UNIVERSITY OF
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An Exploration of Savings Group Learning in SaveAct Financial Education Programme: A Case Study of Sizanani Savings Group

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ABSTRACT

Community-based financial institutions like the stokvels, savings groups and burial societies have been active in South Africa for many years and provide important financial services to communities. This study explored the nature of learning that resulted from participation in a specific savings group. The research question was informed by the phenomenon that unsupervised savings groups grew their membership and supported the establishment of new savings groups without the support of an external organisation, and in this case, SaveAct. Savings groups would be trained, mentored and supervised by SaveAct in their first saving cycle for them to operate independently from SaveAct in the second cycle and beyond. SaveAct and other organisations that have interest in the programme, underestimate the knowledge and skills gained by participants in these groups. There is a need to identify and understand knowledge and skills gained by members of these groups which are responsible for growth.

Exploratory research using documentary analysis, observations, focus group discussion and interviews had been conducted with nine members of a specific savings group in the rural community located west of the Bergville town in the province of KwaZulu-Natal, South Africa. The participants of the study were asked as to how members adhere and/or divert from the SaveAct programme post the SaveAct intervention to understand the nature of learning that occurred in their group.

The study was concerned with non-formal and informal learning. Non-formal learning was provided by SaveAct through training and monthly supervision sessions. Informal learning that happened among the members of the group elevated the influence of lived experiences of the participants in the savings group. Learning was identified from the key moments of the savings group which are the establishment phase, support and supervision phase by SaveAct and the post-graduation phase. The larger part of non-formal learning was found to have happened during the establishment phase as well as the supervision phase of the group. The post-supervision phase provided evidence of informal learning. It must be noted that the post-graduation phase is when SaveAct was no longer supporting the group. Based on learning that happened in the group four main recommendations were made, namely: strengthening self-selection processes to enhance participation; embracing life skills; dedicating continuous skilling development for record keepers; and broadening financial offerings to savings groups.

DECLARATION

I declare that this research project is my own work. This research report is submitted in partial fulfilment of the requirements of the degree of Master of Education at the College of Humanities, School of Education, University of KwaZulu-Natal. I further declare that it has not been submitted before for any degree or examination in any other universities.

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ABBREVIATIONS

ASCAs	Accumulating Savings and Credit Associations
CBDA	Co-operative Banks Development Agency
DFID	Department for International Development (United Kingdom)
LPP	Legitimate Peripheral Participation
NASASA	National Stokvel Association of South Africa
ODI	Overseas Development Institute
PPDC	Provincial Planning and Development Commission
ROSCAs	Rotating Savings and Credit Associations
SACCOL	Savings and Credit Co-operative League of South Africa
SEWA	Self-Employed Women's Association
UNDP	United Nations Development Programme
VSLA	Village Savings and Loans Associations

CHAPTER 1: NATURE AND SCOPE OF THE RESEARCH STUDY

1.1.   Introduction

This study explores the nature of learning that happens in a specific savings group. Savings groups are described are community-based informal financial institutions, often referred to as Village Savings and Loans Associations (Care International, 2008; 2015).For decades, it was commonly believed that savings groups, particularly stokvels, in South Africa were vehicles only used by the poor to mobilise financial resources due to their exclusion from the formal financial services sector (Irving, 2005; Chikadzi & Lusenga, 2013). However, in South Africa it is becoming evident that people with higher incomes also participate in these institutions (Moliea, 2007). These observations trigger fundamental questions of access to financial services especially by poor and vulnerable populations in South Africa. Limited access to financial services, especially by the poor and vulnerable households, remains an impediment to reaching social and economic development goals. Anecdotal reports reveal that poor access to savings, investments, credit and insurance services trap poor and vulnerable households in poverty as they do not have the financial resources to participate meaningfully in the mainstream economy.

Savings groups are usually established by friends, family and neighbours in the community to deliver a specific financial goal. Many savings groups are self-supporting while other groups are supported by non-governmental organisations for a limited period. Collaborative initiatives face inherent challenges, group dynamics and inconsistency in implementing decisions. Despite the complexities of participation, groups that were established through a supported programme grew their membership, and at the same time mobilized new groups. They also initiated and engaged in other activities in their neighbourhoods without the intervention of the support organisation (Delany & Storchi, 2012).

Informed by an interpretive paradigm and using the case study research method, this study explored the nature of learning that happens in a matured savings group. The subject of the study is Sizanani Savings Group and the learning that occurs in the group is the analytical frame used to understand the case (Thomas, 2011; 2012). The research took place in the rural community of Ezintabeni (pseudo name).

The purpose of this chapter is to introduce the focus of the study and the research problem. The key focus of the study is the nature of learning that happens because of participation in a savings group. This chapter provides the background of the research by presenting an overview of the research site. It introduces SaveAct as the organisation that facilitates the development of savings groups in the research site and its neighbouring settlements. This study is not about SaveAct or its activities but the learning derived by community members who belong to a savings group through participating in SaveAct activities and learning between themselves. This chapter refers to specific forms of participation which promote co-creation of knowledge, learning and empowerment (Freire, 1970; Chambers, 1983) and which encourages people to engage with their experiences in making meaning of their own development (Freire, 1970).

This study was motivated by the continued operation of the savings groups regardless of challenges they face when they operate without the external support provided by SaveAct. According to Allen (2007) and SaveAct (2014), savings groups would be trained, mentored and supervised by SaveAct in their first saving cycle. During this supervision phase the skills and the ability of savings groups would continually be assessed and supported. The main purpose of this support is to prepare the group to operate independently in the second saving cycle and beyond. Challenges related to governance and operations are experienced by the groups during 'the lonely road', that is, when they operate without supervision from SaveAct. In the main these challenges may include tweaking of the rules, over-indebtedness and slow repayment of loans. Despite these challenges, the Sizanani Savings Group had continued to operate. The learning that happens in this group is the interest of this study. The next section presents the background, focus and rationale of the study.

