A STUDY OF ROTATING SAVINGS AND CREDIT ASSOCIATIONS AMONG WOMEN IN ZOMBA

MASTER OF ARTS (SOCIOLOGY) THESIS

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A STUDY ON HOW PARTICIPATION IN ROTATING SAVINGS AND CREDIT ASSOCIATIONS AFFECTS WOMEN'S SOCIAL RELATIONS IN ZOMBA

MASTER OF ARTS (SOCIOLOGY) THESIS

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DECLARATION

I, the undersigned hereby declare that this thesis is my own original work which has not been submitted to any other institution for similar purposes. Where other people's work has been used acknowledgements have been made.

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Full Legal Name

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Signature

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Date

CERTIFICATE OF APPROVAL

The undersigned certify that this thesis represents the student's own work and effort and has been submitted with our approval.

Signature____Date_______________

Gillian Kaliwa Aidini

Main Supervisor

DEDICATION

This work is dedicated to my parents who invested so much in my education and my family who bring me laughter, joy, inspiration and give me a get-up-and-go to pray and work very hard every day.

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ABSTRACT

Women are acknowledged to play an important role in society, their contribution is enormous. Empowering women is seen as a prerequisite to reduce poverty, improve the quality of family life hence create a cohesive society as women undertake critical roles in the society. Rotating Savings and Credit Associations (ROSCAs) are among the informal social protection mechanisms in emerging nations including Malawi. Social relationship plays an important role in ROSCAs where interaction between members of the association makes it function effectively. ROSCAs, rely on social networks to facilitate credit and financing needs for individuals and small businesses. The main purpose of this study was to examine how participation in Rotating Savings and Credit Associations affect women's social relations in their communities. The specific objectives of this study were firstly, to determine the criteria for membership of rotating savings and credit association; secondly, to explore the motivations for joining rotating savings and credit association; thirdly, to establish the extent to which members interact beyond regular meetings; and lastly, to assess whether the relationship of exchange among members extends beyond the group's main agenda. The study employed a qualitative approach with a focus on Zomba. The study found that networking leads to socializing that creates a feeling of oneness in the group where individuals are kind and generous with each other. In addition to this, they have helped in teaching women how to be more understanding to everyone they meet. Indeed it is the informal features of ROSCAs that attract and keep individuals to participate in ROSCA.

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ABBREVIATIONS

ACFs	Accumulating and Non-Accumulating Communal Funds
ACSA	Accumulative Saving and Credit Associations
CAMCCUL	Cameroon cooperative credit union league
FGD	Focus Group Discussion
GIZ	Germany Society for International Cooperation
GOM	Government of Malawi
MFIs	Microfinance Institutions
NGO	Non-Governmental Organisation
ROSCAs	Rotating Savings and Credit Associations
SHG	Self Help Group
T A	Traditional Authority
VSLAs	Village savings and loans association

CHAPTER ONE

INTRODUCTION

1.1 Chapter Overview

Rotating Savings and Credit Associations (ROSCAs) are informal, indigenous savings and credit institutions, which are prevalent in both developing and developed economies around the world. A typical ROSCA works in the following manner. A group of individuals meet together on a regular basis (say once a month or once a week) and contribute some fixed amount of money, decided either mutually or by the leader of the ROSCA, into a pot every time they meet. At the end of each meeting, one member of the group is selected to receive the pot this can be done either randomly or by bidding. This process continues till every member of the group receives the pot of money once. This chapter provides a background that contextualizes the research problem. It states the research problem, the objective of the study and explains the motivation and justification of the study and provides the sequence in which the thesis is organized.

1.2 Background

Women are acknowledged to play an important role in society and their contribution is enormous. Empowering women is seen as a prerequisite to reducing poverty, improving the quality of family life hence creating a cohesive society as women undertake critical roles in society. The World Bank was one of the first international organizations to recognize the need for women in development. In 1994 the bank issued a policy paper on gender and development.

This policy aimed to address policy and institutional constraints that maintain disparities between the genders and thus limit the effectiveness of development programs (Janet, 2009). Caroline Moser developed the gender framework in response to the Word Bank gender and development policy paper. The gender roles framework focuses on describing women's and men's roles and their relative access to and control over resources. It involves the systematic gathering and examination of information on gender differences and social relations in order to identify, understand and redress inequities based on gender. It takes the household, rather than the breadth of institutions and tends to assume that women are a homogeneous category (Miller & Razavi, 1998).

The Malawi government is committed to achieving the millennium development goals (MDGs). It has set out ambitious plans to propel the country into a middle income nation by 2063. The millennium development goals (MDGs) present a set of eight goals and accompanying targets which together aim at rooting out poverty. If success is to be achieved, gender equality and women's empowerment must be addressed as this is essential so as to achieve inclusive economic growth. A survey conducted by Finscope in Malawi, indicates 30 percent of males have access to financial services via bank accounts compared to 22 percent for females. This discrepancy is partly driven by the fact that the majority of salaried employees are male, who receive their income by cheque or directly into a bank account. However, women make greater use of informal services than men: 26 percent of women access informal financial services, compared to 23 percent of men, which amounts to approximately 400 000 more women using informal financial services than males (Finscope Malawi, 2014).

Financial systems have led to the development of methods such as Rotating Savings and Credit Association (ROSCAs), Accumulative Savings and Credit Associations (ASCAs) and Village Savings and Loans Association (VSLAs). These methods are used for various reasons, for instance income increase in households, poverty reduction, asset acquisition and food security.

Group savings and loan scheme is a time-bound accumulating savings and credit activity. It is an informal microfinance where there are no financial intermediaries. Self-selected persons in a group of at least 15 to 30 people form a group to mobilise their own savings regularly in a pool and borrow from the pool fund and repay back the borrowed funds hereby referred to as loans with interest or no interest, after a period usually between one and three months. Group savings providing loan with interest choose a date usually after about a year, all the financial assets are divided among the members in proportion to each one's savings. However, saving groups that provide loan with no interest usually give out the sum of the money at the end of every month. The groups normally re-form immediately and start a new cycle of savings and lending.

From a development perspective three broad categories of saving have received attention: the ROSCAs, ASCAs and VSLAs. Through village savings and loans association (VSLAs) all members pool their money into a fund from which members can borrow. The money is paid back with interest, causing the fund to grow. The regular savings contributions to the group are deposited with an end date in mind for distribution of all or part of the total funds including interest earnings to the individual members. This lump sum distribution provides a large amount of money that each member can then apply to his or her own needs. CARE international, a humanitarian organisation first launched this scheme in Niger in 1991; today the model is being replicated in sub–Saharan Africa in about 30 countries.

Village savings and loans association (VSLAs) scheme is a micro-finance model that was started by Cooperative of Assistance Relief Everywhere (CARE) to reduce poverty by financially and socially empowering poor and vulnerable people. Furthermore, village savings and loans association are comprised of members between 10 and 25 and are formed between relatives, friends, neighbours, kinsmen, men, women, age-mates, workmates, or people with the same faith. Village savings and loans association (VSLAs) creates self-managed and self-capitalised savings groups that use member's accumulated funds to lend them out with interest.

The majority of them are run by a committee voted into office by the members. The committee includes a chairman who serves as an overseer, a secretary and a treasurer who work hand in hand but overall control is exercised by all members who make decisions through periodic general meetings. In VSLAs, every member contributes a fixed and equal amount of money at the beginning of the cycle and this varies from VSLAs to VSLAs. In other VSLAs, the fixed and equal amount of money is payable over their life cycle or in a specified maximum number of months and if a member fails to contribute the full amount, the shortfall can be subtracted from the portion that he or she is supposed to receive when the fund is distributed back to the members at the end of the cycle. Nevertheless, Accumulative Saving and Credit Associations (ACSAs) and Village Savings and Loans Association (VSLAs) work in very similar ways. The Accumulative Savings and Credit associations (ASCA) does not distribute the sum of contributions at each meeting, but rather use the accumulated funds and lends them out with interest. A huge variety of ASCAs exist due to the options created by allowing for the accumulated funds to be distributed according to need and to various members at the same time (Chipeta, 2012).

Rotating Savings and Credit Associations (ROSCAs) are maybe the most dominant, the oldest and most prevalent informal savings institutions in the world (Arderner, 1995). Rotating Savings and Credit Associations (ROSCAs) serve both an economic and a social function. Their primary purpose is to pool funds from multiple participants with the purpose of solving their common problems through self-help and mutual aid in order to achieve certain financial goals. Rotating Savings and Credit association (ROSCAs) are cooperative entities locally known as Chipeleganyu is a group of individuals owned and controlled by locally organised members, who agree to meet for a defined period of time in order to save and borrow together (Chipeta, 2012). Rotating Savings and Credit Association (ROSCAs) consist of about 5 to 30 members that meet at regular intervals; at each meeting members contribute an equal sum of money at the end of every month or whenever income is earned. The pooling may, therefore be regular or periodic. The contributions are given to members one at a time, hence the term Rotating Savings and Credit Association (ROSCAs) or Cooperative Savings Association.

Thus, rotating savings and credit association charge no interest for using the funds raised to its members and members are fully compensated by receiving from others what they paid to them.

In Malawi microfinance activities started before Malawi got its independence, but there were only a few participants until between 1993 and 2001 which experienced an increase in microfinance institutions and credit granting non-governmental organizations (NGOs) from 7 to about 29 (Chirwa, 2002). Income and credit structures and their services are categorized into informal and formal sectors. The informal sector, which is the largest, include saving at home, savings clubs, rotating savings and credit associations (ROSCAs), accumulated savings and credit associations (ASCAs) and others (Chipeta, 2010). Services in the informal sector are readily accessible with low transaction costs and their relative flexibility in service provision tends to attract the majority who are not reached by the formal banking sector. Finscope and Finmark (2014) study on microfinance sector assessment of Malawi saw high rates of participation in the informal sector particularly rotating savings and credit associations.

1.3 Statement of the Problem

Assessing the state of women in microfinance, Ahn, et al. (2016:2) observed that women who are the main participants in microfinance earn, save and invest through these associations. They meet their credit needs by participating in these associations rather than approaching banks and other credit institutions. They observed that these associations improve member's lifetime expected utilities compared to the case where individuals make savings by themselves.

Although banks do not keep gender segregated data, it is widely believed that women in Malawi are less involved in formal banking schemes than their male counterpart. The 2012 Malawi survey on gender difference in the usage of formal financial institutions showed 77 percent of the majority of women in Malawi save, mainly at home or through informal mechanisms such as Rotating Savings and Credit Association (ROSCAs) and savings clubs.

