner’s weekly contribution to the group when she is absent.

Some groups have developed rituals for the loan-making process. In Bankassikoto, for instance, when a member wants to take a loan, she puts her headscarf on her lap to announce her intention. The president inquires about the purpose and amount of the loan and the group discusses its feasibility. The president explained that, “We consider a person’s capacity to repay and how profitable the product they propose to sell is. Loans are given to members who respect the rules of the group. Those who respect the rules can easily get loans. The member must explain what she will use the loan for to the group members and how she will pay it back.”

In all groups visited, the highest lending priority is accorded to women with medical or family needs or emergencies. These cases are considered more important than commerce activities and in some groups loans for family needs are given without interest. A member of the Bougoula group stated, “We’ve never refused to give a loan to a member
of the group. We analyze loans in consideration of the member’s standing, the amount requested, and the degree of need. In our group, loans for medical bills, deaths, marriage ceremonies and baptisms are not repaid with interest.”

**SfC Debts and Repayment**

Broadly speaking, it is useful to distinguish between two sorts of credit: credit for productive activities--the profits from which generate the funds to repay the loan and interest; and loans taken for shorter-term consumption of various sorts, including food, medicine, school fees, taxes, life rituals, social expenditures, etc.--where repayment must, of necessity, come from other sources. We find women in SfC groups taking both kinds of loans. Consumption loans are often repaid by borrowing money from someone else. Sometimes a woman will borrow the money from her husband. There are moneylenders in most villagers, but it is unclear if SfC members are borrowing from them to pay off these consumption loans. We do have examples in which debts are being repaid by selling household assets, such as clothing, tools or other items. We observed cases in which one member of an SfC takes out a loan so that another member can pay back her loan, effectively allowing the loan to be rolled over, by paying only interest. Another member planned to repay her SfC loan with her savings after a division of funds that was due to take place. Participation in tontines is also occasionally used as a means of paying off SfC debts.

**Investment strategies**

SfC members use loans on an individual basis for a variety of activities (Table 4). Some of the most frequent activities reported were rental of plow and field labor (especially in Bougoula and Niaradougou), seed purchase, petty commerce (sale of prepared food, grain, condiments, fabric, etc.), school fees, medical expenses and loans for husbands. None of the groups engaged in market gardening due to lack of water sources for irrigation. Another common group activity is buying staple items, such as soap, in bulk and reselling it to group members. In Bougoula, community members have used loans to pay the local teacher’s salary in the community school, which is not paid by the state.

No groups in the study had given formalized collective loans although some members have split their loans with family members at the household level, such as a woman in Bougoula who reported taking a 5000 CFA loans and splitting it with her sister (2500 CFA each). In this case, each woman repaid half the total interest on the loan.

**Table 4: Loan Usage Among Focus Group Participants**

<table>
<thead>
<tr>
<th>Type of activity</th>
<th>No. members</th>
<th>Avg. loan amt.</th>
<th>Avg. loan duration (mos.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan to husband</td>
<td>3</td>
<td>10833</td>
<td>1</td>
</tr>
<tr>
<td>Fabric embroidery (inputs purchased, sale of final product intended)</td>
<td>2</td>
<td>2500</td>
<td>1</td>
</tr>
<tr>
<td>Sale gasoline</td>
<td>1</td>
<td>12500</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>unspecified</td>
<td>1</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>----</td>
<td>-------------</td>
<td>-----</td>
</tr>
<tr>
<td>Livestock purchase</td>
<td>1</td>
<td>unspecified</td>
<td>1</td>
</tr>
<tr>
<td>Grain purchase for resale</td>
<td>2</td>
<td>5000</td>
<td>1</td>
</tr>
<tr>
<td>Plow rental and labor hire</td>
<td>16</td>
<td>6419</td>
<td>9</td>
</tr>
<tr>
<td>Purchase milk</td>
<td>1</td>
<td>unspecified</td>
<td>1</td>
</tr>
<tr>
<td>Seed purchase</td>
<td>16</td>
<td>6281</td>
<td>9</td>
</tr>
<tr>
<td>Food prep and sale at market</td>
<td>6</td>
<td>2083</td>
<td>1</td>
</tr>
<tr>
<td>Medical expenses</td>
<td>3</td>
<td>10000</td>
<td>1</td>
</tr>
<tr>
<td>Repay debt</td>
<td>1</td>
<td>2500</td>
<td>1</td>
</tr>
<tr>
<td>No loan taken</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Social ceremony</td>
<td>5</td>
<td>5500</td>
<td>1</td>
</tr>
<tr>
<td>Sell condiments</td>
<td>3</td>
<td>10833</td>
<td>1</td>
</tr>
<tr>
<td>Sell kola nuts</td>
<td>1</td>
<td>2500</td>
<td>1</td>
</tr>
<tr>
<td>Sell soap</td>
<td>1</td>
<td>2500</td>
<td>1</td>
</tr>
<tr>
<td>Sell salt</td>
<td>1</td>
<td>2500</td>
<td>1</td>
</tr>
<tr>
<td>Buy peanuts for resale</td>
<td>1</td>
<td>2500</td>
<td>1</td>
</tr>
<tr>
<td>School fees</td>
<td>1</td>
<td>2500</td>
<td>1</td>
</tr>
<tr>
<td>Purchase animal feed</td>
<td>1</td>
<td>5000</td>
<td>1</td>
</tr>
<tr>
<td>Unspecified petty commerce</td>
<td>3</td>
<td>5666</td>
<td>1</td>
</tr>
</tbody>
</table>

It is clear that SfC loans have helped women intensify their productive activities. Many of these loans were being used to do petty commerce-- selling chickens, buying sheep, condiments, rice to husk and sell, shea butter to sell when the price rises, and so on. Other loans went into agricultural activities. Women were using loans to buy peanut and rice seed, to buy fertilizers and pesticides for their crops, to grow tobacco and potatoes. Several used their loans to pay for laborers to work in their fields. Most of the SfC groups we interviewed had not been in existence long enough to divide their group funds. In the older groups we asked about share usage. In one group, a woman volunteered that she used her share of the division to pay back debts to friends. In another group, one woman was going to use her share to buy a sheep. Another woman observed that some women save cash in little boxes, folders, or attach it to their cloth skirts, but this money is earning nothing in interest. Most women felt that these savings provided the household with greater security. Another woman stated that if the harvest is poor, the division of funds could help her buy food.

It is clear that people are investing loan funds in education and medical care. In fact, education, and access to medical services were strongly and universally voiced as basic community needs in all four communities. It is not clear, however, if this was an effect of SfC or a pre-existing attitude. In most of the SfC groups, women also invested heavily in social expenses, e.g., weddings, funeral expenses, and naming ceremonies for community members. Such investments, of course, build a group’s social capital, as does participation within SfC groups themselves.
There is strong evidence that SfC opens up investment opportunities for women that would have otherwise been beyond their reach. Many of the investments that women undertake look highly profitable, but our interviews also suggest that profits are rapidly consumed in meeting basic household needs. Although there may be some accumulation of assets, we find little support for women reinvesting their profits to grow their enterprises. It is worth noting, however, that few households are food secure and able to whether shocks. Except for wealthy households, the option of reinvesting profits in an enterprise is not realistic for most women. What is more prevalent is a pattern of repeated loans to do the same transaction and to provide extra income. Clearly the program helps protect consumption from income fluctuations, and cushions households from many of smaller shocks that they regularly face, particularly in health care, but also for unforeseen ritual and ceremonial expenses. When measured against the overall needs--particularly in the area of food security--the loan amounts involved certainly are insufficient to have a major effect. That said, Malian households are composed of extended family sub-units whose assets may vary widely between sub-units. It is at the level of the sub-unit that individual women's access to credit and savings may have a more significant effect on health and well being than at the general household level. In general, the sub-unit level should be better integrated into all monitoring and evaluation systems for the project as well as in shaping future research. Balanced against these findings, we also encountered cases in which desperately poor women took loans out to meet their immediate consumption needs, which in all probability they will have great difficulty repaying.

**Associations of SfC Groups**

A new Oxfam initiative being implemented by partner NGOs is the formation of SfC associations at the commune and prefecture level to connect SfC groups from different villages into a broader network. The long-term plan is to feed these associations into wider SfC networks at the regional and national level.

During the study one area visited has established a commune level association. In Bougouni, the association in Zantiebougou commune comprises 40 SfC groups from 20 villages. Criteria for joining the association are having 15-25 total members in a group and at least six months of experience. Association meetings are once a month and each member group send two representatives to attend. There is a management committee comprised of a president, secretary, treasurer, community chest guardian, and key guardian. Fines are imposed for infractions such as unexcused absence, tardiness and sleeping during meetings (since participants often travel long distances to attend meetings and arrive feeling tired).

The Zantiebougou association created a tontine system in which each group in the association contributes 5000 CFA per month for a total of 200,000 CFA and four groups are randomly selected to receive 50,000 CFA each. This money is deposited in the group’s community chest. Once all groups have had their turn receiving money in the tontine, the association will begin accepting new groups in the area. In this way, the association operates as a ROSCA by rotating funds among member groups. This is a significant different from the model used by SfC.
The CAEB coordinator in Bougouni noted that some of the greatest advantages of being in an association are getting advice from other groups on how to handle internal problems that arise and pooling resources for large-scale objectives. However, he remarked that some groups refuse to join associations due to distrust. “With SfC, women know that they collect the money themselves but they distrust associations because the money leaves their hands.” He has dealt with this issue by bringing women from different groups to visit and observe the association meetings and report back to their groups. When the replicating agent in Bougoula talked to her first group about joining an association, they refused, and she motivated them by paying the tontine fee herself (5000 CFA). By chance, the group won the tontine that week and they were very happy to add 50,000 CFA to their community chest.

There is also a need for associations at the village level to network SfC groups in individual villages. For example, the agent in Niaradougou pointed out that all the groups have a similar goal of getting a village maternity and a mill that would benefit the entire community. She is encouraging the groups to work together and pool their resources to meet these village-level objectives.

**Membership in other village level women’s associations**

In addition to SfC there are other types of village level associations for women that were observed in the study and the majority of SfC participants currently belong to 2-3 groups besides SfC. These can be generally grouped into 4 main types of groups: traditional tontines, labor associations, social associations, and other microfinance associations. The majority of women belong to the first three types, whereas other functioning microfinance associations at the village level besides SfC was virtually non-existent.

Tontines are rotating credit associations that are very common in West Africa. Members contribute the same amount each week and rotate the recipient of the fund. The recipient takes the full amount and may use it to invest in her activities. Repayment with interest is not required but women who benefit from using the funds are expected to continue contributing weekly funds to ensure the continuation of the system for other participants. This system provides a source of capital for women. In Bougoula, for example, all women in SfC groups reported belonging to tontines. They contribute between 100-300 CFA per week to the tontines. The main difference they cited between the tontine and SfC system is that SfC has a permanent source of funds in the community chest, whereas tontines lack a savings component.

Most villages also organize labor-based associations that allow people to recruit collective labor for agricultural work. These associations can be generalized at the village level or separated by sex, in some cases. In Bougoula, the village has a labor association for men and women. For the price of 250 CFA per day, an individual can hire a group of laborers to work in his or her field to accomplish labor-intensive tasks such as preparing the ground for planting, weeding or planting seeds. The money that the field owner contributes in exchange for labor is deposited in a village fund. During the rainy season people can borrow money from the collective fund to meet their needs for purchasing...
fertilizers, seeds, plow equipment, etc. Bankassikoto has a similar organization called Association Badenya that mirrors this system.

The third association type is organized around mutual assistance for social ceremonies, such as weddings, baptisms and funerals. Women in SfC groups in Bougoula and Bankassikoto reported belonging to these type of associations. In Association Teriya (“Friendship”) in Bankassikoto, women contribute cloth pagnes to women for their weddings and baptisms of their children. In Bougoula there is a group that helps young women establish their wedding trousseaux. Young women can take loans for up to three months to buy items they need for their new household and repay them with interest. This is an interesting innovation that demonstrates the usefulness of the SfC model to younger age groups of women.

