

## Village Savings and Loan Associations & Women's Empowerment in Malawi

*A qualitative and explorative study of how women experience empowerment when participating in Village Savings and Loan Associations (VSLAs) in Rural Malawi*



Loans are being handed out during a weekly VSLA meeting  
(Photo taken: 14.12.2019, Nsanje district, Malawi, source: the author)

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## **ABSTRACT**

This paper explores how women experience empowerment when participating in community managed microfinance, Village Savings and Loan Associations (VSLAs), in rural Malawi. Malawi remains one of the poorest countries in the world, yet to date, not much academic research has been undertaken on microfinance (MF) there. The research design includes interviews and participant observations with women from two different VSLA types - VSLAs including NGO support, and VSLAs excluding NGO support - in multiple locations across rural Malawi. Naila Kabear's three-dimensional model of empowerment (resources, agency and achievements) is utilized as a framework to make sense of the women's narratives and to analyse how the women are experiencing empowerment. This research project finds that there is a small positive change in the women's lives when they participate in VSLAs supported by NGOs, but that these changes barely exist for women participating in VSLAs without NGO support. On the one hand, whether or not there is an NGO involved in the VSLA does make a difference in terms of the extent of empowerment that the women experience. On the other hand, findings about socio-cultural norms and unreliable village agents suggest that it is unlikely that VSLAs alone will create significant and lasting shifts in women's empowerment once the NGO exits the project. In order to address the restricting role which socio-cultural norms play, I call for microfinance institutions (MFIs), NGOs and other development actors to implement a *gender transformative approach* at the core of their interventions. This approach will not only help the actors in the field to reach their respective objectives with their interventions, but it will also enable women's empowerment to translate into a significant and sustainable contribution to increased economic growth and poverty alleviation.

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## LIST OF ABBREVIATIONS

DCA	DanChurchAid
IG	Interview guide
IGA	Income generating activity
LML	Local money lender
MF	Microfinance
MFI	Microfinance institution
NGO	Non-governmental organization
RCT	Randomized control trial
SDGs	Sustainable Development Goals
VSLA	Village Savings and Loan Association

## 1 INTRODUCTION

Though the notion of women as agents of development has dominated academic and political development debates for the past six decades (Cornwall, 2003), estimates claim that it will still be another 100 years before we reach gender equality (World Economic Forum, 2019). Yet narrowing the gender inequality gap is crucial for global economic development in order to “end poverty in all its forms everywhere” by 2030, as per the UN’s Sustainable Development Goals (SDGs) (United Nations, 2018). Extreme poverty persists across the entire world. With a poverty rate of 41 % in sub-Saharan Africa, the region accounts for half the world’s extreme poor (World Bank, 2017). Living for less than 1.90 USD a day means often going to bed hungry, not being able to go to the doctor, not being able to send children to school, and having to walk many kilometres to access water. With all actors engaged, the SDGs are an impactful global framework to improve health and education, reduce inequalities, facilitate economic growth, and ultimately, to end hunger and poverty. Women are an important part of this equation, yet many women continue to struggle with gender-based disadvantages in their daily lives (World Bank, 2012). Women’s empowerment matters in its own right, because all humans have the right to live a dignified life - a life free from violence and free from the oppression of basic human rights. Narrowing the gender inequality gap goes hand in hand with a decrease in poverty, innovation, economic growth and development (Kabeer, 2016). As such, depriving girls and women of basic human rights is not just wrong, it is also expensive.

Since the 1990s, the microfinance (MF) concept has spread worldwide because it offers a solution to one of the drivers behind the gender equality gap; that women have less access to financial services than men. Microfinance institutions (MFIs) have gained popularity because - with their focus on women - they have shown that when women obtain access to taking loans, they are able to start a business, create a job for themselves, raise their income levels and improve their living standards (Prakash & Malhotra, 2017). MF pioneer, researcher and founder of the first MFI (Grameen Bank), Yunus, argues that members of MF initiatives enter a virtuous circle which will ultimately lead to the elimination of poverty (ibid.). In 2006 Yunus was awarded the Nobel Peace Prize for the concept of MF being a new mode for social and economic change. In this vein, many believe that MF is a key element in achieving equitable and sustainable development. However, MFIs are mainly found in urban or semi-urban areas where

lending is profitable. As such the services of MFIs do not reach the very poor, also referred to as the “last mile problem of microfinance” (Ksoll et al., 2016). There are an estimated 2.5 billion unbanked adults worldwide, and it is especially in rural areas where there is a lack of access to credit (VSL Associates, n.d.). As a response to this issue, many development actors, such as non-governmental organizations (NGOs), facilitate Village Savings and Loan Associations (VSLAs). The VSLA concept is a community managed (as opposed to commercially managed) MF set-up, where members take loans through each other’s savings contributions instead of through the injection of external funding. Recently, worldwide research has viewed MF in a much more critical light. To this date, however, not much academic research has been undertaken on MF in Malawi, yet Malawi remains one of the poorest countries in the world. The majority of the Malawians live in rural areas where the poverty rate is 60 % and where there are only few formal options for saving and receiving credit (National Statistical Office [NSO], 2019a; Ksoll et al. 2016).

In this thesis, I set out to explore how women in rural Malawi experience empowerment when participating in VSLAs. I find that there is a small positive change in the women’s lives, in various aspects of resources, agency and achievements, when they participate in VSLAs supported by NGOs (VSLA type 1), but that these changes barely exist for members of VSLAs without NGO support (VSLA type 2). Thus, I conclude that it is unlikely that VSLAs alone will create significant and lasting shifts in women’s empowerment. This leads me to call for development actors to implement their VSLAs with a *gender transformative approach* at the core of the project, in order for VSLAs to contribute to the sustainable empowerment of women.

This research project proceeds in the following way: In Chapter 2, I lay the foundation for the context of this research by describing the current issues in Malawi as the motivator for this study and by introducing the research question. In Chapter 3, I review literature on MF, segmented into how different scholars approach the topic of MF. I find that not much academic research has been conducted on MF in the context of Malawi. In Chapter 4, I conceptualize an empowerment framework - according to the dimensions of resources, agency and achievements - which I use to guide my research and analysis. In Chapter 5, I explain how I collected data by utilizing interviews and observations in my exploratory approach to obtain in-depth and generalizable

data, followed by my reflections on its methodological weaknesses and limitations. In Chapter 6, in the first part of the analysis, I analyse the data according to changes in resources, agency and achievements. I find that it makes a difference whether or not there is an NGO involved in the VSLA, in terms of the extent of empowerment which the women are experiencing, and that there is a small positive change in the women's lives when they participate in VSLAs supported by an NGO. In the second part of the analysis, I question whether the small positive change will create significant and lasting shifts in women's empowerment. In Chapter 7, I therefore turn to discuss how a gender transformative approach can create changes in socio-cultural norms, before I reflect on the findings' implication and relevance for development work, their limitations, and further research followed by a conclusion.

## 2 BACKGROUND & CONTEXT

### 2.1 Poverty in Malawi

With a GDP (PPP) per capita of 1,200 USD as measured by the International Monetary Fund in 2018, Malawi is the fourth poorest country in the world (Ventura, 2019). Despite being a relatively peaceful country since independence in 1964, Malawi is only better off than war-torn Burundi, Central Africa Republic and Democratic Republic of Congo (ibid). With a national poverty rate of 52 %, more than half of the population lives below the poverty line, and 20 % of Malawians live in conditions of extreme poverty (NSO, 2019a). The latter is defined as the inability to satisfy food needs, meaning that one in five Malawians suffer from hunger. Most of the population (84 %) lives in rural Malawi where three out of five Malawians (60 %) live below the national poverty line (ibid.). The national poverty rate has fluctuated marginally - with a 1 % decrease from 2005 to 2011, and with a 1 % increase from 2011 to 2017 (ibid.). Thus, poverty in Malawi, especially in rural Malawi, remains both extremely prevalent and persistently stagnant. Some drivers behind this situation in Malawi are extensive reliance on agriculture, high fertility rates, and low levels of education.

Firstly, Malawi primarily relies on agriculture which drives livelihoods for two thirds of the population and constitutes the backbone of Malawi's economy (International Monetary Fund [IMF], 2017). While the prices of maize, fertilizer and tobacco remain volatile, most farmers rely



on rain-fed agriculture and are, as such, very vulnerable to the recurring weather shocks (droughts and floods) resulting in low productivity in the agricultural sector. Furthermore, plant diseases and limited access to information lead to major losses of crops. With limited non-farming opportunities, Malawian's primary activity for generating income continues to be a highly risk prone method for ensuring income, and a highly risk prone method for farmers to ensure food security (ibid.).

Secondly, Malawi's fertility rate remains persistently high. With an average of six children per woman, Malawi is one of the most densely populated countries in Africa (World Bank, 2012). The total population of Malawi measures approximately 18 million people, which is four times the size of the population in 1966 (NSO, 2019b). The total population increased by 35 % between 2008 and 2018 representing a growth rate of almost 3 % per year. With this growth rate, the population size of Malawi is expected to double in approximately two decades (ibid.). This will put enormous pressure on agricultural land and other natural resources, reinforcing the challenge of food insecurity persisting in Malawi (IMF, 2017).

Thirdly, low levels of education continues to be an issue in the development of Malawi as children who do not attend school are likely to remain trapped in the cycle of poverty (Malawi Human Rights Commission [MHRC], 2005). The out-of-school rate for primary school children is 25 %, while the out-of-school rate reaches 82 % for secondary school children. As such, only two out of ten children finish secondary school. Furthermore, one in five Malawians (19 %) has never attended school at all. As a result of these trends, one third (31 %) of Malawi's population remains illiterate (NSO, 2019b).

To conclude this section, low productivity in the agricultural sector, high fertility rates, and low levels of education keep the majority of Malawi's population trapped in a cycle of poverty. This therefore makes it harder for the country to break out of a cycle of vulnerability, as well as to progress from their economically stagnant position (IMF, 2017).

## **2.2 Female Poverty in Malawi**

With a gender gap of 34 %, Malawi has high levels of gender inequality measured in access to resources and opportunities (World Economic Forum, 2019). The majority of women in Malawi find themselves in a demanding, challenging and marginalized position being located “at the intersection between production and reproduction, between making a living and caring for the family” (Kabeer 2015: 203), while having significantly less access to resources compared to their male counterparts. While the poverty rate of female-headed households in Malawi is 58 %, it is only 49 % for male-headed households, making households managed by women 9 % poorer than male-headed ones (NSO, 2019a). IMF (2017) explains that female poverty is perpetuated by women’s domestic duties and large amount of unpaid work hours spent in the home domain which, in combination with high fertility rates, decreases women’s ability to engage in economically productive work. Additionally, the Malawi Human Rights Commission (MHRC, 2005) explains that female poverty is perpetuated by cultural practices, norms and traditions, which subordinate women and girls in Malawian society. Not only do these deprive girls and women from numerous forms of human rights, they also place the female gender low in the hierarchy from an early age (ibid.).

## **2.3 Oppression of Women**

The widespread tradition of cultural practices in Malawi deprives girls and women of numerous forms of human rights. This includes the right to education, the right to choose a sexual partner, the right not to be forced into marriage, the right to health, and the right to personal liberty and dignity (MHRC, 2005). Violent discrimination of girls and women places the female gender in a position of oppression, and it places men on the dominant side of a gendered hierarchy, which perpetuates immense gender imbalances (ibid.). The cultural practices are many and vary across the country; however, a common denominator is that they deprive girls and women of a large degree of free choice, and mould girls to become submissive wives, subservient to the demands of their husbands.

According to the MHRC (2005), when a girl reaches puberty she is prepared for married adult life through cultural practices. Having to adhere to these cultural practices deprives her of the right to choose a sexual partner, the right to health, the right to personal liberty and dignity, and

the right to education. Girls usually undergo a coming-of-age ritual where they are taken into isolation for up to four weeks, and are advised on matters such as their conjugal duties and how to offer the best sex to their male counterparts. In some cases this preparation can take place as early as from the age of six. In some initiation practices, the girls are taught to dance chisamba, where they have to simulate the process of having sexual intercourse through a seductive dance. They have to perform this dance naked to the public where the people who come are free to touch the girls' breasts if they give them a small gift (usually money). They are then encouraged to have sexual intercourse for the purpose of kusasa fumbi which means removing dust. For the same purpose, some initiation rituals include the practice of fisi, where a man is hired to have sexual intercourse with newly initiated girls.

These are a few examples that illustrate how girls often have no decision-making power over their own bodies. When transitioning into married life, women continue to experience oppressing practices similar to the coming of age rituals of young girls. In many instances, control over the bodies of girls and women is dictated by parents and elders, and in particular when a girl gets married, the control of her body will be dictated by her husband. Some of these cultural practices put girls and women at higher risk of HIV/AIDS and other health related issues, further exacerbating their vulnerability (ibid). Occupying these marginalized positions in society, the women are trapped in a position of oppression which has negative consequences for the development of Malawi both on a household and national level.

## **2.4 This Research Project**

Because of women's oppression and impoverishment in rural Malawi (of which I have provided examples in the previous sections), women have less access to formal credit channels than men. To combat the issue of gender inequality being perpetuated by the financial exclusion of women, many development actors implement different forms of community managed MF programmes, such as VSLAs. Financial inclusion can be a pathway to women's empowerment, which is crucial for women to realize their full potential as human beings, step out of poverty, and contribute to wider economic growth (Kabeer, 2016; Sen, 1999). To explore the empowerment dynamics at play in the context of women's VSLA participation in rural Malawi, I ask the

following research question:

***How do women in rural Malawi experience empowerment when participating in Village Savings and Loan Associations (VSLAs)?***

Spontaneous replication of VSLAs is taking place without the intervention of development actors, instead, members form these groups themselves (VSL Associates, n.d.). In this research investigation, I undertake data collection on women both from VSLAs implemented by an NGO, as well as from these member-formed VSLAs which do not receive NGO support. This research was not intended to be a comparative study, but because the majority of the findings differ depending on the type of group (as illustrated in the analysis), I refer to these two types of groups as VSLA type 1 and VSLA type 2:

- VSLA type 1: VSLAs including NGO support
- VSLA type 2: VSLAs excluding NGO support

## **2.5 DanChurchAid**

The data collected on women from VSLA type 1 are VSLAs which have been implemented by the Danish NGO DanChurchAid (DCA). DCA supports the poorest and most vulnerable people across 19 countries, in their struggle to live a life with dignity (DanChurchAid, 2019). With a gender equality and human rights commitment, and with a vision of a world without hunger, poverty and oppression, DCA works towards three international goals: 1) saving lives, 2) building resilient communities, and 3) fighting extreme inequality (DanChurchAid, 2018). In order to ensure the sustainable development of its efforts, DCA implements its projects through partnerships with local NGOs. The local NGOs which implemented the type 1 VSLAs which I visited in Malawi are; Small Producers Development and Transporters Association (SPRODETA) and Evangelical Association of Malawi (EAM). The VSLA projects are a part of DCA's longer-term development work in creating social and economic resilience amongst the poorest, youth, women and discriminated community members.

## **2.6 VSLAs: What are they?**

The VSLA model has now spread to 72 countries and has over 11 million active participants worldwide (Ksoll et al., 2016). The VSLA concept is a community, rather than commercially managed MF set-up, where members take loans through each other's savings contributions instead of through the injection of external funding. As Allen & Panetta (2010) describe it, in its simplest form, the concept of VSLAs is that members put a small amount of savings into a common pool of money - also termed "buying shares" - every time they meet which is typically once a week. It is then possible for members to take a loan from this common pool of money, which needs to be paid back with interest, typically after one month. Once a year, the accumulated savings and interest are paid out. The interest from loans becomes what the members earn in profits from the shares they have bought (i.e. their savings). In contrast to MFIs reaping the profits from the interest of the loan takers, in VSLAs, it is the members themselves who earn the profits that come into the group according to the ratio of the shares they have bought. Additionally, the members pay a small amount to the social fund every time they meet which serves as an insurance component. There is also a village agent connected to each group, who provides training and guidance to the group.

