



Midlands State University

**CONTRIBUTION OF INTERNAL SAVINGS AND LENDING SCHEMES
(ISALS) ON HOUSEHOLD LIVELIHOODS IN BIKITA DISTRICT**

BY

LUCIA CHIKUVADZE

R143941W

**A DISSERTATION SUBMITTED IN PARTIAL FULLFILMENT OF AN
HONOURS DEGREE IN DEVELOPMENT STUDIES**

DEPARTMENT OF DEVELOPMENT STUDIES

FACULTY OF ARTS

MAY 2018



RELEASE FORM

NAME OF AUTHOR LUCIA CHIKUVADZE

TITLE OF DISSERTATION CONTRIBUTION OF INTERNAL SAVINGS AND
LENDING SCHEME (ISALS) ON HOUSEHOLD
LIVELIHOODS IN BIKITA DISTRICT

DEGREE PROGRAM BACHELOR OF ARTS (HONS) IN DEVELOPMENT
STUDIES

DISSERTATION SUPERVISOR PROFESSOR MATUNHU

YEAR OF GRANTED 2018

Permission is hereby granted to the Midlands State University library to produce single copies of this dissertation and to lend or to sell such copies for academic purpose. The author reserves other publication rights; neither the dissertation nor extensive extracts from it may be printed or otherwise reproduced without the author’s written permission.

SIGNED..... DATE.....

MIDLANDS STATE UNIVERSITY



APPROVAL FORM

The undersigned certifies that they have supervised the student, Lucia Chikuvadze (R143941W) dissertation title: “*Contribution of Internal Savings and Lending Scheme (ISALS) on Household Livelihoods in Bikita District*”, submitted of the requirements of the Bachelor of Arts degree in Development Studies.

SUPERVISOR: DATE...../.....2018
(Signature)

CHAIRPERSON: DATE...../.....2018
(Signature)

DECLARATION

I, Lucia Chikuvadze [R143941W], declare that this dissertation is my original work. It is being submitted in partial fulfillment of the requirements of the Bachelor of Arts in Development Studies Honors Degree in Faculty of Arts at Midlands State University.

Signature

.....

Date

.....

DEDICATIONS

I dedicate this work to my family members for their unwavering support, unconditional love and all those who worked untirelessly towards my academic studies, with special dedication going to my father and mother, you inspired me.

ACKNOWLEDGEMENTS

First and foremost, I would like to thank the Almighty God for being with me up to where I am today. This study work would not been successful had it not been for the respondents who agreed to partner by giving special attention through answering the questionnaires, special thanks to them. To Professor J. Matunhu, my supervisor, my mentor I feel deeply indebted for his guidance throughout this research. My work would not have been complete without the professional assistance of this Professor who provided necessary academic supervision .My sincere gratitude goes to my daddy and mom for the sacrifice they made throughout my four year course, I owe you my lovely parents. My sisters, brothers and friends, I appreciate the support and words of wisdom together with their constructive criticism which made this research a success. Special thanks to Caritas Masvingo family for all the assistance rendered and knowledge they have imparted on me.

May the Almighty God bless you all.

ABSTRACT

The research sought to assess contribution of Internal Savings and Lending Schemes (ISALS) on household livelihoods in Bikita district. Rural people are known to have inferior livelihoods and they are facing the problem of reduced household livelihoods strategies and they cannot access basic facilities and services .Therefore; ISALS have been used as household livelihoods strategy on poverty eradication in many countries. The main objectives of this study were to examine the role played by ISALS on household livelihoods. The findings of this quantitative research revealed that ISALS have positive impacts on household livelihoods like improved access to household income, access to basic needs such as food, education, health, shelter, financial assets, quality of housing, as well as women empowerment. Generally, these results suggest that the ISAL model is both successful and sustainable. However, there are few challenges faced by the ISAL members like proper record keeping and market linkages. Suggestions for future studies on ISALS, more studies on a bigger scale with large sample size and population is recommended to shed more light on how internal savings and lending schemes can contribute to household livelihoods.

LIST OF ACRONYMS

AIDS:	Acquired Immune Deficiency Syndrome
BMO:	Business Membership Organization
BRAC:	Bangladesh Rural Advanced Committee
CARE:	Care International in Zimbabwe
CARITAS:	Former CADEC Masvingo
ESAP:	Economic Structural Adjustment Programmes
GDL:	Group Dynamics and Leadership
GCB:	Group Constitution/By-laws
GFDL:	Group Fund Development and Loan Appraisal
HIV:	Human Immune Virus
IGA:	Income Generating Activities
IGPs	Income Generating Projects
IPs:	Implementing Partners
ISALS:	Internal Savings and Lending Schemes
KI:	KupfumaIshungu
MDG:	Millennium Development Goal
MSS:	Member Self Selection
MFI:	Micro-Finance Institution
NGO:	Non-Governmental Organisation
RK:	Record Keeping
ROSCA:	Rotating Savings and Credit Association
SDG	:Sustainable Development Goals

SILC:	Savings and Internal Lending Communities
SL:	Sustainable Livelihoods
SMEs	Small and Medium Enterprises
SPSS:	Statistical Package for Social Sciences
UNDP:	United Nations Development Program
VSLA:	Village Savings Loans Association
ZIMVAC:	Zimbabwe Vulnerability Assessment Committee

TABLE OF CONTENTS

Contents

RELEASE FORM.....	i
APPROVAL FORM	ii
DECLARATION	ii
Dedications	iv
ACKNOWLEDGEMENTS.....	v
ABSTRACT	vi
LIST OF ACRONYMS.....	vii
CHAPTER ONE.....	1
PROBLEM AND ITS SETTING	1
1.1 Introduction	1
1.2 Background of the study	2
1.3 Statement of the problem	4
1.4 Research objectives.....	4
1.5 Theoretical Framework.....	5
1.6 Limitations of the study	7
1.7 Delimitations	7
1.8 Significance of the study.....	7
1.9 Structure of the Dissertation.....	8
1.10 Summary	8
CHAPTER TWO	9
LITERATURE REVIEW	9
2.1 Introduction	9
2.2 Related Literature on the Internal Savings and Lending and its Historical Background.....	9

2.2.1 The Diagram below Shows How the ISAL Program was Organised	11
2.3 An Overview of the Contribution of Internal Savings and Lending on Household Livelihoods.....	12
2.3.1The table below summarises the effects of ISAL program on household livelihoods	12
2.3.2 Impacts of Internal Savings and Lending on Financial Assets.....	13
2.3.3 Impacts of Internal Savings and Lending on Food Security	14
2.3.4 Impacts of Internal Savings and Lending on Education	14
2.3.5 Impacts of Internal Savings and Lending on Health.....	15
2.3.6 Impacts of Internal Savings and Lending on Women Empowerment	16
2.4 The Concept of Livelihoods	16
2.5 Internal Savings and Lending in Bangladesh	17
2.6 Practical/Empirical Literature	18
2.7 Summary	19
CHAPTER 3	20
RESEARCH METHODOLOGY	20
3.1 Introduction	20
3.2 Research Design	20
3.3 Research Population	21
3.4 Research Sample.....	21
3.5 Data Collection Methods and Instruments	22
3.5.1 Quantitative Research	22
3.5.2 Primary Data Collection Methods	23
3.5.2.1 Questionnaires	23
3.5.2.2 Personal Interviews	24
3.5.3 Secondary Data Collection.....	25

3.6 Ethical Considerations	26
3.7 Data Presentation and Analysis Plan	26
3.8 Summary	26
CHAPTER FOUR.....	28
DATA ANALYSIS, PRESENTATION AND DISCUSSION	28
4.1 Introduction	28
4.2 Data Reliability Test	28
4.3 Results Presentation and Analysis	28
4.4 Response Rate	29
4.4.1 Questionnaire Response	29
4.4.2 Demographic Variables of Respondents	29
4.4.2.1 Gender	29
4.4.2.2 Age	29
Table 4.4.2.2 Age of respondents.....	30
Figure 4.4.2.1 Age of respondents	30
4.4.2.3 Size of family.....	31
Table 4.4.2.3 Size of family	31
Figure 4.4.2.3 Size of family.....	31
4.4.2.4 Education and Profession	32
Table4.4.2.4.1 Education	32
Table 4.4.2.4.2 Profession.....	33
4.4.3 Situation in Bikita District before Joining ISAL Program.....	33
The table 4.4.1 Livelihood Activities before ISAL.....	33
Figure 4.4.2 livelihood activities before ISAL.....	34
4.4.5 Factors Motivated People to Participate in ISAL Program.....	34

Table 4.4.5.1 Factors motivated people to participate in ISALs	35
Figure 4.4.5.2 Factors that motivate people to participate in ISALs.....	35
4.4.6 Organization of the ISAL Program.....	36
4.4.6.1 Guiding Principles for ISAL Participants	36
Table 4.4.7.1: Amortization Table	37
4.4.8 Changes Brought after Participating in ISAL Program	38
4.4.8.1 Positive Changes	38
Table 4.4.8.1 Positive Impacts	39
4.4.8.2 Challenges Faced by ISAL Members	39
4.4.9 Strategies to Solve Problems	40
Figure 4.4.9.1 Strategies to Solve Problems	40
4.5 Summary	41
CHAPTER FIVE	42
SUMMARY, RECOMMENDATIONS AND CONCLUSIONS	42
5.1 Introduction	42
5.2 Summary of the Study	42
5.3 Recommendations.....	43
5.4 Conclusions	44
5.4.1 Benefits	45
5.4.2 Challenges	45
5.5 Suggestions for Further Studies/ Research	45
REFERENCE LIST	47
APPENDICES	51
Questionnaire for ISAL participants	51

CHAPTER ONE

PROBLEM AND ITS SETTING

1.1 Introduction

The study focuses on contribution of Internal Savings and Lending Scheme as an income generating methodology for household livelihoods security initiated by CARE International, a leading Humanitarian Organisation, in Zimbabwe operating in the Bikita District of Masvingo Province, in partnership with Caritas Masvingo. Caritas Masvingo is one of the local community faith-based organisations vibrant in the province of Masvingo. The institution set out to diminish the vulnerability of smallholder farmers by building their capacity to develop sustainable and self-sufficient income generating activities. CARE International provided technical and practical support to Caritas Masvingo as the local implementing partner, aiming to advance their capacity to support ISAL groups at the community level. Caritas was also capacitated to support the capacity of agro-dealers and their Business Membership Organizations (BMO) to offer input and output marketing services which are accessible and used by farmers and to lobby on behalf of members for better terms of trade and service providers so as to strengthen their household livelihood. The involvement of participants explored a number of solid outputs and improvements which resulted in the achievement of the objectives. This study centres on a group of ISAL members who are working with Caritas Masvingo in Bikita district.