1.2. Background of the study

The purpose of this section is to introduce concept of a savings group and a stokvel. This is followed by the introduction of SaveAct and its programme as an organisation that facilitates the savings programmes, and trains and mentors these groups. A summary description of the community where this study is located is also provided. The education programme that SaveAct provides is non-formal. This section concludes by introducing a summary of current

debates on community-based and informal financial programmes provided to the unbanked and financially excluded populations.

1.2.1. Definition of a Savings Group and a Stokvel

A stokvel and/or a savings group is an agreement between a group of people to establish a continuous pool of money or capital to be accessed and used for mutual support of members of the group and by means of any patrimonial benefit (Moliea, 2007). Savings groups and stokvels concepts are used interchangeably in South African to describe a similar financial activity. Schepeers (2007) defines a stokvel as a "voluntary group of people, or club, where individual members choose to belong. The group is always formed on the basis of trust between members, friendship and a strong sense of mutual responsibility. The members of the stokvel group agree upon the group's purpose, its rules and its outcomes" Schepeers (2007, p.3). This definition is employed throughout this research study.

1.2.2. SaveAct

The work and purpose of SaveAct is encapsulated in its mission. SaveAct wants "to respond to poverty in the region by promoting savings and credit groups as effective instruments for accessing financial services, building sustainable livelihoods and empowering women and other vulnerable groups" (SaveAct, 2014).

SaveAct is a non-governmental organization that was established in Pietermaritzburg in 2005 and currently works in selected rural communities in KwaZulu-Natal, the Eastern Cape and the Free State. It promotes low-risk savings-led financial services by empowering communities to achieve greater financial security and self-reliance (Delany & Storchi, 2012). By mid-2016, SaveAct had reached over 55 000 members across all three provinces (SaveAct, 2016).

1.2.3. The Development Model of SaveAct

The development model of SaveAct is built on an existing practice of savings groups. This model is informed by a belief that savings-led development interventions empower poor households to build up assets and to achieve levels of financial stability better than credit-led

programmes (Delany & Storchi, 2012). The savings group model is not a new concept in South Africa. The SaveAct approach is adapted from the international microfinance methodology of Rotating Savings and Credit Associations (ROSCAs) and Accumulating Savings and Credit Associations (ASCAs) that involves a group of between 5 and 30 members meeting regularly to save and borrow money from the investment or loan fund the saving group creates (ibid).

The savings group is governed by its constitution that explicitly dictates the objectives of the group, membership and its operation. The recommended size of the group ranges between 15 and 25 members; however, there are cases of groups with less than 15 members or more than 25 members (ibid). There is an organised and accountable system of conducting group meetings and recording of transactions that accommodates every member, even the least literate, shy and reserved (SaveAct, 2014). While the system encourages participation, its goal is to protect the group from being dominated by few individuals in the group. Groups usually hold annual elections to elect a five-person management committee after each annual cycle (ibid). The management committee is constituted by the chairperson, the records-keeper, two money counters and a box-keeper. The roles and responsibilities of the management committee are simple, decentralised and executed routinely in all meetings.
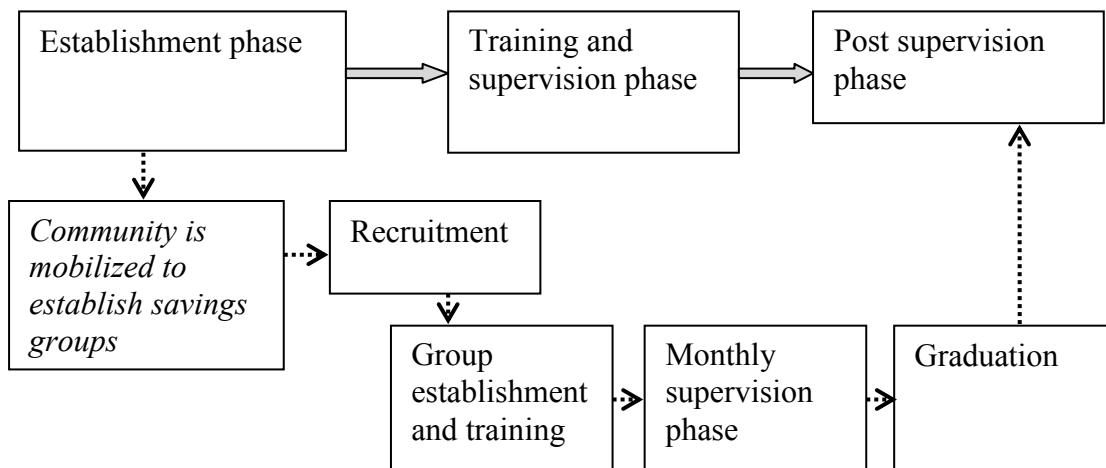
Figure 1: The structured approach to the savings group development

Adapted from SaveAct (2014)

The diagram above summarizes the group methodology which is built on a system of incentives established to encourage participation in SaveAct activities. This system presents a

structured process to help the members of the group to achieve tangible rewards which includes achieving group goals of providing a financial services vehicle to take deposits and provide short-term loans to members (SaveAct, 2014). Figure 1 also shows the three key stages in the learning journey of a savings group. These are the establishment phase, training and supervision intervention phase that is provided by SaveAct, and the post-graduation or post-supervision phase. The significance of these stages is that they show periods when the group learns from SaveAct and when members of the group learn from each other. For instance, the group learns to record all transactions, calculate interest and distribute the group fund proportional to the individual savings of each member.