## **3 LITERATURE REVIEW**

The mechanisms of community managed MF (VSLAs) and commercially managed MF (programmes offered by MFIs) entail similar mechanisms. The differences lie in who is operating the programme and sometimes MFIs allow for people to take loans without having to save money first. However, as most research within this field has been undertaken on commercially managed MF opposed to community managed MF (Ksoll et al., 2016), this chapter is primarily based on literature on the former. In this literature review, I have categorized the many different approaches and views on the field of MF according to discipline, which I refer to as "schools of MF". In the following three sub-chapters, I introduce views from the economic, anthropological, and development studies and political science schools of MF.

Furthermore, the literature search of this project revealed that not much research has been done in the field of MF in Malawi. Ksoll et al. (2016), Waller (2014), Karlan et al. (2012) and

Mersland & Eggen (2007) are scholars who have undertaken studies on this topic in Malawi. Their research for example shows that the VSLA interventions in Malawi have a positive impact in some areas such as agricultural investments, income from small businesses, number of meals consumed per day (improved food security), household expenditure, and number of rooms per dwelling (Ksoll et al., 2016). However, they found that there is no impact in other areas, such as length of hungry period, consumption of most common food items, number of income generating activities (IGAs), total savings, cement flooring and land ownership (ibid).

### **3.1 Views from the Economic School of MF**

Within economic research traditions, studies have shown that the impact of MF interventions varies on a scale ranging from very positive results to very negative results and everything in between. In the 80s, 90s, and early 2000s the economic school has viewed MF in a very positive light in terms of both economic and social impacts on the household. Prakash & Malhortra (2017) describe economic impact as leading to income, housing, access to food and building assets. They describe social impact as leading to education, health, skills development, empowerment and feeling of belonging.

Starting with the economic impacts, dating back to Bangladesh in 1988, Hossain presented positive results from his study of the impact of Grameen Bank's MF programme arguing that the programme helped in poverty alleviation. The study showed that the clients had a 28 % higher average household income and that they spent 8 % more per person on food compared to non-clients of the programme (Hossain, 1988). In the early 2000s, a study on the impact of SHARE Microfinance Ltd. on clients in India showed results in a similarly positive light. In a poverty index, consisting of the variables sources of income, productive assets, housing quality, and household dependency burden, 77 % of MF borrowers had experienced a reduction in poverty (Prakash & Malhotra, 2017). Research conducted in 1999 also showed an increase in income amongst microcredit borrowers in Bangladesh. The results showed that due to self-employment of women participants 29 % of the borrowers had been able to purchase new land, 75 % improved child education, and 69 % improved their sanitation conditions (ibid.). Other scholars find that MF also has a wider social impact. Zohir and Martin (2004) argue that MF helps beyond poverty alleviation. They state that the group membership also brings a sense of

community, reliance and trust among members, which can lay the foundations for other social capital developments in the community. The examples they give of cultural impacts are: standing against dowry, domestic violence and respect to women (ibid.).

The concept of MF has received a lot of praise, but it has received just as much criticism. In the late 00s and early 10s, research within the economic school of MF has turned to view MF in a more negative light, especially after the Andhra crisis in 2010. Also referred to as the Indian MF crisis, farmers in the state of Andhra Pradesh had committed suicide due to the inability to pay the high interest rates on their loans (Prakash & Malhortra, 2017). There have been many examples of over-lending by providers and over-borrowing by customers, which have led to a massive debt crisis to already-burdened poor people's lives (Cull & Morduch, 2018). Some economists view MF as an intervention that is unable to be economically and socially transformative. Others go further and argue that MF is a failed cause, a neoliberal contrivance that has convinced donors, yet it failed to positively impact the lives of poor people (ibid.). Hulme and Maitrot (2014) argue that MFIs have "lost its moral compass" by focusing more on the profitability of lenders, than on facilitating a positive impact on the lives of the poor. Chawla (2013) calls for governmental regulations such as the fixing of interest rates to be imposed on MFIs, due to the negative impact that MF has shown to have on the lives of poor people.

There has been an exaggeration of claims about large impacts, and there has been an exaggeration of claims about failures (Cull & Morduch, 2018). In the history of these very diverging poles of the impacts of MF, many scholars now agree that impacts of economic and social character remain modest (Armendáriz & Morduch, 2010). Nearly all rigorous quantitative studies cannot fully support that MF is a tool, which can powerfully and single-handedly fuel micro-business, improve living conditions, and reduce poverty (Cull & Morduch, 2018). After recent randomized control trials (RCTs), where a treatment group is tested against a group without treatment (similar to running medical tests), many researchers currently view MF as having no or only moderate impacts. Last year, October 2019, Banerjee, Duflo and Kremer were awarded the Nobel Prize in Economics "for their experimental approach to alleviating global poverty" (The Nobel Prize, 2019). Based on the RCTs, their argument is that MF interventions lead to positive impacts in some areas, and that there is no impact in other areas. In their

evaluation of a MF programmes in India, they found that loan takers were more likely to have started a business, and that they were more likely to spend less money on small items such as tea and snacks, and that they instead invested in large durable goods such as refrigerators, bicycles or televisions (Banerjee & Duflo, 2011). However, the effects were limited and they found no evidence of women empowerment. The study finds that women did not gain greater control over how the household spent its money, and it finds no increase in household spendings on education or health or in the probability that kids would be enrolled in private schools. Thus, Banerjee and Duflo conclude that MF has a moderate impact on people's lives, but that it does not come with a radical transformation (ibid.).

In his review on MF, Banerjee (2013) suggests the following explanations for why the impact of MF is limited: 1) borrowers do not need MF, 2) people borrowing to consume, 3) loan-takers are not particularly good at growing businesses because of a lack of business diversification, human capital and connections, 4) loan-takers have poor financial judgement, 5) terms and conditions are constraining and 6) loan-takers think it is not worth it to invest if the production function is S-shaped. A S-shaped production function in this context means that “returns fall very fast after a certain scale is achieved and only recover with a much larger investment, out of reach of most microentrepreneurs [...] because the returns fall very fast, the total return is too small to justify the effort and psychological costs involved in making the investment” (Banerjee, 2013: 510).

In conclusion, within the economic research traditions, studies throughout time have shown that the impact of MF interventions has varied on a scale ranging from very positive results to very negative results and everything in between. After exaggerations of claims about large impacts, and exaggerations of claims about failures, most recent impact studies show that MF has either no impact or only moderate impact. Currently, due to evidence on increased average impacts on the household level in terms of increased income and consumption, the economic school of MF argues that there can be a case for being cautiously optimistic (Cull & Morduch, 2018).

### **3.2 Views from the Anthropology School of MF**

Much anthropological research argues that MF usually ends up driving borrowers further into poverty and disempowerment. Various dynamics, such as domestic violence, instruments of



shaming and over-indebtedness, ends up widening the gender hierarchy and making poverty worse. Some anthropologists extend the critical argument to claiming that MF is a neoliberal development strategy which “has become a socially acceptable mechanism for extracting wealth and resources from poor people” (Hickel, 2015).

Starting with the theme of gender hierarchy and violence, Rahman’s (1999) evaluation of Grameen Bank’s MF program in rural Bangladesh shows that women were becoming further disempowered as the mechanisms of the MFIs resulted in husbands exercising more violence towards their wives. The MF loans had only been made available to women because women were more reliable for showing up to group meetings and for paying back loans. In many of the cases studied, it was the husband who forced his wife to take the loan, however, for his own use. As a result of the enforced and strengthened male dominance, women became more vulnerable and they were exposed to more tension, frustration and violence from the husband (ibid.). In this vein, Hunt and Kasynathan. (2001) argue that in order for women’s empowerment to take place more focus on the support the transformation of gender relations is needed.

Furthermore, anthropologist research methods uncover unethical agendas and argue that the MFIs are the only consistent winners of MF (Hickel, 2015). Karim’s (2008) study finds that MF facilitators act according to the furtherance of their own capitalist welfare by using honour and shame as instruments for ensuring repayments. A scenario where a woman is unable to pay back a MF loan would mean that her whole family would lose face, especially her husband (who represents the household) would wear the ultimate mark of dishonour. Because the women will do anything to protect the honour code, the MF facilitators use these instruments in their social control of the women (ibid.).

The Cambodian League for the Promotion and Defense of Human Rights (LICADHO, 2019) finds that MFIs’ unethical lending practices is a mechanism, not only for ensuring repayments, but for ensuring large profits to foreign investors. In their study, LICADHO uncovers coercive land sales as the hidden agenda of MFIs in Cambodia. By offering loans to clients who could clearly not afford to repay them, having clients post their land as collateral, and then insisting that they sell that land to repay their loans (threatening to take legal action if they disobeyed),

MFIs and their foreign investors have extracted hundreds of millions of dollars in profit from Cambodia's rural poor. The study reports that this exploitation of MF clients has led to families losing their land, losing their homes, eating less or lower quality food, engaging in child labour and being forced to migrate due to debt. They have also taken additional loans from private lenders to repay the existing MF loan with the consequences of becoming more entangled in a debt cycle. These serious and systematic human rights abuses, imposed by the MFIs, however, also facilitated by inadequate government regulation as well as the extensive complicity of local authorities, has meant that loan-takers have fallen into a worse situation than they were in before taking MF loans (ibid).

Hickel (2015) explains that one aspect of why loan-takers become trapped in debt is because most loans are used to fund the consumption of basic necessities to survive. This means that they do not generate new income, and because they take new loans to repay the old ones, they end up wrapping themselves in layers of debt. Furthermore, the tendency that investments in new business often results in business failure feeds into the vicious cycle of over-indebtedness, driving the borrowers further into poverty (ibid).

In conclusion, anthropologists are generally critical of MF due to the numerous negative impacts their studies reveal. Anthropological scholars blame MF actors for having a neoliberal agenda aiming to extract wealth and resources at the expense of poor people. In order for MF to work, the anthropological school calls for neoliberal systems and the background conditions that produce poverty in the first place to be addressed (ibid.).

### **3.3 Views from the Development & Political Science School of MF**

Similar to anthropologist research, scholars from development studies and political science are also generally critical of MFIs in their current form. They pose that initiatives should be local and used within a framework of solidarity, unity and agreement as an alternative to externally funded institutions.

Guérin et al. (2018) criticize MF for not having generated the impact that it promised and for putting people at risk by contributing to over-indebtedness. The authors argue that the notion of

demand for MF being large and sustainable is an illusion, and that MFIs' profitability and growth objectives are often disproportionate to the actual demand of MF. Firstly, it is put forward that a broad conception of sustainability is needed. This issue should be understood beyond the financial aspect, but also in terms of the socio-cultural and political aspects both at the level of loan-takers and MFIs. Secondly, the authors argue that insufficient attention is paid to the savings part of MF, which has "the immense merit of not putting clients at additional risks" (Guérin et al., 2018: 130).

Rankin (2002) puts forward a different critique of MF, namely that the group lending model provides access to credit on the basis of social collateral. Social collateral is obtained through membership in a MF group and "substitutes for collateral by ensuring against default through social sanction and peer enforcement" (Rankin, 2002: 12). Based on a critique of the principles of social capital theory that draws on the arguments of efficiency and empowerment, the author criticizes the development discourse for portraying social capital as a key ingredient for development. She views MFIs as socializing the costs of lending through the group model which aids in correcting for imperfect information (in terms of formal credit and employment histories) about loan takers and argues that social struggle is inherent to social capital, and therefore social capital is romanticized. Associational life might produce conflict and not cooperation. The costs and benefits of participation are distributed unequally and some people benefit at the expense of others. Thus, the social struggle in social capital means that there in MF groups are not only winners and losers but that the group dynamics can mean a widening of the power hierarchy leading to a situation of further marginalization of some (ibid.).

In conclusion, scholars from development studies and political science are critical of conventional MF because it leads to a mismatch between demand and supply, over-indebtedness, social struggle, and it exacerbates lines of hierarchy. They advocate that MF as a development tool should be local, used in more holistically development efforts, and within a framework of solidarity, unity and agreement (e.g. Mersland and Eggen (2007)).

## 4 CONCEPTUAL FRAMEWORK: EMPOWERMENT

Empowerment is “the processes by which those who have been denied the ability to make choices acquire such an ability” (Kabeer, 1999: 437), thus inherent to empowerment is a process of change. For the purpose of conceptualizing empowerment in this research project, I utilize Kabeer’s (1999) three-dimensional model of empowerment with the inter-related concepts of *resources, agency and achievements*. I develop a conceptual framework based on the three-dimensional model and complemented by relevant existing literature to fit the purpose, aim and scope of the paper. Empowerment is a complex matter. The World Bank (2012) finds that dimensions of empowerment are shaped by the household (members with differently defined bargaining powers), markets (markets for labour, credit, land, and goods), formal institutions (the functioning of the state) and informal institutions (socio-cultural norms), and by the interaction of these. Though all aspects are relevant in unpacking underlying explanations of empowerment, the scope of this research project is limited. I therefore focus primarily on addressing empowerment within the structures of households and socio-cultural norms.

### 4.1 Economic Resources

The dimension of resources encompasses *economic, human and social resources*. Looking first into economic resources, Kabeer (1999) broadly refers to economic resources as one’s access to and future claims of physical assets and economic resources. Different aspects come into play in the accumulation of economic resources.

Firstly, various factors influence the limited extent to which women, compared to men, can take up economic opportunities and engage in income generating activities (IGAs) (World Bank, 2012). These are differences in time used for reproductive work, differences in access to productive inputs such as credit and land, as well as gender differences in market failures and institutional constraints. Resources in the broader sense are acquired through social relationships formed in the various domains, such as the family, community and the market, which make up a society (Kabeer, 1999). Looking into these social relationships, according to African philosopher, Oruka (1994), the wealth and security of the family and community comes before personal achievements, which means that personal wealth generally is distributed communally. Market failures can occur due to discrimination in terms of the information and the contracts

available (World Bank, 2012). Institutional constraints can occur due to various forms of formal and informal institutional arrangements which fail to determine and enforce rights. This can take place in the form of legal restrictions, customary practices and social norms. Social norms, for example, come into play in many communities where the decision-making authority over resources is held by heads of households, chiefs of tribes or elites within the community (Kabeer, 1999). The ability for women to accumulate their economic resources is shaped by their level of agency (as described below) and influenced by their level of autonomy (i.e. the ability to make their own decisions without being controlled by anyone else), as well as their position within the structural context (ibid.).

Secondly, women's preferences also come into play in the accumulation of their economic resources. It is evident from research that women are generally more averse to competition and to risks than men (Croson & Gneezy, 2009; Charness & Gneezy, 2011). A suggested explanation for women's aversion to competition and to risk is that women tend to behave more altruistically, generous and reciprocal than men, and that women's "choices are made with greater consideration of the circumstances surrounding the decision" (Croson & Gneezy, 2009: 14). Thus, women are likely to reap lower benefits from their business activities and investments than men.

Thirdly, women's money-handling patterns also influence the acquisition of economic resources. According to Banerjee and Duflo (2011), the extent to which one makes investments rather than spending the money on consumption influences one's ability to generate income. It also influences the sustainability of that income. Organisations operating within the field of MF put a lot of effort into making sure that loans are invested in IGAs, and most MFIs even entirely disapprove of lending money for consumption (Banerjee & Duflo, 2011). Evidence shows that spending loans on investments in IGAs will lead to increased financial sustainability whereas spending loans on consumption will not only have no impact on one's financial sustainability, but it may also make it difficult to pay back the loan and possibly lead to a debt trap. Making investments, however, requires the ability to think about one's future needs - but when it comes to money-spending behaviour, we think about the present very differently from the way we think about the future (Banerjee & Duflo, 2011). Spending money on small "rewards" that we crave in

the moment, such as buying tea, sugar, candy or cigarettes, can seem more important in the present than when we think about it without a sense of urgency. The natural inclination of people in poverty is to act on the immediate desires in the moment, and to postpone costs to tomorrow which are not beneficial in the present. But the same logic applies when tomorrow becomes today, and because the goal of having enough money for a future investment can seem too far away to be attractive, people in poverty are less likely to save up money and to make investments in the future. This influences one's ability to accumulate economic resources (Banerjee & Duflo, 2011).