Only 21 percent of women entrepreneurs saved formally plus 14 percent through bank and about 7 percent use other non-bank formal savings products (GIZ/BMZ Malawi, 2012). In 2014 Finmark and Finscope conducted a financial diagnostic report in Malawi which saw the overall Rotating Savings and Credit Associations having a total of 31,000 adults with women having a high membership of 76 percent and 80 percent respectively (FinScope, 2014). This indicates that women are more interested in participating in groups or associations formed by their network of friends and neighbours. They meet their credit needs through these associations even though there are more sustainable institutions providing financial assistance.

Existing studies on women's participation in savings groups have tended to emphasise effects on household income. Therefore, bridging the information gap as to how participation in these savings schemes influences their social relations, for example on the intensity of social interaction. This study therefore, seeks to examine how participation in Rotating Savings and Credit Associations affects women's social relations in their communities.

1.4 Research Objectives

1.4.1 Main Objective

The main objective is to examine whether participation in rotating savings and credit associations expands women's social relations.

1.4.2 Specific objectives

1. To determine the criteria for membership of rotating savings and credit association.
2. To explore the motivations for joining rotating savings and credit association.
3. To establish the extent to which members interact beyond regular meetings.
4. To assess whether the relationship of exchange among members extends beyond the group's main agenda.

1.4.3 Research Questions

1. What are the criteria for membership in rotating savings and credit?
2. What are the factors that motivate women for joining rotating savings and credit association?
3. What is the extent to which members interact beyond regular meetings?
4. What kind of relationship of exchange happens among women beyond group's main agenda?

1.5 Significance of the Study

In the process of this research, the study identified gaps which impedes issues dealing with rotating savings and credit association. In addition, the findings will add to already existing literature on ROSCAs. Lastly, the findings will also assist the communities in the study area to know their stand in terms of the extent to which the rotating and savings schemes operating in their area contribute towards the promotion of saving culture among the communities through the accumulation of productive assets after credit acquisition.

1.6 Organisation of the Paper

In conclusion, chapter one elaborates the research topic. It unveils the problem statement and the lacuna in research which this actual study attempts to fill. The research objectives and the significance of the study are all brought into the limelight in this chapter. The second chapter examines pertinent literature to the topic of study. Hence, the theoretical frameworks of this study are all subsumed in this chapter. The third chapter exposes the methodology employed in acquiring data during this study. All ethical principles which cannot be dispensed with during research are delineated. In addition, all obstacles faced during research which may minimize the degree of reliability of the study findings are also stated. In chapter four, all study findings are uncovered and mooted. Chapter five presents the conclusions that can be drawn from the study findings. This chapter also suggests areas consonant with the overarching topic of study which could be further explored by other researchers.

1.7 Conclusion

In conclusion, this chapter has presented the background of this study. It has also uncovered the problem statement, the research gap, the main and specific research objectives and the study justification.

CHAPTER TWO

LITERATURE REVIEW

2.1 Chapter Overview

This section comprises of theoretical and empirical studies on Rotating Savings and Credit Association. This section reviews some of the studies on the evolution of rotating savings and credit associations; concept of reciprocity, women participation in credit institutions, and social relationships. The chapter also highlights previously conducted studies on the above related topics.

2.2 Evolution of Rotating Savings and Credit Associations

Rotating savings and credit association (ROSCAs) as another category of saving also gained participation across the globe and Africa in particularly it was rather seen to have high participation of women in credit groups (Gugerty, 2007). However, literature on participation and rotating savings and credit groups in general concentrates on internal dynamics after group formation, with particular focus on sustainability and poverty reduction (Etang et al). Sociologists like Besley, Mauss and Blau around the mid-19th century orated voluntary associations as the concomitants of formalisation which were transformed from a folk or informal social order into an industrial, urban social system and only become necessary as the ties of kinship, neighbourhood and religion breakdown and as a result of this, they become replacement for informal solidarities (Purcell 2000).

Building on these, Clifford Geertz, in his evolutionist model, conceives that ROSCAs are product and conductor of the transformation from a traditionalistic agrarian society to an increasingly fluid commercial one (Hospes 1996).

He further adds that the theoretical and the practical interest of these institutions lies in its ability to organize relationships in such a way that they are slowly but steadily transformed into non-informal ones. As an institution it was seen to have a functional significance primarily to facilitate social and cultural change in respect to economic problems and processes (Geertz 1962). In short, Rotating Credit Association is viewed as a socializing institution that springs up in societies undergoing social and cultural change. However, Ardener criticized Geertz's ideas for restricting the adjustment of ROSCA participants in the transformation of ROSCA into formal financial institutions (Smets 1998). Smets (1998) argued that in reality, ROSCA participants can adjust to different circumstance and Geertz's evolutionist model restricted the emergence of ROSCAs that it is a product of formalisation and urbanisation which does not take into account the diverse contexts and consider all varying context as the same. Other authors like Vonderlack, Schreiner and Gugerty have opined ROSCAs as causative in shifting from one social form to another. The models have not focused on diversity of contexts, and role and need of women who plays an important part in developing and surviving the informal credit institutions.

Although authors like Schreiner, Vonderlack viewed Rotating Savings and Credit Association as a way in which social forms are shifting from tradition to urban, Ardener, Geertz and Smets had different opinions. Nevertheless, the above authors agree on the notion that Rotating Savings and Credit Association are one of the most common informal financial systems found in the developing world and provide goods or benefits that are missing or under-provided in the community. As an economic institution, the Rotating Savings and Credit Associations are able to provide saving, credit and insurance opportunities. As a social institution, the Rotating Savings and Credit Association are able to function as a social meeting place enhancing social relationships, a provider of social aid and a way of increasing savings when saving is difficult. Hence members of the group rely on the other members in order for the Rotating Saving and Credit Associations (ROSCAs) to function.

2.3 Concept of Savings and Credit Association and the Notion of Reciprocity

Gouldner (1960) suggests that there is a universal norm of reciprocity whereby people repay assistance to others in any form either by helping in return or doing nothing at all. The repayment may be of the same kind or something quite different and what is returned is often, but not necessarily, equivalent to what was given. Reciprocity is highly interlinked with trust and may be seen as generating social capital (Portes, 1998). If reciprocity is exact, it may mean the relationship has finished. Reciprocity is not only necessarily limited to an interchange between two people. According to Ekeh (1974) individuals do not benefit from each other directly, but benefits move around the group so that members share all profit from the whole transaction. Reciprocity best explains rotating savings and credit associations as one way of savings and credit group since all members meet regularly to contribute a fixed amount and the sum of contributions is hence allotted to one of the members, either following a pre-determined schedule, randomly or by bidding. Reciprocity can thus be seen a basic prerequisite for long-term social relations that build on trust.

Furthermore, the notion of reciprocity expectation is that people respond to each other in similar ways and the mutual help that occurs among human beings to have been the basis of social life. It is said to be the lesson of universal social history that man cannot live by himself and for himself alone. Since the beginning of human society, individuals have found advantage in working together and helping one another all over the world (Tsegaye, 2003). Cooperation is understood as an attitude towards working together for mutual benefit. This influences people to seek joint solutions to problems, rather than working separately. In Malawi too, it is common for people to trust and provide mutual help and self-help activities in their day-to-day lives by participating in rotating savings and credit associations.

Reciprocity proves to be an important element in relation to participation in groups where money is circulated among the members such as in ROSCAs, and is very likely to play a role in terms of who are invited to join these economic groups (Etang et al, 2016).

The social norm of reciprocity adds that once reciprocity has been established as a norm governing the relationship between two individuals, reciprocity requires the individuals to abide by two key principles: First, individuals must assist those who have previously given them assistance. Second, individuals should not do anything that might harm those who have previously given them assistance. Hence in Rotating Savings and Credit Associations: each member pays a fixed amount at regular intervals and part of the contribution is allocated to one member at a time. Thus, individuals assist one another plus those who have been given assistance return the same favour without any hesitation. Ardener (1964) suggested many ways through which ROSCA evolved, for instance, it could have grown up independently from the obligations of kinsfolk to assist each other at times of distress and she also believed that ROSCAs may have evolved in response to the need to formalise un-codified traditional obligations as traditional sanctions were weakened by introducing the concept of regularity and rotation which distinguish these associations. Smets (1998) argued that in reality, ROSCA participants can adjust to different circumstances and there is no duty more indispensable than that of returning a kindness.

Rotating Savings and Credit Associations (ROSCAs) are a form of reciprocity group which means that each member in the group relies on the other members in order for the ROSCA to function. Reciprocity implies actions that are contingent on rewarding reactions from others and that cease when these expected reactions are not forthcoming (Blau, 1967). The reciprocity concept in ROSCAs is introduced through the mutual understanding that every member receives the pot contingent on others contributing to the pot throughout the rotation. Therefore, it enables relationship of exchange that occur at any given time, but that involves mutual expectations that a benefit granted now should be repaid in the future.

2.4 Women's Participation in Credit Institutions

2.4.1 Global Context

Women participating in credit association is believed to be a sign of self-empowerment since it takes place when women challenge the existing norms and culture of the society to improve their conditions. Financial crises that help women to lead the kind of lives they value has led women to receive support from or give support to friends at times of difficulties be it in cash or kind. According to Sinha and Patikar (2010), empowerment is defined as a continuous process where the powerless people become conscious of their situation and organise themselves to improve and access opportunities, as an outcome of which they take control over their lives, set their own agenda, gain skills, solve problems and develop self-reliance. Pitt, et al. (2006) in Bangladesh found that engagement in credit programmes led to women taking a greater role in household decision making, having greater access to financial and economic resources, social networks, greater bargaining power with their husbands as well as having greater freedom of mobility. He also saw that participating in credit institutions had increase spousal communication in general about family planning and parenting concerns.

Swamy and Tulsimala (2013) conducted a study in India focusing on women finances through self-help groups as one way of empowering women. It was seen as smart economics indeed in achieving the objective of economic development. The findings of the study showed that women financing through groups had significant impacts on the food security, non-food expenses of the poor families proving that women's groups improve their lives.

Reddy and Santhanam (2010) argues that microfinance has enabled women to overcome social barriers through capacity building training and providing experiences in financial transaction in India. He noted that participation in microfinance activities increased their mobility, self-confidence and also involvement in microfinance activities through self-help-groups had enabled the women to attain enhanced social status and decision-making power. Further studies done by Kabeer (2005) in Mumbai, agreed with those of Reddy and Santhanam. Results showed that microfinance had brought positive impacts on women's role in household decision making in terms of loan use, running enterprise and disposal of income from these enterprises, involvement in making large and small purchases of the family, children's education and visits to natal family. Kabeer (2005) further noted that microfinance is neither a magic bullet nor a panacea but a safety net for the poor by providing access to credit. On the other hand, Meenai (2010) also considered self-help groups as vehicles for triggering the process of empowerment and it helped women to acquire ability and entitlement to control their own lives, gain skills, solve problems and develop autonomy. She saw the credit and savings group as a platform where women with common interest come together for mutual help as well as where they acquired skills and gained confidence which then perpetuated in their families and communities.