Of interest was to assess the ability of ISALs aims to empower people to work their own way out of poverty traps as well as escaping dependency from conditional donor aid. Although, impact studies face a variety of operational /practical limitations, numerous studies have found crucial

positive effects of participating in microfinance projects, precisely in the zones of eradicating poverty; promoting children's education; empowering women .there is need to access the ability to which ISAL methodology could contribute towards the realisation of a number of Sustainable Development Goals include goals 1, 2, 3 and 4.

1.2 Background of the Study

The internal savings and lending schemes have a long history in Africa and other parts of the world and have been advanced by various common non-administrative associations. In the mid-1990s; CARE Niger responded to the call of giving money related administrations in remote provincial zones in the region of Maradi. Care Niger made an assessment of what was happening among women groups who were doing Rotation and savings and Credit Associations(ROSCAs).they then modified the ROSCAs and included an aspect of accumulative through the introduction of interests on loans.In 1991, CARE International launched a unique savings-based microfinance program called Village Savings and Loan Association (VSLA).The model was being replicated across Sub-Saharan Africa with different titles such as ISAL, KupfumaIshungu(KI) and Savings and Internal Lending Credit (SILC)(Barren2010).

The 199 -2010 period of economic and political chaos in Zimbabwe, accompanied by the fast track land reform programme worsened the country's economy in general and specifically agriculture and food sectors. In addition, the country also lost its productive and competitive capacities because of persistent droughts; declining soil fertility; as well as effects of diseases like HIV/AIDS persistentlydeteriorated food insecurity.The government`s capacity to deliver basic services was hugely reduced due to serious liquidity challenges.Unemployment has risen to approximately 80% forcing many Zimbabweans to change into alternative livelihood sources outside the formal sector.Matunhu and Mago (2013) note that, people were retrenched and

migrated back to their rural areas to join others who were suffering from income poverty thus exacerbating the crisis.

The majority of the people have turned to off-farm income earning activities. ZimVac Rural Livelihoods Assessment of May 2012 states that most common sources of household income in rural areas is casual labour for 24% rural households followed by food production and sales for 12% rural households, lastly remittances for 11% rural households. In the drier parts of the country particularly Natural region IV and V where Bikita district is located in, the situation is more severe for rural population that depends on rain-fed agriculture. Rainfall in the region is erratic and unreliable, averaging around 500 mm in many areas. Mid-season dry spells are common and they are particularly tragic for drought susceptible crops such as maize which is the staple crop in the region. In terms of food insecurity; Masvingo province comes second and Matabeleland south comes first in Zimbabwe (ZimVac 2012)

Most people in Bikita district received very little harvests in the past five years causing them to become more vulnerable to external shocks. The vulnerability is also exacerbated by unemployment and HIV/ AIDS which resulted in the high number of orphans and widows being present in the district. As result, in number of households, food insecurity has become a trend.

For many years the state and donor agencies have tried without success to establish possible financial systems to meet the needs of the poor and to normalise financial services in the country. CARE's income generating methodology, ISAL, (a community based self-managed system of financial saving and lending) implemented in various parts of Zimbabwe has remained become a better income generating option to clients because it is more responsive to circumstances of the poor and marginalised communities. Internal savings and lending do not require any micro-finance credit since the investment comes from the community itself. Its

influence is in the strong sense of ownership that the community has. Previous studies have shown substantial benefits from participating in the ISAL program on household livelihoods. Hence the study attempted to assess upon the contributions of ISAL programs implemented in Bikita district on household livelihoods.

In 2008, CARE conducted a rapid assessment and discovered that most of the surveyed households were already involved in Income Generating Activities (IGA). However; vital constraints had been noted which included: inadequate business management knowledge; lack of capital and lack of effective business representation due to the shortage of business associations.

1.3 Statement of the problem

Bikita district is affected by food shortage and poverty due to, among other factors, low amount of rainfall received for agriculture based livelihoods. Internal Saving and Lending has become a common off farm livelihood option in the district addressing poverty and food insecurity. In spite of, the efforts done by Caritas Masvingo in implementing the program, humanitarian interventions through food distributions and cash transfers by government and other non-state actors persist. Therefore; it is based on this backdrop that this study seeks to assess the contribution of ISAL on people`s livelihoods at the household level as well as its efficiency and sustainability.

1.4 Research objectives

- To determine the current state of ISALs in Bikita district
- To examine the impact of ISALs on members household livelihoods in Bikita district
- To establish factors/challenges that impact on the effectiveness of ISALs in Bikita district

- To give recommendations for enhancing the effectiveness of ISALs in Bikita district

1.5 Theoretical Framework

The researcher used the sustainable livelihood (SL) approach as a theory to clearly scrutinize the contribution of internal savings and lending on household livelihoods. The SL approach is a holistic approach that tries to address and provide a means of understanding; the essential causes and dimensions of poverty without crumpling the focus onto just a few factors like economic issues. In addition; the sustainable livelihood tries to outline the relationships between the causes of underlying poverty to allow for more effective prioritization of action at an operational level. The approach also aims to help strategize in an effort to assist the vulnerable people to achieve lasting household improvements and sustainable development. This can be possible by measuring using poverty indicators that communities define on their own as stated in Sustainable Livelihoods Support Office (1999)

Most development agencies adopted the definition of livelihoods coined by Chambers and Conway (1992) which states that; a livelihood comprises the capabilities; assets (stores, resources, claims and access) and activities required for a means of living: a livelihood is a sustainable which can cope with and recover from stress and shocks; maintain or enhance its capabilities and assets; and provide sustainable opportunities for the next generation and which contributes net benefits to other livelihoods at the local and global levels and in the long and short-term.

Mcleod (2001) also summarises assets as they are generally recognised within the sustainable livelihoods theory and these include natural capital, physical capital, human capital and financial capital. Natural resources include land, water, wildlife and environmental resources. Physical capital is the basic infrastructure which includes water, sanitation, transport and energy. Human

capital involves health, knowledge, skills, and information. Financial capital refers to financial resources available like savings, remittances and supply of credits. SL approach nevertheless offers both a conceptual and programming framework for sustainable poverty eradication. Unlike most traditional approaches that have sought to tackle poverty by identifying and addressing needs of poor people, the SL approach seeks to improve their lives by building on what they have, their assets as postulated in (UNDP 1999).

The significance of sustainable livelihoods approach is that it encourages an analysis of the factors that cause urban poverty whether these are adversely trend or shocks, basic lack of assets or poorly functioning policies and institutions and to investigate the relationship between them. The approach can be used for re-assessing existing interventions and activities; informing structure. The value of the SL approach is that it encourages a broad systematic view of the factors that cause urban poverty whether these are adverse trends or shocks; basic lack of assets; or poorly functioning policies and institutions and to investigate the relationship between them. The SL approach can thus be used for: re-assessing existing interventions and activities; the discussion in research identification, designing and assessing new projects and programmes (initiatives).Frankenberg (1996) defined household livelihood security as adequate and sustainable access to other resources to enable households to meet their basic needs. Hence the research also relied on this framework of sustainable livelihoods because ISAL can be considered to be an intervention whereby rural households engage or participate with the aim of achieving increased well-being or as a livelihood outcome; measured by improvements in income levels as well as improvements of educational opportunities.

The working framework of the SL approach brings together various stakeholders include local government and local communities in decision-making, policy formulation and

implementation. The SL concept and methodology seeks to connect the gap between macro policies and micro realities. Through employing both participatory and cross-sectorial (policy) tools; the SL approach emphasises the inter-linkages between livelihood systems at the micro level and the macro policies which contributed on these livelihoods according to (UNDP 1999).

1.6 Limitations of the Study

The researcher faced the challenges that may compromise objectivity in making an accurate conclusion. These challenges include:

- Some of the information was complex and confidential and as a result, respondents were doubtful to freely provide objective information for fear of the unknown. However, respondents were assured that confidential information will be treated as such.
- Also; another limitation of the research was time restrictions. The researcher had little time to collect appropriate data from the targeted population. However, the researcher employed the questionnaires so as to minimise the time for data collection.

1.7 Delimitations

The study focused on the contribution of internal lending and savings scheme on household livelihoods in Bikita district. All the research findings were obtained from this area alone to reduce logistical challenges in carrying out the study.

1.8 Significance of the study

The reason for partaking this research was to explore and assess the contribution of ISAL household livelihoods in addressing food security as well as empowering women. The study would directly or indirectly cover issues of food insecurity as well as economic empowering especially for women as these are issues that associated with livelihoods. Also, this

research analysed factors that affect women in household livelihoods ISAL becomes more crucial to two organisations CARE International and Caritas Masvingo the implementing partners of this program in understanding the subtleties and effects of internal savings and lending on the participation of members in the program

1.9 Structure of the Dissertation

The structure of the research report is as follows; chapter one outlines the background of the study, research problem, objectives, theoretical framework, the significance of the study, limitations and delimitations. Chapter two is Literature Review; chapter three is Research Method, chapter four presents data findings and analysis with reference to research objectives highlighted in chapter one. Chapter five summarises the research findings; the recommendations and finally it provides the conclusions.

1.10 Summary

The chapter introduced the topic to the research study, the background to the study, statement of the problem and the objectives of the study. Impact of the study was also highlighted as well as the theoretical framework. The chapter also explored the limitations and delimitations of the study. Therefore, the researcher will move on to chapter two which is the literature review.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter critically analyses existing and related literature on the contributions of internal savings and lending on household livelihoods. Journals, reports; research designs and surveys were consulted to assess studies that have been done before and currently to show the contribution of internal savings and lending to household livelihoods. The researcher outlines the definitions and other scholarly views concerning the history and the contribution of ISAL on household livelihood and how it improved food security; financial assets; children`s education and women empowerment.

2.2 Related Literature on the Internal Savings and Lending and its Historical Background

Researchers who wrote on internal savings and lending in the community have followed it from different periods in various nations. The possibility of ISAL in Bangladesh started around 1976 with Muhammad Yunus and Grameen bank according to Jon Westover. He views ISAL as a the system intended to boost people; households and groups out of destitution through ISAL activities which will help them apparently to generate income; exit poverty hence make sustainable livelihoods strategy. Also (Lidgerwood, 1989) described the concept of microfinance as the provision of appropriate financial services to a significant number of people with an objective to alleviate poverty especially in poor households in the community.