## 4.2 Human and Social Resources

The dimension of resources also refers to *human* and *social resources*. Human resources encompass an individual's knowledge, skills, creativity, imagination (ibid.) as well as one's education and health (World Bank, 2012). Social resources are made up of the networks, relationships and connections which enables the improvement of situations and life chances beyond what would be possible through individual efforts alone. Such connections are shaped by the claims, obligations and expectations which prevail in different domains of one's life (Kabeer, 2001). In his paper *The Strength of Weak Ties*, Granovetter (1977) suggests that weak social ties (connections with acquaintances) enables a flow of information and opportunities that are not accessible to the same degree via strong social ties (relationships with friends and family). According to this social network theory, weak ties are crucial for identifying and exploring market opportunities, ideas to start a business and marketing. Research from both developed and developing countries shows that men and women build ties differently, making it more difficult for women to establish effective networks. This results in female entrepreneurs having both fewer as well as lower quality networks compared to male entrepreneurs (Hanson & Blake, 2009). In addition, research from developing countries finds that female entrepreneurs have limited access to networks (Hisrich and Öztürk, 1999; Salehi-Isfahani, 2006). It is suggested that the effects of social ties are shaped by socio-cultural norms and women's large share of domestic work, which would explain the underlying reasons for why women reap less entrepreneurial benefits from their social resources compared to their male counterparts (Watson, 2011).

Whether looking at women's empowerment from the perspective of economic, human or social resources, Kabeer stresses the importance of *change* taking place in regard to accessing and obtaining those resources (Kabeer, 2001). Furthermore, Kabeer (1999) emphasizes the importance of reflecting on how access to resources - which plays out as a measure of *potential choice* - translates into agency and achievements representing the *actualized choice*.

### 4.3 Agency

Agency is the ability to define an objective and to act upon it (Kabeer, 1999). Kabeer defines positive exercise of agency as "people's capacity to define their own life choices and to pursue their own goals, even in the face of opposition from others" (1999: 438). However, agency is more than decision-making and acting on goals; it can also take the form of bargaining, manipulation and resistance. Negative exercise of agency can manifest itself in psychological manipulation or physical force on others. The result thereof is that the freedom of one individual becomes a limitation to the freedom of another individual. Kabeer (ibid.) refers to different operationalizations of agency as "power within", "power to" and "power over" encompassing the meaning, purpose and motivation which actors bring to their activity. In this vein, the World Bank defines agency as the "ability to make effective choices and to transform those choices into desired outcomes" (2012: 150). Agency is the choice of using material and non-material resources to take actions at any point in time to affect individual and household well-being (ibid.). The agency of women, in terms of control over the financial resources obtained through participation in VSLAs, has a significant impact on *how* the money is spent. Studies show that the whole family is more likely to benefit from women having more money at their disposal compared to their male counterparts (Kabeer, 1998; Khandker, 1998; United Nations, 1995). The idea is that women's increased economic power, in contrast to the economic power of men, will bring more qualitative benefits to family welfare as women prioritize to invest financial resources in their children and on household necessities (Rahman, 1999). Evidence shows that when men take control over resources, more money is spent on alcohol, tobacco and luxury items for men (e.g. traditional clothing items) which is unproductive and can even be harmful to the well-being of the household (Banerjee & Duflo, 2011). When women, on the other hand, are in control over financial resources, more money is spent on more nutritious food for the household. Based on evidence on the differences in women's and men's money-spending

behaviours, women's agency in terms of financial resources from the VSLA is likely to result in increased well-being for the whole household. Further examples of expressions of agency, closely linked with women's ability to make choices, are explained in the following (non-exhaustive) table.

<b>Expressions of Agency</b>	<b>Definitions</b>
Control over resources	Women's ability to earn and control income and to own, use, and dispose of material assets
Ability to move freely	Women's freedom to decide their movements and their ability to move outside their homes
Freedom from the risk of violence	The prevalence of domestic violence and other forms of sexual, physical, or emotional violence
Decision making over family formation	Women's and girls' ability to decide when and whom to marry, when and how many children to have, and when to leave a marriage
Ability to have a voice in society and influence policy	Participation and representation in formal politics and engagement in collective action and associations

*Table 1. Expressions of Agency adapted from the World Bank (2012: 150)*

#### **4.4 Achievements**

Resources and agency make up the last dimension of empowerment; achievements (Kabeer, 1999). In addition to the achievement of well-being outcomes, Kabeer's understanding of this dimension of empowerment builds upon Sen's capabilities approach:

*“Resources and agency together constitute what Sen (1985) refers to as capabilities: the potential that people have for living the lives they want, of achieving valued ways of ‘being and doing’.” (Kabeer 1999: 438)*

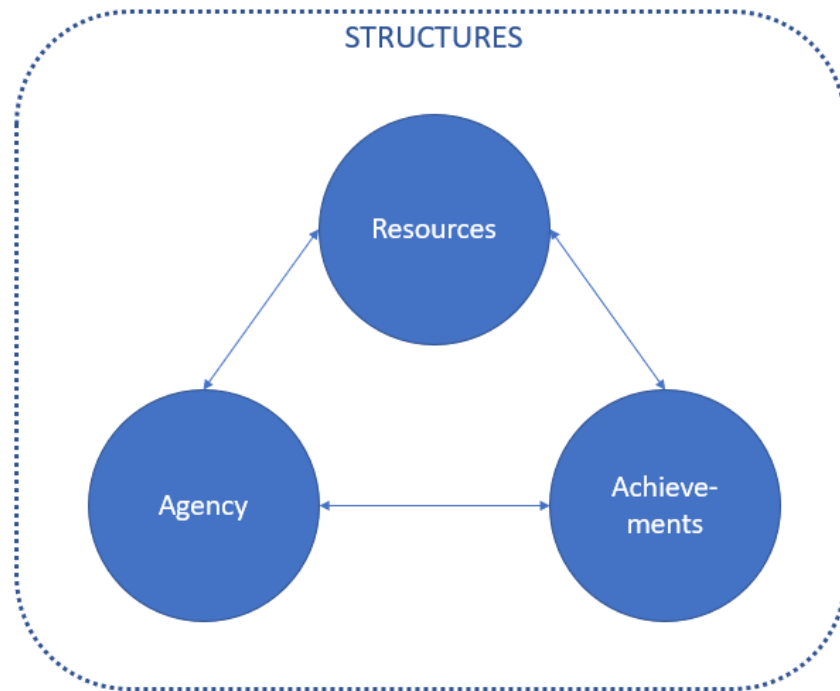
In this sense, the dimension of achievements represents a woman's active realization of her capabilities to reach a state of *being and doing* according to what she values. In other words, when a woman undergoes a process of empowerment, she acquires the freedom *to do and to be* what she considers meaningful.



Although different people ascribe different values to ways of ‘being and doing’, Kabeer identifies some basic needs fulfilments which relate to the basic fundamentals of survival and well-being. It tends to be universally agreed that primary functionings - proper nourishment, good health and adequate shelter - are valued regardless of context (Kabeer, 1999). When measuring achievements beyond basic survival-related fulfilments, Kabeer stresses the importance of achievements being defined as representing women’s own choices and not defined by some externally defined indicators on an index. Thus, the empowerment dimension of achievements needs to be analysed within the given context of the values of the women or even within the context of the values of the communities in which they live (ibid.).

#### **4.5 Structures of Households and Socio-Cultural Norms**

As shown in Figure 1 below, the dimensions of empowerment are interlinked, influence each other, and are shaped by structural dimensions such as decision-making in the household and socio-cultural norms in the community (Kabeer, 1999; World Bank, 2012). Kabeer (1999) suggests that an analysis of women’s empowerment should look at the intersection between the individual - resources, agency and achievements - and the structural dimensions. The model adapted from Kabeer allows an exploration of how women experience empowerment when participating in VSLAs through the incorporation of the gender roles engrained in the structures of the households and socio-cultural norms of the communities. This idea has fundamental importance for this research project, as I argue that the structures of the women’s households and the socio-cultural norms of the communities shape the extent to which women experience a change in the dimensions of resources, agency and achievements.



*Figure 1. Dimensions of Empowerment. Adapted from Kabeer (1999)*

## 5 METHODOLOGY

This research project is based on qualitative data which I collected in Malawi at the end of 2019. I chose to use the research methods of semi-structured interviews and participant observations to explore and understand the complexities which women in rural Malawi experience when participating in a VSLA (Creswell, 2018). Inspired by Kabeer (1999) who stresses that empowerment is defined by the women themselves according to their values and circumstances, the data collection phase was inductively and exploratorily driven in the informants' setting.

In this chapter, I introduce the methodology of this research project. I start by introducing the context and setting within which I collected the data, followed by the triangulation strategy and specific design of the data collection. I continue with a reflection on the ethics, validity and reliability of this research, before discussing methodological limitations.

## 5.1 Context & Setting

In November 2019 I travelled to Malawi where I collected data across multiple districts in Northern and Southern Malawi throughout the course of a month. Malawi is a very diverse country with large socio-economic differences between the northern and southern regions. Based on a number of factors (illustrated in Appendix 1), Southern Malawi is generally worse off than Northern Malawi. Southern Malawi has a higher poverty rate, higher death rate, higher population density, lower literacy rate, lower rate of permanent housing structures, lower percentage of households with communication devices, and a lower percentage of households with livestock (NSO, 2019a; NSO 2019b). This stands in contrast to Northern Malawi, where the numbers on the respective aspects are higher (see Appendix 1 for details). I chose to collect data from both regions to obtain a bigger and more nuanced picture of women's empowerment in VSLAs in the whole country.

## 5.2 Triangulation Strategy

In this project I have aimed for a rich explanation of the complexity of how women experience empowerment when participating in VSLAs and for a high level of reliability and validity. Therefore, this research contains data from multiple methods, sources and contexts, which enabled me to triangulate the information in this study. Denzin (1970) states that triangulation is based on the premise that “no single method ever adequately solves the problem of rival causal factors (...). Because each method reveals different aspects of empirical reality, multiple methods of observations must be employed” (1978: 28). Drawing on this logic, the three corners of my triangulation strategy consist of: multiple methods of data collection (methodological triangulation), multiple sources of primary data (data triangulation), and the use of secondary sources.

Denzin (2006) refers to *methodological triangulation* as the use of multiple data collection methods to study one single problem. In studying the issue of women's empowerment in VSLA-participation, I have employed what Denzin (2006) calls between-method triangulation or contrasting research methods, by combining semi-structured interviews with participant observations. The participant observations served the function of cross-checking the findings from the interviews. One example, illustrating the necessity of cross-checking findings is that in

the interviews, the majority of the women said that they cultivate the agricultural land *together* with their husbands. However, when walking through the communities during the field stays, I observed that the majority of the people working in the fields were women (and children). The men that I saw in the villages were usually busy at the bar, sometimes under the influence of alcohol (C1-N, C3-S).

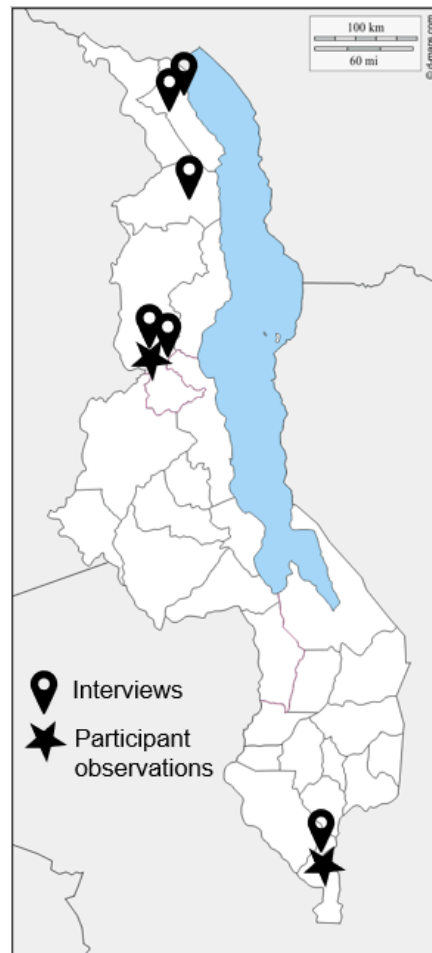
In addition to methodological triangulation, I have employed a *data triangulation* strategy by collecting data from different sources and in different contexts and (Denzin, 2006). These sources/contexts are: 1) VSLA members who give accounts of their lives before and after joining the VSLA, 2) non-members who give accounts of their lives now 3) informants from different VSLAs, 3) informants from different geographical locations, 4) field officers from local NGOs who give accounts on the topic from the view, and 5) my own experiences as a researcher through participant observations. These elements enable cross-checking the findings of women's experiences of empowerment when participating in VSLAs, which make the findings of this research project more reproducible if other researchers were to make a similar investigation at some point in the future.

Furthermore, in the Analysis (Chapter 6) and Discussion (Chapter 7), I position my findings and arguments in relation to secondary sources, i.e. the findings of other researchers, which further confirms and strengthens this study. Because of the various methods of triangulation, I have obtained a more detailed and nuanced picture of women's experiences of VSLA participation (Altrichter et al., 2008). The cross-verification does not only yield a higher level of validation of the data, but studying the research subject from more than one standpoint also enables a richer explanation of the complexity of how women experience empowerment when participating in VSLAs (Cohen & Manion, 2000).

### **5.3 Semi-Structured Interviews**

As a researcher, I considered the format and style of the semi-structured interviews which I considered would be the most appropriate to gain an understanding of how women experience empowerment when participating in VSLAs. The format is inspired by narrative interviews described in Kvale & Brinkmann; by telling stories the informants “attempt to organize and

express meaning and knowledge” (2009: 153-154). I based the execution of the interviews on the suggestions which Kvale and Brinkmann (2009) give on how to master the craft of interviewing, e.g. by asking different kinds of probing, specifying and follow-up questions. Prior to the interviews, I constructed three different interview guides (IGs) for the different groups of informants (Appendix 2). I adjusted these IGs according to the experiences I gained in the beginning of the interview process. The IGs included topics and open-ended questions which I followed loosely. This made the process semi-structured and open which allowed me as an interviewer and researcher to follow new directions and to explore unexpected findings (ibid.). This logic guided all the 18 semi-structured interviews. The total number of interviews are made up of ten interviews with VSLA members, six interviews with non-members, and two interviews with field officers from local NGOs. All interviews were recorded, all translations were transcribed, and data-driven coding in the form of meaning condensation was utilized for obtaining an overview of large amounts of complex data (ibid.). See Appendix 3 for an overview of the interviews conducted including the codes that are used for referencing the data in the analysis and discussion. For example, A1-N refers to the first interview conducted with VSLA members with the geographical location being Northern Malawi.



*Figure 2. Data collection was spread out over two different regions and four different districts in Malawi*

### **5.3.1 Interviews with VSLA members**

Because I assumed that women would be more comfortable sharing personal experiences when speaking with fellow women, I started the data collection by conducting focus group interviews. Kvale & Brinkmann (2009) describe focus group interviews as a method that may facilitate expressive and emotional viewpoints about sensitive taboo topics that are usually not accessible without the group interaction. As this, however, did not produce data to the depth I desired in order to answer the research question, I changed the interview method to individual interviews. Thus, the total of 10 interviews with VSLA members were made up of both focus group interviews (with up to five informants) as well as individual interviews. Each interview lasted between one and two hours.