The strength of microfinance is its group approach. The financial services are provided through self-help groups. It has been noted to be cost effective, equitable and sustainable way to channelize developmental efforts (Rao 2010). The savings and credit group are a small, economically homogeneous and affinity group of individuals who come together to save small amounts regularly, mutually agree to contribute to a common fund, have collective decision, and mutual discussion and provide collateral free loans on terms decided by the group (Singh 2008). Authors like Rao's (2010) study in Asia identified microfinance as a major tool for women empowerment. His study on self-help group among women in India, showed that it empowered women by enhancing their contribution to household income and giving them better control over decisions that affect their daily lives. However, Dsouza (2010) claimed that microfinance activities in India, helped women to develop confidence as well as enhanced their social awareness in the process of managing self-help groups. The group meetings held at regular intervals facilitate open discussions and help members share their problems.

Prasenjit (2012) in Dheli, India, studied the loans taken by the members from self-help groups to draw a link between income generation and poverty reduction. The study examined the nature of loans provided by financial groups and the amount of loans provided under the program to its members was too small to help them cross the poverty line. The loans were utilised mainly for consumption purposes, followed by expenditure on current productive activities with only a few capital investments were enough to provide the members employment opportunity and sufficient income to cross the poverty line. It was seen that the members who partake in credit and savings groups by the local community had an increase in income.

Veruschka (2008) studied savings mobilization projects for rural women in Peru. The project encouraged the habit of using a bank account as well as regular savings among women, thus encouraging the creation of monetary assets, which enabled them to dispose of resources for emergencies and for business opportunities. Results showed that women learnt the culture of saving, accumulated financial capital which enabled them to respond to emergencies, and also took advantage of business opportunities. Women who participated in these saving groups developed leadership capacities and this improved their bargaining position within the family, and their role within the communities. The women groups got women to know each other better and contributed to the creation of social networks. In many cases, they served as basis for the development of income generation activities, and a genuine culture of exchange.

The participation of women in credit institutions that have been illustrated by the above studies emphasised on the economic aspect that is achieved through mediums like microfinance. Women’s membership in such groups is looked at an economic process wherein women’s capabilities are measured using economic factors. The studies overlooked the social aspects except the studies done by Pitt (2006) and Kabeer (2001). Majority of them focused only on women’s ability to gain confidence and independence and others concentrated on economic aspects.

Although these represent important aspects of interaction and participation, the process of interaction and participation depends on various factors and mixture of the local context. The aspect of participation and interaction varies according to the context where women belong to and the personal attributes of those women. Thus, the concept of participation needs to be relooked that encompass both the context where women belong to and the personal attributes of those women that encouraged them to participate in Rotating Savings and Credit Associations.

2.5 Women in Saving and Credit Institution

Ardener (1996) in her study money go rounds she looked at the importance of Rotating Savings and Credit Association, noted that Rotating Savings and Credit Associations (ROSCAs) improve the condition of women in the long run and empowers them through mutual support to each other. Women's relative access to capital enabled them to fulfil their needs, accumulate a large sum of money, start or expand their businesses which further helped them to become self-reliant. The gatherings of ROSCAs in Northern Cyprus increased the social interaction of the women who used to be confined in their houses as housewives and increased their mobility and activities. In Korea, women organized Rotating Savings and Credit Association (ROSCAs) to meet their financial obligations during emergencies when their firms and businesses were not doing well. Participation in ROSCAs enabled them to control the businesses and had given them the authority to decide (Light and Deng 1996). Andrea (2011) in Indonesia, explored the relationship between social capital as a way of poverty reduction and Rotating Savings and Credit Associations (ROSCAs) participation. Findings indicated that the endowment of social capital to poverty reduction method at the village level correlated positively with individuals participating in Rotating Savings and Credit Association (ROSCAs). However, the finding of Andrea (2011) and Light and Deng (1996) focused on how these associations reduced poverty levels by looking at the economic aspects, even although an increase was seen in social interactions among women in Northern Cyprus in their households which saw an increased mobility and other activities. Nevertheless, the effect of participation towards their social interaction in their various communities was not sufficiently dealt with.

2.5.1 African Content

In Africa too, Ntamazeze (2013) conducted a study on Rotating Savings and Credit associations in Rwanda with the focus on trust and development. Furthermore, participation and persistence of Rotating Savings and Credit Associations (ROSCAs) in development, was examined and the connection between trust and development was framed according to social and economic theories. He saw that trust was seen as a critical challenge that faced Rwandans for many years due to the 1994 ethnic conflict between Hutu and Tutsi which disrupted people's lives. However, where trust occurred, it changed everything; it promoted social order and stability through social exchanges and interactions. Rotating Savings and Credit Associations (ROSCAs) was seen as mutual aid associations where trust is viewed as a prerequisite for its sustainability. In ROSCAs, trust is based on individual reputation and past experience. The research found that ROSCAs have facilitated in building trust among their members as well as their development.

Katabarwa (2009) conducted a study on Community Based Savings Micro Finance and Household Income Poverty Eradication in Uganda. The research revealed that ROSCAs helped women by availing credit facilities. Using these credit services, women were able to invest in many ventures, send their children to school and either repaired or constructed new homesteads. It is obvious that in the context of the local economy, these women were above average income earners. It also found out that variables such as private and public investment had high positive impact on growth rate of per capita income. This implies that investment in informal institution increases community income, and thus helps reduce poverty.

Mbizi and Gwangwava (2013) conducted a research study examining the role of rotating saving and credit associations (ROSCAs) in Chinhoyi, Zimbambwe and explores how local enterprises use the finance made available in their businesses through ROSCAs to ensure operations sustainability.

Findings points to a strong relationship between ROSCA membership and operations sustainability. It shows that most thriving businesses in Chinhoyi were found to be members of savings and credit association, hence showing the benefits of credit groups.

Mamadou (2010) analysed a survey conducted in 500 villages in Segou, Mali, on the activities of Savings for Change (SFC). Findings showed that women count on family, friends and neighbours for credit, even when formal credit are available. To avoid this, group loans were introduced to voluntary members for income-generating activities. The savings group served as an essential shield against crises and short-term income fluctuations. The group loans provided created a more stable financial platform for women and their families. This financial shield helped women to save regularly. Informal financial services such as rotating savings and credit associations (ROSCAs), loans from neighbours, village banks, and collective labour projects were effectively exploited. This did not clearly show how women's social relations improved, but using collective savings and credit groups, the link is clearly seen.

Hendricks (2011) used CARE's Village Savings and Loans Associations (VSLAs) to analyse how village savings and loans created a pathway to financial inclusion for Africa's Poorest Households in Tanzania. The project-built members' financial assets base and skills through savings. VSLA members diversified their activities, planted additional crops and added new income generating activities. They also saved and borrowed in ways that allowed them to smooth cyclical household consumption patterns. The project succeeded in installing the saving culture, and ended up creating additional income that helped in eradicating poverty.

Further studies conducted in Ghana by Afrane (2002) focused on impact of microfinance in non-economic indicators that related to access to social services, social and psychological aspects of women.

As an outcome, women had achieved significant improvements in terms of increased business incomes, improved access to life-enhancing facilities that subsequently contributed to their empowerment through microfinance interventions. This is clear evidence that savings group that women partake improve their lives.

2.5.2 Malawian Context

In Malawi a study that was conducted in forty-six villages in northern Malawi by Ksoll (2013) on the impact of village savings and loans association (VSLAs) saw that they had become an increasingly widespread intervention aimed at improving local financial intermediation. The study assessed the impact of introducing VSLAs at village level on three groups of primary outcomes: food security, income-generating activities, and household income. Results shows that food security significantly improved in that the number of meals per day had increased by 0.13. Income generating activities also improved in the sense that households hold significantly larger savings in VSLAs. Finally, indications of household income having gone up was found. Consequently, it shows that savings groups that individuals are involved improves their lives with reference from the findings of the study. However, formation of the groups was initiated by external forces and the study was done at the household level which included both men and women. However, this study seeks to correct by targeting one gender and focusing on savings and credit groups formulated and participated by women and how it affects their social interactions in their communities.

A study on how personality influences project participation in Northern Malawi was seemingly seen as the only direct study of VSLAs in relation to participation. Lilleør & Lundborg (2010) propose that personality traits have a strong impact on participation in voluntary VSLA programs, such that individuals with certain personality traits like neighbours, friends, relatives, are more likely to self-select for participation. Thus, even though the poorest do participate it maybe individuals with specific traits conducive for participation.

These findings thus touch upon the issue of potential criteria for participation in village savings and loans association (VSLAs) but not in rotating savings and credit associations (ROSCAs) in which this research seeks to explain in depth by focusing on women.

Mwalughali (2013) analysed the impact of community savings and investment program (COMSIP) on household income and credit in central Malawi. COMSIP groups mobilized communities to save and or invest their resources into income generating initiatives. Results showed that COMSIP groups' membership had a strong effect on household income and credit. Estimates indicated an increase of 88 percentage income per capita and 96 percentage increase in credit per capita of relatively poor participating households. The findings of this research concluded that savings and credit groups in the rural areas are useful strategies for ensuring improved household income, and credit, hence reduced poverty in the long-run. The study however, did not show much involvement of community people in the formation and running of savings and credit groups, and also how participating in these savings groups affects women's social interactions. This is a situation in which this study seeks to unveil the importance of Rotating Savings and Credit Associations.

In Malawi, women engage both in microfinance activities and rotating savings andcredit associations (ROSCAs). The above studies on women in microfinance and rotating savings and credit associations (ROSCAs) emphasises on the economic outcome such as acquiring new skills, loan use, running enterprise, access to independent source of savings and access to economic resources among many others. The social relations outcomes resulting from women participating in rotating savings and credit associations (ROSCAs) was not fully examined.

2.6 Social Relationship and Rotating Savings and Credit Association

Social relationship plays an important role in functioning of Rotating Savings and Credit Associations.

The social interaction between members of the associations makes the associations function effectively. The element of trust plays an important role in the functioning of ROSCAs, since each member who collects, the lump sum is trusted to continue paying until all members have collected their dues (Srinivasan 1996). If one member has received the pot and ceases to continue contributing, then that member will have received a reward which he or she is not repaying, thus breaking the understanding of reciprocity. The author said that social ties act as safeguards against default and members feel there would be too much 'shame' involved, they would not be able to hold up their heads in the community.