In Niaradougou, Senufo women reported that in the past they have had other systems to mobilize funds but they did not function as well as SfC. One member said that the savings system makes them feel motivated, commenting that, “Before, after mobilizing resources, everything would stop with the harvest; with SFC we can invest in agriculture for the harvest, but also continue with commercial activities throughout the year.”

**Other Activities Undertaken by SfC Groups**
In certain cases SfC groups are used as platforms for other types of activities at the village level but not to a large extent, especially since the use of SfC as a platform for the formalized activities of other NGOs is currently discouraged by the sponsoring NGOs. Some informal activities mentioned by groups in the study were organizing as a cooperative to collect fruit from trees (in Kalifabougou), and engaging in collective farm labor for members and non-members during the rainy season in exchange for wages that are deposited in the group’s community chest (in Bougoula). In the second case, SfC group members benefit from a preferential labor rate (200 CFA per person per day versus 250 CFA for non-members).

**Malaria education in SfC**
In the third phase of their training, women receive education on malaria and its prevention, a program designed by the consortium partner Freedom from Hunger. SfC members identify increased knowledge about the disease as a key impact of their SfC training, and in all areas we visited interest in malaria education is very great; technical agents say that meeting attendance is at its highest rates during these seven weeks. Our household surveys corroborate information from previous studies that malaria is the major health risk identified by rural populations, and significantly impacts household productivity. Women who had gone through malaria training were able to identify the causes for malaria, and spoke to the importance of nets. However it was not part of the research methodology to investigate changing net use among SfC participants, and this may need to be studied through the impact research in 2009. Nearly every household has had at least one member with malaria in the past year, children are often among those infected, and most households have had a productive member become seriously incapacitated by the disease in that time. In the past year, a majority of households have had to seek medical care because of a household member’s malaria. Most households
have mosquito nets, but not all members use them, nor do they tend to use them with regularity. The general tendency is for pregnant women and new mothers to use mosquito nets to protect their infants and very young children, and for increased use when mosquitoes are more prevalent or the temperatures are low enough that sleeping under nets is not so uncomfortable. There is some evidence that the cost of nets limits their prevalence; one head of household explained that he was able to provide nets for all members of his household only by taking advantage of the local health center’s policy to distribute them free to pregnant women, so that he could redistribute them afterwards. Several households had members who sought traditional medicine for malaria rather than expensive pharmaceuticals.

**Sustainability of SfC**

The issue of sustainability of the SfC program was investigated during the study at the level of the NGOs and local participants and the results were mixed. Surprisingly, in some of the older areas of the project like Kati, where SfC has been active for three years under the supervision of Tonus, there was more emphasis placed on the need to maintain NGO agents in villages to ensure long-term support and program success than in some of the newer program areas. The president of an SfC group in Kalifabougou made the following statement that underlines this point:

> We need Tonus agents here. Everyone agrees on this point. Sometimes there are important misunderstandings about budget management or loan reimbursement that only they can resolve. An outside eye is needed. If there’s a misunderstanding, or people don’t fulfill their obligations, they need someone to come and explain. Most women rely on collecting and selling shea nuts to get income to pay their contribution or loans. This year there were not enough fruits and people didn’t respect the repayment date. This is when someone from the outside is needed for arbitration.

In this case, a strong emphasis was placed on the need for outside arbitration in the event of non-reimbursement of loans or non-payment of weekly contributions. It should also be noted that groups in the Kati area were trained before the current oral accounting system was generalized and still experience some difficulties with the accounting process. A spontaneously formed SfC group in Kalifabougou stated that they don’t have a literate secretary and need help with accounting system, but that they are able to manage on their own by using stones to represent who has paid and who has not.

In general, the group members and women in leadership positions in Kalifabougou felt strongly that they could not keep the group functioning at a high level without occasional outside intervention from NGO agents. This need was further reinforced by the view of the Tonus coordinators and agents who specified that the most successful and highly functioning groups are the ones that completed their training cycle most recently. They observed that group quality tends to decline as more time elapses after the intensive training period that involves frequent contact with Tonus agents.

The research team noted that among all three NGOs in the study, Tonus appeared to be the most focused on the importance of having a constant, long-term presence of agents at
the village level. In contrast, CAEB and GRAADECOM viewed their role more in terms of preparing communities to operate SfC groups on their own without agent intervention. This view also filtered down to the participant level. An SfC member in Niaradougou affirmed that their group could function without the GRAADECOM agent, stating, “We could keep this going if she left today and didn’t return. She comes occasionally now, and it’s helpful, but we could keep going without her.” Similarly, groups trained by CAEB in Bougoumi felt more confident that they could ensure the smooth operation of the program once the agents were no longer involved.

Other Local Forms of Credit and Savings
For the most part there were no other functioning credit or saving programs besides SfC in the villages studied. In Bankassikoto there had been a village caisse, but it no longer functions. There was also a private moneylender in the village who gave loans, but he claimed that SfC put him out of business and no longer provides loans. The institution Nyseigiso established a program in the nearby town of Namala (a market center for Bankassikoto and surrounding villages) but villagers in Bankassikoto reported that it was badly managed and failed terribly because many people defaulted on loans they could not repay. In one extreme example, a community member explained that,

Women took out unreasonable loans, and this even resulted in divorces. A woman took out an enormous loan, her husband had to bail her out, and then she did it again and he had to get her out of an arrest by the gendarmerie [police]. In the end he divorced her. The bad memory of that experience actually led the people of Namala to ban applause [which is used as a cheer to rally saving and lending groups at their meetings]. Now SFC is established in Namala and they applaud at the meetings. The critical difference is that they hold on to the money, that the women are both loaners and loaning. We should applaud loans that are our own.

In Bougoula, there is no other formal lending system outside of SfC. Some people reported getting loans from family members and merchants in the form of money and grain but these type of private loans have decreased since SfC started. This is another area for further research to better document the frequency of outside loans. None of the group members had previously participated in other formal microfinance institutions.

The presence of other MFIs was most developed in the Kita region, where the study visited Bankassikoto village. Although the village did not have any other programs, there are many NGOs involved in microfinance in the greater zone. The coordinator of Tonus in Kita noted that the arrival of SfC presented somewhat of a challenge to other microfinance institutions that believed they had a monopoly in the region. He stated:

When we [Tonus] came around, other microfinance institutions in the villages got scared and came to see me. I said, don’t be scared, here these women are learning to become independent investors, and if this works they’ll be investing with you also and they’ll have funds to repay their loans. In this way they saw that SfC is also working in their favor. Maybe in two or three years women will be able to start going to go to other MFIs, such as Nyseigiso, AMAPEF, Gemini, Stop Sahel and BACR. We don’t discourage participation in other programs and
in fact the presence of other institutions in the region is a great advantage for women who want to further expand their businesses and loan capacity.

Niaradougou in the Sikasso region also had minimal access to other MFIs, with the exception of some branches of Kafo Jiginew in the zone and other MFIs in the urban center of Sikasso, which is considered a lengthy and expensive trip for villagers. Maimouna, an SfC member, said: “I was just waiting for an opportunity to get involved in a savings system. There are no other sources of credit here, not even Kafo Jiginew. There’s nothing here for men at all, but there is in other villages not far from here.”

**Physical Constraints**
Households face a number a physical and environmental constraints. In every region, we visited villages that were subject to periodic droughts. Last year, the rains came late, and yields were seriously affected. As a result, most households went through their stores of grain quickly, and have been forced to purchase food. Cotton specifically suffered from too much rain at the wrong time. Disappointing cotton yields left households in debt, owing the state cotton company, CMDT, money for fertilizers and other inputs taken on credit. Growing cotton has drained the soils of nitrogen, affecting its fertility. As a result, corn cultivation now requires expensive fertilizers.

Among the environmental risks that households face are high incidences of malaria and water-borne diseases. Frequent illnesses not only affect the labor force, but the costs of treatment also drain households of vital resources. Lack of water for domestic use is also a constraint on household productive activities. During the dry season, as traditional wells run dry, many people are forced to go further to find water, and as their neighbors are doing likewise long lines of women waiting to draw water from. Women in Bankassikoto rely on a well located 1 km from the village center. As their household water needs required many trips to meet, women were spending their days hauling water. Women also reported standing in line for water for 2 hours in one village and at least four hours in another, reporting as well constant quarrels and fights over turns.

For some villages accessibility is a real constraint. The further a village is from markets and centers, the higher are transportation costs. This affects both profits for their produce, and the costs of goods they must purchase. Roads and bridges that provide inadequate access to markets also have economic costs. Often this means that villagers cannot take their produce to market, and suffer losses when it rots. Problems of access can
even be life threatening in the case of a medical emergency when treatment in bigger clinics and hospitals is required.

Figure 9: Bridge crossing river near Bankassikoto

**Economic and political constraints**
In addition to physical constraints, households are subject to significant economic and political forces that put their livelihoods at as much risk as any drought or locust plague. Livelihoods are always contingent on local, national, and international market forces. For this reason, prices for both the produce they sell and the goods purchased can abruptly change. As an illustration, the recent sudden jump in the costs of agricultural inputs by nearly 50 percent has placed the costs beyond the reach of many farmers. Uncertain markets raise the risks of production significantly. Mali has been subject to a continuing set of structural adjustment policies and neoliberal reforms felt throughout the economy that has often had serious consequences for the poor (Toussaint 2006; Sears 2007).

**Social constraints**
There are many social constraints on women in the households we interviewed. While many women in these villages are savvy market buyers and sellers in local markets, illiteracy and limited education prevent them from engaging in many sorts of enterprises that require skills such as keeping books. Similarly, their economic activities are limited by the social position they hold within households: older married women generally have greater social capital and access to labor and resources than unmarried women and widows, and may be able to take more risks as a result. For SfC members these differences translate into different capacities to save and/or replay loans. Poorer members of SfCs report that they are afraid to take loans because of the risks involved, and they only use the SfCs as a means of savings.

**Social Networks and Social Capital**
At the same time, there is good evidence that SfC groups are extending women's social networks. We found that groups are often formed at community meetings and do not necessarily reflect existing close relations. Groups often contain members from different ethnic groups, artisanal castes, and noble lineages. We did find that many groups contain two or three members from the same household. Because SfC groups are comprised for the most part of women who have married into the village, each woman brings her own social networks into these groups that extend beyond the village. This is a crucial factor in the rapid spread of informal and spontaneous SfC groups. Women in the SfC focus groups emphasized enthusiastically the solidarity that SfC groups have created among them. One refrain we heard in many variations was that women felt that the other members of the group understood their needs, and they had made friends that they knew that would help them if needed. There is some evidence that suggests that the leadership positions of formal SfC groups tend to be occupied by women from wealthy or influential families. If this is so, SfC at least initially reinforces existing social structures at the community level. It may well be that by championing SfC such women are seen as helping their communities, which perhaps enhances the status of these women within the community.

Within the household, as within the community, money and power are companions. To
the extent that women do not need to depend on their husbands for money, they have more economic freedom. In general, husbands seem to appreciate their wives’ entrepreneurial efforts, and the funds they generate for the household, and seem to be very supportive of SfC.

VI. SfC ADMINISTRATION

Administrative Structure

Relationship of SfC to the Malian government
According to the perceptions of some NGO directors and coordinators (particularly GRAADECOM in Sikasso), the Saving for Change program is currently limited in scope so as not to infringe on restrictions placed by the Malian government on microfinance institutions. As NGO workers understand it, the Malian government prohibits informal microfinance programs, but since SfC brings in no new credit funds and resembles traditional tontine systems, it is allowed. Coordinators of the NGOs who implement SfC acknowledge that inhabiting this legal gray area limits the institutional development of the program. At present, their ambiguous legal status requires NGOs to operate under the continued accord of even the most local government officials, a somewhat tenuous position that restricts their strategies for expansion. Government regulations have also obliged GRAADECOM to adjust the size of their associations so that all groups in an association are part of the same commune. Although this partner was the only one to lay out the relationship between government and SfC in this way, two other coordinators also suggested that SfC was trying to work “under the radar” for as long as possible before it was so large that it would be required to gain official authorization from the Ministry of Finance. We highlight this situation as a potentially important area for further clarification, and expect that follow-up interviews with the Stromme Foundation in forthcoming research will elucidate the political backdrop of NGO relationships to the Malian state.