The savings groups meet monthly to save, repay loans and to take out new loans. The monthly contribution (savings) is flexible to accommodate every member. The minimum that the members can save becomes a share. Generally, in many savings groups the price of a share is R100.00. Members can purchase between 1 and 5 shares at each monthly meeting. The flexibility of buying varying shares fosters inclusivity by accommodating members who wouldn't have afforded more than R100 per month. Buying varying shares also gives flexibility to members of the group to save as little as R100 or as much as R500 each month.

The accumulated savings are transformed into a loan fund from which members of the group can take out short-term loans. The loan fund is technically a group fund. The constitution of a group dictates the loan size a member can take out and the loan size is determined by the value of savings a member has accumulated. The standard practice for many savings groups allow members to borrow up to three times the value of savings at 10% service charge (loosely interpreted as interest) per month. The repayment of a loan is scheduled over 3 months.

There is no complex record keeping system, with two record systems. At an individual level, each member has a transaction book that records savings and loans. This book is known as a "Passbook". It is divided into two parts. The first part is for savings – what is referred to as "share purchase". The record-keeper simply stamps the appropriate column to represents a share. The second part records loan taking and loan repayment. What is critical is that each member of the group has to learn the sequence of the savings meetings, rules and procedures,

calculation of savings and interest, and to read and understand the transactions recorded in his or her "Passbook".

At a group level, a note book that records the closing balances at the end of each meeting is kept. Members are required to remember these closing balances for each meeting. These are the total value of savings, total loans issued and money remaining in the lock-box. The lock-box has three padlocks. The three keys are held by three non-members of the five-person management committee of the savings group. This ensures that the box is never opened outside the meeting.

At the end of the annual cycle the group dissolves the loan fund. The loan fund is made up of the savings, interest generated by loans and a small number of fines paid in by members for minor transgression or deviation from the constitution. In other words, these are accumulated savings. They are distributed to members according to the amount each member has saved or the number of shares held by each member. The process of distribution is referred to as the share-out. The group first resolves all outstanding matters before dissolution. After this, members are free to continue or leave the group. This allows remaining members to accept new members into the group. The process triggers a new election of the five-member management committee as well as the review of the constitution.

This study intends to identify and understand knowledge and skills gained by members in the savings groups which are responsible for the growth of membership, despite the concerns held by organisations that support informal community-based financial institutions. SaveAct and other organisations that have an interest in the programme tend to underestimate the knowledge and skills gained by participants in the savings groups. They fear that governances tend to deteriorate soon after the support organisation withdraws its supervision from the group and assume that in many instances weak governance consequently leads to the collapse of the savings group.

1.2.4. The Community of Ezintabeni

Ezintabeni is one of the sub-wards or *izigodi* of Obonjaneni in AmaZizi Traditional Authority. This village is located in the northern Drakensberg in the province of KwaZulu-Natal. There are 2619 people living in approximately 584 households in Ezintabeni (Okhahlamba Municipality, 2015). The village is connected by a short dirt road that crosses the landmark Uthukela River to the tarred provincial road (R74). A primary school, clinic and two general dealer shops are visible along this dirt road. The provincial road, R74 links this village to the Royal National Park on the west and Bergville town on the north-east. Villagers use local minibuses to travel about 50 kilometres to Bergville. Households are sparsely located across the village. Most households have small gardens and are engaged in subsistence food production. Many households grow maize, beans and table vegetables and a few households are able to utilise communal fields and grazing land that lies along the mountain range and the Uthukela River. This village is connected to the national electricity grid and has access to piped water. In addition, this village has benefited in the government's low cost housing.

The character of the community of Ezintabeni is also informed by its dual governance system. There is traditional governance institution as well as local government structure. The headman or *iNduna* is a local representative of the AmaZizi Traditional Council and is responsible for traditional governance in this community. The Okhahlamba Municipality engages the community through the Ward Committee which is led by a political ward councillor. This is a structure, established by local government legislation that is used to connect the municipalities to their communities. It is expected that these two institutions collaborate in matters of community development. Besides these institutions, there are other community-based institutions that represent a range of interests in the community, including many savings groups. Through local government service delivery initiatives, this community has benefited from infrastructure investments such as provision of piped water, sanitation facilities, internal roads, housing, electricity, schools and the clinic (Okhahlamba Municipality, 2015). Despite the provision of public services and goods by local government, the consequences of spatial disconnect between this community and the urban centres continue to burden rural households. Rural settlements around Bergville were part of the former KwaZulu homeland 'state' under the traditional leadership. These were incorporated

into the province of KwaZulu-Natal during the post 1994 democratic dispensation and were originally established during apartheid era as suppliers of migrant labour (PPDC, 2009). These patterns are visible in Ezintabeni, where it remains disconnected from the provincial and national economy.

Further to this, this community is characterized by the out migrant of labour, with those left behind being mainly women, children and the elderly; who are dependent on remittances, state welfare grants and ailing subsistence farming (Okhahlamba Municipality, 2015). And just like other neighbouring rural villages within AmaZizi Traditional Authority, Ezintabeni is also characterized by unemployment and high levels of poverty despite the infrastructure investments that have been made (ibid).

Small scale farming, largely maize production and rearing of cattle and goats are the main sources of food security in the community. The preparation of fields for maize production is largely done by men. Women take over the planting, weeding and harvesting. Some households hire land preparation services from families with tractors and/or cattle drawn farming implements. Rearing of cattle and goats is left to the men.

The 2015 Integrated Development Plan (IDP) of the Okhahlamba Local Municipality revealed that 53.8% households are female-headed, suggesting the presence of outward migration to more economically vibrant settlement and towns outside the municipality (ibid). This phenomenon suggests that men transfer remittances to their families, which consequently makes women the de facto household heads.