During the focus group interviews, I experimented with having only female members present as well as having male and female members present, in order to understand the research topic from the perspective of both genders. In one interview with male and female VSLA members present, the interview became more focused on results of the informants' VSLA membership in terms of concrete numbers and less about discussing experiences (A3-N). Striving for validity in inquiring about the *experience* of empowerment for women when they participate in VSLAs, the male-female groups produced a less desirable dynamic, and I therefore conducted all the other interviews with female informants only.

Half of the interviews with VSLA members were conducted with members of VSLAs supported by DCA in Northern Malawi. I visited the VSLAs during the DCAs monitoring visits in the communities, where the informants volunteered themselves to be interviewed by me. These interviews were translated by field officers (both male and female) from DCAs local partner organisations. The other half of the interviews took place with women from VSLAs without NGO support during my village stay in Southern Malawi. The informants were chosen at random, based on proximity, availability and the rapport established during my stay there. These interviews were translated by a female research assistant from outside the community. This research project was not intended to be a comparative study, but in the process of collecting data and analysing it, differences between the two groups of VSLAs became apparent. In the analysis, I therefore refer to these two groups as VSLA type 1 (VSLAs including NGO support) and VSLA type 2 (VSLAs excluding NGO support).

### **5.3.2 Interviews with Non-Members**

Since the element of *change* is important when investigating empowerment (Kabeer, 1999), I aimed not only to understand the women's lives from a before and after VSLA membership perspective, but I also employed a control-group-strategy. I was inspired by Banerjee, Duflo and Kremer, who were awarded the 2019 Nobel Prize in Economics for using randomized control trials (RCTs) in their research for alleviating global poverty (The Nobel Prize, 2019). Although Banerjee, Duflo and Kremer use control groups in their quantitative research, I similarly set up a control group for comparing the stories of the VSLA members to a baseline. In order to create a better understanding of the women's lives without the VSLA component, I conducted six semi-

structured interviews with women who were not members of VSLAs (see Appendix 3). Throughout this paper, I refer to this category of women as non-members. Comparing the narratives of VSLA members to the narratives of non-members enabled cross-checking the findings in terms of the *changes* which the women experience after becoming VSLA members. By including data on this extra group of women in the research design, triangulation of information is produced - in the form of data triangulation as referred to in the above section - because this enables confirming findings, reducing bias by cross-checking results, and thereby increasing trustworthiness. This, however, requires that the groups can be compared, which is why I aimed for a random selection of informants. I conducted the non-member interviews while staying in the villages (elaborated in the section about participant observation below), which enabled me to approach the women at random, based on the criteria that they lived walking distance away.

#### **5.4 Participant Observations**

In addition to conducting semi-structured interviews, I also undertook participant observations, an inductive and exploratory data collection method, which is almost universally understood as ethnographic research (Musante, 2015). As the ethnographic researcher and participant observer, I stayed two weeks with local families in the villages. As illustrated in the map of Figure 2 above, the participant observations took place in two different geographical locations. I stayed one week with a local family in Kasambankholi Village, near Jenda, Mzimba district in Northern Malawi, and I stayed one week with a local family in Manjolo Village, near Bangula, Nsanje District in Southern Malawi. I recorded the information I gained from participating in the social setting in the form of field notes on an ongoing basis, but never while in conversation with people. In the analysis and discussion of this research project, I refer to the data of participant observations with the codes C1-N, C2-N, C3-S, C4-S (see Appendix 4 for an overview).

During the village stays, I tried to integrate into daily life to the best of my abilities with the aim of building rapport for interviews as well as understanding the explicit and tacit aspects of the structures the women live within (ibid.). Apart from conducting the majority of the interviews for this study during my village stays, I participated in daily work and routines; I helped fetch water, helped cooking, helped cleaning and went to the market. I had informal conversations with the



people I met, participated in the women's VSLA meetings, I played with the children, and I visited a school (see Appendix 4 for photos from the participant observations). In comparison with the data collection method of interviewing, participant observations allowed unexpected findings to emerge due to its open nature which was not restricted by a time frame or by an IG. The process deepened my understanding of the structures of the communities and the women's circumstances and values within this context, which is important for analysing how women experience empowerment within Kabeer's (1999) framework.

Since all data collection designs need to take ethics into consideration, the following section reflects on the ethical considerations of this research.

## **5.5 Ethical Considerations**

The data collection took place with utmost respect to the do-no-harm standards of ethical research practice. However, as ethical issues are present in the entire process of qualitative data collection, this section gives an account of how I considered ethical guidelines throughout the research process. I did so in regard to informed consent, confidentiality and the role of me as the researcher (Kvale & Brinkmann, 2009). Firstly, each interview was framed by a short briefing and debriefing (see Appendix 2 for the IGs) where the informants were "informed about the purpose and procedures of the research project" (Kvale & Brinkmann 2009: 71). For this purpose, I informed them with relevant details, with the aim of not making them feel overwhelmed with too much information. I made clear that participation in the interview was on a voluntary basis, and if they at any point had obligations they needed to tend to or did not feel comfortable in the interview, they were free to leave or in another way end the interview situation. During the briefings, I explained that I would like to record the interview to be able to use their answers in my report. I asked for their consent to do so and told them that the recordings would be deleted after the completion of the project. After each interview I asked for consent to take a photo of the informants. One woman (A7-S) was not allowed to have a photo taken of her by her husband, which was respected to protect the woman.

Secondly, during the briefings, I also ensured all informants' confidentiality by avoiding the disclosure of information that could make it possible to identify the informants. Therefore, the

names of the informants are also not mentioned in this report, instead I quote the data by e.g. referring to “A1-N” (see Appendix 3 for an overview of the codes). Taking such measures is important to this research as the participants shared vulnerable stories in personal interview settings. As this report will be shared publicly, the informants’ privacy needs to be protected. Most informants voluntarily and proudly shared their full names. However, one informant’s participation in the VSLA was done in secret from the husband, which brings to light that there is a risk of harm in connection with conducting this research. Thus, protecting the informants, by ensuring anonymity throughout the entire research, is seen as being of utmost importance for ethical research practice.

Third, as “ethical issues typically arise in interview research because of the asymmetrical power relation between interviewer and respondent” (Kvale & Brinkmann 2009: 76), considerations were made about the effect which the presence of me, as a researcher, would have on comfort of the informants. Thus, for each interview, I paid attention to which seating arrangement would have the least power asymmetry. In situations where the informants sat on the ground, I sat on the ground with them. In situations where the informants sat on the ground but had given me a chair to sit on, I insisted that we found chairs for them too.

Generally, the commitment to adhere to the ethical protocols of qualitative research is not just important in its own right, but the commitment also adds to the quality of the data. A higher degree of openness and honesty in the data enables more precision in unpacking the complexity of the research topic, which feeds into the credibility, confirmability and, thereby, the usefulness of the research.

## **5.6 Validity & Reliability**

The design and execution of this research was undertaken by striving for the highest level of validity and reliability. Questions of validity and reliability are important in qualitative research because the degree of credibility and confirmability influences the usefulness of the findings and the extent to which the findings can be generalized (Kvale & Brinkmann 2009). In addition to the triangulation of data (as described above), the fact that the informants are a heterogeneous group contributes to the validity and reliability of the data. The informants are represented by

people of different ages, of different civil statuses, from different ethnic groups and from different regions of the country. The informants range from being in their twenties to their sixties. The civil status of the women ranges from being married to divorced or widowed. The data is represented by five different ethnic groups; the Ngoni, the Tumbuka, Ndali, Ngonde and the Sena, and it is represented by different geographical locations; the Northern and Southern regions of Malawi. The women in Southern Malawi generally spoke more openly about vulnerable situations and sensitive topics than informants in Northern Malawi. Thus, the data collected in southern Malawi strengthened the validity of this research as the informants added nuance and depth to the picture of how the women experience empowerment, talking more directly into the core of the research investigation (Kvale & Brinkmann, 2009). With these considerations, the findings may be transferable to other VSLAs, not only in the rest of Malawi, but also across Malawi's borders, as well as being relevant to the worldwide debate about MF in the least developed countries. However, there are also weaknesses to the research process which may influence the quality of the data. Thus, the following section continues with reflections on the methodological limitations of the research process in regard to the depth of the informant's narratives, and in regard to working through a translator.

## **5.7 Limitations to Depth of Narratives**

A number of factors are likely to have had an effect on the level of comfort of the women during the interviews, and thus on the depth of the informant's narratives. Firstly, although considerations about power asymmetry were made as described in the section about ethical considerations, power asymmetry is inherent to interview situations (Kvale & Brinkmann, 2009). Therefore, the mere presence of me as a researcher, is likely to have resulted in a loss of depth in the women's stories. Secondly, the fact that there were always children and other adults in close proximity to the interviews, may have had a limiting effect to the depth of narratives given by the women. It happened, both during a village stay and in an interview, that the woman with whom I was talking to explicitly said that she could not elaborate because of the children around (A8-S, C3-S).

Thirdly, investigating *change* in the women's lives in order to analyse empowerment, includes talking about sensitive topics in terms of vulnerable situations which were taking place either

before or after participation in a VSLA. Depth of data may have been lost because the women did not feel comfortable sharing vulnerable stories in the interview setting. In one focus group interview, one woman shared stories about her husband's physical and psychological abuse of her, whereas the other women portrayed the relationship with their husbands harmoniously (A5-N). After the interview, the translator, who was from the same village as the informants, praised the honest woman for her openness and explained that the other women are very likely to experience similar situations, but that they are keeping quiet about it (C1-N). Similarly, in other interviews the women spoke about husbands' abuse of their wives in general terms, but - again - portraying the relationship harmoniously when it came to the personal level. This evidence suggests that the stories about discrimination and abuse are representative. Sharing personal stories of sensitive topics requires the informants to be comfortable enough to do so. If I would have spent more time with the women in informal settings, more rapport could have been built, which could have led to an increase in the personal aspect of the stories during the interviews and thus an increase in the quality of the data. Lastly, the identity and presence of the person assisting with translations is very likely to have influenced the informants to only share a fraction of their experiences. Thus, the next paragraph is about the limitations of working through a translator.

## **5.8 Limitations of Working through a Translator**

The interviews conducted varied in quality depending on the translations. All interviews took place with the assistance of an English-speaking person as the informants did not speak English and I, as the researcher, did not speak Chewa or any of the other local languages. One significant problem in regard to the quality of the interviews is that I did not have a professional interpreter due to restricted resources. In Northern Malawi, some interviews were translated by field officers from local NGOs and other interviews were translated by a local woman from the village. In Southern Malawi, the interviews were translated by a female research assistant from outside the community. The quality of the interviews varied due to several reasons. Firstly, the translators' English skills impacted the quality of the translations. Secondly, depth of the data was lost when informants told of their experiences for several minutes and the translator explained the story in one single sentence - leaving out some parts. Therefore, it often happened that I asked a follow

up question to the translation which the translator answered directly because the informant had already explained it.

Thirdly, conducting the interviews with the desired depth was challenging because the translations resulted in constant interruptions, and in some cases the conversation between the informant and the translator created a form of distance between the informants and me as the interviewer. Lastly, the mere presence and the role of the translator is very likely to have influenced the answers of the informants. In the interviews translated by a field officer from a local NGO, there is a chance that the answers are biased towards making the representative from the NGO think that they should provide more aid to them. In two of the interviews where the field officer was male, the women are very likely to have been sharing their stories more selectively and less openly than if in a space with only women. In the interviews translated by the local woman from the same village as the informants, it is very likely that the informants did not want to share vulnerable stories out of fear that the stories would become known to the whole village. Overall, when working in a setting with language barriers, an interpreter is necessary which makes language complications inevitable. However, the importance of ensuring funds for investing in a professional interpreter is an insight I have gained during this fieldwork, as this is crucial for enhancing the quality of the data collected on-site. From this experience, I have gained insights into how data quality can be enhanced in regard to reaching more in-depth narratives as well as in regard to working through a translator, which is a useful learning for the next research project.

In this chapter, I have introduced the context and setting of this research, given an explanation of the triangulation strategy and of the design of the data collection. I have reflected on the ethics, validity and reliability of the research, and I have concluded with a reflection on methodological limitations. I believe that these reflections prove the credibility and usefulness of the findings, which I present in the following analysis.

## 6 ANALYSIS

With the reflections of the research methodology made in the previous chapter, I argue that the findings of how women experience empowerment when participating in a VSLA are generalizable. Therefore, I view the women, who played a role in the interviews and observations and who I refer to in this analysis, as representing rural women living in poverty in Malawi. The analysis is constructed as follows. Part I lays out the landscape of what kind of empowerment is taking place as a result of VSLA participation. It presents the findings from the data within the framework of *resources, agency and achievements* adapted from Kabeer (1999) and conceptualized in Chapter 4. In order to understand how women who participate in VSLAs experience empowerment, I first analyse how women experience changes in their economic resources followed by how they experience changes in their social resources and agency. Part I concludes by analysing how the interplay of these dimensions has resulted in impacts on the final dimension of empowerment; achievements. Analysing the landscape of the findings within the empowerment framework is important for Part II of the analysis, in which I analyse what these findings mean for the extent of empowerment that the women are experiencing. In Part II, I argue that the women who participate in VSLAs without NGO support (VSLA type 2) experience no empowerment or disempowerment. I, then, use this argument to take a critical position towards the sustainability of women's empowerment through VSLAs with NGO support (VSLA type 1). This leads to the last section where I argue, that in order for women to experience significant and lasting empowerment, the structures of the households and the community, i.e. the socio-cultural norms, need to be in focus.

### **Part I: Results**

#### **6.1 Economic Resources**

I find that the extent to which the women are able to turn their increased access to economic resources into an actual increase in their economic resources is larger for the women from VSLA type 1 (VSLAs including NGO support) than for the women from VSLA type 2 (VSLAs excluding NGO support). The main difference which I observe is that the women from VSLA type 1 are more likely to invest in IGAs, whereas the women from VSLA type 2 are more likely to spend loans and savings directly on immediate needs. Because change can only be analysed when knowing the starting point, the following section offers a view on women's economic

resources without VSLA participation. Then, I turn to analyse the dynamics of women's behaviour in regard to their increased access to economic resources in the respective VSLA types.

### **6.1.1 Before VSLA Participation**

Before VSLA participation, the women were generally unable to have their own business and invest in IGAs, because they would spend the little money they had on immediate needs and because they did not save up money.

*“Before we joined the VSLA we didn't used to save up money, if we would find a small amount of money we would just use it all, we didn't think that it was important to save” (A5-N).*

*“There were no ways to find money. (...) It's only after I started in the VSL that I also started a business. But not before, before I had no business.” (A4-N)*

Data from non-members confirms the above. The majority of non-members explain that when they sometimes make money through finding piece work, they immediately spend the money (B1-N, B2-N, B4-S, B5-S). This means that they are unable to save and unable to invest in IGAs. One woman says that *“I just spend what I can find, I don't save up money”* (B1-N). Another woman explains that *“I wish I could have a business like selling fish and selling mandazi, but I can't do those businesses because I don't have capital”* (B5-S). In a similar vein, Banerjee and Duflo (2011) explain that poor people are likely to act on immediate desires in the moment, and because the future seems far away, they are less likely to save up money to be able to make investments at a future point in time.

Most women had never taken a loan before they joined the VSLA. However, one woman who had done so, had taken a loan from a local money lender (LML) who charged high interest rates and inflexible conditions. She took the loan in order to do a small business, and when she failed to pay back the loan, the LML went to her house and took everything she owned, which left her in a devastated and vulnerable position

*“Before I became a member of the VSLA, I took a loan of 10,000 MWK from a local money lender at high interest. Then I bought tomatoes to sell in the community. After selling the tomatoes I had losses. [...] When I failed to pay back the loan on the date we had agreed, the money lender went to my house and grabbed all my things like plates, boards and other household items in my home. So I was left without anything in my home and had to go to other houses to borrow a pot in order to cook food. After that it was really a challenge to manage the family. [...] He really took everything I owned in my home, pots, plates, even my clothes and chitenge, and then he sold it. [...] At that time I only had clothes for one day. So in the evening I used to wash the clothes I had been wearing, so that I could wear the same clothes again the next day, and my life was like that. I was heartbroken and was about to hang myself because I there was nothing I could do” (A1-N).*

Common for all these examples is that before VSLA participation the women were unable to increase their economic resources.