The rotating savings and credit association (ROSCAs) is one of many groups which could be identified as a new form of reciprocity since its members agree to help each other through the mutual understanding that every member continues to contribute until all other members have received the pot as well. Reciprocity implies actions that are contingent on rewarding reactions from others and that cease when these expected reactions are not forthcoming (Blau, 1967). The reciprocity concept in ROSCAs is introduced through the mutual understanding that every member receives the pot contingent on others contributing to the pot throughout the rotation hence enhancing the social relationship amongst members.

2.7 Theoretical Framework

Rotating Savings and Credit Associations (ROSCAs) have always been popular in developing countries. Drawing information from sociology, anthropology and economics, it provides an understanding of these association. From a theoretical perspective savings and credit groups can act as one way of improving social relationships. This is explained best with social exchange theory and social identity theory.

2.7.1 Social Identity Theory

Armstrong (1968) explains social identity theory in relation to ROSCAs, he claimed that all mental states including intentional ones are identical with physical states.

In this case, the theory seems to concur that members of ROSCAs are identical in physique and mind. Using social identity theory ROSCA members identify with and commit to the group. Other research however, suggests that cooperation is more calculated between families, from extended interaction and reciprocal commitments between group members (Annie, 2011). Partners prove their trustworthiness to one another over time, enabling group members to commit to the benefits of the whole. Although a greater majority of studies have shown that repayment rates are somewhat better when less connected community members are grouped together than self-selected groups or same-family and same-church groups. Furthermore, repayment rates are associated with communities, where more attention is given to shared values and opinions and where mutual trust levels are higher (Van Bastelaer, 2006). Peer groups create a mechanism for better enforcement and more reliable repayment of loans. As a result, social identity theory entails on the formation of small groups of borrowers from the same community before money is lent. Hence these identical groups serve as a collective source of collateral for mutual assistance.

2.7.2 Social Exchange Theory

Mauss (1925) saw the exchange between individuals and groups in form of gifts as the forerunner of the money economy. He showed that people in many societies have an obligation to give and receive gifts at specific times and that gifts can enlarge ones' esteem in the society. He further explained that exchanges can be reciprocal or negotiated. Reciprocal exchanges occur when people experience a cost while providing a reward for their partners without specifying the exact nature of repayment but usually with an expectation that some form of repayment will happen sometime in the future.

Homans (1958) saw social behaviour as social exchange and he defined social exchange as the exchange of activity, tangible or intangible between at least two people or groups involving costs and rewards. Blau (1964) agreed with Homans words on social exchange. However, he further defined social exchanges as voluntary actions of individuals that are motivated by the returns they are expected to bring and typically do in fact bring from others.

He emphasizes that the action is voluntary so as to distinguish it from forced behaviour such as giving your wallet to a mugger. As with Homans definition, he emphasizes on people consciously incurring a cost with an expectation of receiving a reward. The rewards received in a social exchange can be either intrinsic in the form of love or extrinsic in the form of helping others on a task. He saw that being loved or getting help on a task all require social exchange. These reflect two general functions of social exchanges identified by Blau and these are: to establish bonds of friendship, and to establish super ordination over others. He explains that social exchange theory focuses on the social relations and personal ties among the actors that shape the exchange of resources and benefits. Thus, when both partners are meeting each other's personal goals, they create a balanced, reciprocal, interdependent relationship.

Rotating savings and credit associations (ROSCAs) involve the activity of exchange with expectation of receiving reward from the groups which means that each member in the group relies on the other members in order for the ROSCAs to function. The rotating savings and credit associations are formed voluntarily with the idea of enabling members to raise capital by simply receiving money from others which is seen as a form of exchange between groups so as to achieve personal goals. Blau (1964) saw that engaging in ongoing social exchanges can create a pattern of trust that facilitate the development of close relationships. Thus, members participating in rotating savings and credit associations are seen to engage in a constant social exchange and this creates room for trust, interdependent and close relationship. Hence when individuals are dependent on each other is what prompts the social exchange that is a person's personal goal can only be met through interaction with other people.

Furthermore, Rotating Savings and Credit Associations creates a feeling of oneness in the group where individuals are kind and generous with each other. In addition to its reliance on one another, exchange partners have alternatives to a specific type of give-and-take action, which means assistance is returned to the one who helped first.

It is seen as a social control mechanism that allows partners to reward each other in the form of exchange. Rotating savings and credit associations enhance social interaction since it involves two parties, each exchanging a reward needed by the other person. Members depend upon other people for valued resources, but to gain such resources involves an exchange of something that they value. They tend to interact with others because they gain some reward for doing so, and the other person must also gain some reward from them (Burns, 1973). In so doing, they create interdependent relationships.

2.8 Conclusion

In conclusion, this chapter has defined key terms and concepts as they pertain to rotating savings and credit association. The chapter has also reviewed the literature available and has explored the conceptual and empirical literature on women in ROSCAs. The chapter has also looked at what previous scholars have studied on the same both in Malawi as well as other countries and gap in knowledge. Lastly, the chapter highlights the use of substantive representation as a theoretical framework.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Chapter Overview

This chapter outlines the methodological approach used in the course of undertaking the study. It details out the research design, the sampling framework, as well as data collection and data analysis techniques. Kothari (2004) defines research methodology as a way to systematically solve the research problem which can be understood as a science of studying how research is done scientifically. Research methods may be understood as all those methods or techniques that are used for conduction of research. By virtue of this definition, it is evident that methods are a part of the methodology.

3.2 Research Design

This was a qualitative study design. This design was chosen because the nature of the research needed more in-depth and comprehensive understanding of the outcomes of rotating savings and credit association among women. Opinions or thoughts were explored and themes were drawn from the responses of the study participants.

3.3 Location of the Study

The study was carried out in Zomba city, Likangala Ward. The site was chosen because of its highly dense population of 13227. In addition, evidence showed that residents have access to microfinance through institutions active in the community (Zomba Urban Profile 2014).

Residents mobilized and come together in so called bank khonde groups, a community savings schemes usually run and participated in by women. Residents felt safe to the extent in which they trust each other to assess the level of social capital in the settlement and it showed that the levels are high with a percentage of 76%.

3.4 Population and Sample

3.4.1 Study Population

The study population included women who were involved in ROSCAs. Participants were purposively sampled in the line that they belong or have been in credit associations. Evidence showed that both women and men partake in these saving groups however, the study targeted only women who participates in rotating savings and credit associations because of their unique functions.

The study sought input from key informants. Key informants consisted of individuals who were selected on the basis of being the founder of the credit and saving association group. The key informants were selected from these groups in consideration of the roles which they played in relation to the groups.

3.4.2 Sample Size

The actual number of ROSCAs in Likangala ward, Zomba, Malawi was not known. However, five focus group discussions (FGDs) were held consisting of 5-7 women and 10 key informant interviews were conducted with founder of the group, chairperson, secretary and treasurer.

3.4.3 Sampling technique

A purposive sampling which is a non-probability sampling method was used to enroll participants for the study. Purposive sampling is a sampling method in which the researcher's judgment about who is the most useful and representative respondent is used (Fielding, 2008). In view of this, women who were the main respondents and key informants were purposively sampled because of their relevance to the study.

3.5 Data collection Methods

The use of the following data collection method was adopted: The researcher used both primary and secondary sources to collect data. Secondary data was collected using literature or document analysis as well as journals while primary data was collected through the use of an interview guide. The rationale for the use of these instruments in data generation methods were used to minimise the short comings of using only one instrument and for the methods to supplement and complement each other.

3.5.1 Interviews

Face to Face interviews were conducted by the use of an interview guide to capture more information from both the key informants and group members on: group formation and to clarify their reasons for joining as well as to know the effects it had contributed to their interaction in their respective communities. The interview guide allowed the respondents to respond and elaborate as well as add any important information from their point of view.

Closed-ended questions were used, because they can be answered by either yes or no and it includes presuming, probing, or leading questions and the questions were restrictive so that respondents can answer in a few words in order to gather more information on their relationships. This allowed respondents to create numerical and self-anchored rating scales. These questions aim was to restrict the respondents towards a particular line and the advantage is that respondents did not have to attempt to compare themselves.

Key informant interviews involved interviewing only those who offered very specific knowledge on how rotating savings and credit group come into existence such us founder of the group and the one who run the group. The purpose of the key informant interviews was to collect information from a wide range of people with specific knowledge on rotating savings and credit associations.

3.5.2 Focus Group Discussion (FGDs)

Focus Group Discussions (FGDs) with the use of discussion guide, was done in order to get further information and also in-depth information on criteria used in formulating the groups. The FGs comprised women belonging to the same ROSCA. During FGDs audio recorders were used to record the discussion and notes were taken for debriefing that informed on the next discussion. This was also done so as to gather more information on their ROSCA group, how participants are chosen as well as to capture how they run the ROSCA operations in general. Since the individuals share the same social identity of belonging to ROSCA group. The FGDs were held with the ROSCA members because they already operated as a group so it was important to organise them to reflect the way they operate or operated. These discussions asked different and important opinions from the members and provide an in-depth and unique insight on ROSCAs contribution to their lives.

3.5.3 Document Reviews

Documentation such as rule book of the association, group register, group minutes as well as research studies and information available on the internet were collected and incorporated with the data that was obtained, in an attempt to add any other shades that might exist in in these sources. The documentary sources were compared with data that was gathered and added as new information to the present study where they can be of use.

3.5.5 Data analysis

The recorded data was transcribed and translated for analysis. The data was analysed using thematic content analysis. According to Rubin and Rubin (1995), in this formal analysis, you discover additional themes and concepts and you build toward an overall explanation. This involves putting into one category all the material from all the interviews that talks to one theme and concept. The scripts were thoroughly read and dominant themes were identified and grouped into themes and presented in tables, charts. The goal was to integrate the themes and concepts giving it an accurate, detailed and yet subtle interpretation.

Demographic data was obtained through the use of a questionnaire and translated into numeric data where extracts were used to illustrate points which were pulled out from the study findings. The points respond to the study objectives. Descriptive statistics and association was used to analyse data that was collected from ROSCA participants. This method was chosen because descriptive statistics is the basic feature that simply describes what the data shows and also provide simple summaries. This also assisted in organising, summarising and interpreting data and also help to produce a scope of characteristics which was distributed in frequencies.

The above process was assisted by making use of available computer software such as SPSS, Microsoft Exel for the analysis of the demographic data.