Notwithstanding the fact that informal financial institutions are praised for having contributed to increased levels of productive assets and income generating activities of participating households(Overseas Development Institute, 2010), challenges regarding access to financial services by the poor and vulnerable populations are common South Africa (SaveAct, 2014; Delany and Storchi, 2012). For example, many poor and vulnerable populations are still excluded by the formal financial sector in terms of usable financial services such as savings, credit and insurance. This has raised concerns regarding efforts to resolve targeted social ills as result of poverty. This can only suggest that the provision of financial services require collaboration between informal and formal financial institutions if poverty is to be challenged. This argument is taken further by Delany and Storchi (2012) and Prahalad (2005)

that the lack of access to financial services reinforces poverty. The 'poverty penalty' refers to a phenomenon when poor people pay more to access goods and services (Caplovits, 1967). The concept of a poverty penalty was developed by C.K. Prahalad in his book called "The Fortune at the Bottom of the Pyramid" where he describes it as the phenomenon where poor people pay more to eat, buy, and borrow than do the rich (Prahalad, 2005).

These realities and complexities of poverty are expressed in the 2015 Integrated Development Plan of Okhahlamba Local Municipality as defining features of these rural communities such as Ezintabeni. These realities and complexities of poverty can be summarised by the following three points:

- The distance between these communities and the town of Bergville where banks, shops and other providers of consumer products and services remains the biggest challenge to community development. The transport costs between Ezintabeni and Bergville town are too expensive for most households that are dependent on the state social security system.
- Because of the distances between these communities and the town, shops operating in these rural communities charge high prices for their consumer goods.
- Transport costs not only make local retailers expensive, but also make other income generating activities such as farming very expensive. The result of this is that community-based businesses are compromised in providing affordable products and services to their local markets.

One way that the communities have responded to the complexities of poverty has been to establish savings groups. According to SaveAct (2014), the success of the savings groups is based on the group learning to meet the application of the following outcomes of learning:
- development of savings group procedures and the group constitution,
- application of a standard group meeting agenda,
- adherence to strict procedures as contained in the constitution,
- calculation of savings, loans and interest earned from loans,
- recording of savings, loans, interests and the closing balances at the end of each monthly meeting,
- keeping of transparent and trusted records of the group, and

- calculation and distribution of group fund at the end of a savings cycle.

Adapted from Allen and Staehle (2007)

The group constitution contains the rules and procedures for conducting meetings, mobilising savings, management of loans and dissolutions of group fund. The minimum value of monthly saving, the loan size, the interest rate and the loan repayment term are decided collectively by the group (SaveAct, 2014). The group fund is formed by the amount saved by the members, the interest paid on loans and small fines are returned to members in the form of a share-out or fund dissolution at the end of each cycle, which usually after a twelve months' savings cycle or a year (ibid).The development model of SaveAct is supported by a non-formal education programme. This education programme is described in the sub-section below.

1.2.5. Non-Formal Education Programme Offered by SaveAct

SaveAct implements a non-formal education programme through resident facilitators. The main purpose of SaveAct's non-formal education programme is to empower community members to start and operate their own informal financial institution. This financial institution provides at least three products. These are savings, short-term credit, and lump-sum pay-outs at the end of the saving cycle. SaveAct's non-formal education programme is delivered by Community-Based Promoters (CBPs) that are supported and supervised by senior community development facilitators referred to as Field Officers. Training workshops and meetings are held in communities and in venues that are decided by the participating community members. The details of the supervision programme are attached in Appendix D of this dissertation.

There are two broad non-formal learning programmes that SaveAct facilitates. These are training workshop and supervision sessions during monthly saving meetings. The groups attend and participate in training workshops of three to four hours spread over two days. The training workshop draws on the participant's experiences in traditional stokvels and burial societies. The facilitator employs participatory adult learning techniques that allow the participants to evaluate their learning at the end of each session. The following two broad modules are covered during the training workshop:

- Establishment of a group, leadership and election of office bearers. This module prepares the participants to elect the office bearers for their group. Besides living in the same village and knowing each other well, these office bearers should have a reputation for honesty and reliability and have cooperative personalities.

- Development of rules and operating procedures. This module helps the group to develop a set of rules concerning how the members will operate their group, and in particular savings, issuing of loans, repayment of loans and dissolution of group fund at the end of the saving cycle. These set of rules make up the constitution of the group.

Following the training workshop, monthly savings meetings are established. In these meeting the group is supervised by a SaveAct representative to conduct a meeting and to follow procedures for taking savings from members, issuing of loan and repaying of loans. The SaveAct representative closely coaches the recorder to record all transactions diligently.

- Revision of procedures to dissolve group fund. At least one month before the dissolution of the group fund, the group is re-trained on dissolution procedures and prepared for the final meeting of the saving cycle. During this meeting, the group is assessed to establish the level of readiness of the group to operate without external supervision by SaveAct.

1.2.6. Current Debates on Community-Based Informal Financial Programmes

This section introduces the current debates in the community-based informal financial programmes. It presents the positive impact savings group programmes have on unbanked populations and linkages of community-based informal financial institutions to formal financial institutions. These are the two issues that tend to dominate the current debate on informal financial programming.

Haynes and Levin (2009) highlight concerns that savings group programmes remain unattractive to investors and the banking sector in general because of high infrastructure needs and transactional costs in populations outside urban settlements. This suggests the

absence of interest from investors and back donors which could risk rendering savings group programmes unsustainable. In the same vain there are fears that linkages with the formal financial sector that are driven by academic and business objectives may not align with those of the community-based financial institutions (Haynes & Levin, 2009). According to Haynes and Levin (2009) linkages with the formal financial sector require substantial investments which may overload savings groups with private sector expectations that are associated with profit making desires.