The purpose of internal savings and lending is to provide savings-led financial services to communities or where access to formal financial services due to high transaction costs and other entry barriers is limited thus; it encourages semi-formal sector. The informal sector is where

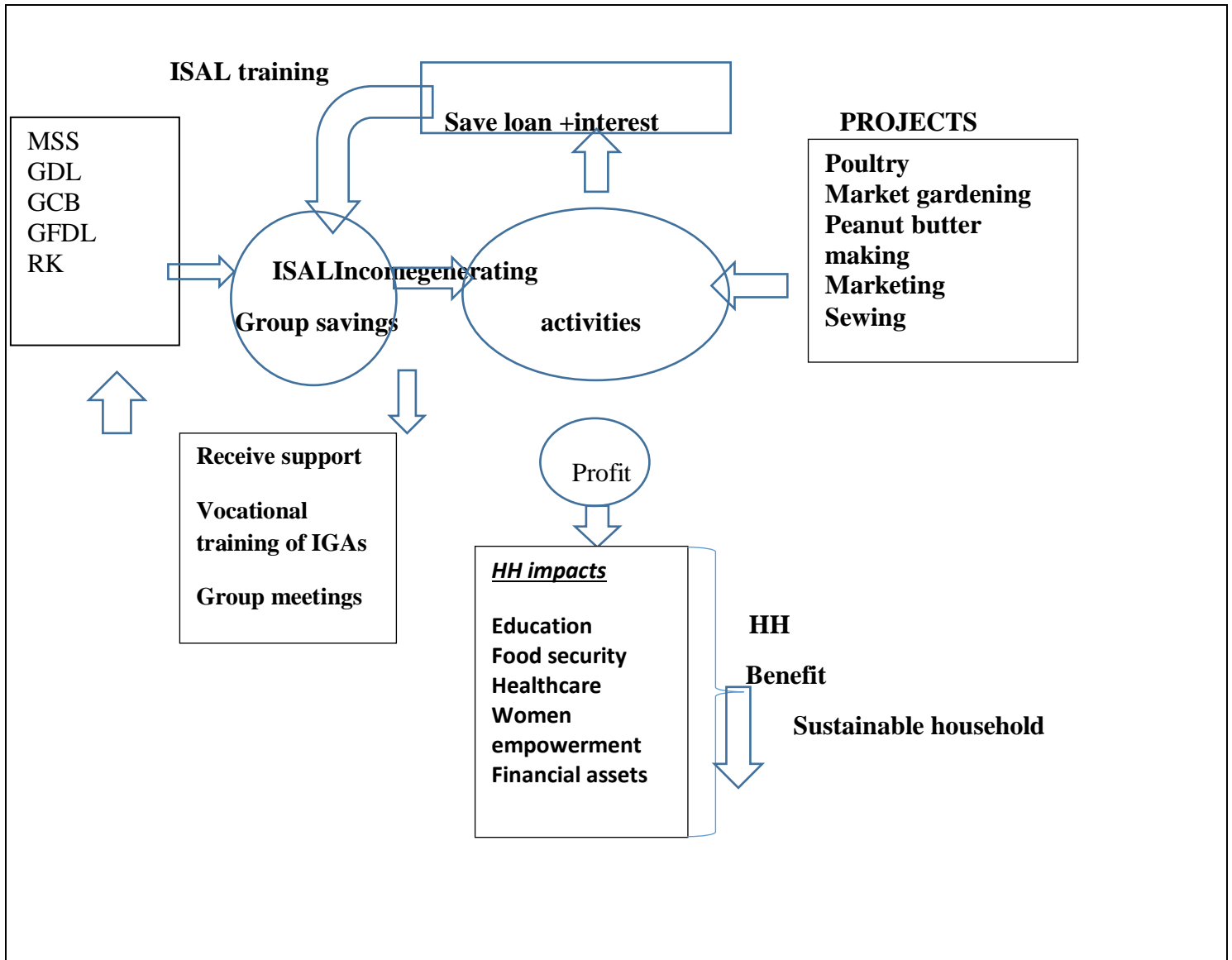
members contribute weekly savings to share a central fund; eventually; the fund may be used to grant short-term loans to group members, at a chosen interest. ISAL in the community has since quite a while ago existed, although for the most part of the world and subsequently concealed by easygoing observers. This has just been inside recent decades, that genuine worldwide accomplishments have been made to formalise this as a procedure to help rural households.

In Zimbabwe, more than a decade of economic and political turmoil, accompanied by the fast track land reform programme reconfigure the country's economy in general and in particular the agricultural and food sectors. The country has lost its productive and competitive capacities because of persistent droughts; declining soil fertility as well as effects of diseases continuously faced with food insecurity challenges. In addition; government's capacity to deliver basic services has drastically reduced due to serious liquidity challenges and unemployment has risen, forcing many Zimbabweans to move into alternative livelihood sources outside the formal sector. Due to these factors; many Zimbabweans face severe livelihood insecurity at household level. The majority of people have turned to off-farm activities to achieve sustainable household livelihoods. Governments and donor agencies tried without success in establishing viable financial systems to meet the needs of households; who cannot access mainstream financial services.

By contrast, CARE's ISAL methodology (a community based self-managed system of financial saving and lending) being rolled out in various parts of Zimbabwe, and the county has remained attractive to clients because it is more viable and applicable to the needs of poor household compared to other livelihoods strategies. ISAL was initiated in 1998 covering two districts Zvishavane and Mberengwa of Midlands province and then the programme has been replicated to four other provinces and Bikita district was included reaching more than 60000

clients, according to (CARE, 2008). The Internal Savings and Lending program was implemented in Bikita district by Caritas Masvingo in July 2013.

2.2.1 The Diagram below Shows How the ISAL Program was organised

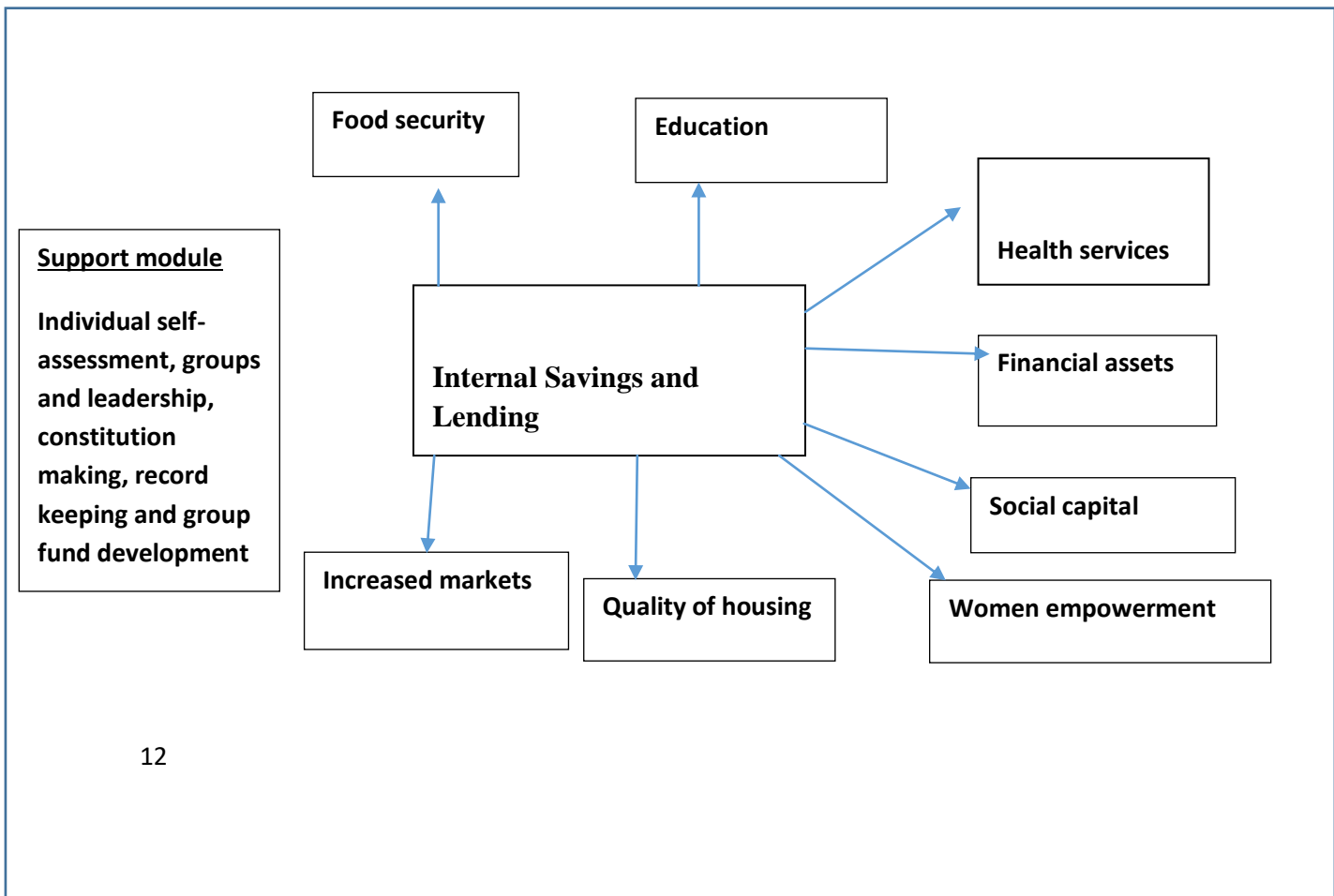


Source: CARE 2008 ISAL training module

2.3 An Overview of the Contribution of Internal Savings and Lending on Household Livelihoods.

Different views have been propounded by different scholars in analysing the impact of internal savings and lending on household livelihoods. As a result of internal savings and lending; rural people now have sustainable livelihoods strategies. Since the study also focuses on sustainable livelihood approach; ISALs are considered to be an intervention where rural households take part with the aims of improving their living standards. ISAL as a livelihood outcome; associated with poverty alleviation methods which include improvement in income level, accumulation of assets, improvement of education; food security; women empowerment; good health facilities. For this approach to achieve its intended goal, clients are trained in modules that cover individual self-assessment, groups and leadership, constitution making, record keeping and group fund development. All these will be revealed in the following diagram.

2.3.1 The table below summarises the effects of ISAL program on household livelihoods



Source: CARE 2008 ISAL training model

NB: There are several empirical findings which show the impact of ISAL on household livelihoods using this ISAL training model in the world.

2.3.2 Impact of Internal Savings and Lending on Financial Assets

Quite a number of researches conclude that internal savings and lending schemes allowed poor people to protect; diversify and increase income which helps to smooth out income instabilities and to maintain consumption levels even during times of crisis especially on basic needs. Zamaan (2000) examines the Bangladesh Rural Advanced Committee (BRAC) `s effect on the welfare of its clients. He investigated that participation in ISALs programs reduce vulnerability by charming consumption; building assets and during emergencies and acknowledges the role of ISAL in bringing change in the communities.

Chikwava (2013) states that; due to ISAL the extra money to pay assets the household had or owned before is an indication of the impact of ISAL. Some ISAL members graduated from owning small business to big businesses and as result people are now able to improve the quality of their housing.