3.6 Limitation of the study

Some of the limitations that were encountered during the study included: non-response; some of the people sampled respondents did not want to participate in the study because they deem information on Rotating Savings and Credit Associations (ROSCAs) as personal information that should not be disclosed to anyone. Lastly inconsistency of data due to different respondent's interactions with the interview so the respondent withheld information or fail to actually point out if Rotating Savings and Credit Association (ROSCA) is relevant when they are involved with these groups. This was overcome by probing more information from the participants during interviews and also selecting more participants for the study who were willing to participate.

3.7 Research Dissemination Strategy

The findings were shared with everyone who participated in the research through the founder of the credit women's groups and leaders of the groups. This was done so that the participants see the benefits of their groups.

3.8 Risks

The research was being conducted in the COVID 19 pandemic where by safety needs to be maintained for both the respondent and the enumerator. COVID 19 safety and precautions measures were considered during the entire data collection. This was done by providing hand sanitiser to enumerators as well as masks to both respondent and enumerator. Enumerators were advised to find a spacious place to conduct the interviews so that they observe a one-meter social distance and were done to all the focus group discussions that were conducted.

3.9 Foreseeable or Unforeseeable Advert Events

Any research is bound to meet events that may arise during the study process, all participants and research assistants have the right to expect protection from social and psychological harm at all times during an investigation. In this case where such events have occurred necessary changes were made to the research protocol initiated by the investigator, modification of informed consent documents to include a description of newly recognized risks and providing additional information about the research so that all participants should be protected.

3.10 Ethical Considerations

Ethics are described as consideration of fairness, honesty, openness of intent, disclosure of methods, respects of integrity of an individual and informed willingness on the part of the subject to participate voluntarily in research (McMillan and Schumacher, 2006:16). Hence informed consent were subjected to the participants to ensure their acceptance to participate in the study. Therefore, data collection is governed by the basic principle that no harm should come to the respondents as a result of their participation in a study (Cohen et al, 2000). Directed by this principle the guidelines of ethics were followed. The guidelines include confidentiality anonymity, informed consent. Confidentiality makes sure that information given by the respondents perceived to be sensitive should be carefully kept and far away from observation of unauthorized persons and data collected were presented in forms that used for instance numbers rather than names. All FGD participants were given a number to use during recording to anonymize them. KII participants' names were not used during data collection nor during reporting. This was done to ensure that participants should remain anonymous. Lastly informed consent was given to participants ready to participate in the study.

3.11 Conclusion

In conclusion, this chapter outlined the methodology that was used in the study. The chapter has shown that mixed methods design was used. The research population of this study was not known, however 70 women participated as a sample frame. The chapter highlighted that data collection methods which includes in depth interviews and analysis method used namely content or thematic analysis. Lastly, the chapter raised the ethical considerations used, risk, foreseeable and unforeseeable advent of events, research dissemination and limitations of the study.

CHAPTER FOUR

FINDINGS AND DISCUSSION

4.1 Chapter Overview

This chapter presents findings and discussion of the research study. The research mainly was designed with the purpose of examining how participation in rotating savings and credit associations affect women's social relations in their communities. The main objective of the study is to examine whether participation in rotating savings and credit associations expands women's social relations. The specific objectives of the study were to firstly, determine the criteria for membership of rotating and savings group; secondly, to explore the motivations for joining; thirdly, to establish the extent to which members interact beyond regular meetings and lastly, to assess whether the relationship of exchange among members extends beyond the group's main agenda. The study was designed both as a qualitative and quantitative study based on primary research in which different rotating savings and credit association members were interviewed on the topic. The chapter is organised into five sections addressing all the specific objectives and discussing in relation to various literature.

4.2 Background Information on Study Participants

This sub-section presents the background information of those who took part in the study. The study, had a total of 70 participants from which 5 focus group discussions (FGDs) consisting of 5-7 women and 10 key informant interviews provided information on ROSCAs. For easier analysis the biographic data of the interviewees is presented in a table format. As shown in the table, there were three sections of information given namely, age, marital status and education background.

Table 1 below presents demographic characteristics of 70 women who are part of ROSCAs.

Table 1: Demographic Data of ROSCA Members

	Percentage (%)	**Frequency (n=78)**
Age range (Years)		
15- 24	19	15
25-34	27	21
35-44	47	36
45-50	6	5
>50	1	1
Marital status		
Married	62	48
Single	15	12
Divorced	14	11
Widowed	9	7
Education		
No education	14	11
Primary school level (PSLC)	21	16
Secondary level	54	42
Tertiary education	12	9

The results in table 1 above shows that 47 per cent of the respondents were between the ages of 35-44 years, 27 percent were between the ranges of 25-34 years and 19 percent were between 15-24 years. Six percent were between 45-50 years while 1 percent were above 50 years. The study findings indicate that majority of women who participated in the study are above 30 years of age. Those aged 50 were the minority. The findings reveal that middle aged women are more likely to form or join ROSCAS than the young and elderly women. In terms of marital status, 62 percent of the respondents were married, single women came second with 15 percent, divorced women consisted 14 percent while widowed women constitute 9 percent. This indicated that large proportions of ROSCA members are married. In regards to academic qualification the study findings show 42 percent of the respondents reached secondary level. Those with primary education consist 21 percent of the respondents, 14 percent of the respondents had no formal education, while 12 percent had tertiary education. From this finding, it can be said that most of the respondents had attained some level of education.

4.3 Standards or criteria for membership of ROSCAs

Rotating savings and credit associations (ROSCAs) had various written rules that governed the group's existence. The rules were developed and agreed upon by the group members and they defined both social and economic activities of the group. ROSCAs had different but yet similar ways in which they operate. Although, it was noted that some groups do not have written documents they have specific by-laws that govern them. The by-laws outlined the group membership requirements and regulations governing the conduct and operations of ROSCAs. Some of the common by-laws are presented in table 2 below.

Table 2: Criteria established by ROSCA women

Condition	Frequency (n=78)	Percentage (%)
Must be from the neighbourhood	18	26
Conduct background check	13	19
Abide to the rules of the group	11	16
Must have/willing to start business	8	11
Known/introduced by existing member	8	11
Provide social support to fellow members	5	7
Must be a woman	5	7
Participate/ partake in meetings	2	3
Total	**70**	**100**

4.3.1 Must be from the neighbourhood

The first and foremost requirement that was established is that ROSCA members should come from the same neighbourhood or city. When asked reasons why they allow only women within the same area to join the associations, respondents stated that:

> *"Akuyenela kukhala wamudela lathu lino la tauni la zomba lino. Apa tikutanthauza kuti atha kukhala wadela lina koma akhale wamu zomba m'momuno kupangila kukumana kwa gulu kusamavute, anthuso timayendelana ngati gulu ndiye zisamavute mayendedwe ndipo kutalika chisakhale cholephelesa"* (must be from within zomba district and preferably within the city or other area not far from the city. Thus, for easy communication and that members should be able to visit each other easily and distance should not hinder us.) – interview with respondent 57

4.3.2 Conduct background check

A Background check is another requirement that all members go through in these groups. Rotating and savings group members said that it is necessary to do so in order to find out if the new member can be trusted or not.

> *"munthu amene akulowa gulu akuyenela kufufuzidwa kaye ngati ali wokhulupilika, kumbali yobweza ngongole malingana ndi nthawi yomwe gulu lagwilizana"* (should be trust worthy in terms of paying back loans according to the existing requirement.)- interview with key informant 10

The background check is done in order to avoid members that are not trust worthy with money. As the group deals with money all the time, prospective members need to possess a trust worthy character.

4.3.3 Abide to the rules of the group

Rotating and savings groups have general rules and regulations that need to be followed by all participants. For example, no member is allowed to leave in the middle of the cycle or phase but rather at the end of the cycle. Confidentiality is another rule that members need to follow; anything discussed at the group stays among themselves. To remain a member, one must agree to follow all the rules that regulate the group.

> *"munthu amene akufuna kukhala membala, palibe zofunika zambiri koma akuyenela kukhala ochokela mu dela lathu ndikumatsatila malamulo agulu"* (For one to become a member, there are no specific requirements rather than just being from within the neighborhood and be willing to follow the existing laws.)- interview with respondent 35

4.3.4 Must have an existing business or willing to start a business

Rotating savings participants need to have an existing business or be willing to start a business once they join. These women emphasizes on business as a way of empowering one another in order to improve their social and economic well-being. Respondents when asked why new members need to be have a business or willing to start one; one of the members stated:

> *"akuyenela kukhala okonzeka kuyamba buzinesi chifukwa chokuti timafuna azimayi athandizike pa moyo wawo; ngati membala wongolowa kumene alibe bizinesi inailiyonse yomwe imabwelesa*

ndalama pakhomo" (should be willing to start a business so that they benefit in their lives; if the new member does not have one or does not have anything that brings her money.)- interview with key informant 8

4.3.5 Known or introduced by existing member

Rotating and savings new members must be known by an existing member or should be introduced by the existing member to the group. Respondents when asked why new members needed to be known by existing members; one of the members stated:

> *"akuyenela kukhala odziwidwa ndi membala ndicholinga choti tidziwe ngati ali okhulupilika, komanso ngati patachitike chinachake amene anamubwelesa azayankha kugulu"* (Must be known by one of registered members, to ensure that she can be trusted and if anything happened; the person who brought her will be responsible.)- interview with respondent 8

4.3.6 Provide social support to fellow members

Rotating savings and credit associations allow members that will be willing to participate in any group activities that may be arranged. They also need someone who is willing to take turns to visit sick members either in their household or at the hospital no matter the circumstances. It was also pointed that they need someone who is willing to participate in all social issues and activities agreed by members without giving unnecessary excuses.

> *"Akuyenela kukhala munthu oti azipanga nawo zochitika zamugulu monga ngati; kutenga nawo pokaona membala akadwala kunyumba kawao kapena ku chipatala"* (Should be someone who will be willing to participate in any group activities that may be arranged and also take turns to visit sick members either at home or at the hospital.)- interview with key informant 8

4.3.7 Must be a woman

These groups also emphasized that one has to be a woman in order to partake in these associations. These groups are formed with mostly the aim of women coming together to socialize, interact as well as empower themselves through these rotating and savings association groups.

> *"akuyenela kukhala mzimayi chifukwa zomwe timakambilana ndizachizimayi komanso ndi mbali imodzi yolimbikisana azimayi"*

(should be a woman, since the whole point of the group is to empower women.)- interview with respondent 57.