Despite the lack of investment appetite, many studies (Högman, 2009; Delany and Storchi, 2012; Catholic Relief Services, 2014) see lack of financial services to the unbanked populations as the main driver of savings group programmes. Catholic Relief Services (2014) attribute the success of many savings group programmes to women leadership in their communities albeit complexities that are triggered by mixed-sex groups. Female participants tend to refrain from including male participants in their groups for several reasons such as dishonesty and unreliability of men with regards to safekeeping of group funds and settlement of loans on time (Catholic Relief Services, 2014). Participation in the savings group and what participants want and do is significant for this study. It gives an identity to the group as well as cues that help to understand the learning that happens in a group.

1.3. Focus and purpose of the study

1.3.1. Research problem
The research problem was informed by the phenomenon that the unsupervised savings groups grew their membership and supported the establishment of other savings groups without the support of the external organisation, in this case, SaveAct. The concern is that SaveAct and other organisations that have an interest in the programme tend to underestimate the knowledge and skills gained by participants from SaveAct training as well as through practices in these groups. It is for this reason that there is a need to understand how learning happens and what is learnt and how this contributes to the growth of membership.

1.3.2. Purpose of the research
The focus and purpose of this study is to understand the nature of learning derived from participating in the Sizanani Savings Group. The study wishes to understand learning that participants derived from SaveAct and learning that happen among participants themselves

that contribute to the growth of membership in the group. The knowledge that will emerge from this study will contribute towards the advancement of organisations and practitioners in the community-based informal financial services sector.

1.3.3. Research questions

The study prioritised three key research questions in responding to the research problem and understanding the nature of learning that occurs in a matured savings group. The key research questions are:

- What is the nature of learning that occurs in a savings group?
- How do members of a savings group participate in the activities organised by SaveAct?
- How does Sizanani Savings Group participate in SaveAct activities?

1.4. Rationale of the Study

This study is influenced by the absence of research studies that focus on the knowledge and skills gained by participants in community-based financial institutions long after the support organisations like SaveAct have been withdrawn. Many studies tend to focus on the impact made by community-based financial services programme and economic empowerment of the members of these institutions (Moliea, 2007; Delany & Storchi, 2012; Sebstad, Cohen, McGuinness, 2006; Högman, 2009). This point will be developed further in the literature review chapter. Studies such as Delany and Storchi (2012), Högman (2009) as well as anecdotal data confirm that many households resort to community based savings groups due to absence of useful financial services they need to improve their quality of life.

While there are many positive experiences about such groups, there are discouraging experiences as well. Poor record keeping, lack of transparency, lack of accountability of the executive members and the disappearing of savings are some of the challenges that face these groups. Informal financial institutions and savings groups have good intentions to provide simple and easily accessible financial services to its members and communities. However, the behaviour of some members in these groups is often detrimental to the very developmental goals that they set out to achieve. SaveAct has developed an approach that resolves many of these challenges. This approach provides a clear and simple group governance system that is transparent, inclusive and that makes every member of the savings group accountable for the

decisions they take. SaveAct supervises groups for the period of up to two years. It is expected that after this period the group would operate independently from SaveAct.

The experiences of savings groups, whether positive or negative, suggest a great deal of learning in the groups. The rationale of this study is to understand the learning provided by SaveAct to the group as well the learning that happens between the members of the group. Although this study does not intend to track the impact of savings group in the lives of the members of the group, understanding what they learn and how they conduct the affairs of the group may demonstrate the significance of informal financial services in the community development narratives. According to Delany and Storchi (2012) savings groups in South Africa have demonstrated capacity to provide useful financial services to the poor that the formal financial sector has failed to, despite very advanced and a sophisticated global financial services sector. Further to this, anecdotal evidence and evaluation studies have revealed that households that participate in savings groups accumulate productive assets and participate in a range of activities that improve the quality of life of their respective households (ibid).Regardless of the limitations of anecdotal research and individual impact studies, the claims of the successes of informal financial institutions should give impetus in studying the nature of learning that happens in these groups. Evidence showing that informal financial institutions provide financial and socio-economic relief to participating households continues to dominate many individual impact evaluation studies. This study hopes to inform practitioners that are championing the financial inclusion agenda as it will contribute towards better learning and development programmes for the sector.

1.5. Outline of the dissertation

This **first chapter** has introduced the research problem, focus, the purpose and the key research questions of the study. It gave the context of the study by describing the character of the research site. It further introduced SaveAct as the organisation responsible for supporting the savings groups in the research site. It concluded with a rationale of the study by highlighting the nature of learning that happens in the Sizanani Savings Group.

Chapter two presents the literature review and theoretical framework. It starts by presenting literature regarding informal or community-based financial institutions and presents the

communities of practice (Wenger, 1998; 2006) as the theoretical framework of the study. It defines non-formal and informal learning to locate the form of learning that happens in a savings group. It then uses the four domains of the community of practice which are: the community, the identity, the experience and practice. It engages with the Mezirow's transformative learning to argue that triggers of change are influenced by the social context. Situated cognition (Lave and Wenger, 1991; 1999) and transformative learning (Mazirow, 1991; 1998; 2000) are used to dissect the triggers of change and how learning happens in the group. Lastly, it engages some key concepts that are related to the research topic such as the concept of social constructivism, participation, non-formal and informal learning to help dissect the research questions further.

Chapter three presents the research methodology. It discusses the case study method and describes the interpretive paradigm and provides the details on the research methodology that is employed in the study. This chapter identifies the case of Sizanani Savings Group and presents the unit of analysis as learning in the group. It further discusses the research design and justification of the sample and the entire process of data collection and data analysis. Document analysis, observations, focus group discussion and interviews are discussed as are data collection instruments. Lastly, this chapter introduces the two themes of the study that were developed from the theory of the communities of practice, which are 'shared domain of interest' and a 'shared practice'.