This was also supported by the sustainable livelihoods approach which argued that people require a range of livelihoods assets to achieve their self-defined goals of which all this need financial assistance. This, therefore; shows that improvement in financial asset leads to decrease in poverty level; (Dun and Arbunckle, 2001) stated that only 28% of ISAL members in Kenya live below the poverty line compared to 41% to non-clients. Khandler (2005) also found positive effects on poverty rates, he found that between 1999 and 2000; moderate poverty in community declined by 40% hence this also supports the contribution of ISAL on worldview hence the

concept of internal savings had more positive impacts not only in Zimbabwe in improving household livelihoods.

2.3.3 Impacts of Internal Savings and Lending on Food Security

It is now widely accepted that increasing participating in ISAL as a livelihood strategy has an effective impact in ensuring household food security throughout the world; in Zimbabwe down to Bikita district. Ensuring access to food is an important element of rural poor people supports. While kitchen gardens were initially seen as a survival mechanism to help rural households mitigate the impacts of food insecurity, it has been shown that when combined with ISAL they help such families to diversify their production and sell crops in the market. It is this ability to sell; save; reinvest in kitchen gardens that have resulted in an increase in household income.

To add more, the pattern of saving within ISAL has helped households plan effectively coping during hunger season (ESAP, 2006). Sanchez, et al (2005) supported this idea of food security; he stated that despite the fact that the majority of food is grown in rural areas; most of the rural poor are net food buyers not sellers to sustain their households. Although this is mainly in districts that fall within natural region iv where it receives low rainfall. There is need for off farm livelihood activities and ISAL is one of those. In Cote d'Ivoire; significantly more people spent on food and less on alcohol when a higher share of cash income accrues from ISAL so as to end the problem of food insecurity at household.

2.3.4 Impacts of Internal Savings and Lending on Education

Indeed, scholars have also found a positive impact of internal saving and lending on education. Children of ISAL clients more likely to attend school and stay in school longer as observed by (Napoleon 2003). Generally; in Zimbabwe, Zambuko Trust Program has found a

progressive impact on the education of boys and girls aged six to sixteen due to ISAL participation according to (Dunn and Arbuckle 2001). Also due to ISAL literacy level increased since households are incrementally saving towards payment of school fees and school supplies. Moreover; many ISAL groups make provisions for loans at a specific time during the year to allow for the payment of fees since their activities helped to get income at household so they are able to shoulder the cost of the education of their children (ESAP, 2007). Hence it is very important to note that due to savings most children in Bikitadi district are now able to attain education.

2.3.5 Impacts of Internal Savings and Lending on Health

Better health status of people within the family was another effect which resulted from participating in ISALs compared to non-participant household members. Pronyk et al (2007) postulated that women's savings have a large and statically significant impact on two of three measures of children's health. Through participating in ISAL there was a progressive impact on the frequency which food was consumed in extremely poor households as well as on the quality of food that is high protein food that is meat, fish, chicken and milk and most of the members found it easier to get that food because they are owners of projects like poultry production; peanut butter making to mention just a few.

In Ghana children of participants of the Lower; Rural Bank Credit Program experience significant improvements in feeding regularity (Mcknelly & Dunf, 1999). Hence one can; therefore; note that through participating in ISALs families managed to access health facilities as well as buying prescribed drugs and this enabled them to have a long-life span as according to the sustainable livelihoods approach of (Chambers & Conway, 1992).

2.3.6 Impacts of Internal Savings and Lending on Women Empowerment

Terry (2006) found that loans from Finca Tanzania created major positive changes in the lives of female borrowers, and it included improvement in the social status; self-esteem and confidence of which eighty percent of married women claimed to need. Due to better self-reliance, chipping in internal savings and lending now women have taken men's roles since they are now able to buy basic needs for their families, a role that was traditionally associated with men. While other scholars pointed out that women empowerment was promoted by ISAL this research revealed for both groups of men and women being participative in internal savings and lending.

2.4 The Concept of Livelihoods

Conceptually, a livelihood symbolizes the means of activities; entitlements and assets make people living. A livelihood comprises the capabilities; assets and activities required for a means of living; a livelihood is sustainable which can cope with and recover from stress and shocks; maintain or enhance its capabilities and assets as well as provide sustainable livelihood opportunities for the next generation and which contributes net benefits to other livelihoods at the local and global levels in the short and long term, (Chambers & Conway, 1992). Sustainability becomes a function of how a person utilizes assets.

A study of 16 different microfinance institutions; from all over the world; pointed out that having access to microfinance services have led to an enhanced quality of life especially participants; had their self-assurance and it had helped them to diversify their livelihoods security strategies; thereby increasing their income as supported by (Robinson 2001). Women empowerment; food

security and education are some areas that changed after being a member of ISAL group. In short; sustainable livelihoods play a vital role in helping people to understand as well as analyse the livelihoods of the poor. It is so useful in assessing the effectiveness of existing determination to reduce poverty. For instance; VSLA helps to show the impacts of ISAL as a livelihood strategy of rural people at household level.

2.5 Internal Savings and Lending in Bangladesh

In this research; Bangladesh was used as an example country in the worldview to show the impacts of being a member of internal savings and lending. ISAL has got a lot of positive effects on household livelihoods in the country. Kibaara, (2007) suggested that Bangladesh has been the pioneer when it comes to ISAL movements since 1980s. Today; the country is home to the most extensive savings and lending operations in the world. ISAL movements gained such a force that it has not only made great strides in Bangladesh by providing financial services to poor households; and the country became pioneer in the developing world. In Bangladesh; there are a lot of financial institutions working in different parts of the world which have differences in their organisational structure and methodology, but all work under the same philosophy, theory and goal that is, working towards alleviation of poverty.

There are various agencies that do their studies or researchers regarding the impacts of ISAL and microfinance institutions on the poor household in Bangladesh. For instance, the Bangladesh Institute of Development Studies and World Bank have got strong evidence on what is being done by microfinance through ISAL on helping the household to meet their daily services that are food security, health services, education as well as improved housing quality.

2.6 Practical/Empirical Literature

Brannen(2010)carried out a study on the impact of the village savings and loan association (VSLA) program in Zanzibar, Tanzania. Its purpose attempted to improve; upon the existing work; by examining the effect of one of the VSLA programs in Zanzibar Tanzania using qualitative and quantitative methodology. According to the study; participating in VLSA has positive impacts on various positive household indicators such as asset expenditure levels; IGAs, education and these results encouraged VSLA to become long-term sustainable; and successful program and this offers potential lessons to other countries still developing.

Another study by (Bret etal 2010) on group savings in Kenya was carried out. The major aim of the research was to measure the contribution of saving groups to their member's livelihoods. From the analysis; a conclusion was brought to adopt the approach of GSLs which have got positive impacts on household livelihoods.

Consequently; looking at Zimbabwe; where we have had a challenging economic environment for a long time and it is still experienced; accompanied by political instability; poor policies being formulated whilst those countries had stable economic and political environment. A research by (Chuma etal,2010) in Masvingo town 2012 based on the impacts of ISAL on household livelihoods for female-headed households in the urban area revealed that ISAL played an important role in female-headed household which should be done throughout the country so as to overcome poverty and economic constraints which hindered household livelihoods in the country.

However, this research focused on the contribution of ISAL on both male and female ISAL members on their household livelihoods in the community. On the other hand; looking at these

savings from Tanzania, Bangladesh, Asia and Kenya; they focused on the whole country whilst this research will be focused on Bikita district, therefore this research tried to cover the gap left by other researchers on the impact of ISAL.

2.7 Summary

The chapter looked at several related pieces of literature pertaining to the impacts of internal saving and lending on household livelihoods in Bikita district. Few detailed types of research had been availed in Zimbabwe as well as other developing countries but the difference becomes that their economic and political levels are different as compared to ours. Therefore, this research tried to cover up the gap left by other scholars pertaining to the contribution of ISAL on household livelihoods. The next chapter will be centered on the methodology employed by the researcher in carrying out the study.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

The chapter seeks to elaborate the methodology used by the researcher in carrying out the research. The chapter highlighted the research design, research population, research sample, data collection methods and instruments used giving their justifications. Data collection instruments will be validated for them to be reliable and data presentation and analysis plan will follow. The chapter summary will also be given thereby introducing the researcher to the next chapter.

3.2 Research Design

This research seeks to analyse contribution of internal savings and lending on household livelihoods in Bikita district of Masvingo province. Cooper and Schindler (2011) defined a research design as a roadmap to be followed when researching. It can also be defined as a master plan specifying collection and analysing methods on the needed information.

A descriptive research design employing an observational survey method was used in conducting the study to achieve the objectives. The method was viewed appropriate following similar studies by (Bret et al 2010) as well as (Brannen,2010), with both studies employing the same research design. The analysis of the data used in this research is better explained with the help of a descriptive design. In exploring the current state of ISAL and in examining the impact of ISALs on member`s household livelihoods quantitative data were gathered. Primary was obtained from field work through questionnaires. The data complemented secondary data from different publications concerning the subject matter.

3.3 Research Population

Vonk (2016) defined a research population as a group of individuals who meet the operational definition of the targeted population. Vonk (2016) further outlined that the targeted population is made up of the group of individuals with whom we want to collect data from and also our research results will apply to. In attempting to make the research effective, in achieving its objectives, the researcher incorporated the residents of Bikita district, Ward 22 and it was randomly selected. The research population was viewed necessarily because they are they are the participants in ISAL program. The research population for Bikita, Ward 22 consists of 40 groups benefiting from ISAL program with each group having members ranging from 7 to 10, adding upto a population of approximately 400 according to the information on www.masvingomirror.com.

3.4 Research Sample

Vonk(2016) defined a research sample as those members who provided the researcher with the research data. Kim and Seo (2013) argued that it is important to make use of a sample from the total population to save time and resources. Also according to them, the correct sample size is determined by the purpose of the study and the minimum sample size must be the one which accurately represents the surveyed population. Simple stratified random sampling technique was used to choose members to incorporate into the study, particularly ward 22. This was viewed the best by the researcher since it gives all group members during the time of the visit an equal chance to get into the study.

In calculating the sample size from the total population benefiting from the ISAL program in Ward 22, Bikita, the Yamane method was used since the population is finite as argued by (Zhang,2016). The method follows:

$$\text{Sample size} = N / (1 + Ne^2)$$

Where N- being the known population

e- Margin error or Error level

Testing at 90% level of confidence implies that $e = 0.1$, following the argument by (Smith 2013), no sample is perfect and the researcher must choose the error level, in selecting the confidence level to use.

Therefore, Sample size from Bikita, Ward 22 = $400 / (1 + 400 \times 0.1^2) = 80 \text{ people}$

A sample size of 80 individuals has viewed a better representation of the total population by the researcher.