4.3.8 Participate or partake in group meetings

Participating in group meetings is one of the requirements. Members need to attend group meetings as one way of interacting and also pay attention to what is happening in the group. Failure to attend meetings attracts a fine payment and one is removed if they have been frequently absent from group meetings.

> *"Gululi ndi la anthu a mudela muno ndiye oyenela kulowanso akuyenela kukhala wamudela muno. Koma ife timatha kumulola munthu wina wakwina kulowa ngati angamakwanise kumabwera kuma mitingi"* (since the group is for women of around our community, we do not have specific requirements for one to join the group, in as far as she is from around. We are not limited from considering those members from other communities as long as they will be able to come and participate in group meeting)- interview with respondent 36

The results have shown the conditions that were established in rotating and savings groups. The response from almost all the ROSCAs emphasized that, there are no further negotiations if a member does not meet the specified requirements for joining the group. The findings are consistent with a study done by Amankwah (2021) where they investigated the characteristics of ROSCA participants in Ghana. The results showed the overall ROSCA participants, 62.5% (n=250) answered yes, whilst 62.5% (n=150) responded no; indicating that, most ROSCA groups have written rules governing their associations. Again, these findings correspond with that of Karwitha and Mahiri (2020) who found that women participating in ROSCAs in Muthara, Kenya found by-laws to be effective in that they enabled the group to bond together, solidifying group 's activities and being loyal to the group.

4.4 Motivations for joining rotating savings and credit association

The study sought to determine the factors that motivate women to join ROSCAs. Thus, the interview guide was designed with the aim to understand more of the individual's own experience and rationale behind participating. The study findings show several factors that have propelled women in different areas to form or join ROSCAs. Table 3 presents factors why members patronise ROSCAs.

Table 3: Factors motivating women to form or join ROSCAs

Reason	Frequency	Percentage
To save, start/boost business	30	43
To socialise/ social support	33	47
Influenced by neighbours/friends/ relatives	7	10
Total	**70**	**100**

4.4.1 To save, start or boost business

The results show that 43 percent of the ROSCA members joined with the aim of starting and boosting their business through the savings in the groups which they could not do alone, especially for purposes of getting a lump sum dividend. One ROSCA member noted that:

> *"Ndinalowa gululi nditaona cholinga gulu, makamaka kumbali yoti nditha kubwera ndalama kuzitukulila ndekha. Ndiye ndimafuna kugwiritsa ntchito gululi ndicholinga choti ndipeze mpamba woyambila business"* (I joined the group because I liked its objective, especially the part of being able to borrow money to develop myself. So, I wanted to use this group to find capital to start a business.)-interview with respondent 35

On the other hand, another respondent said that:

> *"Ndinalowa gululi nditaona momwe gulu lina lomwe linatha linandithandiza kunkhuza zachuma komanso ubwezi. Ndinapeza azinzanga komanso ndinagula zinthu kuchokela kundalama zomwe ndinasunga ngakhale linatha. Ndinaona kuti ndithandizika ndiyeno ndinalowa gulu ili"* (I joined this group after I saw how the other group which failed helped me economically and socially. I made a number of friends and I managed to buy different things from the money I saved besides its failure. I saw that I was going to be helped, hence joining this one.)-interview with respondent 37

4.4.2 To socialise and social support

Social benefits motive was cited as another cogent reason for participating in ROSCAs. About 47 percent of the respondents stressed that they used ROSCAs as an escape route, providing an opportunity to break free from day-to-day social challenges from the society and this was the most common motivating factor given to joining or forming ROSCAs. When asked what motivated them to join ROSCAs; some of the respondents that:

> *"Ndinalowa gululi nditaona cholinga chagulu chobweretsa pamodzi azimayi omwe ali ndimavuto ofanana. Ndinaona kuti kuchokera kugulu uku ndipeza anthu amene angandimvetsetse kupatula nkhani zachuma"* (I joined the group because I liked its objectives and that it brought together women having the same problem and I knew that through this group I will find people who will understand me better, besides the savings and all that to do with money.)- interview with respondent 010

Furthermore, the relationship that exist between the ROSCA members is seen to be beneficial as cited by some of the respondents. Another member mentioned that:

> *"Ndinalowa nawo gululi nditaona cholinga cha gulu. Ndinaona kuti ndi njira imodzi yomwe ndingamachezerane ndi azimzanga chifukwa ine sindikhala pakhomo ndimakhala ndili ku geni. Ndinaona kuti nditha kukumana ndi azimzangawa pakamodzi komanso ndinaona kuti ndi njira inanso ndingatukulile businesi yanga pobweleka ndalama"* (I joined the group because I liked its objective. I saw it as one way of interacting much with my friends since I am not always home but rather at my business place. So, this was a means of finding time to meet with my fellow women at once. I also saw this as an opportunity to boost my business through the loans.)- interview with respondent 036

4.4.3 Influenced by neighbours, friends and relatives

About 10 percent said they were influenced by a third party such as friends, relatives and neighbours to participate in ROSCAs. A ROSCA is typically formed between those people who have long-term personal relationship with each other and in this way much soft information is available about prospective members. One of the members' stated that:

> *"Cholinga cholowela ndi chomwe ndimafuna kuchokela kuguluili; chinali chokuti ndizicheza ndi azimzanga ena omwe anali muguluili ndicholinga choti azandithandize nthawi ikazafika. Kwinanso*

> *kuzithandiza ndekha kumbali yazachuma"* (my expectations from the group were to interact with friends that were in the group so as to be helped in time of need and also to develop myself economically.)- interview with respondent 55

These findings revealed that respondents were motivated to join ROSCAs because it offered a variety of useful services to the members. The responses of the ROSCA members in this study indicated that they have been socially, economically and physically empowered through their participation in the ROSCAs.

These findings correspond with that of Paveern et al. (2004) who found that women microcredit institutions improved member's social and economic well-being. In similar thought, the study by Molyneux and Thomson (2011) also found that women's social and economic status were positively changed after their involvement in women associations. Moene et al. (2003) and Aryeetey, (1997) agree that people go for ROSCA due to lack of access or restriction to financial repression from main stream financial institutions like microfinance institutions, commercial banks and society credits and saving cooperatives. Furthermore, Adebajo (2010) found out that members of the public are motivated to join ROSCA owing to its variety of usefulness and the impact which ROSCA has had on their wellbeing. He noted that ROSCA loans have been found useful by poor masses in Nigeria, Sub-Saharan Africa and across the globe to start new businesses, to fund personal and children's education and to provide for home utilities, feeding and other social needs.

ROSCAs have been found useful by masses of women in Zomba Likangala Ward and across the globe for they provide soft credits to members to start new and expand businesses, create long lasting networks through interaction and fulfilling other social needs. Networking is one of the ingredients of group formation as people who have had interaction are more likely to come together and share ideas as compared to those who have had no formal interactions. Again, this is consistent with other literature that reports that social and personal connectedness is a very important feature of ROSCAs (Biggart, 2001).

4.5 Extent to which members interact beyond regular agendas or meetings

The study also sought to establish the extent to which members interact beyond regular meetings. ROSCA members said that interaction occurs beyond regular meetings of the group. Significantly, one of the questions asked was whether participation in rotating and savings program has empowered them to interact with other members or not. The majority of the respondents (90%) who answered this question felt that their interaction and socialization had been strengthened. They also had attained a real change in their lives and self–esteem when they compared themselves to that period before they joined or formed ROSCAs. Respondents said that:

> *"Timachezelana bwino sinanga sitimalola anthu ena ndiye timadziwana tonse timachezelana. Ena samachezelana koma ena mugululo amagwirizana kwambiri ndikumachezelana ku mbali kosagwirizana ndi gululi. Kupatula apo timayendelana ngati gulu kukaona odwala komanso muzovuta ngati maliro"* (The interaction is very good. Like I said we do not allow new members and that means we know each other very well, we are all friends of course not that close but some of them are really close that we help each other even beyond group business. Besides that, we do visit each other as a group in different occasions like in sickness or funerals and we support one another.)- interview with respondent 037

Another member in one of the focus group discussions mentioned that:

> *"Kuchokela momwe ndinalowa gululi ndatha tupanga ma ubale ndi ma ubwenzi. Timalimbikisana kunkhani yoti tizitha kusamalila mabanja athu komanso kuthandizana mzathu akadwala kapena kugonekedwa kuchipatala ndi zina zotelo"* (since I joined the group, I have managed to build social relationships. We encourage each other in matters relating to how to manage our families and support one another whenever one is sick or admitted at the hospital or other special occasions.) -FGD-Respondent 08

In a focus group discussion with ROSCA members, findings indicated that members strengthened their relationship as well as created new friendships that were strong and reliable. Previous literature on ROSCAs have found similar findings. For instance, the study by Mozumdar et al. (2017) on the significance of social capital for women in business found that constructive relationship among women in business has positive impact on gaining legitimacy, building mutual trust and co-operation among them, which consequently improve the performance of their relationship. When asked if membership has allowed any new friendship amongst them, the response from members emphasized that it has allowed them to associate with new people leading to dependable friendships. ROSCA members said that:

> *"Eya, wina aliyense ali ololedwa kukhala ndi mzake ndipo ndizofunika kuti zizichitika mugululi. Ndicholinga cholimbikisa macheza pakati pamamembala. Ndichifukwa chake ambilife timachezelana"* (yes, anyone is allowed to make friends and it is a requirement to do so in within the group, so as to promote interactions among members. That's why most of us are friends.)- FGD-Respondent 055

Similarly, another respondent stated:

> *"Eya, chifukwa chokhala mugululi ndapeza amzinzanga ena komanso yalimbisa ma ubale ena omwe analipo kale. Ichi ndichomwe ndapeza chomwe chili chabwino kwambiri, komanso zikakhala kuti membala akatuluka gulu anthu timakhala tikuchezabe. Koma ngati anachokela zifukwa zokuti zinali zosakhala bwino ndiye anthu siticheza"* (Yes, membership have made me make new friends and strengthened most of other existing relationships. This is something I have also benefited a lot when a member left the group and these relationships continues. Unless the reasons for existing, the group are so bad.)- FGD-Respondent 036

Observed through another interview with key informants indicated an increased in interaction and socialising by ROSCA members in their area and neighbourhood. Participants added that this happens through the social aspect as well as supporting each other during funerals and weddings. In addition, group visits are done and encouraged as one way of socialising and sharing ideas to improve their ROSCA groups. In supporting these findings, Mbamaonyeukwu (2013) in his study of ROSCAs in Nairobi opined that the group members offered welfare and support to each other, especially during weddings and funerals.