### **6.1.2 VSLA Type 1**

For the women from VSLA type 1, the circumstances explained above have changed. The data suggests that through VSLA participation, the women’s savings, loans, investments and consumption have increased.

The women’s ability to save up money has increased; apart from having a physical place to bring the money to, they have also changed their money spending patterns, which mean that they sacrifice some items in order to save.

*“It’s easier to save money now when being a member of the VSLA. [...] Now when I have that money I save it in the VSLA. [...] I will sacrifice [items which are not necessities] in order to contribute with buying shares in the VSLA.” (AN-2)*

Moreover, the women are able to invest in business activities (elaborated below), which reinforces their increased saving activities because they *“use the profits [...] to save up money in the VSLA”* (AN-2). At the end of the VSLA cycle, which typically lasts one year, the accumulated savings are shared out including interests. As described in the above section, the women would have never been able to save up this amount of money on their own. Share-outs of savings normally take place around December when it is relevant to pay children’s school fees



and purchase agricultural inputs. Apart from that, the data reveals that the women's increased financial resources from savings and loans generally serve similar purposes.

The women's loan-taking activities have increased as a direct result of VSLA participation. The increased savings and loans translates into an increase in the women's investments and consumption. The increase in the women's investments, mostly plays out in terms of investments in small scale business activities and in agricultural inputs, the latter which provides a way of generating income and obtaining food security at a later point in time.

*“After taking a loan I have started a business, I have started a shop where I sell chemicals which farmers can buy to apply to their crops” (A1-N)*

*“From the loan [...] I started a business with brewing beer. So now the men from the village come to me and drink” (A1-N).*

*“I used a loan to start with the business of making and selling mandazi. I started small, and I used the profits to grow the business” (A4-N).*

The women's increased access to economic resources also translates into an increase in their consumption; both directly through savings and loans and from the profits of the IGAs explained above. The increase in the women's consumption takes place in form of an increased ability to buy more/better food, clothes, other household necessities (e.g. soap and kitchen utensils), and to pay for other expenses which are important for the women such as their children's schooling (including school fees, uniforms and notebooks) and improving their home (e.g. with iron sheet roofing). An elaboration of some of these aspects will take place below in an analysis of achievements. Ksoll et al. (2016) found similar effects; their results show that VSLA participation led to an increase in savings and loans, agricultural investments, business investments, income from small business, household expenditures, food security and improved housing. Karlan et al. (2012) also found that VSLA participants have been able to buy more or better-quality food, and that their food security has improved.

Even though the women generally have increased their economic resources through VSLA participation, I find that their economic resources do not continue to increase, thus the change in

this domain of empowerment remains small. I find that one explanation for this is the fact that the women's money-handling behaviour is very focused on consumption rather than on growing their business; they do not use the entire sum of money to invest in business because they divide the money up into investments and consumption.

*“When I take a loan from the VSLA, I divide up the money. With one part I will do business and with the profits of the business I will pay back the loan. With the other part of the money, I will buy household necessities like soap and clothes” (A5-N).*

*“After I took a loan, I did a small business, and with the profits I could pay back the loan and buy some small things like soap, salt and other things” (AN-1).*

In a similar vein Karlan et al. (2012) suggest that the participant's focus on covering basic necessities means that VSLAs only have little impact on asset accumulation or investments in IGAs. Banerjee (2013) explains that the limited economic impact is because loan-takers do not want to grow their business due to believing that they have exhausted the local demand for their product, because loan-takers think that they would not reap significant benefits from reinvesting in business, and because loan-takers are not particularly good at growing business. He suggests the following explanation: people take loans to meet consumption needs, and they are only motivated to invest some of the loan in business in order to generate just enough income for paying back the loan.

To conclude this section, before VSLA participation the women were not able to save on their own and could easily be victims of LMLs' disadvantageous conditions (as described in the above section). Now, with their membership in VSLA type 1, the women are able to save money and avoid becoming victims of LMLs' disadvantageous conditions. They experience a small positive change in their economic resources; their increased savings and loans translates into an increase in investments and consumption which they would not have been able to obtain if they would not have been members of the VSLA. Banerjee (2013) similarly suggests that poor people may benefit from such a framework, when they are unable to save on their own. However, as the extent of the change in economic resources is limited, I argue that even though the women take one step up the ladder, they do not reach the next plateau.

### 6.1.3 VSLA Type 2

For the women from VSLA type 2, I found that VSLA participation did generally not change the level of their economic resources. On the contrary, I found that for some women VSLA participation means that they wrap themselves in layers of debt. The data suggests that even though VSLA participants increase their loans and savings, there is no or a negative impact on their average level of consumption and investments.

The tendency I found is that the women generally spent their increased access to financial resources on consumption e.g. of food and household necessities (A6-S - A10-S). The women explain:

*“When I am able to take those small loans I am able to buy food to feed my children and also some clothes and kitchen utensils like cups and pots” (A9-S).*

*“Sometimes when I get the loan, coincidentally there is a problem in the home (...). In times like this where there is no food, I use the money to buy food for the house.” (A8-S)*

Other researchers similarly find that people spend loans on consumption rather than on productive activities (Hickel, 2015; Hunt & Kasynathan, 200; Kabeer, 1998). Banerjee (2013) explains that the impact of MF is limited because people are motivated to borrow so that they can relax constraints on consumption. In one interview, one of the informants explains that she usually takes loans to buy food because there is no food security through farming due to unstable weather conditions which results in there being *“a problem with hunger”* (A6-S). In such a scenario, it is not difficult to imagine that participation in VSLAs has little impact on investments in IGAs and asset accumulation such as Karlan et al. (2012) found in their study. Banerjee (2013) explains how the tendency of taking loans for consumption affects medium- to long-run consumption: there is no impact - beyond the one-time peak - or there may be a negative effect if loan-takers need to cut back consumption in order to be able to repay the loan.

I assume that the latter of Banerjee’s (2013) arguments - that there is a negative effect on consumption - is the case in the situations where the women are unable to pay back their loans in time. Almost all the women from VSLA type 2 described that they had to take a second loan in

order to pay back their VSLA loan. Some of the women had savings from the VSLA which they used to then pay back the second loan (A7-S, A9-S). Others did piecework in order to pay back the second loan (A6-S). However, because they continuously were overtaken by the accumulating interest rates it took them a very long time (in some cases almost a year) before they were out of debt.

*“The loan I took [in the VSLA] in March was 50,000 MKW but because I only managed to pay back the loan in December, the interest reached an additional 48,000 MKW (...) when I got the savings paid out and paid the loan of the person I had taken the extra loan from, there was [no money] left at the end. So this was very painful for me especially when thinking about that I also have to feed the children. Sometimes we would have food, sometimes we would go to bed without having had food.” (A9-S)*

Hickel (2015) similarly finds that most loans are used to fund consumption in order to buy basic necessities to survive, which means that loan-takers do not generate new income and end up taking new loans in order to pay back the old ones. He thus argues that loan-takers end up wrapping themselves in layers of debt.

Furthermore, the data reveals that the women had to take loans in the VSLA in order to pass them onto male family members. One informant had to take a loan for her husband, another informant had to take a loan for her adult son. However in none of the cases the male family member repaid the loan. This left the women with the responsibility to pay back a loan which they did not use themselves (A6-S, A10-S).

*“My husband sent me to the VSLA saying “go and get the money from the group, I will pay back” (...) but when the date came that he should pay the money, he didn't pay the money. So I had to pay back the loan on my own, it was a struggle to do so, but I did some piece work (...). My husband said that he wanted to use the money for doing business, but I didn't see the business he was talking about.” (A10-S)*

Similar to taking a new loan in order to pay back an old loan as described further above, this situation suggests the same results. When women are responsible to pay back a loan used by someone else, I argue that it also has a negative effect on the level of their consumption and

ability to invest in IGA or assets. These two cases support the argument made by Hickel (2015): that in the end MF makes poverty worse.

When comparing the changes in economic resources of the women from VSLA type 1 and type 2, it becomes evident that it makes a difference whether the VSLA is supported by an NGO or not. However, many factors come into play when making this comparison. In part II of the analysis (section 6.8) I suggest that one aspect of the different levels of the change in economic resources can be explained by differences in basic VSLA functionings. Additionally, the women from VSLA type 2 are generally poorer than the women from VSLA type 1 (see section 5.1 and Appendix 1). Some researchers argue that the poorer members are less likely to use loans for productive activities and less likely to benefit from VSLA participation (Lønborg & Rasmussen, 2013; Hunt & Kasynathan, 2001).

## 6.2 Social Resources

The data suggests that there are both positive and negative impacts in how the social network aspect of VSLA participation translates into a change in well-being for women from both VSLA types. Throughout all interviews, the women tend to keep focused on the economic changes which the VSLA has brought with it. When I asked probing questions to facilitate a conversation within the frame of social resources, the women tend to come back to the financial aspect of sharing ideas within the group. One woman explains:

*“If someone has a good idea, others in the group will copy that idea and do the same. For example how someone is doing her business and how someone manages to pay back a loan. So we do the same and we learn from each other (A5-N).*

However, data from field observations (C1-N) reveals that the majority of the women in the group of the above-referenced interview are doing the same business; they are all selling onions and tomatoes (see photo, source: the author). This social aspect of the VSLA membership may be an explanation for the results by Ksoll et al. (2016) who found evidence that the number of IGAs decreased; rather specialization took place.



Before participating in the VSLA, the women generally did not do business and relied on piece work for generating an income (e.g. A5-N). Similarly, most non-members also do not do business and rely on piece work for making a living (B1-N, B2-N, B4-S, B5-S). Therefore, copying each other and doing the same business as other women in the group may be what enables the women to have a business in the first place. However, it may yield less profits, than if the women would employ strategies to differentiate their businesses.

Going beyond the financial aspect of social resources, one woman expresses that because of her participation in the VSLA, she now has friends. Before her VSLA membership, she did not know anyone in the village, because she moved from her home village to her husband's village (A8-S). In the patrilineal regions of Northern and Southern Malawi, it is the wife who moves to the village of the husband when marrying (C1-N, C3-S). Thus, I assume that the informant's loneliness upon moving to the village of the husband is representative of most women.

*“Whenever we gather, we share a lot together. In the past, when I was not yet a member of the group, I just used to be alone at the house. But because I am a member of the village bank group I am chatting with a lot of people. So I am just happy, because I have a lot of friends now. Not a lonely life. We know each other and we are able to assist each other in the group.” (A8-S).*

According to Maslow (1943), social needs, i.e. feeling a sense of affiliation, belonging, friendship and connection, are basic human needs. Thus, I assume that women's VSLA participation contributes to fulfilling these social needs when they participate in groups that are harmonious. The data on non-members does not include information on social connections, however, Karlan et al. (2012) similarly find that women report having more and stronger friendships as a result of participation in VSLAs. In this vein, other research shows that the social impact of MF is connected to a feeling of belonging (Prakash & Malhortra, 2017).

On a critical note, there are also limitations to the social aspect of VSLA participation. One woman reflects that the social ties formed through the VSLA may not be that strong.

*“If someone from the group is sick, we have never thought about going to visit the person and doing something for that person. We don't do that (A8-S).*

Furthermore, evidence shows that participation also leads to conflict among group members. A field officer from a local NGO explains that there are “lots of fights in the groups” (D2). These situations are likely to occur when a member is unable to pay back a loan which results in the group confiscating assets of the defaulter. In a focus group interview, VSLA members told me that they took the iron sheets off the roof of the defaulter’s house (A6-S). Similarly, Karlan et al. (2012) also find that cases where money has been lost have led to significant conflicts among group members. In this vein, other scholars also warn us about the social struggle aspect of associational life. Rankin (2002) and Molyneux (2002) argue that social capital is romanticized; groups are rarely harmonious and due to conflicts and unequally distributed benefits, group formation leads to exacerbated lines of hierarchy.

To conclude this section, there are both positive and negative aspects of how the social network of the VSLAs translate into a change in well-being for women from both VSLA types. However, there is an optimistic aspect to this - the increase in the women’s social resources moderately improves their well-being.

### **6.3 Agency: Control over Resources**

The data reveals that the women from VSLA type 1 and type 2 experience changes in their ability to control financial resources differently. Before VSLA participation, the women’s financial decision-making power was non-existent or barely existent, because they had little to no independent access to money. One woman explains this situation:

*“In the past I couldn't [decide over money], it was different because I didn't find the money on my own. Back then my husband would use the money without showing to me, that he had money, and what he did with it.” (A7-S)*

Similarly, non-members who are married report that their husbands decide over all financial resources of the household (B1-N, B2-N). Non-members who live apart from their husbands, as well as widowed and divorced non-members report that they control financial resources themselves (B3-N, B4-S, B5-S). Similar statistics show that 46 % of women in the poorest

quintile in Malawi are not involved in decisions of what to spend financial resources on (World Bank, 2012).

The data on women from VSLA type 1 reveals that the women experience an increase in financial decision-making power as a direct result of their VSLA participation. Either they discuss and decide *together* with their husband how to spend the financial resources accessed through the VSLA, such as one of the informants explains; “*my husband and I take the decision on what to use the money on together*” (A5-N). Or the women decide *completely* on their own what to do with the money. One woman explains that she has used loans and savings for investing in her business and because “*I am the owner of this business, (...) I decide myself what to spend the money on – not my husband.*” (A4-N). Waller’s (2014) research in Malawi also finds these two trends in decision-making. The study similarly shows that subsequent to loan-taking, one trend is that decisions are made jointly between husband and wife, and another trend is that decisions are made by women independently of their husbands.

The data on women from VSLA type 2 reveals that even though the women discuss how to spend the money together with the husband, it is generally the husband who has the final word over what is done with the money (e.g. A8-S). The fact that they *discuss* the use of the money *together*, before the husband takes the decision, suggests that the women may feel that there has been a change merely because they have been involved in the process. Waller (2014) also agrees that some married women and their husbands make decisions jointly, although it is the men who have final say.

Women’s control over resources consists of complex changes. Generally, the women from VSLA type 1 experience changes in their ability to control financial resources to a greater extent than women from VSLA type 2. Hunt and Kasynathan (2001) similarly find that the matter of decision-making is complex. They correspondingly find that the women’s loans are either controlled by the women themselves, jointly with their husband, or entirely by the husband. Additionally, they have clear findings on women passing the full sum of their loans directly to their husbands, which leads them to see the situation as women merely being “post-boxes for credit and repayment” (Hunt & Kasynathan, 2001: 45). Both my own data as well as the



secondary sources referred to in this section show that changes in regard to control over resources is directly connected with the financial resources accessed through the VSLA (or other form of MF). As these findings do not include a change in control over resources other than the ones accessed through the VSLA (or other forms of MF), I conclude this section by arguing that even the positive changes in control over resources remain small.

## 6.4 Agency: Domestic Violence

Though women's VSLA participation has resulted in the reduction of one form of domestic violence, it has been replaced with another form of domestic violence for women from both types of VSLAs. What has changed is the situation in which the domestic violence occurs. Before becoming members of a VSLA, the women rarely had their own money, and had to ask their husband for the money to buy household necessities. In a focus group interview, one woman explains how these situations generally lead to violence, and another woman elaborates her personal experience of these kinds of situations:

*“Men will shout at the wife or even beat her because they want to protect their small money. They don't want to give the money to the wife to buy household necessities, because their priority is to spend it on drinking” (A4-N).*

*“I have experienced when asking my husband for money, then he becomes very cruel and starts shouting at me. But I am just asking for the money for home use, but he prefers to use it somewhere else” (A4-N).*

After a discussion amongst the informants of another focus group interview, the translator similarly concludes *“before [membership in the VSLA], they encountered physical domestic violence when asking their husband for money. And when the husband did not want to give any money, he would get angry and sometimes slap them” (A5-N)*. One non-member also confirms that she regularly faces violence by her husband (B6-S).