3.5 Data Collection Methods and Instruments

Quantitative research instruments were employed in gathering the data. In coming up with a valuable and meaningful research, both secondary and primary data collection methods were used to gather data for analysis. There is no best data collection method according to information on www.statisticshowto.com, but the importance of pros and cons for a study determines the data collection method.

3.5.1 Quantitative Research

Saunders et al (2007) noted that quantitative research relies on numerical data collected like structured questionnaires, and analysis techniques like graphs and statistics. This also focuses on gathering numerical data and generalizes it across groups of people in explaining a phenomenon; the aim of using quantitative research is to determine the relationship between a dependent variable and an independent variable.

There are several benefits of using quantitative research that make the study successful which included. It allows for a broader study involving. A greater number of themes and enhancing the generalization of results..For instance in trying to analyses the contribution of internal savings and lending on household livelihoods. Quantitative research gives room for greater objectivity and. accuracy of results hence it provides summaries of data which support the effect of using ISAL as a livelihood strategy. The data are shown as descriptive terms can easily be used to create graphical modes in presenting data. Also the research works with a large number of ISAL participants which required the application of quantitative research.

3.5.2 Primary Data Collection Methods

In gathering adequate, relevant and reliable data, primary data was collected through questionnaires and personal interviews. The tool allowed the researcher to showcase her research skills practically. Data was collected with the main objectives of the study in mind. The following primary instruments were used in collecting data.

3.5.2.1 Questionnaires

Maroney and Cameron (2016) argued that a questionnaire is a tool for collecting data regarding the topic of interest. It is a collection instrument encompassing attitude scales, checklists, rating scales, projective techniques and others. Maroney and Cameron (2016) highlighted the importance of designing a questionnaire shaping the respondents' mental model to promote understanding of the questionnaire. To respond to the research questions, both closed and open ended questions were used. Structured closed questions facilitate respondents in answering the questions and are not time-consuming. Such questions promote consistency in responses from respondents as well as generate objective data which can be analysed easily.

The questionnaire consisted of 20 questions; the questions were divided into five sections that are a, b, c, d and e. All mechanisms of the questionnaire consisted of positively and negatively presented questions. Questionnaires were used to complement personal interviews in collecting primary data and the researcher physically distributed the questionnaires to respective respondents with the help of two field officers from Caritas Masvingo. One of the major reasons for choosing questionnaires for this research was that they allow respondents to express themselves freely and respond to questions on their time especially when they are too busy to be interviewed. There is also a degree of confidentiality when self-completing questionnaires by respondents which gives them time and room to freely and openly express their views.

The other reason behind the use of questionnaires in this research centred on the diversity of respondents targeted. This allowed covering of a large number over a short period of time as compared to where only personal interviews were used. However; the use of questionnaires in carrying out this research may be prone to the provision of false information, since the researcher will not depict the non-verbal communication by respondents when answering the questions. The possibility of misinterpretation of questions is also another problem behind the use of questionnaires. However; in catering for the shortcomings; the researcher made use of simple and clear language when designing the questions together with making use of related questions in seeing the validity of responses given by the respondents.

3.5.2.2 Personal Interviews

Edwards and Holland (2013) argued on the importance of qualitative interviews. An interview is a purposeful discussion; either between two or more people. In an attempt to counter the weaknesses of a questionnaire; personal interviews were also used in gathering data through structured interview questions; designed in such a way that the data to be obtained focus on the

research objectives. The use of personal interviews; enhances the exploration of the research objectives while giving the interviewer a chance to adjust the questions; to suit the person being interviewed. This enabled respondents to elaborate more on well-versed areas concerning the topic. This also gave the researcher a room to ask some questions; previously not on the interview guide; as guided by the flow of the conversation.

In carrying out the research; personal interviews; through scheduled telephone and face to face discussions; were used by the researcher in gathering the data. As guided by the structured interview questions; the interviewer recorded the responses for each personal interview.

Interviews were used in this research because they promote verbal communication between key informants and the researcher there by allows instant feedback. This allowed the researcher to have a judgemental analysis on the validity of responses given and where any misunderstandings on the structured questions exist; rectifications were done. An interview enables the interviewer to explain to the informant for clarity on the topic and this will facilitate the informant giving accurate and reliable information; and these are the factors led to the use of personal interviews. However; considering that interviews are costly and time-consuming, this led the researcher to undertake fewer personal interviews when gathering the data and resort to the use more questionnaires compared to interviews.

3.5.3 Secondary Data Collection

Fabregues (2013) argued that the use of secondary sources helps through generating some new insights emanating from the previous analysis. In designing questionnaires and interview questions; secondary sources such as published projects; academic journals; textbooks; extracts from websites; business magazines and others were reviewed. These sources proved useful in carrying out this research because they gave a foundation to the study. Ghauri (2005) cited in

(Lopez 2013) supported the use of secondary sources arguing that they save administrative time and costs in gathering the needed data. This prompted the researcher to use this data collection method for the sake of this research; as guided by the research objectives. Although in some instances; secondary data fail to meet the exact research requirements; it is cheaper to collect compared to primary data. However; data and information obtained from secondary sources may not be designed to meet the research objectives; and outdated due to drastic changes over time. This becomes a concern over the reliability and accuracy of such data and the interpretation will be usually subjective.

3.6 Ethical Considerations

The researcher ensured that participants were well informed about the purpose of the research. The aspect of informed consent was considered for the purpose of the research so that they participate on the basis of knowing what was transpiring. The participants were protected; through the informed consent process which favoured formalised interaction between the researcher and the participants. The researcher ensured confidentiality and anonymity on the part of the respondents.

3.7 Data Presentation and Analysis Plan

Since the bulk of data used in this research was collected through questionnaires and personal interviews, data presentation and analysis was largely descriptive. Responses from informants were sorted and errors screened to facilitate data presentation in tabular form for analysis.

3.8 Summary

The chapter outlined the methodology of the study; giving the research design; sample population and the plan of the study. Instruments used in gathering the needed data were

highlighted; together with their justifications. Justifications behind data collection tools used were explained. The chapter went further highlighting the data collection methods and outlined; explained and justified data presentation and analysis to follow in the next chapter. The chapter to follow will critically analyse gathered data; as guided by research questions and the objectives of this study.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1 Introduction

The chapter seeks to present and analyses research findings on the contribution of internal savings and lending on household livelihoods in Bikitadistrict, ward 22. This will be done over the guidance from the research objectives outlined in chapter one. Data reliability will be explained in validating the research findings. Findings will be tabulated or graphically presented and discussed in interpreting their meaning.

4.2 Data Reliability Test

In validating the reliability of the gathered data, the researcher used Cronbach`s Alpha test on SPSS 24. The test helps to determine if a group of questions all measure the same concept, construct or idea. The Cronbach`s Alpha was 0.757 and the Cronbach`s Alpha on standardised items were 0.768 whiles number of items were 39.

Basing on the guidelines by (George &Mallery,2010), a Cronbach`s Alpha of greater than 0.7 is viewed acceptable and the researcher proceeded with the study using the gathered data since it was viewed as reliable. The Cronbach`s Alpha test was also used as it best produces valid and credible findings.

4.3 Results Presentation and Analysis

The presentation and analysis of the results was done with the help of the SPSS statistical package where tables, graphs and pie chart were used to during the presentation and analysis process done in accordance with the research objectives.

4.4 Response Rate

4.4.1 Questionnaire Response

A total of 80 questionnaires were distributed to ISAL project participants and 70 questionnaires were successfully returned. The questionnaires were distributed to only ISAL project participants that were involved in the programme in Bikita district, particularly ward 22. Out of the 80 questionnaires that were distributed, 70 were answered and returned giving a response rate of 87.5%. The other 10 questionnaires representing 12.5% were not returned. Basing on Massey and Tourangeu (2013), a response rate of above 60% is a good representation for a study. Basing on the scholarly argument, a response rate of 87.5% was viewed well enough to suffice the research objectives of the study.

4.4.2 Demographic Variables of Respondents

In this section the researcher focused on the presentation of demographic profile on the questionnaire revealed the participants' gender, age, level of education, number of household individuals, marital status only to mention just few. This will be summarised below.

4.4.2.1 Gender

Out of 70 completed questionnaires, 60 females representing 85.7% and the remaining 10 male representing 14.3%. This signifies that women are more interested in ISAL projects as compared to men. Unlike females, men don't like small livelihood activities like market gardening but they prefer to work in industries in the city. Seemingly, the findings agree with other studies around the world which stipulated that women were more interested in ISAL programmes than men.

4.4.2.2 Age

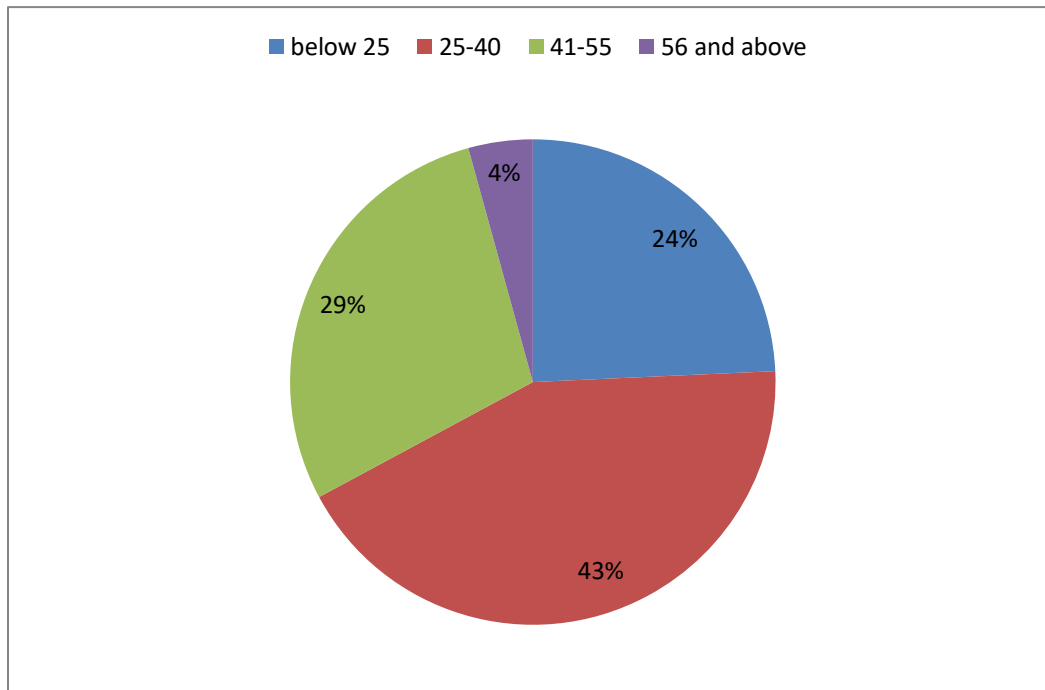
Results on the age of respondents are presented in table 4.4.2.2 and figure 4.4.2.2 below

Table 4.4.2.2 Age of respondents

Age group	Frequency	Percentage
below 25	17	24
25-40	30	43
41-55	20	29
56 and above	3	4

Source: raw data

Figure 4.4.2.1 Age of respondents



From the results presented above it is clear that the majority of the respondents were aged between 25-40 years representing 43% followed by 40-55 representing 29% then below 25 representing 24% and lastly 56 and above representing 4.3%. This clearly shows that the age of 25-40 has the highest number of people who are participating in ISAL program as compared to other age groups; maybe this is because in this age group this is where people are interesting in income generating activities because they had more household responsibilities which they need

to cater for. For example they are responsible for paying school fees, buying of households basic needs and getting social income. The 56 and above age group has the least number of participants probably they are old and less economically active.