Relation between TU, consortium and NGOs
Oversight for the SfC program comes from a consortium of four organizations: the Stromme Foundation, Oxfam, Freedom From Hunger, and Plan Mali. Each of the four consortium members has a different role: Oxfam developed the overall concept for SfC and introduced the project to Stromme, who assisted in the selection of the initial partners and agreed to underwrite 80% of its funding in West Africa. Oxfam’s Community Finance Department has regularly assessed SfC, designed the oral record-keeping system, and carried out the 2005 and 2006 evaluations of SfC in Mali. Freedom from Hunger has participated in improving the methodology, and has collaborated with Oxfam in designing the training curriculum for group formation, replication and malaria protection. Plan Mali, part of the consortium since September of 2007, has provided funding for one of its program units and on-site technical support.

Oxfam has also taken the lead role in securing the Gates grant and developing the three-year expansion plan for SfC. This plan will see the expansion of SfC from 95,000 women
to close to 350,000 over the next three years, making this one of the largest microfinance initiatives in Africa, and the only one reaching poor women at this scale.

The Technical Unit (TU) acts as the interface between the consortium of support and funding organizations and the local NGOs that work directly with the women’s groups. Members of the TU conceive of their position primarily in terms of relaying information between the top and bottom of the administrative structure: passing down the strategies and SfC models from the consortium to the NGOs, and assimilating data and feedback from the groups and NGOs to provide to the consortium. With Oxfam support, the Technical Unit identifies and trains NGOs to work with women’s groups, including regional coordinators and technical agents from all program regions. In addition, the TU also facilitates the collection of MIS data and synthesis of findings.

The NGOs that implement SfC programs are generally involved in a wide range of development activities, among which SfC is a significant component. Coordinators of SfC programs within the NGOs, however, are responsible only for SfC activities. The first two NGOs selected to implement the SfC program were TONUS and CAEB; recent expansion has brought in GRAADECOM, Jeunesse et Développement, and Stop Sahel. An SfC team consists in theory of a coordinator and 10 animators, although in practice there is considerable variation on this model.

Region selection (by TU/consortium)
The SfC model depends on the capacity for replication. Expansion has therefore avoided the northernmost regions of Mali, where inaccessibility and low population density would make the replication rates necessary for demonstrable progress within a given timeframe logistically impossible. In contrast, the Segou region has been selected as a site for expansion in large part because of its accessibility, despite its distance from Bamako. The Kayes region was selected early on as a potential region for SfC, but funds were initially insufficient.

The other key criterion for selection of new regions is local need. Segou was not included in original plans because CARE International has been overseeing another microfinance program in the region. However, because significant differences exist between the CARE and SfC model and the scale of implementation, it is believed that an SfC presence in the Segou region might contribute a useful service not currently met by existing microfinance options.

TU perceptions of greatest constraints
Among the members of the technical unit, limitations on human and financial resources are seen as a significant constraint on their capacity to effectively oversee the program. As the program has expanded geographically, the ability to maintain the same quality and frequency of visits has been compromised. The team has only one vehicle for its three members, who have to wait for one member to return before another can conduct site visits. Kayes, located 638 kilometers from their office in Bamako, poses particular difficulties.
Consistent with NGO coordinators and technical agents, members of the TU tend to identify limitations and problems with the current SfC model in terms of the capacity of women in the groups rather than in terms of the structure of the model. Women are often slow to understand the value and effectiveness of the system, and to distinguish its particular advantages from the traditional tontine. This could also reflect insufficiencies or poor execution on the part of some agents in presenting the program.

The TU also notes that some of the most pressing needs of women are not being met by SfC, according to both the women’s own assessments and their own. Foremost among these are literacy and nutrition information, such as proper care and feeding practices for children suffering from malnutrition or diarrheal diseases. Women in all groups studied made adamant requests for more health information and access to literacy training. Information sessions on malaria prevention are extremely popular at the village level and women requested expanded access to other health information.

**NGO Structures**

This study included site visits to the coordinators and village sites of three organizations in four areas: Tonus in Kati and Kita; CAEB in Bougouni; and GRAADECOM in Sikasso. This section provides general background information about each of the three NGOs and their administrative structures.

**Tonus**

Tonus began in Kati, where it was one of the first sites for SfC. The organization has focused on literacy, training and the promotion of women, with SfC serving as one of several components toward these goals. Other programs, funded separately, include integrated rural development programs and village-specific financial and organizational trainings for women. Tonus has two equal teams for SfC in Kati composed of a coordinator and nine training agents each.

At present, the SfC program covers 11 of the 33 communes of Kita. The Tonus Kita team has ten animators (six of whom are women) under one coordinator. In this first year of their SfC activities, the focus of Tonus Kita has been on initiating formal groups and identifying replicating agents who have trained 60% of the total groups in the area. The main objective for this year has been for each of the training agents to begin two groups, identify a replicating agent, and help that agent to begin a group herself. The long-term objectives for Tonus are ambitious: developing real female leadership that can powerfully represent the interests of local women, and expanding toward a national and even international network of women’s savings programs.

**CAEB**

CAEB has its headquarters in Bamako and operates in four circles: Kolokani, Banamba, Bougouni and Baraouelli. Initiated in March 2005 in Banamba and Kolokani, CAEB began its activities in Bougouni in March of 2006. At Bougouni, the SfC program exists alongside two others: a program against the practice of excision (a dominant form of female genital mutilation in Mali), and a program on hygiene and cleanliness. More programs have existed at Bougouni in the past but have since lost funding, although they
continue in other circles. Bougouni’s SfC program operates independently of the activities in the other circles, to such a degree that its coordinator was not aware of all of the activities conducted at other circles.

At present, the SfC program covers 14 communes in Bougouni. The CAEB Bougouni team has thirteen agents (two of whom are women) and one coordinator. As the acronym suggests (Advice and Support for Basic Education), CAEB’s stated objectives focus on education in all its forms, for both children and adults. CAEB’s main interest at present is in facilitating the association of existing groups, but in looking toward the longer term, the coordinator envisions expansion through the association system beyond mere saving and loaning to networking women’s knowledge and information as a means of significant empowerment.

GRAADECOM
GRAADECOM is locally based in Sikasso, and is involved in a number of local activities from multiple funding sources: an agro-biodiversity project with French funding; financial management skills for local projects in decentralizing education through Swiss funding; women’s nutrition programs from German and WFP backing; and so on. However, GRAADECOM keeps its SfC activities entirely separate from its many other activities.

GRAADECOM has structured its SfC program after its predecessors, CAEB and TONUS. Both the SfC coordinator and the NGO director explain that this has allowed them to learn from the mistakes and successful practices of the other organizations, indicating a productive horizontal relationship between NGOs as mediated by the technical unit.

Like other NGOs, GRAADECOM’s focus is on creating groups, collecting data about groups, and encouraging groups to associate. Unlike other NGOs, however, GRAADECOM is an emphatically regional organization; its director and founder is Senufo and has a particular interest in the valorization of the Senufo language and people. As he describes it, the underlying objective of the organization is to understand the ways that Senufo values coincidence with their present situation, and whether the Senufo can be brought into modernity without losing their cultural essence.

SfC for GRAADECOM is currently focused on agriculture in the uses women are applying to their loans; this is true for individual and collective loans as well as for the agricultural loans. Related to his concern with reshaping the Senufo mentality, the director’s long-term focus is on transitioning women’s outlooks away from these agricultural models and toward a “commercial mentality.” Because GRAADECOM is younger than the other organizations, plans for evaluating saturation and the timing of association have not yet been well formalized.
Coordinators

Role of coordinators in the SfC system
Coordinators serve as the interface between the NGO directors and the agents in the field. They are also in informal contact with other NGOs in the region, to assure that community needs are met without redundancy. A crucial role of coordinators is to delimit the zone for each technical agent to achieve the mandates for replication established by the TU and consortium; a beginning agent needs enough territory (at least 20 villages) to ensure that he or she does not finish work in the first year. All SfC coordinators meet periodically in Bamako.

Support for technical and replicating agents
All of the program coordinators have previously worked as technical agents. This fact is significant not only to the coordinators but to agents as well, who underscore the fact that their superiors know the job and rigors of being a technical agent well, and compare them favorably to coordinators in other programs. Coordinators for each NGO’s program have a clearly elaborated plan for their site visits, and visit each technical agent at least once every month. Technical agents meet together with the coordinator at the end of each month for technical analysis and support. Technical agents also provide monthly reports to their coordinators, who compile this information and communicate it to the TU. At the end of every three months, the coordinator also sends a descriptive narrative of the SfC situation to the Technical Unit. Coordinators are also obligated to send trimestrial reports to the direction of their respective NGOs. The coordinator for GRAADECOM meets with the five other coordinators of the NGO’s activities once a month to report on the program’s effects and constraints. Coordinators also conduct an annual census of the number of women involved in the SfC program.

Although coordinators are very familiar with the duties of technical agents, they also place a large amount of the burden of improvement on the agents when asked for recommendations. The key to rendering the system more effective is generally described as improving their capacity to communicate and convince communities to participate productively in SfC groups. Coordinators and directors also describe room for improvement in the ability of technical agents to identify what kinds of loan use will work in their region and proper market analysis.

The agent reports are assessed by a number of factors to determine whether a problem exists. Low attendance at group meetings, high abandonment rates, failure to reimburse loans, too little loan activity, insufficient gross in the collective fund, limited group comprehension of the fundamentals of SfC’s functioning, or failure to meet expected benchmarks in terms of number of groups created or replicated, will result in a meeting with the coordinator to determine the best course of remedial action (this established course of action was not directly observed during the study). If the training agent is unable to identify and train successful replicating agents, the coordinator may make a personal visit to the women of a village to explain the importance of getting others involved. Until money has been divided at the end of the first year, indications of low agent performance are difficult to interpret. Many women hesitate to get involved in SfC.
until other women see the direct benefits in dividing up their earnings. Problems in meeting SfC benchmarks are often resolved on their own after the annual distribution of funds when participation greatly increases. But if potential problems persist after the first village disbursement, coordinators indicate that this is generally a sign that the trouble lies with the technical agent.

Formal evaluations of group performance are not the only measure used by coordinators to measure SfC performance. TONUS Kita also asks their animators to identify two women who have experienced a real advantage from the SfC program, and to provide periodic reports on their success as a measure of long-term impacts of membership.

Both the TU and certain NGOs have discussed the possibility of establishing a formal evaluation for replicating agents as well; the process is complicated by the recognition that although the expectations are the same for formal and informal groups, replicating agents can not be judged by the same criteria as are technical agents.

Relation of coordinators to TU and to the consortium
CAEB’s coordinator says that he receives frequent support visits from both the technical unit and from member organizations of the consortium. He emphasizes that although programming objectives are determined from above, his organization maintains partial autonomy from the TU and consortium, with latitude to develop innovative strategies as long as they conform with SfC objectives. The CAEB coordinator and TU members mention specific techniques developed locally for the oral system that were expanded to the larger program (using pebbles or leaves to calculate) as evidence of bottom-up influences within the administrative structure.

SfC program coordinators seem to have stronger links and more accountability to the TU than they do to their own NGO directors. Even in situations where other NGO programming would clearly be relevant to SfC members, related programs are not combined with SfC programs. This directive comes specifically from the consortium organizations, which did not want village women to be overwhelmed with too much information at the outset. GRAADECOM also makes exceptions in its hiring policy because of communication from the TU; SfC is their only program that does not require local hiring. The director of the technical unit explains that this decision was in fact the result of a miscommunication between the NGO and TU; given the readily apparent language and cultural barriers for Bambara agents in a Senufo area, this would seem to be a very significant misunderstanding.