Now the women experience less domestic violence, because as a result of their VSLA participation, they do not have to ask their husband for money for buying household necessities to the same extent anymore. The translator from interview A5-N continues to sum up the group discussion: *“now they don't face this violence because they stand on their own and have their own income.”* However, with the new financial dynamics in the household where women earn

their own income, the men leave the financial responsibilities with the women and spend their own money on going drinking at the bar more often. This situation, in turn, results in an increase in physical domestic violence. One informant explains:

*“Now when I have started doing a business, he has left those responsibilities with me and is now spending the money on something [referring to drinking] for himself. When my husband has been at the bar and comes home drunk, and even if I didn’t do anything wrong, he would still beat me” (A5-N).*

Other research reveals a similarly complex relationship between women’s increased access to financial resources and violence. Some researchers suggest that an economic improvement in the household goes hand in hand with fewer incidences of domestic violence (e.g. Kabeer, 1998). Other researchers suggest that women’s participation in MF programmes results in an increase in domestic violence (e.g. Rahman, 1999; Hunt & Kasynathan, 2001). Including both perspectives, Waller’s (2014) study in Malawi also shows that women’s participation in VSLAs has both positive and negative effects on violence against women. To conclude this section, I find no evidence that the women experience a change in their bargaining power to increase their freedom from the risk of violence, because their VSLA participation has only changed the situation in which violence occurs.

## **6.5 Agency: Mobility**

Women’s ability to move freely outside their homes has improved as a direct result of their participation in VSLAs. I make this generalization for the women from both VSLA types based on narratives on mobility which only emerged in the more in-depth interviews with women from VSLA type 2. The women report that their husband restricted them in moving outside their homes before they were members of VSLAs. This limited their possibility to go to the market and inhibited their ability to generate an income. Now, however, the increased access to financial capital through the VSLA provides the women with a justifiable reason, which allows them to move outside their homes and for example to go to the market. Two women share their stories of how they experienced restricted mobility before becoming VSLA members:

*“In the past, my husband was just thinking that if I would be out of the house it would mean that I would be doing prostitution. In other words, he was full of jealousy. He was thinking that if I go somewhere, I would be with other men [...].*

*It was very bad for the family in the past when I wasn't allowed to go and do business because the children were starving" (A8-S).*

*"There was a time when I went to the market to sell bananas, but I came back late. So, because I came back late my husband had to quarrel with me, saying that I wasn't at the market but that I was hanging out with other men. So, he had to beat me just because of that, and he said that I should never go again [...]. I tried to convince my husband that I didn't do anything wrong wherever I was. But my husband wouldn't hear my voice." (A9-S).*

The data on non-members does not include information about women's mobility; however, Waller (2014) explains that 51 % of men in Malawi insist on at all times knowing where their wife is. Similar to the above quotes by the women interviewed, Waller states that the men expressed jealousy if their wives would speak to other men, and as such, women's mobility is constrained by their husband's control over them. Similarly, HRCM (2005) finds that married women are typically dominated and controlled by their husband.

The first woman (A8-S) continues her story by explaining how her participation in the VSLA serves as a legitimate reason to move more freely enabling her to invest in IGAs and thus support the family.

*"Now, I manage to go wherever I want to go without any problems [...]. The change has come just because of the group. When we face a certain problem in the home, I go to the village bank and I get the money to support the family. And because of that, my husband has allowed me that I may go to the market and sell the clay pots so that I can pay back the loan [...]. When I go to places, I go to the areas where I can get something important [...] because then I can support the family." (A8-S).*

Similarly, Hunt and Kasynathan (2001) find indications that women have gained more freedom of movement when participating in MF programmes. The scholars, however, suggest that increased mobility is more strongly associated with the fact that the women live in conditions of extreme poverty rather than with the MF programmes, because when having very few life choices mobility becomes a matter of necessity, which makes the women more likely to challenge this structure.

The second woman shares similar experiences of a shift in her freedom to move (A9-S). However, she also shares her concern about feeling restricted from moving freely because then she would have to leave her children at home alone. Therefore, although she has gained freedom to move, her responsibility of taking care of the children - as defined by socio-cultural norms (Kabeer, 2015) - restricts her choices in terms of how to use this freedom.

*“I am happy that I can go anywhere I want, but I am also having the pressure in mind that when I leave the house, the children are at home. What if one of them gets sick? Who will be taking care of them? So, I leave the house with caution.”*  
(A9-S)

To conclude, the data suggests that women’s participation in VSLAs can be used as a bargaining tool for the women to reach a higher level of agency in terms of their ability to move more freely. By doing this in combination with using their economic opportunities and resources, they are able to engage in IGAs and improve their well-being and the well-being of the household.

## **6.6 Achievements**

For the female VSLA members “achieving valued ways of ‘being and doing’” (Kabeer, 1999: 438) means having gained the ability to improve the well-being and quality of life for themselves and their families (A1-N - A10-S). The common denominator across the data is that for the women, this means being able to cover basic necessities, i.e. to have shelter, clothes and food and to send the children to school. I find that women from VSLA type 1 are able to reach these achievements to a larger degree than the women from VSLA type 2, because VSLA type 1 participants are more likely to increase their economic resources compared to VSLA type 2 participants (for an elaboration, see the previous section on economic resources). I find that there are two elements to this. The first element is achieving the ability of being a good mother who is able to provide shelter, clothes, food and schooling for her children. The second element is achieving a degree of financial independence, which enables the women to be good mothers regardless of their husbands’ presence. Similarly, Rickard and Johnsson (2019) also find that women obtain financial independence as a result of VSLA participation. This element of financial independence is very important for the women as they acknowledge the fact that it is common for men to leave their wife and enter into a new marriage, which would leave the women with nothing. This is expressed by one of the members from VSLA type 1:

*“So as a member of the VSLA and being able to do business, I can be secured financially. [...] Even if my husband decides to marry another woman, I am safe because I am doing business so I have money. Even if he would leave me, I have something at least”. (A2-N)*

These achievements stand in contrast to the women’s lives before they became VSLA participants, because their lower economic resources and agency meant that they were unable to reach these achievements to the same extent. Similarly, non-members are also in a state of not being able to reach the desired goals of financial independence and good motherhood:

*“The biggest problem I have is ways of finding food. And also having clothes for the family. I am not that happy, because I am failing my responsibility of taking care of the children. [...] I am failing to provide my children with their needs. For example some of my children are failing to go to school because I cannot buy the school uniform for them.” (B5-S)*

For the women from VSLA type 1, I therefore assume that the active realization of (and interplay between) their increased economic resources and agency enables them to achieve more meaningful and valuable ways of being and doing. Knowing that they themselves are able to continue to cover basic necessities and be good mothers, even if the husband were to leave, is connected to feelings of confidence and security for the women about the future.

One exception to this general logic of meaningful achievement of most women is that of young women from a specific VSLA type 1 for young members between 20-35 years old. They express that it is valuable to them to use the increased access to financial resources to make themselves look pretty (A2-N). Before VSLA participation they did not have access to the financial resources needed e.g. to have their hair done or buy nice clothes, and thus they were not able to look good according to their own standards. This gave them feelings of insecurity because they associated their inability to look good with a higher chance of the husband behaving promiscuously - and thus being at higher risk of getting HIV.

*“We need cosmetics, good shoes, clothes, hair and other things to look good. [...] Since my husband cannot manage to buy things for me to look better, I have a fear, that maybe because I am not looking good he will go to other girls to marry them. [...] So as a member of the VSLA and being able to do business, I can be*

*secured financially. [...] But men are like dogs. [...] Men are like dogs because they are not satisfied with one wife. They can have a wife, but if they see a girl somewhere, they go after her. If they see another girl somewhere, they go after her. [...] It's painful. Especially because of HIV/AIDS. It can happen that men transmit it to their wives while the women are just at home.” (A2-N)*

The VSLA membership enables the young women to do IGAs to achieve being the version of themselves which is meaningful to them. This gives the women feelings of confidence and security because of the rationale that it minimizes the chance that the husband will be promiscuous, thus lowering their risk of HIV.

## **6.7 Concluding Part I**

As illustrated in this part of the analysis, women who participate in VSLA type 1 experience more positive changes in their lives than women who participate in VSLA type 2. I therefore argue that it does make a difference whether there is an NGO involved in the VSLA. However, the positive changes are small, and I wonder whether participation in VSLA type 1 will contribute to significant and lasting empowerment of the women. I have found that women who participate in VSLA type 2 generally experience a small positive change in regard to economic resources, ability to control financial resources, ability to move freely, and achieving valued ways of ‘being and doing’. However, I found no significant changes in regard to social capital or in the freedom from the risk of violence for the women from VSLA type 1. For women from VSLA type 2, I found no change - or even instances of disempowerment - in all of these domains, apart from a positive finding in their ability to move freely. Based on these findings, I argue that the extent to which women experience empowerment depends on the type of VSLA which they belong to. In trying to uncover why there is a difference in how the women from VSLA type 1 & 2 experience empowerment, I find that the extent to which women experience empowerment is influenced by basic VSLA functionings, which I elaborate in the next section.

## **Part II: A Broader Perspective**

### **6.8 Differences in Basic VSLA Functionings**

Following on from the above conclusion, in this section, I aim to unpack the underlying reasons behind why it makes a difference whether there is an NGO involved in the VSLA in terms of the

extent of the empowerment which the women experience. I refer to basic VSLA functionings which in this context are the presence of village agents, and technical and social aspects. The data suggests that VSLA type 1 has more advantageous basic functionings than VSLA type 2.

The set-up of VSLA type 1 includes supervision from a village agent who helps with monitoring, training, and guiding the group. In VSLA type 2, there is no one to supervise them, which means that group members have less business knowledge, less help with group conflicts and are left to themselves when it comes to sharing the savings at the end of the cycle (D2). A field officer from a local NGO explains how basic VSLA functionings are compromised in type 2 VSLAs:

*“Sometimes people just form groups from what they have heard. Usually it’s very hard for them to make the groups effective because they don’t have the proper knowledge of how the groups are supposed to be. [...] So they end up not being as they are supposed to be, and then there are a lot of problems in these groups. [...] There are groups where people fight all the time, they don’t know how the shares work, they don’t know how the mathematics goes, and who is supposed to get what at the end of the year. [...] In places where people have the opportunity, they are being trained and they are doing well. But you have those areas where they don’t have access to this, and that is when it becomes a problem.” (D2)*

The data further reveals differences in VSLA type 1 & 2 in terms of technical and social functionings. For the technical functionings, in VSLA type 2 the interest rates are at a level of 30 % and have no rules about the loan size having to be proportionate to the amount of shares, nor do they have rules about how members should spend their loans (A6-S - A10-S & C4-S). In VSLA type 1, the interest rates on loans are around 20 %, and they have rules about loans not being allowed to be significantly higher than the loan-takers’ accumulated size of shares (A1-N - A5-N). Even though they don’t have rules on what loans should be spent on, they do have the rule that members have to explain what they intend to spend the loan on before receiving it (C2-N). As explained in the section on economic resources, the women from VSLA type 2 have all experienced situations where they failed to pay back loans (A6-S - A10-S), whereas women from VSLA type 1 reported that they have never experienced anyone in the group defaulting to repay a loan (A1-N - A5-N). Therefore, I assume that the differences in these technical VSLA functionings play a role in the women’s ability to pay back loans, which is important because empowerment is unlikely to take place when being trapped in debt.

As for the social aspect of basic VSLA functionings, the women from VSLA type 2 report situations where money has been lost from the group, because if someone does not pay back, and they cannot do anything about it, they just leave it as it is (A6-S - A10-S). One of the women explains how the group socially accepted such a situation because of kin ties:

*“In my group we are 9 women and 1 man. [...] Last year the man took a big loan. When he didn't pay back the money, he said that he would make bricks and sell them and then return the money. But after he did so he still didn't pay back the money. We tried to go to his house, but he started being away from the house during the day, and only coming back at night. Until now, he hasn't paid back the money. I think we should take him to the village head or the police. But in the group we have different ideas of how to deal with this. Some members are saying that we should just leave him. Those are the ones who are related to this man. [...] I am not happy with this, because finding money is tough, so I am not happy to lose money in this way.” (A7-S)*

The Kenyan philosopher, Oruka (1994), similarly finds that the principle of sharing money is inherent to culture of traditional African communities, because giving at one point in time, means receiving at another point in time, which translates into security. He states that “the ethics of common sense shows that when in any given family or community, matters of common wealth, and common security conflict with matters of the personal possession, [...] the former must prevail over the latter” (Oruka, 1994). Since no such narratives were given by women from VSLA type 1 (A1-N - A5-N), I assume that the structure provided by the NGO can shift this behaviour to some extent.

Summing up, in this section I have identified the presence of village agents, as well as technical and social aspects as the basic functionings of the VSLA from which economic change can take place, and be “a pathway to women's empowerment”, as Kabeer (2016) puts it. I find that VSLA type 1 has more advantageous basic functionings than VSLA type 2; however, I wonder whether VSLA type 1 can maintain their advantageous basic functionings once the NGO exits the project. In a similar vein, Mersland (2007) finds it problematic when NGOs have no exit strategy in place.



## 6.9 The Question of Sustainability

Following on from the above section, I question the ability of the women to maintain the level of empowerment they have obtained once the NGO exits the project, and the VSLA members are left to manage the groups themselves. With time, a turnover of group members is inevitable as VSLA members leave the groups and new members join the groups (D2). Thus, I assume that the VSLAs will lose knowledge, structure, good practices and good order. NGOs rely on village agents to continue guiding and supervising the VSLAs; however, the continuity of village agents seems to be an issue. A field officer from a local NGO expresses that village agents are not always reliable:

*“We select people from the villages, who are supposed to be the village agent. We can’t train everyone, so it is only the village agent who is trained, so that they are able to reach out to more and more people. [...] We aim to give the village agents refresher trainings maybe once a year. But in case we stop doing that, it will be a problem for them, because they have to sustain it on their own. Sometimes we train them for days and they end up not doing any job at all. So it’s a gamble.”*  
(D2)

Therefore, I suggest that when the NGO leaves the VSLA, there is a chance that VSLA type 1 may start to look like VSLA type 2 in terms of its basic functionings (explained in the above section). I therefore argue that it is unlikely that the women will experience continued empowerment once the NGO exits the VSLA and leaves the group on their own. In a similar vein, Murray and Rosenberg (2006) argue that VSLAs need long-term guidance and monitoring in order to survive and be sustainable. Contrastingly, many scholars argue that VSLAs are a sustainable development method because of the notion that VSLAs do not rely on professional management once members learn how to operate the VSLA themselves (e.g. Ksoll et al., 2016; Todd, 2001). There is evidence that after an average of 8.5 years, 71 % of VSLAs continue to operate independently without NGO support (The Seep Network, 2020). Based on my findings, however, I question the quality of these groups and how that translates into empowerment. Empirical studies on this topic are scarce, and I thus draw similar conclusions as Mersland (2007) - that more research on VSLAs’ sustainability is needed. In addition, to the impact of NGO support on the VSLAs’ functionings as well as on sustainability, socio-cultural norms, also

play a role on the extent to which women experience a significant and lasting change in empowerment.

## 6.10 Socio-Cultural Norms

Because socio-cultural norms shape the dimensions of empowerment (Kabeer, 1999; World Bank, 2012), I argue that it is necessary to look at these structural dimensions of empowerment for an analysis of the underlying reasons why women experience no or only small changes in empowerment when participating in VSLAs.