4.4.2.3 Size of family

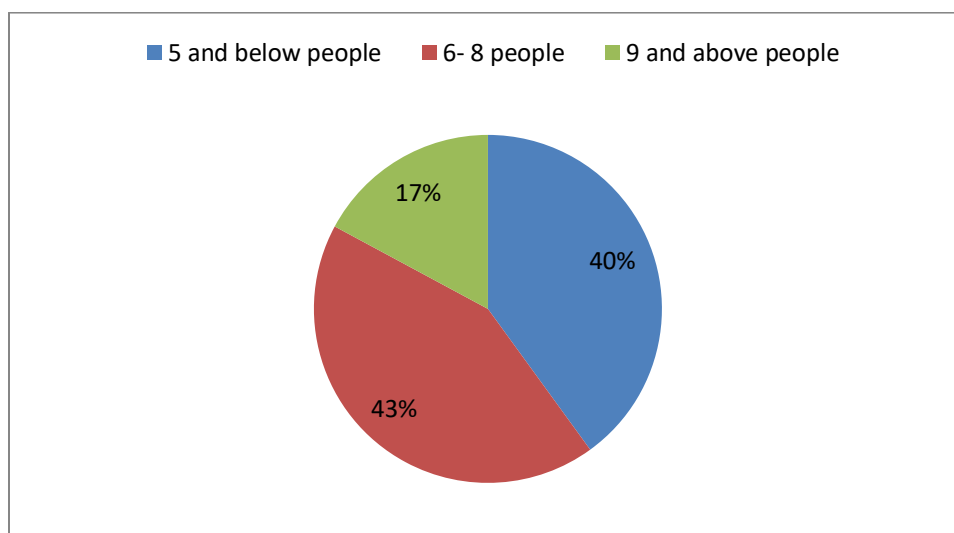
The question on the size of family was asked to establish the relationship between size of family and participation in ISALs

Table 4.4.2.3 Size of family

No. of people in family	Frequency	Percentage
5 and below	28	40
6-8people	30	43
9 and above	12	17
Total	70	100

Source: raw data

Figure 4.4.2.3 Size of family



The data above shows that 40% of respondents came from households of 5 people and below, 43% were from households of between 6-8 people and lastly 12 participants were from households of 9 people and above representing 17%. The highest numbers of participants in this research were from the 6-8 people per household an indication that they valued ISAL as a household livelihoods and this shows a positive relationship between size of family and participation in ISALs. The reason may be that they had more responsibilities hence the need to increase income to sustain their livelihoods.

4.4.2.4 Education and Profession

The question on level of education for the respondents was aimed at establishing how educated ISAL participants are so as to determine their ability to articulate the ISAL methodology and to answer research instruments. Basically on the work or profession of the respondent, the researcher needed in order to know whether the respondent is occupied or involved in any other profession or not where they get income. Also to understand how education level influence the profession of the respondents. The table below represented the level of education and for profession.

Table 4.4.2.4.1 Education

Level of education	Frequency	Percentage (%)
Primary level	28	40
Secondary level	40	57.1
Tertiary	2	2.6

Source: raw data

Table 4.4.2.4.2 Profession

profession	frequency	Percentage (%)
Self-employed	50	71.4
employed	5	7.14
Not employed	15	21.42

Source: raw data

4.4.3 Situation in Bikita District before Joining ISAL Program

The research suggests that people in ward 22 of Bikita district, before they participated in ISALs they were under malicious levels of poverty due low amount of rainfall. Due to the fact that they don't have any source of financial credit to establish household livelihoods projects so as to generate household income. The monetary institutions which were available are not ready to offer loans to start small business. As a result of this people in Bikita district particularly in ward 22 relied on only few livelihood activities which included market gardening, poultry production, sewing and peanut butter selling for their household survival. However, they were not successful in getting adequate amount of money required for household income generating projects so as to sustain themselves particularly with basic things like food, school fees, medication and other household requirements so as to run away from vulnerability and external shocks (poverty). This worsened the malicious cycle of poverty and this resulted in school drop outs, deaths due malnutrition, food insecurity challenges to mention just a few.

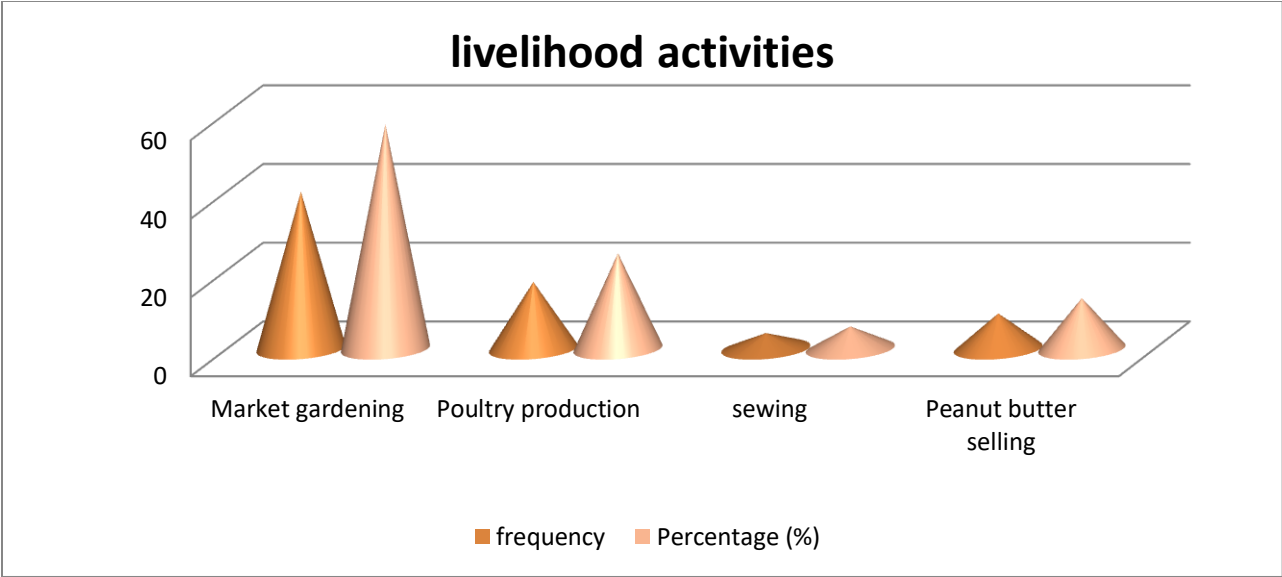
The table 4.4.1 Livelihood Activities before ISAL

Livelihood activity	frequency	Percentage (%)
Market gardening	40	57.1

Poultry production	17	24.3
sewing	4	5.7
Peanut butter selling	9	12.9

Source: Raw data

Figure 4.4.2 livelihood activities before ISAL



4.4.5 Factors Motivated People to Participate in ISAL Program

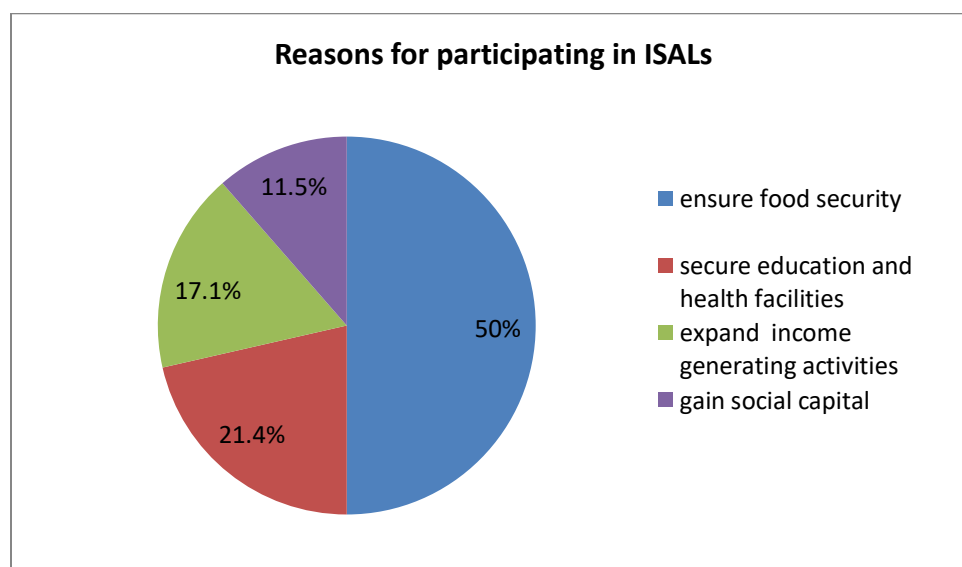
Participants were motivated by various factors to participate in internal savings and lending program. These include the need to gain social capital, to get income to ensure food security and other basic needs, to expand income generating activities and to gain capital to pay school fees, improve the quality of housing, pay hospital bills and to purchase other financial assets. In addition to that, the poor had limited access to the means of production thus participating in ISALs allowed them to get capital to start their business leading to an increase in income at household level. The table below shows the results on factors that motivated people to participate in ISAL projects.

Table 4.4.5.1 Factors motivated people to participate in ISALs

Factor	Frequency	Percentage %
Ensure food security	35	50
Secure education and health	15	21.4
Expand income generating projects	12	17.1
Gain social income	8	11.5

Source: raw data

Figure 4.4.5.2 Factors that motivate people to participate in ISALs



From the data above, it is clear that the need to gain capital/income to ensure food security and other basic commodities needed at household level was mentioned by 35 participants representing 50% of respondents as a key motivating factor in participating in ISALs. This was followed by the need to gain capital to secure education and health facilities with 21.4%. Twelve

participants (17,1%) mentioned expansion of their income generating activities as a motivating factor while gaining of social capital was mentioned by 11.5%. Therefore, this clearly shows that most of respondents participate in ISALs to enhance their ability to meet households' basic needs.