Replication

Technical agents
Replication is emphasized at every level as the key to program success, and indications of effective replication were a central research interest of this study. Technical agents and replicating agents indicate that the main vector for spread of the program is the women themselves, who discuss SfC at weddings, deaths, and other ceremonies that bring together social networks that extend beyond the confines of individual villages.
Best practices in maximizing quality per cost for replication

In terms of the efforts of technical agents, the most important factor in maximizing quality per cost (in time and money) is **timing**. Much effort can be avoided through careful research and emphasis at the outset, and much effort can be wasted if reluctant women are pressured to form groups prematurely. Key lessons in timing from the women’s groups, technical and replicating agents can be summarized as follows:

1. A strong, targeted and comprehensive effort in the critical early period of contact with a village can facilitate the speed and quality of saturation tremendously. An agent in Bankassikoto identified her ability to convince the village chief of the value of SfC during her first general assembly as the key determinant of her remarkable success in the village. As she says, it is absolutely essential in these initial assemblies that both men and women (who need their husbands’ permission) be persuaded, and this is greatly facilitated by understanding the social dynamics of the village.

2. Real care should be taken from the outset to instill in women an early sense of capacity and independence. The most successful women’s groups gave a mixed response about whether agents’ continued visits to groups are having diminishing returns over time in terms of the cost-quality trade-off; women said they felt independent but appreciated the support. To them, the continued presence of the animators and agents was not necessary, but it provided valuable help. These groups stood in stark contrast to the groups in the least successful village, Kalifabougou, where women do not feel capable of mediating their internal disputes and feel continuously dependent on the animator. Failing to instill a sense of autonomy and capability can be very costly to the program.

   It should be noted in this regard that the training agents and the groups they form do not always present the same narrative of their sense of dependency or autonomy. Technical and replicating agents may describe groups as having considerable resistance to formation and later to association, whereas the revisionist narrative constructed by the groups themselves often erases their initial uncertainties. Our sense is that the agents’ account is closer to the truth, and that the revisionist account is an encouraging sign of the groups’ present sense of solidarity and ability projected onto a less confident past. But there are also signs that agents in some cases come to feel themselves to be essential to the group’s proper functioning, and may thus be contributing, directly or indirectly, to the expensive and ineffective dependencies seen in the least successful villages.

3. Agents consistently identified the selection of a good president for the group, who is well respected and motivated, as a key factor for success.

4. Groups of more vulnerable women are often highly resistant to joining a new microfinance system until they see demonstrable and positive effects among their peers. Both technical and replicating agents describe the tremendous effort and difficulty they experienced in trying to form groups before the first disbursement of funds, and contrast this with the attitude in the village after the first disbursement when those women who resisted actively seek them out to become members. Agents would do well to invest their
energies in replication at the period of least resistance, even if this means a slight adjustment to the time frame imposed from above on their rates of replication. This is particularly true for the work of replicating agents, whose time is precious and uncompensated.

**Differences in quality of formal and informal groups**

All of the information we received, from discussions with groups, agents and coordinators, indicates that there is very little difference in quality between informal and formal groups. However, there is considerable evidence that groups formed by replicating agents are perceived to be less fully trained than those formed by technical agents. This perception persists even though coordinators and the Technical Unit members maintain that their own internal studies have shown no statistical difference in the performance of the two groups. This may be related to the fact that the involvement of an outside party lends more status to the group and creates a perception of higher level training for participants than they would receive from a member of their immediate community.

Coordinators stress that the success of groups depends not so much on whether a technical or replicating agent trains them, but rather upon the attitude, cohesion and initiative of the constituent members. A TONUS agent also emphasized that the most successful groups, regardless of who trained them, have had experience in the past with other microfinance institutions. Their anecdotes of informal groups that surpass their formal counterparts are consistent with our own field observations. Nevertheless, some coordinators and technical agents suggested that informal groups may be slower to understand the savings model in the initial months of the program.

**Differences in the composition of formal and informal groups**

It should be noted at the outset that the definition of formal and informal groups is not always clear or uniform, neither from one NGO to the next nor even within a single NGO. “Informal” groups may be receiving technical assistance from technical agents, replicating agents, neither or both. The distinction is usually made within informal groups between those formed by a replicating agent and those formed spontaneously. However, some spontaneous groups may receive nearly the same degree of support from technical agents as do their formal groups, while others are in an intermediate stage awaiting formal help, and still others exist in parallel with the SfC structure but receive no assistance and struggle to master the concepts. One of the key challenges is allowing replicating agents to train new groups without too much interference from the technical agent. A crucial factor is increasing confidence on the part of community members that they are receiving an equivalent level of training from a replicating agent as they would with a technical agent.

As an example of this diversity within the spontaneous groups, one such group in Niaradougou assembled after seeing the success of the first formal groups after the distribution of funds. They approached the technical agent, and since there were several groups that wanted to form, the agent asked them all to wait until the beginning of the next year (the new cycle) when she would help them to form. In the meantime, the group
is holding weekly meetings that the technical agent attends regularly to provide feedback and answer questions. In the same village, another group of much older women is attempting to start their own group based on what they’ve heard and seen of the SfC model, but are failing to understand the basic ideas of loans and accounting. They have not yet approached the technical agent for assistance.

Although the model for group formation is emphatically democratic, cultural and structural factors influence the composition of the first groups formed in the villages. Engaging in a new financial activity involves uncertainty and risk, and those most capable of absorbing risk are generally the first to join Saving for Change. As a general rule, the most vulnerable women in the community require stronger evidence of the viability of the program, and may wait until the first groups have divided their earnings and experienced demonstrable benefits from SfC before joining. Any disparities in quality between formal and informal groups may therefore not be solely attributable to differences in the quality of their training, but also to structural factors influencing their composition.

The technical agents also discussed cultural factors that influence the composition of their earliest groups. Groups are formed by affinity, not by age structure, and yet in many communities respect for elders dictates that the first members of SfC be older women and first wives. In some cases this division is actually enforced by the technical agent; in Bankassikoto we found households whose members had originally been in the same group, but in which second wives were later reassigned to another group by the technical agent. The TU explains this phenomenon in pragmatic terms; since at least one woman has to stay in the compound to watch the children at any given time, not all household members can be in the same group. But the technical agents who are actually enforcing this division emphasize instead the cultural importance of allowing first wives to get involved in the program before the others. This is contrary to the directive that TAs should not influence what community members join SfC groups.

Segregation by caste also appears to be the product of logistical factors, rather than any explicit design. Although several agents emphasized that the degree of intermarriage and integration has made caste a non-issue in SfC groups, we did see evidence that some artisanal caste women may be structurally obligated to join informal and spontaneous groups. Some artisanal caste communities live in hamlets on the outskirts of town, and travel often to attend ceremonies, so that technical agents are not able to find them at regular intervals. Although there are exceptions, some technical agents prefer to develop SfC groups for these caste groups separately from the general population, and support them as spontaneous groups.

**Factors determining high and low performance of technical agents**

Coordinators and the TU place a great degree of emphasis on the strength of technical agents as the determinant of the success of the program, emphasizing the dynamism of the agent and their ability to communicate with, convince, and encourage SfC members and their larger communities. Technical agents receive formal training by the sponsoring NGO that lasts about four months and is completed along with other new agents coming
into the same zone. They do not receive any on-site training in the villages where they are sent to work. Not all agents had any relevant previous experience; technical agents who have had previous work as agents in other capacities say that it is a great advantage.

Agents who are from the areas where they work consider this an advantage in understanding the local milieu. One agent asserted that women make better technical agents than men, especially because the anti-malarial program includes discussions of pregnancy that are not appropriate between men and women. She suggests that even without these sensitive issues, women understand the real situation of SfC members more readily, and are in turn more likely to be heard and respected as peers.

**Salary and motivation for technical agents**

Technical agents have varying salaries and benefits depending on the NGO for whom they work. At TONUS, the initial pay was 80,000 CFA per month. This salary was so low that many people were forced to leave to look for better opportunities and a disproportionate number of those who left were women. The salary at TONUS Kati has since increased to a more competitive 100,000 CFA per month. The upper range of salaries for technical agents is between 125,000 and 140,000 CFA per month, with an additional 25,000 to 35,000 CFA per month for expenses.

Pay is clearly a motivator for technical agents, and it needs to be competitive; this is isolating and difficult work that does not always provide adequate safety, especially for women. That being said, every agent also seems strongly motivated by the clear success and appeal of the program and its capacity to help people, and seems personally moved by stories of women taking charge of their lives and getting by because of SfC. An agent in Bankassikoto worked at the same pay rate as a technical agent for another NGO before coming to TONUS, but prefers her current job because the organization provides better support and she finds the work more personally fulfilling. Although some of the technical agents were from the areas where they worked, status within the communities does not appear to be a motivating factor. Some agents have received in-kind gifts from the community in recognition of their efforts: sweet potatoes harvested from production from an agricultural loan, or a 50-kilogram sack of rice.

**Schedule of work for technical agents**

There is some variation between NGOs in the amount of work each agent does per day. TONUS agents generally visit two villages per day, working for two hours in each village. The CAEB agent with whom we spoke typically visits one village per day, but at the end of the month will visit more, since he has to collect data from groups that have graduated for his monthly reports. Technical agents follow the same program of group formation and training in every NGO we contacted, as outlined below (Table 5).
Table 5: Work Schedule for TAs

<table>
<thead>
<tr>
<th>Site selection</th>
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<tbody>
<tr>
<td>Introduction</td>
</tr>
<tr>
<td>Group training</td>
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</tbody>
</table>

### Training Phases:

#### Phase 1 (3 months): Training phase (Weekly visits)

**Training on savings program**

<table>
<thead>
<tr>
<th>Week</th>
<th>Activity</th>
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<tbody>
<tr>
<td>1</td>
<td>Prepare the group</td>
</tr>
<tr>
<td>2</td>
<td>Organize the group</td>
</tr>
<tr>
<td>3</td>
<td>Establish the group’s internal rules</td>
</tr>
<tr>
<td>4</td>
<td>Discuss attendance and the group’s objectives for savings</td>
</tr>
<tr>
<td>5</td>
<td>Working with the oral system</td>
</tr>
<tr>
<td>6</td>
<td>Discussion of funds and evaluation of loans</td>
</tr>
<tr>
<td>7</td>
<td>Loan conditions</td>
</tr>
<tr>
<td>8</td>
<td>Start loans and discuss distribution</td>
</tr>
</tbody>
</table>

*Evaluation by TA and NGO director after first three months*

#### Phase 2 (3 months): Follow-up phase (Bimonthly visits)

Continuation of savings and loans

*Second evaluation after second three months*

#### Phase 3 (6 months): Maturing phase (Monthly visits)

Continuation of savings and loans

**Training on malaria prevention**

*Evaluation and graduation*

Trimestrial visits for data collection, support and evaluation

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**Site selection:**

The technical agent seeks to diffuse the SfC model as efficiently as possible; to this end, she performs a sort of evaluation of the intervillage social networks in the zone to identify the crucial point of entry that will most rapidly and effectively spread the program throughout her zone to the areas of greatest need. The agent conducts village profiles in the zone and gathers information about existing financial services. The basic criterion for a first village is that there be enough active women to meet the requirements of the expansion program; there must be at least one hundred active women in the village if the agent is to achieve the expected numbers of formal and replicated groups.

Ideally, the technical agent should select dispersed areas to allow replication for maximum coverage; in practice, however, agents often choose villages near the main village (chef-lieu) of the zone, where their housing is generally provided by the village chief. Accessibility is thus a major consideration for agents in selecting the villages of first contact. The absence of village feuds, or other social factors limiting cohesion, is also cited as an important criterion. In most cases, agents adopt a strategy of beginning in the largest villages and working toward the smaller ones.