Chapter four presents the findings and discussions of the research by responding to the research questions and relating the findings to the community of practice as a theoretical framework which is described in chapter two. This chapter adapts an inductive approach that was employed to develop two themes to reflect on how learning happened. These themes are: shared domain of interest and a shared practice. These themes track learning that happens in the savings group through the key moments which are: group establishment stage, supervision stage by SaveAct and post-graduation stage or lonely road. The main findings are that the savings group received non-formal learning from the supporting organisation, that is, SaveAct.

Chapter five concludes the study by presenting a summary of the main findings, conclusions and recommendation as guided by the research questions. Four main recommendations are discussed. These are strengthening self-selection process to enhance participation; embracing

life skills; dedicating record keeping and supervision skills, development for record keepers and broadening financial offerings for the savings groups. This chapter concludes the dissertation by discussing the significance on the study particularly for organisations involved in the development and promotion of community-based financial services institutions. It emphasizes the significance of building strong savings groups that can self-replicate and that are able to provide a basket of useful and responsive financial products and services. A note for further studies is made.

CHAPTER 2: LITERATURE REVIEW

2.1   Introduction

Chapter one introduced the main interest of this study. It presented the purpose of this study as the exploration of the nature of learning that participants derived from SaveAct and learning that happen among participants themselves. Additionally, it introduced the research problem as well as the key research questions. It also described the character of the community of Ezintabeni where the research was conducted.

This chapter has three sections. It starts by presenting the communities of practice (Wenger, 1998, 2000) as the theoretical framework. The second section presents the literature review and the last section ends with the related concepts used in the study.

2.2   Theoretical Framework

2.2.1. Defining the Theoretical Framework and its Function

A theoretical framework in a research study is described as a roadmap of the study which presents a theory or a set of theories which describe and explain the research problem that is studied (Maree, 2007; Blanche, Durrheim, Painter, 2006;Cohen, Manion, Morrison, 2011). The main function of a theoretical framework is to help the researcher to identify and define the research problem, present and define the concepts used in the study, and consequently provide a case for interpreting the research data (Cohen, et al., 2011). The theory of the communities of practice has been found most suitable to explain knowledge and learning in Sizanani Savings Group. Consequently, triggers of change, social constructivism, participation, bond of association, non-formal and informal learning have been employed as the main concepts of the study. The significance of these concepts is that they help to explain the theory of the communities of practice in Sizanani Savings Group.

2.2.2. Communities of Practice

This study employs the theory of the communities of practice as described by Wenger (2000) to build the theoretical framework. This section presents Legitimate Peripheral Participation to describe the qualification of members in a community where learning is described as: (i) learning as belonging, (ii) learning as becoming, (iii) learning as experience and (iv) learning as doing (Wenger, 2000). Learning as belonging, learning as becoming, learning as experience and learning as doing collapse together to complete shared practice. Shared practice is contained in the definition of the community of practice.

By definition, Wenger (1998; 2000) sees the community of practice as a group of people who share a concern or a passion for something they do and learn from it, and strive to improve it as they continue to interact on regular basis (Wenger, 2000). According to Wenger (1998; 2006) the community of practice should have at least three characteristics which are the domain, the community and the practice – where the domain gives it an identity; where the community signifies engagement in shared activities; and where the practice validates members as practitioners (ibid).The shared domain of interest such as those found in groups, clubs and others holds a particular identify for the group by way of a membership and shared competence of the members of the group (Lave & Wenger, 1991). The community provides a platform for members to share information, to engage in discussions and joint activities in pursuing their shared interest, and in the process members develop a shared repertoire of resources, experiences, ways of resolving challenges in a practice (Wenger, 2000).In other words, the community of practice is about building and maintaining social relations on matters that concern the members; sharing knowledge and supporting each other (Preece, 2014); promoting social participation and collective learning; and encouraging collective responsibility for managing knowledge and making appropriate connections (Lave & Wenger, 1991).

Based on this description, it can be argued that the basis for situated learning is the community of practice where a group of people that share a common goal and remain committed in doing what they do best on regular basis. What is also central to the community of practice is its primary focus on building and maintaining social relations on matters that concern the members; promoting social participation and group learning; and encouraging collective responsibility for managing knowledge and making appropriate connections (Lave

& Wenger, 1991). The usefulness of the community of practice in this study it its ability to explain the phenomenon of the movement of novices (newcomers) from the peripheral moving progressively towards centre and consequently becoming skilled experts(ibid). The community of practice is relevant to the study as it can explain how the participants that belong to the same group interact and work together to improve the practice of the savings group. The transformation of novices to skilled experts is best explained by 'Legitimate Peripheral Participation' (LPP) in the next section.

2.2.3. Legitimate Peripheral Participation

The simplest description of Legitimate Peripheral Participation is when a newcomer or a new participant progressively learns and acquire new knowledge from old-timers or the old participants (Lave & Wenger, 1991). The Legitimate Peripheral Participation process starts with accepting newcomers into the group as described by the community of practice theory. This is followed by induction of these newcomers to becoming skilled members and over a certain period they participate fully in the activities of the group as skilled members (ibid). It is in this way that Legitimate Peripheral Participation can produce a shared repertoire through communal resources such as language, routines, activities, styles, stories and many other resources that progressively pull the newcomers from the periphery and through boundaries towards the expert knowledge of old-timers at the centre (Wenger, 1998). According to Wenger (1998), the term boundary is used to denote the interplay between competence and foreign experience resulting in multiple opportunities for learning. In this instance, Wenger (1998) defines learning in terms of social competence and personal experience. He maintains that competence is historically and socially defined and social competence is always at interplay with experience – and it is this interplay the results in learning (Wenger, 1998). It must be noted that Legitimate Peripheral Participation manifests situated learning and community of practice. Legitimate Peripheral Participation is useful to the study as it can explain the progression of interaction of participants over a period and ultimately strengthening the practice in the savings group.