4.4.6 Organization of the ISAL Program

ISAL groups for Bikita, Ward 22 consists of 40 groups benefiting from ISAL program with each group having members ranging from 7 to 10, adding up to a population of approximately 400 according to the information on www.masvingomirror.com. They shared their savings after six months; interest rate used by the group is according to what they agreed on their group constitution.

4.4.6.1 Guiding Principles for ISAL Participants

There are certain guiding principles for ISAL participants. These were that each member should save equal amount of money at the end of each month. The money from savings and loan repayments should be issued to group members as credit. Every member of the group should borrow money so that their capital will grow as people return the money with a certain interest the group would have agreed. This led to the increase of sums at the end of the group cycle. The ISAL loans should contribute to household livelihoods through increasing in income generating projects. If the member fails to repay the loan his/her property will be sold so as to cover up the debt.

For example, the researcher used the amortization table below for a group of ten people trained by Caritas Masvingo who are contributing \$ 15.00 per month for six months with 10% interest

rate from July to December. The main aim of exemplifying using this group was to show the current state of ISAL program in Bikita, ward 22.

Table 4.4.7.1: Amortization Table

Number of savings 10					
Savings per member \$15.00					
Interest rate 10%					
Month	Amount accumulated from the previous month	Total monthly savings	Total amount available to borrowers loan	Interest rate 10%	Total
July	0	\$150	\$150	\$15	\$165
August	\$165	\$150	\$315	\$31.50	\$346.50
September	\$346.50	\$150	\$496.50	\$49.65	\$546.15
October	\$546.15	\$150	\$696.15	\$69.62	\$765.77
November	\$765.77	\$150	\$915.77	\$91.58	\$1007.35
December	\$1007.35	\$150	\$1157.35	\$115.73	\$1273.08
	\$1273.08	\$900			

From the above data exemplifying an ISAL group with 10 members each saving \$15 per month, their saving and repayment interest rate is pegged at 10% per month. Due to the fact that their accrual is on monthly savings and repayments are also done on a monthly basis, their capital grew faster. Therefore, since their cycle ended after six months each member would save $(\$900)/10 = \90.00 and each group member will then receive a lump sum of $(\$1227.08)/10 = \122.71 after six months.

4.4.8 Changes Brought after Participating in ISAL Program

There are several changes brought in Bikita, ward 22 since the introduction of internal savings and lending schemes on households.

4.4.8.1 Positive Changes

The researcher noted that, participating in internal savings and lending contributed largely on household livelihoods especially in reducing the vulnerability of households to poverty. For instance, before the introduction of ISAL in Bikita district, ward 22 people were affected by hunger, famines (poverty) due to low amount of rainfall they received. Thus, by participating in people are now able to meet their household's basic needs such as adequate food, quality of housing, education expenses, women empowerment health facilities, loan to start business and access financial assets only to mention just a few.

According to Allen and Hobane (2004) after the impact assessment KupfumaIshungu project in Zimbabwe, ISAL brought an increase on Business Membership Organizations (BMO). In Bikita district, ward 22 about 80% of ISAL members had managed to start their household income generating projects in order to promote sustainable household livelihoods. Also respondents outlined that due to ISAL program they are now able to accumulate social capital and the number meals per day increased from two to three. Therefore, the researcher observed that internal

savings and lending contributed largely on household livelihoods. This will be revealed in the table below showing positive changes brought by participating on ISAL program.

Table 4.4.8.1 Positive Impacts

Positive changes	frequency	Percentages (%)
Number of meals per day	7	10
Reduction of vulnerability to poverty	37	52.9
Increased domestic assets	7	10
Women empowerment	5	7.1
Family savings increased	6	8.6
Education and health facilities	8	11.4

Source: raw data

4.4.8.2 Challenges Faced by ISAL Members

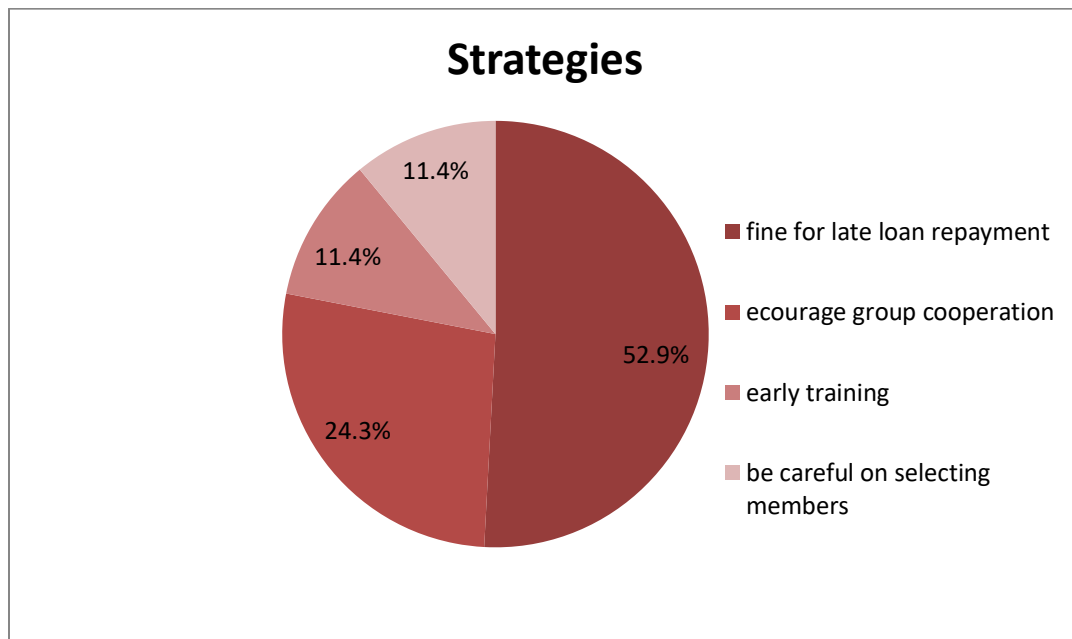
Besides the positive impacts brought by ISAL on the household livelihoods, respondents outline few challenges their groups are facing. This included late repayment of loans, absence of meetings, late training, poor record keeping and challenges in group cohesion. According their guiding principles every member should get a loan and repay back with a certain interest they agreed thus forced loans may lead late repayment of loan. Also the respondents mentioned the problem of record keeping and late training. Due to the fact that, highest number of participants had accessed low level of education so they face big challenge in record keeping and even they lack full knowledge on how to keep those records. Thus at the end of the day they do not account for other members leaving them with huge debts. This is also exacerbated by late or lack of training especially on how to operate mostly on group executive, even IGAs pertaining the

utilization of ISAL loans. Some members were removed from the group due to poor cooperation and absenteeism during the meeting. Lastly but not the least, ISAL groups have remained informal since the registration process is done through the Ministry of Small and Medium Enterprises (SMEs) and it's very clumsy.

4.4.9 Strategies to Solve Problems

Looking at the challenges that the respondents encountered in their ISAL groups which include: late repayment of loan, poor group cooperation, lack of training as well as lack of knowledge on record keeping. Respondents suggested strategies to solve these problems in order to create efficient ISAL groups. These included fine for late loan repayment, encourage others to attend group meetings, be careful when selecting group members. The figure below shows strategies/solution to the challenges encountered by respondents.

Figure 4.4.9.1 Strategies to Solve Problems



The above data explore that a greater number of participants suggested that the setting of fines for late loan repayment in order to solve problems of late loan repayment, 52.9% followed by encouraging group cooperation on members with 24.3% then last two solution that is early training of group members by Caritas Masvingo and being care in selecting of group members with 11.4%. Therefore, it is vital to point out that the solution to solve the problem of late loan repayments is the use of fines so that group members will be careful and payback their debts.

4.5 Summary

In this chapter the researcher presented and analyzed the research findings in accordance with the research. The study showed the contribution of internal savings and lending on household livelihoods in Bikita district, ward 22. ISAL brought positive impacts especially on alleviating poverty as far as they related SDG 1 to 4. Findings were gathered through questionnaires distributed and interviews proved that ISAL reduced the number of people who are living under extreme poverty, increased access to education, healthy, women empowerment, financial assets and food security. The researcher will move on to the following chapter that will be looking at the recommendations and conclusion of the study.

CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.1 Introduction

In this chapter the researcher outlines the study summary on contribution of internal savings and lending schemes on household livelihoods in Bikita, ward 22. The conclusions and recommendations will be explored basing on the study findings highlighted by the previous chapters. In concluding this chapter; recommendations for further study will be assumed in relation to the topic under research and this will benefit the policy makers; development practitioners as well as NGOs.

5.2 Summary of the Study

The research sought to analyse the contribution of internal savings and lending schemes on household livelihoods in Bikita district. Also the researcher wanted to assess the extent to which ISALs had impacted household lives of rural community basing on the methodology drawn in chapter three. The main objectives of the study were to determine the current state of ISALs in Bikita; to examine the impacts of ISALs on member's household livelihoods; establish the challenges members encountered in managing ISAL program. In chapter one the researcher presented the problem statement, background of the study; theoretical framework; objectives as well as limitations and delimitations of the study. A complete literature review on the background of ISALs and its impact on household livelihoods as well as an analysis of the concept of livelihoods was provided. Also; empirical evidence on the impacts of ISALs as a household livelihood strategy was likewise explored.

The study followed a descriptive research design employing an observational survey method with stratified random sampling employed when incorporating respondents in to the study through questionnaires and interviews. The researcher used quantitative techniques in gathering; presenting and analysing data. Evidence obtained led the researcher to answer research questions as well as achieving study objectives and results obtained were easy to analyse and present. Research findings proved that participating in ISAL program had significant impacts on household livelihoods in Bikita district particularly ward 22 though they are few challenges that participants encountered within the program. Also; the researcher drew conclusions and recommendations from the previous chapters in relation to the impacts of ISAL on household livelihoods.

5.3 Recommendations

The researcher could not help but noted some loopholes concerning the contribution of internal savings and lending in ensuring sustainable household livelihoods. In this regard; the researcher was prompted to give recommendations that are deemed of importance to reduce some of the identified gaps. These include: include:

- conduction orientation on ISAL methodology so that participants and non-participants in these micro finance program (ISAL) intending and those already in ISAL groups have full knowledge about changes brought by participating in these activities. The conduction of such meetings must involve everyone in the community, government officials who are relevant to such programmes and other humanitarian organisations. Hence, by information dissemination channels; trainings and meetings it will help to equip individuals with adequate knowledge.