**Introduction:**
First contact is made with the chief of the village, who arranges for a return visit with the (male) heads of the households. At each of these meetings, the technical agent explains the role and function of SfC and the advantages it may confer on the community. The village chief then convokes a general assembly of all of the women of the village, wherein the agent goes into greater depth about the SfC model. The agent gives the community time to discuss the idea of SfC amongst themselves before returning in subsequent visits to promote it.

The introductory period is emphasized as critical by both agents and women in savings groups. Agents stress the necessity of convincing elders and husbands of the value of SfC early on, and women often talk about the need to hear the message multiple times before they understand the value in SfC. Many communities have developed considerable mistrust of savings systems introduced from without because of negative experiences in the past, and so agents must exhibit patience and perseverance in the early stages of their relationship with communities.

Agents would do well to remember that the audience for their initial groups is larger than the selected women. Many women wait to see how the first groups are doing before approaching the agent for assistance.

*The flow of information within SfC*

Technical agents teach the ideas of SfC primarily through examples, presenting hypothetical cases and leading the group to draw their own conclusions. Pedagogic conversations allow the group to compare directly their present savings systems with the proposed model and understand the advantages of each. At each weekly meeting in the first phase, the group is encouraged to develop its own internal rules and structures as it wishes, but is strongly oriented toward a fairly uniform system. As agents and women describe it, when the group’s decisions deviate from the norm encouraged by the examples of best practice, the agent discusses their point of view with the group until they understand and conform. In effect, although the structure of training is emphatically, even painstakingly, democratic and co-constructed, very little variation in internal rules, frequency of meetings, or loan conditions is observed between groups.

As an example of top-down influence in the groups, several technical agents we spoke with describe the same process of selecting an ideal group leader. Usually, when agents ask the group to select, they will choose the oldest woman, even though the agent can clearly identify another woman in the group who is more effective, capable and dynamic. The agent repeats the real demands of the job several times, and asks whether the candidate he prefers might be a better choice. Eventually, the group understands and shares the agent’s point of view. Similarly, although some groups stated that they had derived their objectives collectively, others said that the objectives were simply given to them by the technical agent.

In other examples, however, it is clear that the structure of SfC allows women to creatively define the function of their groups within the parameters established by the program. Technical agents and coordinators allow flexibility during the most difficult
phase of the agricultural year (*soudure*), permitting groups to either reduce the weekly contribution or to suspend savings activities. During this time, NGO staff members are aware that loans may not always be used for the stated purpose, and may in fact be used for men’s activities, but are willing not to investigate the actual use of SfC funds very closely. Members of the TU and NGO coordinators also point to local creativity in determining which income-generating activities to undertake, and in adapting the oral systems for accounting and group function to local context. These examples are used to underscore that the unique advantage of SfC lies in women’s capacity to know and adapt to local market fluctuations and opportunities better than external directives possibly can. They are also used to demonstrate that ideas from one area can be spread horizontally through the SfC structure to serve as models of best practice for other regions.

**Obstacles to overcome**

In the experience of technical agents, this is a program that speaks for itself, through the positive effect it has on those who are willing to try it out. The principal hurdles for an SfC program to overcome in a village therefore occur in the beginning stages of the agent’s relationship with the village. Resistance comes from several sources: distrust based upon previous negative experiences with microfinance; distrust based upon experience with other organizations; resistance from a few powerfully placed elders; and resistance grounded in other cultural factors. This section will review some of the most salient obstacles to SfC acceptance at the outset of the program.

Every technical agent with whom we spoke mentioned the initial distrust of villagers because of previous negative experiences with microfinance. Even if villagers did not have firsthand experience with unscrupulous lenders, stories of the disastrous effects of easy credit were widespread. Negative experiences were of two types: either an organization or individual, preying upon the naïveté of the community, gathered villagers’ money only to vanish with it, or lent money without explaining the concept of interest and reimbursement, so that people became heavily indebted and were unable to repay their loans. Women that initially hesitate to join groups often state that they first had to overcome fears that the agent would steal their savings.

Distrust of SfC can also be linked to negative experiences with organizations that were not involved with microfinance. In the Sikasso area, the CMDT is the primary organization that has been administering social and economic programs since the 1950s. Their campaigns have brought with them an imposition of Bambara language and culture onto the Senufo. The director of GRAADECOM notes that a tendency toward aloofness among the Senufo when new projects are introduced from without is in part a protective reflex after these earlier experiences. CMDT is also widely resented for the coercive tactics by which it brings in and exploits farmers in the cotton industry.

Accounts from technical and replicating agents about the resistance of a few key elders creating a total impasse for the program highlight the need for early analysis of the social milieu and the payoff of initial efforts to convince powerful village members. In some cases, women who saw value in the SfC program had to supplicate certain village authorities repeatedly before the program could be initiated; more often, the technical
agent has to do the convincing. In one case a technical agent had to spend four months convincing an elder to allow the program in the village; in the end, he relented only after the agent’s husband spoke with him for an entire day. Elders resist for many of the same reasons cited above: efforts to protect their village from outside influence or from predatory schemes, or refusal because the project brings no new money into the village.

Other cultural factors may have local influence in village resistance to SfC. The coordinator of the CAEB program at Bougouni spoke about one Muslim village where the revenue-generating activities of SfC sparked opposition by religious leaders on the grounds that the system of paying back interest violated the Quranic prohibition against usury. The director of GRAADECOM spoke about cultural attitudes toward lending and borrowing among the Senufo, for whom taking loans can be delicate, even shameful, and is generally an exclusively private transaction between lender and borrower. Although we saw no evidence that such cultural practices are having an effect on SfC membership, it might be a factor contributing to the number of groups involved in savings but with low rates of loaning. In the Senufo village of Niaradougou, Sira finds that women are unwilling to give their ages or the number of their children, and has discovered that many have hidden from her their participation in tontines before and even during the SfC program.

Factors TAs attribute to SfC success
Agents consistently emphasize: 1) the program’s transparency at every step, and 2) the fact that money never leaves the hands of the women who save it, as the two characteristics of SfC that lead to its acceptance and distinguish it from all other microfinance programs in Mali. Although negative experiences with credit systems lead to initial hesitation, women are much faster to understand and take advantage of the SfC model if they have had prior experience with tontines, loans or credit. In the Sikasso region, several villages had participated in a government literacy program that gave them training in management and finance; these areas benefited from SfC more rapidly than others.

Until 2006, each of SfC Mali’s groups required at least one literate and numerate woman for book-keeping and note-taking, which in many villages and groups was not available. More importantly, dependence on writing made the process less transparent to non-literate members. The current SfC model therefore utilizes both literate and illiterate systems in parallel, even if many of a group’s members are literate. Agents attribute much of the success of SfC in recent years to the shift to this new model.

Many NGOs have focused on reducing the initial period of mistrust and hesitation when SfC is first introduced. They may bring in women from other areas to attest to the value of SfC in their own communities. A Tonus agent questioned whether reducing this period of feeling out the program and waiting to see its local effects is in the best long-term interest of SfC in creating sustainable groups. In her opinion, the best groups have women join little by little, to be certain that all fully comprehend the system.
**TA perceptions of sustainability**

After the first division of funds, agents generally find that groups do well on their own and are adequately prepared to operate with limited supervision. The clear benefits resulting from the first division of funds create confidence among the participating women, and erase the remaining doubts of those who had hesitated to join earlier. This finding suggests the importance of setting distribution dates within a one year period to maximize program benefits. After the training period, agents conceive of their role primarily as evaluators and data collectors for their reports each trimester, although they do provide technical assistance to active groups.

In the Kita, Bougouni and Sikasso zones, agents say that women are able to contact them in case of emergency between their infrequent visits after the training phase. In the Kati region, however, where women seemed least confident in their ability to function without an agent, the TONUS coordinator asserted that the agent is indeed necessary over the long term to resolve conflicts within the group. He finds that women are not able to gain assistance when they need it between the agent’s evaluating visits.

The current SfC model presents the idea of association, rather than dependence on technical agents, as a means of mediating group-internal conflicts. Agents encourage groups to think about association early in the process, emphasizing the capacity of association to provide peer feedback, disseminate best practices and facilitate information exchange without relying on the NGO structures for assistance.

**TA perceptions of their relationship to SfC staff, coordinators and superiors**

Technical agents who have worked with other agencies find that having responsibility for running one program rather than several allows them to provide more focused and meaningful support for SfC. Agents report to their coordinators each month, who pass on their information to the NGO office and technical unit. Agents train alongside other agents placed in the same zone, and have regular meetings with the other agents in the zone. When an area approaches saturation, a neighboring agent is often brought in to assume the task of supervision once the local agent has been relocated; agents find that this shift causes very few problems for the groups or the agent.

Agents are constrained to operate within the principles of the program, and work together with their coordinators if a difference of opinion arises. In case of disagreement, the agent invites the coordinator to come to the village. However, by the coordinators’ description, the process of coming to an agreement mirrors the ostensibly democratic relationship between agent and group: the coordinator repeats his position until the agent understands and sees the value in following the coordinator’s prescribed course of action. A Tonus agent in Kalifabougou suggested that the most frequent point of contention between agents and coordinators concerns the evaluation of saturation. If an agent feels personal attachment to a region or becomes personally invested in achieving full saturation, they may be blinded to the NGO’s greater interest in relocating them to expand the program in other areas.

The structure of SfC places heavy burdens of responsibility on technical agents, yet NGOs are not always responsive to their needs and safety. A female agent in the Sikasso
region suffered a miscarriage in her sixth month of pregnancy, but was denied sick leave because her pregnancy was not brought to term, and was instead obliged to return immediately to work in poor physical and emotional health. When she again became pregnant, her doctor advised a two-month rest period. For these two months, GRAADECOM reduced her salary by 40% (40,000 CFA per month), and gave the money to an intern who took over the agent’s duties during this period. The employee felt that this was unfair, since the intern was already receiving 35,000 CFA/month as well as room and board in her house. In addition, GRAADECOM expected the employee to sign a receipt for her normal salary (100,000 CFA/month), which she refused to do. She explained that this incident was very discouraging for her, and for the two other female technical agents working at GRAADECOM. She feels that the agency is supportive when personnel are healthy, but neglect their agents when they are ill or facing difficulties.

**Replicating Agents**

As technical agents develop their relationships with SfC groups, they watch for highly participant women with strong leadership skills. Agents assert that the women they approach to become replicating agents are not necessarily the most wealthy or educated, just the most motivated and capable of expressing themselves. The women that are selected are generally literate, however. The adjective most often used to refer to replicating agents is “dynamic.”

Technical agents describe a process for training replicating agents: replicating agents observe, repeat the same material in their own groups, and the technical agent evaluates their performance and gives them feedback. In Bankassikoto, the technical agent takes time before or after regular spontaneous group meetings to explain the group’s operation, and the replicating agent listens carefully and begins to replicate these trainings three months after her group’s formation. Tonus Kita is planning a more formal training for all 120 replicating agents (10 agents in 12 zones), divided up into three centers of 40 trainees each. Technical agents admire and appreciate the replicating agents, praising their courage and devotion to the program.

**Group training**

Replicating agents perceive their role to be no different from that of technical agents, and model their techniques as closely as possible on the work of the professional agents. There is very little evidence that replicating agents are changing the SfC methodology or adapting it to their personal style. Although most replicating agents assert that they train their groups using the same democratic and interactive model as technical agents, allowing women of the groups to themselves determine the internal rules and decisions, some groups formed by replicating agents are more dependent on the replicators to make decisions than groups we spoke with that had been formally formed. Tellingly, the failed group we spoke with in Kalifabougou had been formed by a replicating agent, and did not feel that they were able to make their own decisions without her. In Bougoula, where groups feel that they can function very well without their agents, Korotoumou continues to attend the meetings and help to keep records for the replicated groups.
However, she does so in parallel with the oral system, as a supplement rather than an essential service on which the groups depend.

Statements from both formal and replicated groups assert that there is no difference in the quality or composition of the groups. Nevertheless, because replicated groups are generally composed of women who hesitated to join formal groups under the supervision of the technical agents, among the villages where we collected data there were often clear differences in age and social standing between formal and informal groups. In Bankassikoto, the women in the replicated groups were noticeably younger than those in the formal groups, and more of them were second wives.