### 6.10.1 Women's Unpaid Work

Women hold a major responsibility in reproductive work including child care, cleaning, washing, cooking, and other unpaid domestic work such as collecting firewood, fetching water and cultivating land to feed the family (C1-N, C3-S). The socio-cultural expectation of women's reproductive responsibilities adds up to an immense amount of unpaid work-hours which limits the extent to which women are able to take up productive work. Kabeer (2016) similarly finds that women have lower productivity than men due to these structures. However, as the quote below demonstrates, the women do not only face less productive circumstances for engaging in IGAs than their male counterparts, they also face less productive circumstances in their reproductive work. During a walk through a village and some fields with a local woman in my village stay in Northern Malawi, a man carrying firewood passes by and the woman comments:

*“This man, he has taken firewood that - of course - his wife collected. Now he is going to sell it and probably will stay in the bar until the money is gone. If the woman says anything against it, he will beat her. (...) You see it's mainly women working in the fields. The men are mainly in the bars drinking. They sell maize from their fields and go with the money to the bar. But it is the women's labour on the field which enabled them to have something to sell. (...) A husband expects his wife to work in the field and to cook. If he comes home and food has not been prepared by his wife as expected, he will beat her.” (C1-N)*

The woman's explanation shows that women take the responsibility of domestic work upon themselves out of socio-cultural expectations and if they do not fulfil this expectation they will be beaten. Thus, I view the large domestic work burden as something women take on themselves, not because they have the choice to do so, but because of the expectations ingrained

in the socio-cultural norms. Kabeer (2016) similarly finds that women do domestic work out of compulsion and not out of choice. As many other researchers have argued (e.g. Kabeer, 2016), I also argue that the socio-cultural norms of women's unpaid work hours limit the extent to which women's increased engagement in IGAs through VSLA participation is able to translate into empowerment.

### 6.10.2 The Position of Women

Another aspect of socio-cultural norms which the above quote from the woman addresses is the one of domestic violence in situations where the woman has not prepared food, or in situations when she would speak up for herself. Another woman explains that before she was a VSLA member she would get beaten in situations of asking her husband for money. Now that she is able to take care of household necessities to a greater extent on her own, her husband spends more time (presumably also more money) in the bar and when coming home under the influence of alcohol he beats her - even when she did not do anything "wrong" (A5-N). This narrative illustrates that participation in VSLAs only changes the circumstances of facing domestic violence but that it does not change the violent behaviour deeply rooted in the informal institutions. Therefore, I argue that the socio-cultural norm that women face violence in the home persists - in one way or the other - independent of their VSLA participation. One woman explains that this dynamic is common because of the socio-cultural practice that men pay a bride price to the women's parents when marrying.

*"A man treats his wife as the stupid one, without respect. When a man takes a wife he has to pay for her, maybe something like six cows, so her job is to cook and clean the house, so he believes he has the right to treat her in whatever way he wants to. (...) We women have a very forgiving heart. It has to be okay. (...) He can do anything. We cannot complain. So we just accept and smile." (C1-N)*

As this research does not include data from men's perspectives, I draw on Kabeer (2019) who explains that men's inability to live up to the model of a stereotypical man, i.e. being the one who earns money and supports the family, translates into frustration which is let out by beating someone with lower power status and who is weaker than themselves. Therefore, I argue that the roots of domestic violence are not in the character of individual men, but that it reflects gender and power dynamics inherent to the socio-cultural norms. Furthermore, the above quote

illustrates that the women do not question being on the receiving end of domestic violence. Similarly, statistics show that approximately 30 % of women in Malawi think it is acceptable for a husband to beat his wife for arguing with him, refusing to have sex, or if she burns the food (World Bank, 2012). I view the women's acceptance of this subordinated position as something they have been conditioned to do from a very young age. In their report, the Malawi Human Rights Commission (MHRC, 2005) analyse what seems like an infinite amount of cultural practices which throughout the life of girls and women rob them of basic human rights such as the right to have control over their own body and the right to a life free of violence (elaborated in Chapter 2). In the following quote about a cultural practice related to marriage, one woman explains how women are conditioned to always be submissive to their husband and to not speak up when he demands sexual intercourse.

*“When a woman gets married, according to our cultural practice, older women come to give her advice that the husband is the head of the family so she has to respect and be submissive to him, and that she should always be available when he has sexual needs he wants to fulfil.” (C3-S)*

In addition to these social norms and cultural practices, in most of Malawi, the inheritance of land is predominantly patrilineal and *Chitengwa* is practiced, which means that upon marriage, the woman leaves her home to move to her husband's village. This practice serves to signify that the woman, after getting married, belongs to the man's side and that the man is in full control of the woman (MHRC, 2005). As shown in the quotes below, the women depend on having a husband to be included and accepted in the community and they rely on their husband's land for growing crops as they do not have anywhere else to go. This suggests that they do not question the structures which place them at the bottom of the gendered hierarchy.

*“As women, we depend on our husband. If we would want to leave him, we would have nowhere to go and no access to land in order to sustain ourselves and our children.” (C1-N)*

*“Here, when you are not getting married and you are living alone, they will call you a prostitute. (...) So we just get married to avoid those bad rumours. (...) The problem is that when all those bad words are being said, a woman would not be comfortable in the society. So she would avoid going to public places and isolating herself. In order to run away from that, we just get married.” (A8-S)*

The analysis of the gender dynamics in this section shows that the women occupy low positions in the society, which I argue plays a restricting role in the extent to which women experience empowerment when participating in VSLAs. Wheaton (2019) similarly argues that the advancement of women (economic, personal and social) is constrained by inequitable gender dynamics which influence women's ability to fully participate and benefit from VSLAs.

### **6.10.3 Women's Preferences**

Furthermore, the socio-cultural norms (explained above) influence women's networking, competition and risk-taking preferences. Baudin and Hiller (2018) find that gender differences in preferences are shaped by the degree of patriarchy and household decision-making processes. Because of this, I suggest that female VSLA participants will not be able to reinforce their small increase in economic resources further. In making this argument, I draw on other research, since the data I have collected does not include women who have "retired" as VSLA members, nor does it include data from the same VSLAs over multiple points in time. Research shows that women tend to have difficulties establishing effective networks, which means that there is less of a flow of exploration and identification of information and opportunities to benefit their entrepreneurial activities (Hanson & Blake, 2009). Women are generally more averse to competition and to risks than men (Croson & Gneezy, 2009; Charness & Gneezy, 2011). Thus, women are likely to reap low benefits from their business activities and investments. Moreover, Croson & Gneezy find that some studies show that women behave with more altruism, more generosity and more reciprocity than men, and that women's "choices are made with greater consideration of the circumstances surrounding the decision" (2009: 14). Since this reflects the behaviour of the women, I argue that female VSLA participants will not be able to grow their increased economic resources further, which limits the extent to which increased economic resources can be a pathway to significant and lasting empowerment.

Summing up, I have found that the underlying reasons for which women experience no or only small changes in empowerment when participating in VSLAs lies beyond the VSLA itself. The findings of this section show that socio-cultural norms influence and determine women's domestic work burden, women's position in society and women's preferences. Huis et al. (2017: 10) state that "women's empowerment depends on inflexible, household- and region-specific,

social norms, and traditions”, and thus they similarly find that women’s position in society constrains women’s ability to fully benefit from VSLAs. Additionally, Kabeer (2016) similarly argues that systematic transformation is especially required in patriarchal structures; for example, because women's domestic work responsibilities limit the way in which economic inclusion can be a pathway to empowerment. Based on these findings, I conclude this section by arguing that women who participate in VSLAs will continue to experience no or only small changes in empowerment, unless there is a change in the structures of the household and the informal institutions of society. Furthermore, several authors within the field of empowerment argue that changes in socio-cultural norms are also necessary for the women to sustain their empowerment over time (Wheaton, 2019; Narayan, 2002; Ravallion & Chen, 2001). In extension of the conclusion above, I therefore end this section with the argument that it is unlikely that VSLA participation alone will create significant and lasting shifts in women’s empowerment.

## **6.11 Concluding Part II**

In Part II of the analysis, I have dismantled underlying reasons of *why* the women experience no or only small changes in empowerment when participating in VSLAs at two different levels. At the level of the VSLA, I argue that the presence of a village agent plays a role in regard to the basic functionings of the VSLA. However, due to the socio-cultural norms shaped at the broader level of society, I argue that even if a VSLA is well-functioning, it is unlikely that VSLA participation alone will create significant and lasting shifts in women’s empowerment. I therefore determine that a shift in how gender roles are perceived by men and women in the community (and wider society) is a necessary prerequisite for women to experience significant and lasting empowerment when participating in VSLAs. I therefore begin the next chapter by suggesting a gender transformative approach at the core of VSLA interventions.

## **7 DISCUSSION**

### **7.1 Calling for a Gender Transformative Approach**

The dynamics of gender roles, as defined by the socio-cultural norms of the community and society, play a restricting factor in the extent to which women experience empowerment when participating in VSLAs. The work of many development actors in this field is either gender

accommodating, gender blind or gender aware, which does not create the necessary shifts in the socio-cultural norms necessary to facilitate significant and lasting women's empowerment. Various authors find that when *gender transformative* programming is an integral part of economic inclusion activities, they are more likely to contribute to women's empowerment (e.g. Rickard & Johnsson, 2018, Gupta et al., 2013; Larsen, 2011). Mersland and Eggen (2007) argue that social empowerment is needed to make financial empowerment effective, and at the same time, financial empowerment is needed to enable social empowerment. In this vein, I see that a shift in socio-cultural norms is a prerequisite for significant and lasting empowerment, because it opens up the possibility for more reinforcement and interlinkages between the dimensions of empowerment. Based on these arguments and findings, I call for NGOs and other development actors to implement their VSLA projects with a *gender transformative approach* at the core of their interventions.

Broadly speaking, a gender transformative approach allows for empowerment by fostering critical examination of gender norms and dynamics, strengthening or creating systems which support gender equality, and by strengthening equitable - and changing inequitable - gender norms and dynamics (Rickard & Johnsson, 2018). The overarching aim of the approach is that it challenges harmful attitudes, practices, and systemic inequalities and lack of fairness and justice; both at the level of the individual and the community (ibid.). Change takes time, but there is evidence that a gender transformative approach in financial inclusion programming can create shifts in gender relations, traditional gender roles, and men's perception of their wives (Wheaton, 2019). With initiatives like the UN's HeForShe campaign, which encourages all genders to act as agents of change against harmful stereotypes and behaviours, meaningful engagement of men and boys has gained increased focus in combating gender issues (UN Women, 2014; Glinski et al., 2018). In this vein, as a result of a gender transformative approach in financial inclusion programming, multiple reports find significant shifts in men's perception of their wives, shifts gender relations and shifts in traditional gender roles (e.g. Martins, 2015; Slegh et al., 2013). Specifically, these programmes implemented couples' dialogue sessions, gender training for men and women together, or education sessions for the husbands of female VSLA members alone. The results of these programmes reflect that those who participated had greater income, more joint financial decision-making and lower levels of domestic violence. Furthermore, men showed

greater respect for women, and husbands were more engaged in household chores and childcare (ibid).

These studies show that shifts in socio-cultural norms in terms of gender relations, traditional gender roles, and men's perception of their wives has the ability to translate into women experiencing a higher degree of empowerment through their VSLA participation. Kabeer (2016) similarly argues that when dismantling the conceptual walls of what masculinity and femininity means, it will make it possible to participate in domestic work without feeling demasculated, and it will make it possible for women to go out and engage in IGAs without necessarily feeling guilty. I argue that shifts in socio-cultural norms in terms of gender relations, traditional gender roles, and men's perception of their wives is a necessary precondition for women to experience significant and sustainable empowerment when participating in VSLAs. Thus, I conclude by calling for NGOs to implement a gender transformative approach at the core of VSLA interventions.

## **7.2 Positioning this Research Project within Schools of MF**

I position the findings of this research for VSLA type 1 between the general views of the schools of MF categorized in the literature review, which represent both a slightly optimistic view and a more critical view. Overall, my research offers more nuance than the economic school of MF, but it is less critical than anthropological, development studies and political science schools of MF.

For VSLA type 1, I agree with the argument of the economic school of MF that there is a moderate average increase in the participants' well-being. However, the economic school of MF has often received critique for analysing the impacts of MF in a very narrow view (e.g. Kabeer, 2016). By looking at socio-cultural structures inherent to the context, I go beyond the economic way in which the school approaches MF and offer a more nuanced explanation of why the changes in loan-takers lives remain small.

In this research project, I do not approach MF as critically as the anthropology, development studies and political science schools of MF. Instead of posing that VSLA participation leads to



an increase in domestic violence and a widening of the gender hierarchy, I argue that it neither increases nor decreases domestic violence and the gender gap (for an elaboration, see the section on domestic violence in Analysis Part I). A further reason why the schools view MF in a critical light is the argument that MF leads to over-indebtedness and that families end up in a worse situation than before participation. I have similarly critical results for VSLA type 2, but the women from VSLA type 1 are able to pay back their loans and increase their well-being (for an elaboration, see the section on economic resources in Analysis Part I). Therefore, I position this research in a more positive light, and with the recommendation of gender transformative programming in the previous section, I view VSLAs with optimism.

### **7.3 Relevance & Transferability of Findings**

With similar optimism, a gender transformative approach that enhances the extent and sustainability of women's empowerment, and allows for the dimensions of empowerment to reinforce each other so that women's economic resources increase more due to the interplay with changes in agency (Mersland & Eggen, 2007), is not only relevant for NGOs and other development actors, but also for MFIs. MFIs are often criticized for jeopardizing loan-takers' livelihoods by focusing more on the profitability of them rather than on the social and economic impact on them (e.g. Hulme and Maitrot, 2014). However, when MFIs would design their programmes for the different dimensions of empowerment to reinforce each other (as Mersland & Eggen (2007) suggest), the resulting significant and lasting increase in loan-takers' financial resources means that the MFIs will also be able to increase their own profits more significantly and sustainably.

I do believe that the findings and suggestions of this research project are relevant to VSLAs and other forms of MF in other developing countries. While the culture of African countries is more similar to Malawi than other developing countries in Asia or Latin America, the oppression of women and high levels of gender inequalities is seen in many developing countries all over the world (World Economic Forum, 2019). Therefore, the findings and suggestions of this research project may also apply to the field of MF (both community and commercially managed) in other countries that have high levels of poverty and where there is a significant difference in men's and women's access to resources and opportunities.

Meaningfully engaging men, in order to create the preconditions for the different domains of empowerment to reinforce each other and to translate into significant and lasting empowerment for women, is not just important to the field of MF, but should be transferred to other development interventions as well. Women's empowerment is important in its own right, but because women's empowerment is an important part of the equation to increase economic growth and alleviate poverty, I believe that it is crucial that various kinds of development interventions are implemented with a gender transformative approach at the core of the project.

#### **7.4 Limitations of Kabeer's Three Dimensions of Empowerment**

In this research project I have analysed the findings within Kabeer's (1999) three dimensions of empowerment, which come with some limitations. Kabeer's three-dimensional empowerment model deals with the individual in their immediate environment, which is common in much of the empowerment research and literature. Hur (2006) argues that it is necessary to include a collective dimension into an analysis of empowerment, because he finds that the interpersonal dimension of empowerment (within which Kabeer's model is positioned) is associated with 'collectiveness'. Hur refers to this as the "processes by which individuals join together to break their solitude and silence, help one another, learn together, and develop skills for collective action" (2006: 530). Kabeer's empowerment model appears limited as this dimension of empowerment is missing in the framework. Though the framework has a focus on the interpersonal dimension of women's empowerment, it takes its starting point in the individual rather than in the group. The perspective of a collective dimension of women's empowerment would have provided a framework for this research to look at the collective action of the VSLA rather than the actions of the individual. Many examples from around the world show that collective action can lead to women's voices being heard (e.g. Albro (2005)). As such it could have been relevant for this research to analyse data on how the collective action of the women influences socio-cultural norms and how that interplays with women's experience of empowerment.