- A drafted constitution for ISAL participants is recommended by the researcher to guide their operations. Micro lending institutions should practice strict decision making such that members will stick to the rules and regulations set by the committee. By doing this it can be assured that no rules and obligations will be broken. The existence of a constitution should guide members throughout their operations.
- Markets should be created and made available by the government to help people involved in IGA. By providing markets it will be easier for those who own income generating projects because some of their projects are being affected by shortage of markets thus creating sustainable household livelihoods in Bikita district.
- More value adding links between ISAL members and formal microfinance institutions must be explored to link with longer pools of capital and this is necessary because ISAL exposed members to growth opportunities.
- It is also crucial to encourage the participation of men in ISALs so that they use the money they get from piece jobs to start income generating activities. This will also avoid scenarios whereby husbands take their wives' money which they get from ISALs as they will now understand the concept of borrowing.

5.4 Conclusions

The researcher explored that internal savings and lending scheme had a significant impact on household livelihoods in Bikita district. From the findings of the study which are in line with the previous studies pertaining to the subject matter where the importance of factors such as food security, income security, access to health facilities and education; women empowerment and improved housing quality has the potential to powerfully impact people's empowerment and

sustainable development. Regardless of the challenges observed, the positive impact of ISALs in Bikita's ward 22 can not be overemphasised.

The following conclusions were made in line with the research objectives made prior to this research.

5.4.1 Benefits

(i) Food availability has been enhanced after joining ISAL program at household level leading to an increase in household food security.

(ii) Access to credit loans and savings through internal savings and lending leading to an increase in income generating activities and income security at household level.

(iii) An increase in access to education and health services as a result of an increase in income at household level.

(iv) Women empowerment was also another positive impact which was noted as women in ISALs now own assets.

5.4.2 Challenges

Although the ISAL program brought much success it cannot be excluded from the challenges that were experienced by both micro lending institutions and members. The challenge highlighted above need to be addressed so that the gains made by the methodology are reversed by issues that can be resolved.

5.5 Suggestions for Further Studies/ Research

The current study based on a small scale from one rural community of Bikita district particularly ward 22. Therefore, results cannot be generalised to other districts in the province throughout the

country especially in analytical terms. More studies on a bigger scale with large sample size and population will shed more light on how internal savings and lending schemes can contribute to household livelihoods.

REFERENCE LIST

Allen, H and P. Holbone (2004), Impact Evaluation of KupfumaIshungu. Arusha Tanzania

Brannen, J. (2010), The Sage handbook of mixed methods, Sage publications: London

Barnes, C. and Morris, G.(2005) , An Assessment of the impact of microfinance . A case study from Uganda; Journal of microfinance. Volume7 (1) page 39-54

Bell, P. (2001), Content analysis of visual images in Lewen, T, V. and Jewitt, C. (Eds) Handbook of visual analysis, Sage: London

Burns, N. and Grove, S, K. (1993), the practice of nursing research: conduct, critique and utilization (2nded), W.B Saunders: Philadelphia

Brett, H.M.,Musoke ,C and Green,C.(2010) Group Savings and Loans Associations Impact study

Care international 2012 report,www.careinternational.org/aboutus/annualreport.aspx,
(accesssedon 29 may 2014)

CARE(2008),retrievedonDecember7,2008<http://www.care.org/newsroom/publications/whitepapers/women> and empowerment.pdf

Caritas Masvingo sustainable livelihoods diversity and resilience project-Masvingo Mirror
www.masvingomirror.com.

Chambers, R and Conway, G. (1992), *Sustainable rural livelihoods: practical concepts for the 21st century*, IDS: Brighton.

Chuma, M.Chozovachii, B., Munzara, A and Mupani,H.(2013) , Internal Savings and Lending Schemes as a livelihood strategy for female headed households in urban context:The case of Mucheke suburb in Masvingo city. Zimbabwe.

Creswell, J.W. (2002), Research design, Qualitative, Quantitative and Mixed methods approaches, Sage: New York

Dunn, E and G. Arbunkle, (2001) The impacts of Micro-credit : a case study from Peru . USAID- AIMS paper. Washington, D.C

Fabregues, S. (2013) Perform an alternative analysis with the aim of generating new insights from previous analysis.

Frankenberger, T. (1996).Measuring household livelihood security An approach for reducing absolute poverty.

Holloway, I and Wheeler, S. (2002), Qualitative research in nursing (2nded), Blackwell publishing: London UNDP (1999), Human development report, Oxford university press: New York

<http://www.robertniles.com/stats/stdev.shtml>, (Accessed on 17 February 2017).

<https://www.statisticshowto.com>(date accessed 13/05/16)

ISAL evaluation Report (2007), ESAP Zimbabwe

Khandker, S. (2005). Micro-finance and Poverty, (2005). World Bank Economic Review, 19(2), 263–286.

Kibaara, B. (2007). Rural Financial Services in Kenya; What is working and why? International Conference on Rural Finance Research

Khandler, S, R.(2005) . Microfinance and Poverty: Evidence using panel data from Bangladesh.
The World Bank economic review9:263-286.

Lopez, X. S. S. (2013) Advantages and disadvantages of secondary data collection nowadays,
Xaparezsindin

Massey, D. S and Tourangeau, R. (2013) ‘Where do we go from here?’, Non Response and
Social Measurement. *The ANNALS of the American Academy of Political Science*, 645 (2013-
January) pp. 222-236

Mcleod,R .(2001), The impact of regulations and procedures on the livelihoods and asset base of
the urban poor: a fincial perspective, paper presented at the international workshop on regulatory
urban upgrading , Bourbon-on- Dunsmore.

Maknelly B. And Christopher .P. (1999). Impact of Credit with Education on Mothers and their
Young Children`s Nutrition: (Recer Credit with education Program in Bolivia. Freedom from
Hunger Research Paper No.5 Davis, C a: freedom from Hunger.

Matunhu, J. and Mago, S. (2013),Rural Banking for Rural Development in Zimbabwe in Stud
Tribes Tribal, 11(1).

Napoleon, H. (2003).ASA-GV Microfinance Impact Report.Trihcivapalli, India; The activists for
social alternatives.

Pronyk, P.M., J.R. Hargreaves, and J. Morduch(2007). Microfinance Programs and Better
Health: Prospects for Sub-Saharan Africa. JAMA16: 1925-1927.

Saunders,M. Lewis, P. and Thornhill,A.(2007) Research methods for business students : Person
education limited, Edinburgh gate,England.

Smith, S. (2013) Determining Sample Size: How to determine sample size, (online) Available at: <http://www.robertniles.com/stats/stdev.shtml>, (Accessed on 17 February 2017).

Sustainable livelihoods support office, www.odi.org/resources/docs/172 (accessed on 19 September 2014)

Terry, W.(2006). The impact of microfinance on women micro-entrepreneurs in Temeke District, Dar-es-salaam, Tanzania. Mathesis, Ohio University.

Zamaan , H.(200). Assessing the poverty and vulnerability impact of micro-credit in Bangladesh: A case study of BRAC, Washington, D.C, World Bank.

ZIMVACrural livelihoods assessment 2012 www.reliefweb.int/sites/reliefweb.int/files/resources/2012%20ZimVAC%20DRAFT%20REPORT (accessed on 16 September 2014)

Zhang, W. J. (2016), A mathematical model for dynamics of occurrence probability of missing links in predicted missing link list. Network Pharmacology, 1 (4), pp. 86-94

APPENDICES



MIDLANDS STATE UNIVERSITY

Questionnaire for ISAL participants

My name is Lucia Chikuvadze. I am a final year student in the Department of Development Studies carrying out a research on contributions of Internal Savings and Lending Scheme on household livelihoods in Bikita. I'm currently undertaking BA Honours Degree in Development Studies with Midlands State University in Zvishavane. I kindly ask you to assist by completing the questionnaire. Participating in this study is voluntary and will not affect one's membership in the ISAL program. The information provided as well as your personal views will be treated with confidentiality and used for the purposes of this study only.

Your contribution to this research is greatly appreciated.

SECTION A: Background information

Tick where applicable { }

Ward	District	Province	Program
22	Bikita	Masvingo	ISAL

1. Gender of the respondent:

Male { } Female { }

2. Age of the respondent: below 25 { } 25-40 { } 40-55 { } 56 and above { }

3 Position in the household:

Household head { } spouse { } Son D daughter { } relative/friend { }

4 Marital status:

Married { } married but lived apart { } Separated { } widow { }

5 Highest level of education of the respondent: primary { } **secondary** 'O'Level { } tertiary education

6 Family sizes in the household:

5 and below { } 5-8 people { } 8 and above { }

7 What is your main profession/work?

Self-employed farmer { } employed specify { } not employed { } other { }

SECTION B: Livelihood activities

8 Have you been involved into any livelihood activity?

yes { } no { }

9 If yes specify the livelihood activity involved from the below:

Activity	Agree	Disagree
Market gardening		
Poultry production		
Peanut butter making		
sewing		

10. How did you get to know about ISAL program?

Community meeting { } after a baseline survey by caritas { } friend { } relative { }
other { }

11. State the factors which motivated you to join the group?

Factors	Agree	Disagree
To gain social capital		
To get income to ensure food security and other basic needs.		
To expand income generating activities		
To gain capital to pay school fees for my children		

SECTION C: Organization

12 From your own view how do you see ISAL program operates?

Poor { } good { } very good { } satisfactory { }

13 How useful does the ISAL program in comparison with other micro finance institution?

Poor { } good { } very good { } satisfactory { }

SECTION D: Effects of the program

14 Does the program of ISAL useful to household? Yes { } no { }

15 If yes what positive changes brought by ISAL program at your household from the below

Impacts/changes	Agree	Disagree
Reduction of vulnerability to poverty		
Number of meals per day		
Loan to start a business		
Have savings for the family emergences (health)		
education expenses(fees, uniforms and books)		
Quality of housing		
Increased domestic assets		
Women empowerment		

16 Has your status in the community change since joining ISAL?

Improved { } very improved { } remain the same { } worsened (why) { }

17 Do you agree that ISAL program brought changes within the family in terms of status since joining? Strongly agree { } Agree { } not agree { } don'tknow { }

18What are possible challenges faced as a group?

challenges	yes	no

Late repayment of loan		
Absence of meeting		
Late training		
Poor group members		
Other specify		

SECTION E: Solutions and recommendations

19 How do you think those challenges can be solved

Solution	yes	no
Fine for late loan repayment		
Encourage other to attend group meetings		
early training		
Be careful when selecting members		
Other specify		

20 What are your own suggestions and recommendations seen to be improved basing on ISAL program.....

Related Interview Questions

1 What is the name of your ISAL group?

2 How many members in an ISAL group from the time you started?

3 How many are you at this moment?

4 How often do you meet weekly / monthly?

5 How much did each member save when you meet?

6 Numbers of people have loans?

7 What is the interest rate?

8 How many people have loans?

9 To what extent does this program important on household livelihoods and why?

10 Any comments to add on the ISAL

Thank you for your co-operation.