2.2.4. The Shortcomings of LPP and Communities of Practice

In their critique of Legitimate Peripheral Participation, Jubas and Butterwick (2009) found in their study that Legitimate Peripheral Participation failed to create spaces for women

newcomers to learn and benefit in male dominated information technology industry. They also dispute that the community of practice creates opportunities for the newcomers to learn from the centre because cultural status and material successes tend to be distributed ways that may disrupt practices and platforms presented by Legitimate Peripheral Participation and community of practice (Jubas & Butterwick, 2009). Further to this, Preece (2014) cites Wenger et al., (2002) that the level of intensity among the members of the community of practice differs according to the level of authority and/or leadership. Preece argues that there is always a leadership core which is followed by those who actively participate and those who are less engaged and remain in the peripheral (Preece, 2014).

2.2.5. Summary

Besides the weaknesses found in the communities of practice and Legitimate Peripheral Participation, Merriam and Ntseane (2008) observed that the newcomers in a group move progressively from the periphery towards centre and consequently becoming skilled experts. The communities of practice and the Legitimate Peripheral Participation will be used in the study to understand the movement and learning of newcomers to becoming skilled experts in the Sizanani Savings Group. The key concepts of the study: social constructivism; bond of association; non-formal learning; informal learning; participation; empowerment; and triggers for change; have been used to explain and understand phenomena of learning in the Sizanani Savings Group.

2.3   Literature Review

This section presents an overview of research that views savings groups as informal institutions that communities use to widen access to financial services.

2.3.1. Reports on Informal Financial Institutions

The purpose of this section is to provide a short background and the role of informal financial institutions in the development agenda. According to the report of the United Nations (2006) "The majority of the people in developing countries have no savings accounts, do not receive credit from a formal financial institution, and have no insurance policies" (United Nations,

2006, p1). The United Nations (2006) describes inclusive financial services as access and/or delivery of financial services mainly banking, credit and insurance to low-income segments of society at affordable premium which in turn improves the lives of the poor (United Nations, 2006). The report further reflects on the positive impact a savings account, a small loan and insurance may have with regards to easing the strain of coping with ever-growing household consumption pressures and shocks from illness, death or crop failures (ibid). Further to this definition, the Overseas Development Institute (ODI) elevates access to financial services and the ease with which an individual can use them if they want to (ODI, 2010). This definition is significant to this study. Although it acknowledges that an individual may still face access constraints such as availability and distance to the financial institution in using the financial services (ibid), it does not reflect on the details of learning between the financial institution and its consumers. This reflects a level of deficiency with regards to tracking learning between consumers and the financial institutions.

Although many studies such as Moliea (2007), Högman (2009), Delany and Storchi, (2012) and Fiala (2013) acknowledge that community-based informal financial services programmes are not the panacea of development challenges, savings groups have demonstrated that they are capable to help its participating households to mitigate and reduce the impact of poverty. In response to the consequences of poverty many communities around the world (ODI, 2010) and in this particularly region have established savings groups as alternative financial and development institutions. These institutions provide them with means to access services and goods in ways that limit the severity of the poverty penalty (Prahalad, 2005). These are community-based micro-financial institutions that provide its members with vehicles to make regular savings and to access short-term credit.

There are two main approaches that can resolve the challenges associated with access, distance and availability of financial services. The first approach is a formal and neo-liberal approach and the second one is an informal approach where financial services are provided by savings groups. The formal and neo-liberal approach expects the state to incentivise the banking sector to provide the required banking infrastructure where people live, however this approach has failed to convince the captains of the banking industry to invest in non-urban populations hence investors see this as a costly exercise and an investment risk. The second

approach which is largely championed by the savings groups addresses the fundamental components of financial services which are availability and access of financial services to the unbanked populations (United Nations, 2006; ODI, 2010). Availability, access and the decision by an individual whether to use or not use the financial services are three fundamental components of financial services (ibid).

2.3.2. Studies on Informal Financial Institutions

Most studies regarding informal financial institutions have been largely on the programme design and the impact of informal financial institutions and not on the learning that occurs within these institutions. This section starts by giving a description of the saving institutions. It also reflects on the origins of the informal financial institutions which are popular known as *stokvels*.

Community–based saving groups have become a popular means of providing financial services to financially excluded populations by presenting an alternative to traditional microfinance services (CARE, 2008). The two most employed and popular formations of informal savings institutions are referred to as Accumulative Savings and Credit Associations (ASCAs) and Rotating Savings and Credit Associations (ROCSAs). Here a group of people simulate a savings vehicle by making regular financial contributions which create accumulative loan capital that is utilized by members of the group (Moliea, 2007; Collins, Morduch, Rutherford, Ruthven, 2009; CARE, 2008; Beaman, Karlan, Thuysbaert, 2014). International donors and community development institutions such as Oxfam America, Freedom from Hunger, CARE International, Save the Children and Catholic Relief Services have funded community development programme that promote savings groups mainly in Africa and South America (Beaman et al., 2014).

At an international level, the dialogue regarding inclusive financial services and the impact of savings groups can be traced from the experiences of the Grameen Bank. According to Moliea (2007), financial services can be both formal and informal, and the world is witnessing informal financial services becoming an international phenomenon that underpins the microfinance sector. It is the informal financial services that are seen to be more inclusive compared to formal financial services. For instance, the Grameen Bank experience in Bangladesh and informal financial services provision in India and South Africa bear

testimony to the growing of the inclusive financial services (Collins et al., 2009) and transforming it to a development strategy. Beaman et al., (2014) also provide evidence regarding the innovation, positive impact and economic outcomes of ROSCAs. For instance, in Mali, the savings groups helped members in bettering smooth consumption in the face of aggregate shocks; they increased their livestock significantly and improved household food security levels (Beaman et al., 2014). However, they did not find evidence with regards to households increasing expenditures towards education and health (ibid).