Experiences of an SfC replicating agent

Kadia heard about SfC from Mariam, the former technical agent, when she first assembled the women of the village two years ago. Like many other women in the village, she didn’t understand how a project would help the community if it wasn’t bringing in any money from the outside. Mariam had to come back a second time, and then a third, before Kadia understood the value of SfC. She remembers clearly the moment when she realized that this was an opportunity for women to exchange and develop their own competence. This system might not bring in any money, but it also didn’t take money out. So Kadia thought about it, and said to herself that this new way of thinking about credit might work.

Kadia joined the group Yeredon (“know thyself”). She became its secretary, since she can read and write. She explains her eventual decision to become a replicating agent in Bambara: *ni ya me tomou ná, a lamini de ko do* (If you see a group of trees, it’s not the single tree that matters, but the whole forest. A group doesn’t exist without a leader; a leader can’t exist without a group).

Kadia felt that to stay in her group alone, and not do anything for the village, would be to fail to see the forest for the trees. Mariam didn’t actually tell Kadia to become a replicating agent, but it was indirectly indicated that she should follow her example. Kadia has since created three groups, without financial support from CAEB or from the women she has brought together. She notes that although she receives no direct assistance from the women, she accrues social capital through her actions; as she puts it, if she were ever in trouble she would have their assistance. She is genuinely motivated by a desire to link up the activities of all the women to maximize the benefits for the village. This same desire for a networked community with shared goals also led her to become president of the zone’s association of SfC groups.

The first group was very difficult to form, because people didn’t see much value in SfC and resisted her encouragements. She visited each one of the potential members at least ten times, trying to convince them “to join the larger family”. By the time the second and third groups formed, however, people already had evidence of the benefits of the program, and women came to her for help in forming groups themselves. Although there was no formal training, Kadia would follow Mariam’s lessons closely, trying to remember her stories and transmit them to her own groups. She continues to get mentorship and feedback from Mamadou, the present technical agent for the village. Kadia admires and calls upon people to become those who dare to defy, who can believe in something despite their doubts about the future. Because of her efforts, practically all of the active women in her village are now members of SfC groups, but she would be very willing to work in other villages in the future.
Motivation
Although their work may be conceived of as identical to that of technical agents, the motivations of replicating agents are in principle tied not to salaries but to the good of their communities. In practice, they are also tied to their personal social networks and social capital. Technical and replicating agents assert that while replicating agents may occasionally receive payment in kind or cash from the groups they assist, this is an acknowledgment of their service and not enough to provide real financial motivation. In Bankassikoto, for example, women in her groups set aside 25 CFA per month for their agent, as decided by the group without her encouragement. The group has also discussed taking a part of the profits aside for her at the moment when funds are distributed.

Replicating agents may gain some social capital for their work, but they may also risk censure and resistance. Although we saw no evidence that serving as a replicating agent creates conflicts or tension for a woman in her original group, women did suggest that they were more receptive to information from the technical agents as trained professionals than they were from their peers when they became replicating agents. The coordinator at GRAADECOM suggested that becoming a replicating agent can cause domestic problems for women, and that it is therefore essential that their husbands support their work. Some men find it inappropriate, or even suspicious, for their wives to be spending so much time visiting within the village rather than attending to their domestic obligations. The actual dynamics of social cost and benefit to women who become replicating agents are an important are for future study.

The evidence is a little unclear, but we received the impression that some replicating agents are taking advantage of their position to demand significant payments from the women in the groups that they have formed. This phenomenon was only found in areas where the technical agent no longer was making frequent visits for evaluation.

Market Saturation

Definition and indicators of saturation
Saturation is presently focused on maximizing the spread of SfC and the best use of technical agents. As soon as there are diminishing returns on the rate of possible replication, the technical agent is relocated. Saturation focuses on the breadth of service; depth (quality and sustainability of groups over time) is maintained through evaluations at each phase of training and through continuous data collection from mature groups after saturation has been achieved.

Oxfam has determined the most accurate indicator of market saturation to be the percentage of SfC membership among eligible (active, married, adult) women. This may well be a good indicator, but in practice there is no way for NGOs to know this percentage based upon the demographic information available to them. Census
information is often outdated or inaccurate, and in any case does not distinguish active or married women. In our conversations with coordinators, we identified considerable limitations in access to even the most basic and essential statistics. Coordinators regularly did not have estimates for the population or number of villages in their zones, or even the precise number of formal, spontaneous and replicated groups. This lack of highly relevant data speaks to a larger limitation on training in obtaining basic census data, computer skills and statistical analysis for coordinators and even the staff of the technical unit, who nevertheless demonstrated remarkable ability and dedication by teaching themselves to use spreadsheet and data analysis software. Saturation is therefore estimated by necessity through much rougher and less scientific means, which vary from zone to zone.

**Saturation data for each zone**

Our study sought to sample a range of saturation levels in the villages where we collected data. Kati (TONUS) has already achieved near-total saturation; Bougouni (CAEB) is at about 80 to 85 percent saturation; Kita (Tonus) is not yet at 50 percent saturation; and Sikasso (GRAADECOM) has the lowest saturation rates (unable to determine exact percentage due to unavailable data). Zones where SfC has been present for more than two years are generally reported to be fully saturated, and even in many zones where SfC is less than two years old, agents report that most villages will be saturated after two or three additional groups have formed. Because they are at different stages, each zone has its own strategy for saturation and evaluation in the short term.

When work began with Tonus Kati, technical agents worked with many groups at once. Tonus Kita has since adopted a new approach, in which the technical agent begins work with a single group in each village. Often, within a few weeks after the original promotion of the program before the assembled villagers, four or five new groups have formed, because the women have spoken about SfC with each other and decided to form groups. Technical agents normally work with only twelve groups a year, and their coordinator places emphasis on taking time to identify the real human resources of each group to select the most competent leaders and eventual replicating agents. Although the new system progresses more slowly, it has been adopted to maximize depth and emphasize the role of spontaneous and replicated groups in achieving full saturation. By June 2009, Kati will begin to send some agents to other regions, while others stay on to continue the work of evaluation and technical assistance for mature groups. This is the same strategy adopted by the older NGOs in Kati and Bougouni. Tonus Kita is hoping to introduce a new capacity-building program that will make the continued presence of agents in saturated areas of particular importance.

As the newest group to form, GRAADECOM has benefited from the experiences of Tonus and CAEB in selecting the size of the zones; earlier organizations had chosen too small an original area, and thus achieved saturation too early. They currently have a three-year plan that requires the formation of at least 120 to 130 groups. As groups mature, agents will stay on to collect data as Oxfam requires, and insert other activities into the SfC framework as the structure of the program evolves and expands.
VII. CONCLUSIONS AND RECOMMENDATIONS

Strengths of the SfC Model
The SfC model is clearly providing an important and much-needed service to the women and communities it impacts. It creates an essential buffer against crises and mitigates short-term fluctuations in income. SfC loans provide women with expanded options for petty commerce, allowing them to take advantage of market opportunities that are relatively low in risk and generate revenue throughout the year. The training system appears very effective in producing groups of women who are empowered to responsibly and effectively make their own economic decisions. It is also clearly reaching women who would not otherwise be able to participate in microfinance.

Because this is an evaluation for potential expansion of the SfC program, one useful way to consider the strengths of the program is to discuss those elements that were present in the villages that we visited that essentially contributed to the success of the program. Foremost among these indicators of SfC success is the motivation of women within the groups. Women must be motivated by social cohesion and shared goals for the groups to operate effectively. The most successful communities seemed to have strong initiative and a sense of collective identity and capacity before the arrival of SfC.

Other elements that enable the SfC model to operate effectively include:
- Women must have the accord and support of their husbands
- Previous experience with tontines makes the SfC model comprehensible and familiar.
- The individual strength, commitment and capacity of technical and replicating agents plays a large role in the success of the program
- Women need to be comfortable with the model and have time to assimilate the concept of the SfC system. The continued success of the program depends on women’s sense that they are in control of their own SfC decisions.
- The groups’ size allows a manageable scale for training and collective decision-making

The administrative system of SfC also appears effective in facilitating both vertical communication (between groups, NGO structures, and the technical unit) and horizontal communication (allowing different NGOs to learn from each others’ experiences, and more recently in facilitating the formation of group associations). It is noteworthy that those elements cited most often by coordinators and the TU as evidence of bottom-up communication are also some of the program’s greatest strengths. To cite a few examples: derivation from the tontine model; the need for transparency; and creative systems for symbolic representation for accounting for non-numerate women. Local feedback can directly impact the model in this way because the administrative structure of SfC allows it to quickly evaluate and respond to the interests of women in the groups.

From groups to agents to coordinators, people at all levels distinguish SfC from other models for its emphasis on women’s decisions and the transparency of the savings
process. The fact that money never leaves the hands of the women in the groups is one of the great strengths of the program. Similarly, the oral system appears very effective both in allowing illiterate women to keep track of their finances and in assuring that the process remain transparent at all levels. Women in SfC groups also attest to an increased role in the community and a greater sense of their own capacity than before the program arrived. A woman’s ability to manage her nuclear sub-unit of the household increases her autonomy and helps the men of the household to manage the larger household economy.

**SfC Economic Impacts**

While there is little doubt that SfC has had economic impacts, specifying and detecting them can be tricky. There are several issues in this regard. First, in comparison to the scale of economic activities of households, the impacts of the small sums involved are hard to detect. Second, these households are very complex, so their impact depends upon how resources are allocated within them, and what degree of control women retain over these funds. This underscores the need to focus future impact studies on household sub-units. Third, while we may know how these monies are invested, we do not know whether these activities are really successful.

In Mali, households which are comprised by patrilineally related men who may have up to four wives, each with respective children means that household may be very large, and the impact of small sums easily swallowed in whole, these ménages, however, consist of sub-units: wives and their respective children. While women share responsibilities for their children with their husbands, the access these semi-independent sub-units have to resources varies, so it is within these that SfC impacts would be most evident. Unfortunately, SfC researchers have not analyzed these sub-units and their complex relation with the larger household. Yet, we do know that women in SfC groups in Mali are using these funds for various purposes ranging from paying for urgent health, to paying school fees, to investment in micro-businesses (Ashe 2005, Wrenn 2005, Khan 2007, Oxfam America and Freedom From Hunger 2008). While these observations are consistent with those seen for other MFI programs (Mahmud 2003), as Sureshbabu (2007:23) notes, “though these are extremely important outcomes, it is important for a woman to be able to start a new business or harvest extra bags of rice, they don’t speak to the impact of these outcomes." The issue remains are these activities successful, and do they add sufficient income for people to see positive changes in their economic situation, access to health services and education, etc. There are some indications that this is happening. Sureshbabu (2007:24) cites data from a 2006 Oxfam study showing that “after joining SfC, both the poorest 25% and the best off 25% have self-reported increases in, the amount of animals sold, garden produce sold, petty trading, firewood and charcoal sold, peanuts and rice harvested."

However, given the many shocks that affect their livelihoods, caution needs to be taken about their significance of their economic impact. Logically, unless households are food secure, profits from these enterprises are likely to be consumed, and not provide the motor that would generate dramatic economic change for poor women. For example, a meta-evaluation of SfC found that in Mali, while the value of animals for the top quartile
increased from $199.74 to $272.26 since joining the SfC program, the poorest quartile of animal assets actually fell from $39.65 to $23.65 (Sureshbabu:25). Research on SfC unfortunately has not paid sufficient attention to the complexities of household livelihoods, and consequently is of only limited usefulness with respect to broader economic impacts. As both Wrenn (2005) and Sureshbabu (2007) have observed what is needed to obtain adequate data on the economic impact of SfC is a livelihood approach.