During the interview one respondent reported that:

> *"Kukhala membala kwapangisa kuti tipeze ma ubale ndi kupezanso azinzathu ambiri. Timapanga timikumano toyendela magulu ena, izi zimapangisa kuti tipeze azinzathu ena. Timayendelananso momwe ndinanenela muja kuti timayendelana wina akadwala komanso kuzisangalalo. Chinzake chimenechi chimapitilila ngakhale gulu lithe kapena munthu akatuluka chifukwa ubale omwe umapangidwa umakhala wabwino"* (Membership has allowed me to make a lot of

> relationships and friends. We make different activities at the end of each phase where we would visit or visited by other groups and in doing so, we make new friends. We also visit each other in our homes like I have indicated in situations where a member is sick and or in other social occasions. These friendships and relationships continue after a group is dissolved or when a member leaves the group since the bond, we create are very strong since is based on trust.)- interview with key informant 1

One of the respondent who was a chairperson of a ROSCA when asked to explain her experiences about socio-economic benefits accruing from ROSCA noted that

> *"Eya, kukhala membala zapangisa kuti ndikhale ndi azimzanga ena, ndichifukwa chake ndinayambisa gululi kuti mamembala azichezelana. Pachifukwa ichi ndili ndi azimzanga amene sindinakawapeza popanda gulili, timayendelananso posagwirizana ndi gululi"* (Yes, membership has made me make new friends, because this was the reason why I created the group for members to interact and in doing so, I have made a number of friends that I wouldn't have had it been not for this group. We visit each other even outside group business.) – interview with key informant 10

These were experiences of a chairperson about a useful activity of her ROSCA. ROSCA members mentioned that they have benefitted from ROSCAs to a large extent by building strong networks of relationships, obtaining business information and entrepreneurship training. To the participants, ROSCAs is a social gathering where members share a common language and culture. It provides opportunities for participants to socialise, freely discuss, support each other in economic endeavours and congratulate each other in attaining a financial goal. The respondents asserted that ROSCAs support information sharing. In supporting these observations, a study by Padma, and Getachew, (2005) done in Norway indicated that participating in savings group scheme is expected to have positive impacts on empowerment and relationships of the individual who receive and use the loans or credit services particularly women.

Socializing is one of the most given reasons in this study. Similarly, this was seen during interviews with key informants, ROSCA members and focus groups discussions stating that relationships never end when a member leaves or after the phase but rather they interact more to maintain the developed relationship.

As previously discussed, ROSCAs can function as a social network, which is an important form reflected in two general functions of social exchanges identified by Blau (1964) and these are: to establish bonds of friendship, and to establish super ordination over others. He explains that social exchange theory focuses on the social relations and personal ties among the actors that shape the exchange of resources and benefits. Hence, when both partners are meeting each other's personal goals, they create a balanced, reciprocal, interdependent relationship.

4.6 Assessing or cultivating relationship of exchange beyond ROSCAs group's agenda

The last research aim was to assess the nature of relationship of exchange and whether these extend beyond the group's main agenda. Results show that, the interaction occurring amongst ROSCA members leads to strong and reliable bonds. The respondents emphasised that ROSCAs support information sharing therefore, allowing extension to their relationship. Respondents stated that:

> *"Ndikuona kuti momwe ndimachezela ndi anthu kwasintha. Panopa ndimacheza ndi anthu oti anali achilendo koma ndi azinzanga"* (I can say I have improved my social relationships since the way I interact with people now is different with before. The people I used to consider strangers are now people I can rely on and I am able to make more new friends through this group.) -interview with respondent 15

Similarly, another interviewee within the group stated:

> *"Ma membala alioloredwa kunkhala ndi azimzake ndipo timachitcha chisiki kumapeto kwake timagulilana zinthu ndikupatsana. Ubale uwu umapitirila ngakhale gulu lithe kapena munthu akachoka mugulu"* (Members are allowed to make new friends and we even create what we call secret friends, where at the end we buy each other different gifts and exchange. These kinds of relationships continue after the group has been dissolved or when a member leaves the group.) -FDG-Respondent 08

In one of the focus group discussion members highlighted on the form of exchange that occurs saying that it is mostly social support that comes from fellow members. They network themselves to ensure that members benefit from such opportunities. Homans (1958) social exchange theory explains the involvement of exchange of activities to be either tangible or intangible between at least two people or groups involving costs and rewards. Furthermore, he explains that social exchange theory focuses on the social relations among the players that shape the exchange of resources and benefits. Nevertheless, beyond the friendship gained from ROSCAs, members can build their reputation and network in the community in addition to getting information and economic benefit (Sandsör, 2010). In addition, Geertz (1962:260) states that, ROSCA is a socializing mechanism, in that broad sense in which socialization refers to not simply the process by which the child learns to be an adult, but the learning of any new patterns of behaviour which are of functional importance in a society, even by adults.

Furthermore, respondents were also asked about their overall opinion on their life in terms of relationship and exchange after joining the group compared to before.

During interviews with the chair it was noted that:

> *"Zambiri zasintha, buzinesi yanga yakula komanso ndimomwe ndimakhalila mwasinthanso. Ndili ndi azinzanga omwe ndimadalila momwe ndimanenela muja. Timathanso kubwelekana ndalama patokha zosakhuzana ndi gulu"* (A lot have changed, my business has grown, improving my living standards. I have friends which rely on at all time as I have indicated earlier. We also borrow each other money outside the group on personal basis not involving group money.)- interview with respondent 37

The majority of the participants stated that, their lives had been better after joining ROSCAs whilst a few members responded that their lives were the same. For instance, in support of these findings, Basu (2008) noted that once a member was in a ROSCA, the conditions under which ROSCAs survived expanded since members were willing to remain in an existing ROSCA than they would if they were to join a new one. This implied that, as members received good benefits, they chose to delay entry into new ROSCAs hence existing. This study's findings are showing how ROSCAs are using their existing structures to form social exchanges beyond group agendas. This seems to be in agreement with Watson (2016) who suggests that when resources are pooled together and strong social relationships established, ROSCAs has the ability of empowering their members to deal with any problems.

Aside from these benefits and economic opportunities, ROSCAs also enable participants to save in a more relaxed way in comparison to visiting a stuffy bank branch to make a deposit. ROSCAs also provide a means of upward social mobility. They introduce members to new ideas and also preserve traditional values and customs. This implied that by virtue of being ROSCA members, one can gain different knowledge and skills from peers and experts in business and financial management. These submissions were in line with the observations of Nwaobi (2005); Eroglu (2010) and Siganga (2013).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Chapter Overview

This chapter presents major conclusions of the study and areas for further research. The study critically examined how participation in rotating savings and credit associations affect women's social relations in their communities. This study employed qualitative approach and data was collected through key informant, face to face interviews, focus group discussions and document analysis. The key findings are found below.

5.2 Key Findings

5.2.1 Standard or criteria for membership of ROSCAs

The study found that ROSCAs have requirements that are followed in operating ROSCA group. The study findings show that despite other ROSCAs not having written documents with outlined rules, what matters is the level of worthiness to be a member which is assessed by the ROSCA officials. If the officials believe in the trustworthiness and if she is able to bring guarantors from the ROSCAs then there is no worry about where she came from, what she does, or where she resides. However, other ROSCAs prefer members to be found at the same income level or occupation and reside in the same area. Access to information in relation to the day-to-day activities of other group members helps to control the risk in the collapse of the group is the reason behind their selection criteria.

5.2.2 Motivations for joining rotating savings and credit association

This study then examined the rationale for joining ROSCAs and the findings indicated that the social motive outweighed all other motives, as the majority of the respondents participate in ROSCAs to obtain support and favours through hardships, celebrations as well as escape social pressure and intra-household conflict motives. Other members cited obtaining loans for investing in their businesses, payment of school fees and purchase of food items. Some respondents indicated other motives like influenced by friends, as members stressed that ROSCAs help to cultivate friendship and good saving habits. Therefore, the analysis shows that, ROSCAs participation is highly beneficial because it serves as a mechanism for saving, provides capital with little or no interest, strengthens networks and helps to accumulate assets.

5.2.3 Extent to which members interact beyond regular agendas or meetings

Thirdly, the study sought to analyse the extent of ROSCA member's relationship beyond stated meetings. Research findings revealed that ROSCAs allow and enable interaction with one another through home visits, lending each other money and the group offers welfare and support to each other, especially during weddings and funerals. Furthermore, the relationship that exist between the ROSCA members is seen to be beneficial as cited by some of the respondents.

5.2.4 Assessing the relationship of exchange and beyond group's agenda

Lastly, the study assessed whether the relationship of exchange among members extend the group's main agenda. The study findings show that majority of ROSCA members experience the relationship of exchange. Blau (1964) explains that social exchange theory focuses on the social relations and personal ties among actors. The relationship of exchange that occurs is that of sharing life experiences, money and support when a member or relative is hospitalised. These ROSCA participants contended that their lives have improved significantly.

5.3 Conclusion

ROSCAs are informal financial institutions meeting the financial needs of many people especially in developing countries. Social relationship plays an important role in ROSCAs where interaction between members of the association makes it function effectively. In conclusion, findings revealed that self-commitment to saving and socializing was the most common rationales among the respondents. Using social identity theory ROSCA members identify with and commit to the group and suggests that cooperation is more from extended interaction and reciprocal commitments between group members. Some of the positive gains from ROSCAs are the commitment to save, network and socialize. Thus, it creates a feeling of oneness in the group where individuals are kind and generous with each other. In addition to this, they have helped in teaching women how to be more understanding to everyone they meet. Thus, revealing that ROSCAs if well managed can provide a variety of services and benefit to the members. The results of this study are in line with Bouman's (1961) explanation regarding benefits of becoming informal. In deed it is the informal features of ROSCAs that attracts and keep individuals to participate in ROSCAs.

5.4 Recommendations

This research study's finding are based on a couple of ROSCAs in an urban area; therefore, there is need to conduct a wider scale research to capture the voices of more women in local areas.

ROSCAs should adopt using ways such as inter group meetings with other ROSCAs among others to make it convenient to savers in terms of strengthening and creating long lasting relationships.

ROSCAs should work closer with other of ROSCAs as a way training their ROSCAs members by organizing shared meetings and ways of exploiting unexploited business ventures. Such trainings would assist ROSCAs members to widen their knowledge base on investment, beyond the pot business and overcome the present constraints.

5.5 Areas for Further Study

Suggested areas for further study include

1) A cost benefits analysis on socio-economic benefits enjoyed by ROSCAs members in urban versus rural areas.
2) Coping in crisis: women's rotating savings and credit associations' strategies within the context of Covid-19.
3) How much reduction in cost of using informal institutions could attract the attention of ROSCA members who are financially motivated when joining.