Furthermore, Kabeer stresses the importance that the empowerment dimension of *achievements* is defined by the criteria of women's own choices, and not by some externally defined indicators

on an index. She sees it as problematic when the definition of achievements represents the values of those who are doing the measuring (Kabeer, 1999). On the one hand, the definition of empowerment according to researchers can be seen as a mismatch between the researchers' values and the context of the area studied. Therefore, it may be unethical and have paternalistic characteristics. On the other hand, as I explain in the second part of the analysis, socio-cultural norms condition poor women in rural Malawi to think of themselves as being subordinate and positioned at the bottom of a gendered hierarchy. When a woman values her "beings and doings" in a state of acceptance of these socio-cultural norms, the extent of which she strives for self-actualization and achievements may limit her "capability to realize [her] full potential as a human being" (Sen, 1999). Therefore, I argue that diligently evaluated and reviewed indicators are a useful addition to an analysis within Kabeer's empowerment framework.

## **7.5 Reflections on Further Research**

The weaknesses of this research and the potential for relevant further research go hand in hand. On the one hand, I find it relevant to zoom into each individual matter addressed in this research project. On the other hand, I find it relevant to verify the conclusions of this research project through quantitative data, as well as to expand the findings of this research project with diligently evaluated and reviewed empowerment indicators. This would show the entire spectrum of relevant aspects in the issue of women's empowerment in VSLA participation. Due to the exploratory nature of this research, I unpacked a multitude of interesting aspects pertinent to the matter of women's empowerment in VSLA participation. When illustrating the bigger picture, the depth of each individual matter is compromised; however, there is much more to be said about each of these individual matters. Other researchers have dedicated whole research papers on just one issue within women's empowerment and/or MF. Thus, I believe that a whole research project can be undertaken about each individual sub-theme within this paper, which would provide more in-depth insights for example into how decision-making actually plays out in the household, or how domestic violence impacts the women's actions in their everyday lives. The findings of this project are useful in their own right. However, generalizing and transferring the findings could be done with more confidence, if the findings were confirmed through primary quantitative data. If I were to do further research within women's empowerment through VSLAs, I would set my starting point in the suggestions of this research paper. Then, I would

choose either to focus on one of its subthemes and the multitude of aspects that lie under its surface; or, I would zoom out and map the greater totality of what plays a role when aiming to understand the issue of women's empowerment in VSLA participation.

## 8 CONCLUSION

In this research project, I have explored how women in rural Malawi experience empowerment when participating in VSLAs. In order to obtain in-depth and reliable data, I adopted a qualitative and exploratory data collection approach on-site in the women's villages in Malawi. I find that there is a small positive change in the women's lives, when they participate in VSLAs supported by an NGO (VSLA type 1), but that these changes barely exist for members of VSLAs without NGO support (VSLA type 2). Therefore, my first conclusion is that it does make a difference whether or not there is an NGO involved in the VSLA, in terms of the extent of empowerment which the women are experiencing.

My second conclusion, however, is that the positive change which the female members of VSLA type 1 are experiencing is small, and therefore the extent of empowerment is limited. The women's increased access to economic resources and their increased ability to engage in IGAs translates into a change in agency which provides them with a legitimate reason to gain increased control over resources and more freedom to move. This improvement in agency reinforces the women's increase in economic resources, which enables them to achieve what is valuable and meaningful to them: being a good mother who is able to provide food, proper shelter, and schooling for their children, independently of the presence of their husband. However, women continue to face physical domestic violence in the home - the only thing that has changed with their VSLA participation is the *situation* in which the violence occurs. In this vein, I find that the subordination of women, as per the socio-cultural norms in rural Malawi, plays a restricting role to their empowerment process. Furthermore, due to unreliable village agents, I suspect that the small positive change that women experience at members of VSLA type 1 will reverse once the NGO exits the project. Thus, my third conclusion is that it is unlikely that VSLAs alone will create significant and lasting shifts in women's empowerment.

I call for NGOs and other development actors to implement VSLA projects with a *gender transformative approach* at the core of their interventions. Change takes time, but meaningful engagement of men has the potential to shift traditional gender roles, men's perception of their wives, and gender relations, which are important preconditions for VSLAs to contribute to the sustainable empowerment of women. In this vein, positive change within different empowerment dimensions is important for the empowerment dimensions to reinforce each other and make one another effective.

Therefore, I believe that focusing on a gender transformative approach is not only relevant for NGOs to reach their objectives when implementing VSLAs, but for MFIs, a gender transformative approach will mean that they will be able to increase their own profits more significantly - and in the longer term. Lastly, a gender transformative approach is not only relevant to the field of MF - whether community or commercially managed - but it is also crucial for the broader spectrum of development interventions in order for women's empowerment to translate into a significant and sustainable contribution to increased economic growth and poverty alleviation.

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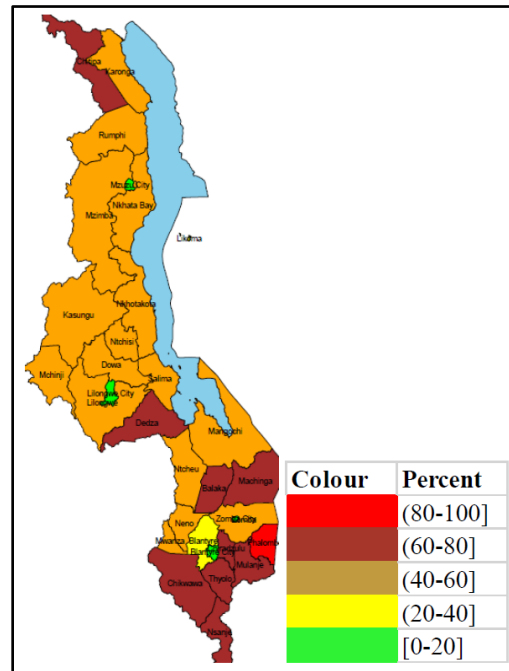
## 10 APPENDIX

### 10.1 Appendix 1: Regional Differences in Malawi

Table 1. Southern and Northern Malawi relative to each other (adapted from NSO, 2019a; NSO, 2019b).

	<b>Southern Malawi</b>	<b>Northern Malawi</b>
<b>Poverty Rate</b>	56 % total (65 % in rural areas)	50 % total (60 % in rural areas)
<b>Death Rate</b>	6.7 deaths per 1,000 persons	6.5 deaths per 1,000 persons
<b>Population Density</b>	244 persons/square kilometer	84 persons/square kilometer
<b>Literacy Rate</b>	67 %	79 %
<b>Permanent Housing Structures</b>	45 %	54 %
<b>Households with Communication Devices</b>	51 % of households have a mobile phone	66 % of households have a mobile phone
<b>Households with Livestock</b>	30 % of households have chickens, 4 % have pigs, 3 % have cattle	50 % of households have chickens, 16 % have pigs and 11 % have cattle

Figure 1. Poverty Map 2017 for Malawi at district level (Source: NSO, 2019a)



## 10.2 Appendix 2: Interview Guides

### Interview Guide 1: Interviews with VSLA members

#### Briefing:

- Introduction of myself & translator
- Explanation of purpose: My purpose is to learn about VLSAs for my research. I will write what I learned in a report. The report is for my university in Denmark, which will help contribute to knowledge about VSLAs in general. I am interested in hearing about your experiences, hearing your stories about your participation in the VSLA.
- I would like to hear from all of you. All of your stories/opinions/experiences are very valued. There are no right or wrong answers. I am interested in everything you tell me, and I will not judge you. I am just grateful that you want to share your stories with me.
- Please remember if there is something you would rather want to keep to yourself, you do not have to share it. Eg. if you think the topic is too sensitive.
- Confidentiality: when I write the report, I will not mention your name, or the name of this village in the report. I do this to ensure your anonymity. So you can tell me anything you want.
- I just want to let you know that I am recording this meeting. This means that I can go back and listen to what [name of translator] tells me. Feel free to leave if you are not okay with this. I will delete the recordings - they will not be published.
- I want to make clear that I cannot give you anything or help you with anything as a thanks for participating in this meeting. If you don't feel like staying here, feel free to leave.

**Please tell a bit about yourself:**

- Name, Age, Highest level of education
- Number and age of children
- Married/unmarried. Do you live on the land of your or your husband's family?
- Do you have land? Who owns it?
- How do you create an income?
- How does your husband create an income?
- How is money managed in your household?

**Please tell a bit about your participation in the VSLA..**

- Name of VSLA, founded in..., membership since...
- How many women/men are members? Why? And in total?
- How did you become a member?
- Rules in VSLA: interest rate, cost of share, rules about taking a loan?
- What have you spent your loans on? How did it make you feel?
- What have you spent your savings on? How did it make you feel?
- What does your husband think about your membership in the VSLA?
  - What is his role / involvement when you take a loan?

**What are your experiences in the VSLA?**

- How has your membership in the VSLA influenced your daily life?
- Tell a bit about what kind of changes you have experienced in your life from before being a member in the VSLA and now that you are a member?
  - How do these changes make you feel?
- What kind of challenges are you experiencing related to having access to and taking loans?
  - How do these challenges make you feel?
- Do you also take loans from other places? Tell me more...

**Husband & wife**

- How do husbands usually treat their wives here in southern / northern Malawi?
  - How is violence / abuse an issue for women here?
- How does the relationship change when a woman becomes a member of a VSLA?
- What are your experiences?
  - Any differences from before membership i VSLA and now?
- How has your membership in the VSLA influenced your position in your home? And your relationship with your husband?
- I have heard about situations were women have to give money from the VSLA to their husband. HAS this happened in your VSL group? What about yourself?

**Before vs now:**

- How was your life different before you became a member in the VSLA?
- Where you able to save money on your own?

- Do you feel like you are being treated in a different way now that you are a member of a VSLA? How? (by husband, family, people in the village)

### **Empowerment?**

- Which non-economical benefits / challenges are you experiencing as a result of your membership in the VSLA?
- How would you describe your...
  - Control over income and expenditures?
  - Influence on household decisions?
  - Ability to go places unaccompanied (eg. visit the market, visit friends)?

### **Future**

- What are your dreams for the future?

### **Debriefing**

- Thank you & wrap up

## Interview Guide 2: Interviews with non-members

### **Before interview:**

- Ensure confidentiality/anonymity
- Ask about recording

### **Personal information**

Name, Age, Highest level of education

Number and age of children

Married/unmarried

How do you create an income?

How does your husband create an income?

### **Financial resources in household**

What kind of economic responsibilities do you have as a wife & mother?

- Tell me about what you do to meet these responsibilities?
- Are you satisfied with the way you are able to meet these responsibilities at the moment? Please tell me more...

How are decisions over household income made in your home?

- How does your husband spend his money?

Are you able to save up money? Tell me more...

Think of a situation where you don't have any money...

- What do you do when you don't have any food left?

- What do you do when it's time to pay for your children's school fees?

Have you ever taken a loan before? Tell me more...

#### **Land**

Do you or your husband own any land?

- How are decisions over the use of your land made in your home?
- How is it used?

#### **Husband**

- Tell me about your husband's drinking behaviors
- Does your husband have any other girlfriends or wives? How does this impact you in terms of money?

#### **Every day life**

I am interested in knowing about what kind of challenges you are facing in everyday life. Do you mind telling me about some examples of this?

- How do you feel about this?
- If you have experienced any type of violence (physical or psychological) from a man before, do you mind telling me about a situation where this occurred?
- Where do you go for support to deal with these challenges?

#### **Debriefing**

- Thank you & wrap up

### Interview Guide 3: Interviews with field officers from NGOs

#### **Before interview:**

- Ensure confidentiality/anonymity
- Ask about recording

#### **Introductory questions**

- Please tell me about what cause your organisation is working for and how..
- Which projects do you work on together with DCA?
  - Can you tell me something about the VSLAs - how does it work?
  - How do you define empowerment in the context of VSLs?
- VSLA: what do you hope that the members get out of participating in a VSLA?

#### **Partner engagement**

- Please tell me about how you find participants for the VSLA, set up the group, and what your engagement in the VSLA looks like..
- How do the trainings look like?
- When does a VSLA graduate?
  - What happens after graduation? Do you still engage in the VSLA in any way? Does the VSLA usually continue or does it stop?

**The VSLA**

- Rules of the vsla?
- Interest rates?
- Are there any rules about what to spend a loan on?
  - If no: how can they pay back the loan?
- What kind of challenges do women experience when engaging in VSLA activities?
- What are the benefits women experience when engaging in VSLA activities?
  - Are there any other ways in which the women feel a sense of empowerment?

**Financial literacy**

- What are your experiences with the financial literacy of the VSLA participants?

**Gender**

- Control over money:
  - How does the household typically decide how the loan or savings are spent?
  - Have you observed about instances where the husband controls the money?
- Domestic violence:
  - Is domestic violence an issue for the women in the villages?

**Development of members**

- Have you observed any differences in the members from before they started taking loans to after they started taking their first loans?

**Debriefing**

- Thank you & wrap up

**10.3 Appendix 3: Overview Interview Data & Codes**

Table 2. Semi-structured interviews with VSLA members

No.	Data Type	Date	Participants	Place	Tribe
<b>Northern Malawi, VSLA Tpe 1 (VSLAs including NGO support)</b>					
A1-N	Focus group interview	25.11.2019	5	Chamaji Village, Mzimba district	Ngoni
A2-N	Focus group interview	26.11.2019	4	Chinyolo, Rhumpi district	Tumbuka
A3-N	Focus group interview	28.11.2019	4	Chikutu Village, Karonga district	Ndali



A4-N	Focus group interview	28.11.2019	2	Mwenelondo, Karonga District	Ngonde
A5-N	Focus group interview	02.12.2019	5	Kasambankholi Village, Mzimba District	Tumbuka
<b>Southern Malawi, VSLA Type 2 (VSLAs excluding NGO support)</b>					
A6-S	Focus group interview	13.12.2019	2	Manjolo Village, near Bangula, Nsanje District	Sena
A7-S	Individual interview	14.12.2019	1	Nyalugwe Village, Nsanje District	Sena
A8-S	Individual interview	15.12.2019	1	Nyalugwe Village, Nsanje District	Sena
A9-S	Individual interview	16.12.2019	1	Nyalugwe Village, Nsanje District	Sena
A10-S	Individual interview	17.12.2019	1	Nyalugwe Village, Nsanje District	Sena

Table 3. Semi-structured interviews with non-members

No.	Data Type	Date	Participants	Place	Tribe
<b>Northern Malawi</b>					
B1-N	Individual interview	3.12.2019	1	Kasambankholi Village, Mzimba district	Tumbuka
B2-N	Individual interview	3.12.2019	1	Kasambankholi Village, Mzimba district	Tumbuka
B3-N	Individual interview	3.12.2019	1	Kasambankholi Village, Mzimba district	Tumbuka
<b>Southern Malawi</b>					
B4-S	Individual interview	15.12.2019	1	Nyalugwe Village, Nsanje District	Sena
B5-S	Individual interview	17.12.2019	1	Nyalugwe Village, Nsanje District	Sena
B6-S	Individual interview	17.12.2019	1	Nyalugwe Village, Nsanje District	Sena

Table 4. Semi-structured interviews with field officers from NGOs

No.	Data Type	Date	NGO
D1	Individual Interview	2.12.2019	SPRODETA - Small Producers Development and Transporters Association
D2	Individual Interview	22.01.2020	EAM - Evangelical Association of Malawi

## 10.4 Appendix 4: Overview over Observation Data (incl. photos) & Codes

Table 5. Participant observations

No.	Data Type	Date	Place	Tribe
<b>Northern Malawi</b>				
C1-N	1 week of participant observations	29.11.2019 - 05.12.2019 (1 week)	Kasambankholi Village, near Jenda, Mzimba District	Tumbuka
C2-N	Observation of VSLA type 1 group meeting	02.12.2019	Kasambankholi Village, Mzimba district	Tumbuka
<b>Southern Malawi</b>				
C3-S	1 week of participant observations	11.12.2019 - 17.12.2019 (1 week)	Manjolo Village, near Bangula, Nsanje District	Sena
C4-S	Observation of VSLA type 2 group meeting	14.12.2019	Manjolo Village, near Bangula, Nsanje District	Sena

Photos 1-6. From the author's participant observations in Malawi