**SfC Social Impacts**

Researchers have noted that SfC is associated with a range of social impacts. Women are using SfC funds to pay for school fees for their children, and as a result there has been a modest increase school attendance, although boys are still twice as likely to attend school as girls (Sogodogo 2007, Oxfam America and Freedom from Hunger 2008). Likewise, while there is evidence that women are using SfC to address health costs (Sureshbabu 2007), however as yet how significant this impact may be is not well documented. Members claim that SfC has enhanced cooperation, mutual assistance, and solidarity among members and more generally in their communities (Dembele 2007, Khan 2007, Davis 2008), Nelson (2007:28) writes that SfC “members support each other and have developed solidarity and cohesion amongst themselves. She notes that one group has a group field for cultivating groundnuts; another group offers financial aid to those in need in the village, and a third group has taken advantage of a unique leadership opportunity at the village level.” However, as both Duffy-Turnasz (2007) and Sureshbabu (2007) argue such claims need to be evaluated with some caution. Structures often already exist in villages, which build community solidarity, strengthen local governance, and enhance their abilities to solve their own problems. For example, tontines and other village associations also provide a base for solidarity and cooperation, and so solidarity may pre-date the SfC program. This is not to deny that members feel that SfC has increased group solidarity, but rather to underscore that one of SfC defining characteristics is that it builds upon pre-existing networks and social capital, and the solidarity it creates is, in part, a result of their appropriation.

The SfC program appears to empower women, and to have gender impacts. The concept of empowerment, however, needs to be defined. Mahmud (2003) provides a thoughtful critique of microcredit vis-à-vis empowerment. Using the Bangladesh context, she emphasizes that any impact assessment is that it should be based on the lived reality of women, which entails ethnographic fieldwork. The concept of empowerment itself is multidimensional. In this study, empowerment was assessed from “women’s access to choice-enhancing resources.” It cites the difficulties, risks, and choices that comprise the road to women empowerment. Unfortunately, it paints a grim picture of Bangladeshi husbands and family relations. Following Mahmud (2003) and Kabeer (1999) empowerment of women refers to the ability of women both to control assets and to participate in decisions.

As Nelson (2007) notes in her summary of qualitative reports, SfC by helping women to engage in petty commerce and other money-making activities not only has allowed them to purchase things they could not afford before, but has enhanced their status within the household as they now contribute more to meeting household expenses. Their husbands,
of course, benefit as well, and their wives now depend on them less for money. These funds and activities would appear to enhance women’s financial independence, and constitute economic empowerment (Khan 2007). While these claims of economic-empowerment would seem to be valid, some caution is in order, on at least two accounts. First, women engaged in petty commerce and other income generating activities prior to SfC, and tontines also funded such activities. Moreover, village women often have usufruct rights to fields, and own animals, and other forms of property. Second, as Wrenn (2005) notes just because women may be key participants in microfinance projects, it would be wrong to assume this automatically leads to their empowerment, (for instance, if funds appropriated by their husbands), and in some instances participation could have negative consequences, such as heavier work loads and increasing domestic violence. While there is little evidence that the latter is true for women in SfC groups in Mali, the former has not been accessed. Although some data on women’s work has been gathered (Duffy-Turnasz 2007, Khan 2007), researchers have yet to look systematically at the gendered division of labor in Mali, or at how SfC enterprises may have changed workloads.

Oxfam’s SfC program, despite many constraints and structural limitations, may be said to be modestly successful. It certainly enjoys enthusiastic support from not only its women members, but also from their husbands, men in the village, as well as village chefs and village authorities (Dembele 2007, Kone and Kone 2007, Sarr 2007, Sogodogo 2007). The acceptance it enjoys, however, is based on its transparency, local control and ownership by these groups. If there is a cautionary lesson here, it is that while village women have embraced this program as their own, this does not automatically mean they would accept attempts to use SfC groups as a platform for other programs, unless they have similar transparency and control over them.

Local Perceptions of SfC Impact

Since the qualitative study primarily designed as an operational study and not as an impact assessment, it is not possible to provide conclusive data on long-term impact of SfC. However, individual and group perceptions of impact at the village and NGO level were taken into consideration during the study and revealed some interesting aspects. One of the most frequently cited benefits of the program is better family health due to the availability of funds for women to seek health care and purchase medicine for family members in case of illness or medical emergencies. Other common benefits claimed by members in the four villages studied were: increased access to food for the family in difficult periods of the year; easier access to credit; ability to afford school fees for children; diversification of commerce activities; ability to speak in front of groups of people, including men, in the village and promote women’s leadership; solidarity and mutual assistance among women; knowledge about malaria prevention; and increased self-confidence.

NGO agents emphasized the transformation they have witnessed in women’s self-confidence and leadership skills due to their participation in SfC. The coordinator of GRAADECOM in Sikasso noted: “At first when we started women were timid and hesitant to talk. Now we see younger women expressing themselves in front of elders
freely. They have gained public speaking skills that they can use in other domains.” A female director of the Kati office of Tonus noticed changes in women’s demeanor and way of managing their lives: “Women listen now; they know how to manage their activities. They are gaining a higher level of respect. Their households are usually cleaner and more organized, and they braid their hair and dress well. When I see a woman carrying herself this way in the village, I know she is a member of SfC and is proud of that.” The director also pointed to the case of a woman in the Kati region who prepare plates of rice and sauce to sell on market days. She began with a 5kg cooking pot and has moved up to a 25kg pot, roughly increasing the volume of her business five times within the past six months.

Members of an SfC group in Bougoula also cited the increased investment in cash crops, such as peanuts, rice and beans. Investment in peanut production has proven the most lucrative. One sack of peanuts sells for approximately 7500 CFA and some women in the group had sold up to ten sacks last year, grossing 75,000 CFA. Women in the group sold an average of five sacks of rice last year at 10,000 CFA (50,000 CFA total) per sack and two sacks of beans at 25,000 CFA per sack (50,000 CFA total). For women who invested in all three commercial crops, this represents up to 125,000 CFA in additional income. This example shows that there has been substantial economic impact for certain participants and that investments have led to an expansion of local economic activities.

The text box on the following page provides personal testimony of SfC members regarding their perceptions of the program’s impact on their lives.

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**What are the impacts of Saving for Change in your community?**

“Women are using money to buy goats, chicken and food. There is no more need to use the community chest. Women have learned about commerce and men now borrow from their fund. Women have also learned about money management and animal husbandry.” —SfC member in Kalifabougou (Kati)

“SfC has given us new hope and a kind of sisterhood. We feel more financially secure with this program because we can take loans to take care of problems in the household. We are more solidly united as women since we formed this group. We have become like one united family. We are also able to give our husbands financial support when they need loans. We have been able to find relief from the lack of food this year because the harvest was not good and too many farmers grew cotton instead of food. With loans we are able to buy some food in this difficult time of the year.”

—SfC group president in Bankassikoto (Kita)

“First of all, the problem of sickness has become easier to deal with thanks to SfC because we can get money to pay for treatment. Many women have now started small commerce activities such as selling soap and condiments. Women in SfC are united, confident and sure of themselves. There is solidarity between us. We are more aware of each other’s problems and can help each other more.”

—SfC member in Bougoula (Bougouni)

“Now there are women who are expressing themselves and giving their point of view. We see many women who are financing their children’s education and paying their health expenses. Now when they borrow the money goes to the real needs of women.”

—SfC member in Kalifabougou (Kati)
Limitations of the SfC Model

Structural constraints for women

Although SfC provides crucial assistance to poor women, it is not in itself capable of reversing poverty. Much of the structure of SfC emphasizes the capacity of poor women to lift themselves out of poverty through their own initiative and knowledge of their markets. When one considers the lived experience of a woman in rural Mali, however, it is readily apparent that initiative alone does not address the structural factors that contribute to rural poverty. In every village we visited, the greatest problem communities faced was the same: a chronic shortage of water. Malians are subjected to an equally chronic shortage of government support, limiting infrastructure and access to health and education. The impact of SfC must be understood as fundamentally constrained by these factors.

SfC also has a number of inherent financial constraints (K. Dembele and Kone 2007, Sogodogo 2007, Bore 2007, M. Dembele 2007, Sarr 2006, Duffy-Tumasz 2006). Because SfC tries to reach the poorest of the poor, weekly quotas are typically set at 100 CFA a week. As a result, group funds grow slowly until enough has been accumulated to begin making interest-bearing loans (Nelson 2007; Mumford 2008). Even when SfC savings are sufficient to provide loans that provide interest, ultimately they restrict both savings and the size of loans that can be made (Nelson 2007). In short, SfC is able to reach many of the poorest women, but therefore does not address the scale of credit needed by larger household economies (Wrenn 2008).

The short-term nature of SfC loans, and their relatively high interest rates, place real limitations on the kinds of income-generating activities women may engage in with loan money. Women who cannot absorb risk limit their loan use to activities that are almost certain to generate income; they model their behavior on examples of best practices from the technical and replicating agents, leading to similar loan use within group, despite a nominal emphasis on individual choice. This homogeneity also arises for practical purposes; fixed savings amounts and informally standardized loan amounts simplify record-keeping, but also constrains flexibility in loan amounts, especially higher amounts. Thus, true entrepreneurial innovation is somewhat discouraged by the model, as groups tend to distribute loans for activities that are already proven to be remunerative.
The system of annual distribution of funds gives women access to their savings, but also serves to reduce risk by restraining loans within a manageable size. Although there are good reasons to limit risk in investment and the potential non-repayment of loans, these factors also restrict SfC groups from engaging in projects that might be truly transformative economically.

Women perceive SfC primarily as a buffer against shock, and it has proven very effective in this regard. Loans are therefore not limited to production, but are often for consumption emergencies; these loans are in fact prioritized by the group and in many cases are repaid without interest. Although such loans are an essential component of StC, the long-term sustainability of the model requires that the size and frequency of such loans remain within reasonable limits. Similarly, agents are aware that many loans are taken out for purposes other than those stated in the groups, and a large percentage of these are used for the activities of the men in the household. It is generally viewed as a member’s prerogative to allow her husband to use loan funds but it is not a requirement that she disclose this to the group or the agent. These loans are also addressing critical needs of the community. However, in a program whose long-term success depends in large part on the motivation of each woman to repay her debt, it is not evident that men will feel the same pressures as actual members, who seem to be largely motivated by the fear of social censure and a sense of real accountability to the SfC group.

Our study found no evidence that men are not repaying loans indirectly received through SfC; in fact, men often step in to prevent women from defaulting on their SfC loans. In allowing for a certain degree of uncertainty in their control of the use of loans, however, agents lose valuable data for evaluation of the program’s success and long-term sustainability. More data needs to be collected on the subject, but it would be of tremendous interest to understand how earnings from activities funded by SfC loans are used. Our sense is that profits are almost always used in household consumption rather than reinvestment, further limiting the degree to which SfC can demonstrate truly significant impact on household economies.

**Limitations in reaching the poorest women**

Structural factors also limit the capacity of SfC to achieve one of its central operational objectives: the provision of a savings model to the very poorest and most disadvantaged members of the community. The model’s conception of replication and saturation derives from the assumption that if most eligible villagers are members, the poorest people in a village will also have been reached. This assumption deserves a closer look at three levels.

Firstly, because SfC groups form by affinity and information about SfC spreads through social networks, it seems likely that those with the least social capital are precisely those least likely to become members. It also seems likely that there be considerable overlap between the women with the least social and the least economic capital. Populations whose income is so tiny or irregular that they cannot participate are also effectively excluded. Young unmarried women also tend to be excluded (Duffy-Tumasz 2007) probably because they also have limited access to resources, and will marry out of the
village. If all but a few women are reached, these excluded women may indeed be the poorest and most vulnerable members. Previous studies may not have identified these populations because they have been focused at the level of the household. Since women may live in very poor sub-households of relatively comfortable households, they would not be visible through this level of analysis.

Secondly, some evidence from our research indicates that the structure of SfC may tend to produce groups of poorer quality for the poorest women, although this possibility requires further study and quantitative verification. In our small sample, we found: villages where the first wives form groups separately from the second wives (by the express design of the animator); hamlets of the caste groups that are left to form spontaneous groups for logistical reasons; villages where old women, who didn't join at first, are now trying to mimic the SfC system together but are failing to understand the basic accounting practices. If disparities in quality indeed exist for the poorest women, membership alone may not in itself be an adequate indicator of success.