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APPENDICES

Appendix I

Letter of approval from UNIMAREC

UNIVERSITY OF MALAWI

ACTING VICE-CHANCELLOR
Prof. Alfred D. Mtenje, BEd Mlw, MA S. Illinois, PhD London.

UNIVERSITY OF MALAWI
P.O. Box 280, Zomba, Malawi

Our Ref: P. 01/22/113
Your Ref:

Telephone: (265) 526 622
Fax: (265) 524 031
E-mail: vc@unima.mw

28nd March 2022

Ms. Marrium Hussein
University of Malawi
Sociology Department
P.O Box 280
Zomba

Dear Ms Hussein

RESEARCH ETHICS AND REGULATORY APPROVAL AND PERMIT FOR PROTOCOL NO. P.01/22/113 A STUDY OF ROTATING SAVINGS AND CREDIT ASSOCIATIONS AMONG WOMEN IN ZOMBA

Having satisfied all the relevant ethical and regulatory requirements, I am pleased to inform you that the above referred research protocol has officially been approved. You are now permitted to proceed with its implementation. Should there be any amendments to the approved protocol in the course of implementing it, you shall be required to seek approval of such amendments before implementation of the same.

This approval is valid for one year from the date of issuance of this approval. If the study goes beyond one year, an annual approval for continuation shall be required to be sought from the University of Malawi Research Ethics Committee (UNIMAREC) in a format that is available at the Secretariat.

Once the study is completed, you are required to furnish the Committee and the Principal with a final report of the study. The Committee reserves the right to carry out compliance inspection of this approved protocol at any time as may be deemed

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by it. As such, you are expected to properly maintain all study documents including consent forms.

Wishing you a successful implementation of your study.

Yours Sincerely,

UNIVERSITY OF MALAWI
RESEARCH ETHICS COMMITTEE
28 MAR 2022
APPROVED
P.O. BOX 280, ZOMBA

Prof. Alister Munthali
CHAIRPERSON OF UNIMAREC

CC: Acting Vice Chancellor
Acting University Registrar
College Finance Officer
Dean of Research
Compliance Officer

2

Appendix II

Introductory letter

Marriam Hussein-University of Malawi-Chancellor College

Dear respondent

My name is Marriam Hussein. As part of my post graduate research thesis for the award of a master's degree in sociology at chancellor college from the Faculty of Social Science, department of Sociology. I would like to request your participation in this study by responding to my questions below. I am conducting a research study on Rotating Savings and Credit Association (Chipeleganyu). The purpose of this interview is to understand about Rotating Savings and Credit Association in Zomba, Malawi. Specifically, i want to investigate how participation in Rotating Savings and Credit Association affects women's social relations. The research is being undertaken for academic purposes and participation is voluntary.

Your responses/answers will be confidential. Your responses/answers will be put together with responses/answer of other people whom we are talking to about Rotating Savings and Credit Associations. It will be impossible to pick you out from what you say, so please feel free to tell me what you understand and how me about Rotating Savings and Credit Association. There is no penalty for refusing to participate. In addition, if we should come to any question that you do not want to answer, just let me know and I will proceed on to the next question. This should not take more than 15 minutes of your time. You can also stop the interview at any time. However, I do hope you will participate fully in this important study, as your views are very important.

Appendix III

Participant Information Sheet and Written Informed Consent Form

Title of Study: *A study of rotating savings and credit association in Zomba*

Principal Investigator: *Marriam Hussein*

Supervisor: G. Kaliwa Aidini

Email Address: husseinmarriam1@gmail.com Contact Phone Number: 0*881469935*

Introduction: Rotating Savings and Credit Associations (ROSCAs) serve both an economic and a social function. Their primary purpose is to pool funds from multiple participants with the purpose of solving their common problems through self-help and mutual aid in order to achieve certain financial goals. Rotating Savings and Credit association (ROSCAs) are cooperative entities locally known as *Chipeleganyu* is a group of individuals owned and controlled by locally organized members, who agree to meet for a defined period of time in order to save and borrow together.

Purpose: This research study would like to collect qualitative data in order to see whether participation in rotating savings and credit associations expands women's social relations.

Procedure: Data will be collected through face-to-face interviews, Focus Group Discussions (FGDs), and key informant interviews (KII). During FGDs audio recorders will be used to record the discussion and notes will be taken for debriefing that would inform the next discussion.

Possible Benefits and risks: The information collected during this will add and share light to existing literature on rotating savings and credit association and its benefits. This will add more information beyond the primary purpose which is saving but rather look at the relation that are created amongst these women. There is no risk or harm in taking part in the Study and you can opt-out from the Study at any time.

Privacy and confidentiality: All FGD participants will be given a number to use during recording to anonymalize them. KII participants' names will not be used during data collection nor during reporting. Anyone not involved in the research study will not be allowed to access the collected data's unique identifier (number) at the start of the study which will be used instead of your name.

Contacts for additional information: The following are the contacts participants will use for answers and clarification about the research. Marriam Hussein, 0881469935**. UNIMAREC Chairperson Contact details:** Prof Alister Munthali, Chairperson of University of Malawi Research Ethics Committee (UNIMAREC), P.O. Box 280, Zomba, +265 888 822 044.

I .... have read the information leaflet which explains about the research study.

Please mark in the box if you think the statement is true:

- ☐ I have asked all the questions I needed to and am happy with answers given
- ☐ I understand that you will not tell anyone what I have told you
- ☐ I allow you to write about what I have said and not using my real name
- ☐ I understand that I don't have to answer questions that I don't want to talk about
- ☐ I know that I can stop my participation at any time and without giving a reason
- ☐ I understand that I can look at the report for this study if I want to

I would like to take part in the Study. I can still change my mind any time

My questions have been answered by

Participant (name in BLOCK CAPITALS..

Signed...Date...

Researcher (name in BLOCK CAPITALS) ....

Signed...Date...

THANK YOU VERY MUCH FOR YOUR PARTICIPATION.

Appendix IV

Interview guide for group members

Sex	Female	
1. Age Range	15-25 years	
	26-36 years	
	37-47 years	
	48-58 years	
	59 years and above	
2. Marital Status	Married	
	Single	
	Divorced	
	Widowed	
3. Level of Education	Below Primary School Leaving Certificate	
	Primary school Certificate	
	Malawi Junior Certificate	
	Malawi School Leaving Certificate	
	Tertiary education	

1. When was your group formed? And who championed the formation of the group? ***(Probe: friends, third party like church leaders, bosses, work policy)***

2. How many members are in your group? ***(Probe: if it is a fixed number of members for the group all the time or it changes every cycle)***

3. Did you know anyone in the group? *If yes* who? **(*Probe: a friend, workmate, relatives or family member*).** *If no,* how did you become aware of the group? **(*Probe: friend, WhatsApp groups, workmate, relatives, family member*)**

4. Do your group have by laws? Like rules and regulations explaining the requirements for membership? *If yes,* please list them? (If in written form will see the document)

5. How were these decided upon? ***(Probe: was it the founder of the group, was it decided by all members)***

6. How does one become a member of the group? (***Probe: In cases where someone does not fall into the criteria/requirements is there room for them to join or there is no room for negotiations to become members?)*** *If yes,* how can they become members? Or what do they need to do to become members?

7. What is the objective of the group?

8. When did you join the group? ***(Probe: if they have been in the group all cycles or first time joining)***

9. What made you join the group? ***(Probe: to save, to socialize/interact or make new friends)***

10. Have you benefited from the association? Could you list any benefits you have derived from membership of the group? ***(Probe: do they enjoy being in the group, do they save more, has it enabled new relationships)*** *If yes,* how have you benefited? And would you rate the benefits from ascending order. *If no,* why have you not benefited?

11. What kind of expectations did you have by joining rotating savings and credit associations? ***(Probe: was it about saving, making new relationships)***

Have these expectations been met simply by being a member? *If no,* why have they not been met?

12. What can you tell me about your interaction with other members? Do you interact with your group members beyond group business? *If yes,* how often do you meet/ interact with them? ***(Probe: what do you talk about, home visits, occasion such as weddings birthdays or funerals)*** *if no,* why?

13. How often does the group meet? What issues do you discuss at the meeting and who decides the agenda? ***(Probe: if it is the chairman, secretary, founder or treasure)***

14. Has membership allowed you to make new friends? ***(Probe: type of friendship and if it continues after the group has dissolved)***

15. What changed since you joined the group in terms of your daily lives, living standard, or social relationship with others in the group or home? Please tell me anything that you think which have changed. ***(Probe: do they lend each other money, or anything outside the groups agenda)***

16. Are there any other things that you do together with others in the group? **(*Probe: exchange life stories and experience*)**

b. Who initiates these activities? How and why do you participate?

Appendix V

Interview guide for key informants

1. What is the objective of the group?

2. What made you form the group? ***(Probe: motivation behind forming the group)***

3. How many members are in your group? ***(Probe: if it is a fixed number of members for the group all the time or it changes every cycle)***

4. Do your group have by laws? Like rules and regulations explaining the requirements for membership?

If yes, please list them? (If in written form will see the document)

5. How were these decided upon? ***(Probe: was it you as a founder of the group, was it decided by all members)***

(Probe: In cases where someone does not fall into the criteria/requirements is there room for them to join or there is no room for negotiations to become members?)

If yes, how can they become members? Or what do they need to do to become members?

6. How often does the group meet? What issues do you discuss at the meeting and who decides the agenda? ***(Probe: if it is the chairman, secretary, founder or treasure)***

7. Has membership allowed you to make new friends***? (Probe: type of friendship and if it continues after the group has dissolved)***

8. Are there any other things that you do together with others in the group? **(*Probe: exchange life stories and experience*)**

9. Who initiates these activities? How and why do you / do you not participate?

10. Are there any benefits to being part of the group?

Appendix VI

Focus group discussions guide

1. When was your group formed? And who championed the formation of the group? ***(Probe: friends, third party like church leaders, bosses, work policy)***

2. How often does the group meet? What issues do you discuss at the meeting and who decides the agenda? ***(Probe: if it is the chairman, secretary, founder or treasure)***

3. Has membership allowed you to make new friends? (Probe: type of friendship and if it continues after the group has dissolved)

4. What changed since you joined the group in terms of your daily lives, living standard, or social relationship with others in the group or home? Please tell me anything that you think which have changed. ***(Probe: do they lend each other money, or anything outside the groups agenda)***

5. Are there any other things that you do together with others in the group? **(*Probe: exchange life stories and experience*)**

6. Who initiates these activities? How and why do you / do you not participate?

7. Are there any benefits to being part of the group?