One might also reasonably ask whether SfC could exacerbate social stratification over time. SfC provides important opportunities for second wives as well as first wives, for poorer women as well as women who are relatively well-off, and is no doubt helpful to all women except the very poorest. The question that merits further research is whether those in stronger groups with better support, greater chance for association, larger weekly quotas and larger funds are rising faster than others; that is, whether SfC might accelerate or minimize economic disparities between village women over time.

Thirdly, it is not clear from our observations that the very poorest members of society are always best served by membership in SfC. Our interviews with members of the very poorest households indicate very compellingly that for those who are truly at the very margins of society, the weekly contribution to savings groups is a major expense, and the social pressures to take out loans virtually guarantee non-repayment when women are not in a position to undertake income-generating activities with these funds. One alternative would be to form separate groups for the poorest segments of the population with smaller savings requirements.

**Structural limitations of the administrative structure**

Because SfC is not formally recognized as a microfinance organization by the Malian government, it is limited in its ability to replicate. A more fundamental concern for the administrative structure of the SfC program is the pressure it places upon technical agents. TAs are correctly identified as the most essential component of the program, serving as the true interface between the villagers and the administrative structure. The program’s sustainability depends upon the recruitment and retention of appropriate and qualified agents. Nevertheless, agents are not always treated well by their NGOs, the gendered relationship between female agents and their male supervisors bears further scrutiny, and TAs and members of the TU affirm that overextended agents are often obliged to reduce the quality of their visits.
**Cultural constraints on SfC effectiveness**

Women express a tremendous amount of empowerment and pride in their accomplishments as a result of SfC activities, and men in the communities also appreciate the contribution SfC has made. When both men and women describe the benefits of SfC, however, they do so in ways that do not challenge the inherent cultural limitations placed on the size of women’s economies within the household. Men see SfC as allowing women to meet their responsibilities to their nuclear subunit without drawing down on the resources men provide to the main household economy. Women therefore use their savings primarily to provide for their children during the part of the year when the larger agricultural production has been exhausted, to pay their educational fees, to buy condiments for preparing food, and other expenses related to the sub-unit. Women are obligated to prioritize the well-being of their children, and thus tend to put their profits back into consumption. If the scale of SfC were to increase to the point that women’s economic activities actually rivaled those of their husbands, it is not clear that the general approval of the model would persist. This is an issue that should be closely followed in subsequent studies.

**Recommendations**

- **Maintain the transparent structure of SfC and consider rotating leadership positions**
  The success of this program has depended upon the transparency of the savings process at every level. As SfC evolves and develops, it is essential that this characteristic be retained. In order to effectively share power among women in SfC groups and ensure representation from different groups in the village, a system of re-electing a new SfC president after a set time interval could be a beneficial addition to the current system in which group presidents tend to remain the same from year to year.

- **Recommendations for possible expansion of SfC activities**
  In talking to SfC groups and agents in the field, it was apparent that the single focus of SfC on promoting savings and lending is key to its present success. Using the group as a platform for a multitude of other activities could pose a real threat to its long-term viability by increasing the likelihood of failure in one program area that could ultimately threaten participation and mutual trust at the level of the group and the community. Women must continue to feel that they have ownership of the program, and not that supplementary activities are being imposed on them; additional programs should only be introduced at the request of the groups themselves to address local need and interest.

Nevertheless, there are several key areas that emerged as possible directions for future expansion of SfC activities that would enhance or extend the present through partnership with other donors. These are briefly mentioned below.

**Literacy**

Literacy training was requested by all the SfC groups visited. Women in SfC groups are highly motivated to participate in literacy training and have identified the need to obtain training for at least one or two members who could be responsible for written
bookkeeping. The GRAADECOM agent in Sikasso noted that, “Literacy and numeracy is an issue for women in the program. As the loan fund grows, we recognize the need to supplement the oral system and train accountants in basic numeracy and written accounting methods.”

Water
Lack of access to adequate water sources is by far the most critical problem facing the communities participating in the study. Community leaders and members in each of the four sites cited the urgent need to develop more water sources and wells in villages. In Bougoula, women in SfC noted that they would like to initiate vegetable gardening projects with loan money but the lack of water access is the main obstacle for this activity. Bougoula benefited from profitable gardening activities when they village had a working reservoir, which suffered structural damage several years ago and has not been repaired. Women in Bankassikoto also stressed the need for a well with a large diameter to enable market gardening projects.

Road access
Road access is a major constraint in many areas of Mali that severely impedes access to markets and enterprise development. For example, in Bankassikoto, the road that leads out of the village is blocked by the river for a portion of the rainy season and blocks access to the nearest market. A hand-made bridge that consists of pillars covered by vine mats is unable to ensure reliable river crossings during most of the rainy season and a more durable bridge is needed. Projects involving major infrastructure improvements of this type require investment from state or other funders and would add considerable value to the SfC program by allowing market accessibility to increase.

Cereal banks
Working with other partners to create village level cereal banks for women involved in SfC could add value to the program. Cereal banks would allow women to stock surplus grains after the harvest period and resell them during the following soudure period for a profit that could be reinvested in the SfC loan fund. Cereal banks have proven effective community strategies in many areas of the Sahel and require initial investment in constructing a storage unit and training community members in running an effective cereal bank. Presently, many SfC groups have purchased bags of grain which they sell when the price increases later in the year; however, this practice has not been formally instituted anywhere as a village level cereal bank that could have community level impacts beyond the SfC group.

Agricultural inputs
Focus groups with SfC members highlighted the need for increased access to agricultural inputs, especially plows and livestock (oxen) for animal traction, fertilizers and insecticides. The amount of SfC loans is generally too small to cover these costs. In some cases, groups are working toward a common goal of purchasing a plow and ox rather than dividing the community chest (such as Niaradougou). Partnering with other microfinance agencies that could provide larger loan funds to invest in agricultural inputs is another direction that would be very beneficial to participants.
• **Provide marketing education to agents and groups**

The ideological structure of SfC poses some inherent contradictions. Replicating agents and women in the groups are generally presented as having tremendous knowledge of their markets and an inherent gift for generating income given any opportunity. In contrast, the technical agents who train them to do this work are required to undergo formal training, and are often criticized for failing to communicate marketing ideas effectively to women when groups struggle with loan repayment. This perception of rural women may explain why replicating agents are expected to produce groups of equal quality to formal groups, despite having no formal training or compensation. In fact, it is our strong impression that women’s groups would benefit from specialized training in marketing and investment. In particular, women should be trained to understand that investments are qualitatively different from managing households.

It is apparent from talking to both agents and group members that there is a significant need to expand training in marketing techniques to help women maximize the use of loan funds and increase income-generating activities in Mali. Agents repeatedly identified opportunities in their communities for the expansion of income-generating activities that would require more in-depth training in business and marketing skills. Regarding enterprise development, the GRAADECOM coordinator in Sikasso explained that, in general, “there’s a lack of entrepreneurial culture, weak knowledge of marketing and financial management” among SfC members that needs to be improved. He tries to get the agents to identify what type of enterprises will work in the zone, what will sell and what products will provide the greatest benefits; however, the agents don’t always get the message or transmit it effectively to groups. He gave the example of traditional *soumbala* production (fermented néré seeds), which he sees as a highly marketable product if women could expand its production and sale to a larger volume. The local agent in Niaradougou also advocated more advanced training in IGR, especially marketing and product development. She observed that buyers come to the village and take advantage of the fact that women don’t set fixed prices for products and often sell them in small quantities. By pooling quantities and setting fixed prices per kilogram, they would benefit more.

• **Formalize training, evaluation and support for replicating agents**

Coordinators and the TU discussed incipient measures to formalize the relationship between NGOs and the replicating agents whom they train. Although it should be recognized that replicating agents are motivated by different factors than TAs and are not accountable to the NGO structure in the same way, a formal process of evaluation could provide them with invaluable and much-desired feedback beyond their relationship with a given technical agent.

Direct and formal financial compensation for replicating agents is extremely problematic. Compensation from the NGO would invite jealousy and resentment from peers; formally requiring compensation from the groups she forms would undoubtedly be met with great resistance, particularly since few women would want to pay the agent before they’ve seen the benefits of the program she is proposing. Remuneration in any form raises issues of
sustainability and even of injustice, since so many agents have already been working for so long without pay. Other systems of compensation such as formal certification from SfC, trainings, or other types of recognition, such as receiving a bag or SfC pagne (cloth) to wear could also be sufficient means to address this issue at low cost.

Although replicated groups appear to function very well, training for replicating agents could simultaneously encourage replicating agents and dispel the perception that they are less capable than technical agents. Communities could cover the cost of sending the agent to a central training, and the agent would return with some form of official certification to allay suspicions within the community that they are less qualified than technical agents.

- **Allow women to maintain control over the pace of their participation**
  Many NGOs have focused on reducing the initial period of mistrust and hesitation when SfC is first introduced. They may bring in women from other areas to attest to the value of SfC in their own communities. Evidence from TAs and RAs suggests that this pace is less effective and efficient in the long term. The technical agent from Bankassikoto questions whether reducing this period of feeling out the program and waiting to see its local effects is in the best long-term interest of SfC in creating sustainable groups. In her opinion, the best groups have women join little by little, to be certain that all fully comprehend the system. The experience of Kadja, the replicating agent described in the above section, is exemplary in the contrast between her early frustrations with forming groups and the relative ease with which she formed groups after the distribution of funds. She feels that because the later groups were already convinced of the value of the program and were truly grouped by their own design and affinity, they are going to be more successful and sustainable in the long term. Kadja recommends that replicating agents wait until women are convinced by the success of the peers rather than the words of the agents before trying to form groups; given the evident altruism and sacrifice of replicating agents, it would serve the SfC system well to maximize their efficiency in this way.

- **Review contract terms between technical agents and NGOs**
  TAs are an essential component of the program and need to be paid a competitive wage. They should also be locally hired where possible, and at a minimum be fluent in the languages of the communities where they work. Some of the technical agents interviewed during the study expressed concerns with unclear policies regarding their employee benefits, such as sick leave and maternity leave. One female agent in particular complained that her salary was reduced by 40% during a documented sick leave. Each NGO currently sets its own internal policies regarding benefits and it would be beneficial to clarify the contract terms for each NGO and consider setting common standards.

- **Improve and standardize the quality and analysis of evaluation data**
  The TU and coordinators are doing an excellent job of collecting and managing the data they receive from the technical agents. They are self-taught in computer skills and have developed their own methods of evaluating saturation and the relocation of agents in the
absence of reliable census data. Nevertheless, it would be strongly in the interest of the program to provide them with formal training in computer skills and statistical data analysis, and to make the processes by which they allocate zones and assess saturation explicit and uniform.

- **Actively promote the formation of village-level associations**
  Currently SfC associations are being formed at the commune level in several areas; however, village-level SfC associations are not systematically promoted, although a few have appeared independently of the NGO structure or with the assistance of a technical agent (Kati). Association at the village level would provide a community-level forum for SfC members to share knowledge and resources and to pool resources for collectively-funded village projects, such as mechanized mills and birth centers, both of which were mentioned as goals by individual groups. By working in association, groups would have more leverage to realize long-term goals. This need is particularly evident in villages where all groups are working toward the achievement of the same large-scale goal, but are doing so independently.

- **Make SfC an officially recognized organization and use public radio promotion**
  As earlier discussed, SfC is limited in its capacity for expansion by its informal status as a microfinance organization. Once it can be formally recognized by the Malian government, promotion at a national level will provide needed awareness for expansion, make more parties aware of its efficacy as a microfinance model, and improve collaboration with other existing microfinance institutions in Mali. Using the Malian public radio would be another effective means to increase the visibility of SfC on a regional level and level of participation. In addition, radio could be used to provide training in the operation of SfC groups, as well as tips on enterprise development and marketing for participants.
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