Inclusive financial services were first recognised by the Microcredit Summit in Washington in 1997as a development strategy (Dichter & Harper, 2007). Together with the United Nations, this summit declared 2005 as the Year of Microcredit and in the following year the pioneer of the Grameen Bank, Mohamed Yunus was recognised with a Nobel Peace Prize (ibid).Many developing countries around the world have embraced the informal financial institutions (Cohen, 2003) and according to the VSL Associates (2014), over 45 countries around the world and over 250 000 savings groups operate in Sub-Sahara Africa alone. It is estimated that there are more than 7.5 million people worldwide participating in savings groups in 2013 (Beaman et al., 2014). Again, according to Fletschner and Kenney (2011), rural savings schemes already provide foundational savings and credit services to farmers across the African continent. There is substantive evidence to show that informal financial institutions have become one of the critical components of the community development agenda (United Nations, 2006). However, the acknowledgement that people may still face access constraints such as availability and distance to the financial institutions providing financial services remains true for many under-developed populations (ODI, 2010). This acknowledgement is also important for the research site as this community is located far from towns where banks and other financial institutions are situated.

Related to this study is an observation that was made by Blunt et al., (1996) where they share experiences of the Self-Employed Women's Association (SEWA) in India. They found SEWA was the most responsive organisation in providing financial services to poor women in accordance to their schedules and constraints but while functioning like a bank. The significance of SEWA's experience is the confirmation that micro-development initiatives like these are designed to complement wider national development objectives. It can be concluded that SEWA's intention was to extend financial services to poor women who

otherwise would be excluded from the mainstream financial services. SEWA operated within the parameters of the national financial services policies.

Flowing from the international experience, Gash and Odell (2013), reveal that informal financial institutions are an international phenomenon where international development organizations and some few South African non-governmental organisations (Dichter and Harper, 2007) are promoting savings groups. In South Africa, informal savings institutions are recognised by the South African Reserve Bank and protected by the Bank Act (Act Number 94 of 1990) which allows them to take deposits from its members but below the R10 million thresholds (Calvin & Coetzee, 2010).

In South Africa, there are claims that *stokvels* and saving groups have their origins from Zulu practice of *ilima* and *ukusisa* (Pinglé, 2001, Botha, 2006, Hlela, 2014). The practice of *ilima* is communal work or a practice of sharing labour skills in the community that is based on village and kin ties (Pinglé, 2001;Hook, Mkhize, Kiguwa, Collins,2004; Botha, 2006). Family members, friends and neighbours would come together to work in the fields, build a house or any other labour intensive work, however, in recent times the *stokvel* has more to do with money than it used to do with crops or shared labour (Botha, 2014). Botha (2014) sees *stokvel* as a modernised *ilima* that had surprised the oppressive colonial rule and apartheid machinery. S*tokvels* were in fact responding to poor access of, and inappropriate financial services in under-serviced populations South Africans as alternative vehicles to financial services (Moliea, 2007;Thabethe, Magezi, Nyuswa, 2011; Delany & Storchi, 2012).

Very close to the practice of *ilima* is the practice of *ukusisa* (Hook et al., 2004, Hlela, 2014). Where the practice of *ilima* would ensure the provision and sharing of community labour skills, *ukusisa* is a collective wealth building initiative that mainly focuses on loaning cows to families that are without cattle to milk and plough the fields (ibid). The loan was not repaid; however, the cows were returned to the borrower but its off-springs would remain the property of a recipient. In this way, poor households were given production assets, time and support to build their wealth. A different political perspective as to the origins of *stokvels* is offered. Since the black majority and particularly in rural areas were denied access to formal financial services (Moliea, 2007) by the oppressive regime, indigenous practices such as *ilima* and *ukusisa* provided cues for inter-ethnic solidarity groups in the hostels and townships and consequently giving rise to the formation of neighbourhood groups, burial

societies, and *stokvels* (Pinglé, 2001). *Stokvels* provided the most needed financial services to the members and their households (Moliea, 2007; Calvin & Coetzee, 2010). They allowed both the township dwellers and migrant workers to support their families that were battling with socio-economic hardships in the rural areas.

In their study, Calvin and Coetzee (2010) confirmed that saving groups are more popular amongst those in the informal economy and particularly black women living in rural and tribal communities. Högman (2009) has used Participatory Rural Appraisal in his case study to capture an in-depth understanding of the complexity and scarcity of financial instruments faced by the poor and vulnerable households and their corresponding coping mechanisms. He found that savings groups allow the poor and vulnerable households to meet their consumption needs and in some instances, make it possible to start and operate income generating activities. Savings groups are becoming more popular amongst people earning higher incomes (Fin24, 2014) hence the need for their regulation. The South African government promotes the culture of savings and inclusive economic development. This has triggered the need to support the inclusive financial services and inclusive economic development by few legislative provisions. In this instance, the Co-operative Banks Act Number 40 was promulgated 2007 to establish a Co-operative Banks Development Agency (CBDA).

The CBDA is a regulatory structure established to facilitate financial inclusion and to provide protection to informal member-based groups and financial co-operatives. This Act makes provisions for the informal member-based groups to pool their funds and to utilise them for the sole benefit of their members on condition that a common bond exists between members within the group (South African Reserve Bank, 2011). This Act further requires that such informal financial institutions should be affiliated to CBDA accredited self-regulating bodies, such as the Savings and Credit Co-operative League of South Africa (SACCOL) if they are co-operatives or the National Stokvel Association of South Africa (NASASA) if they are savings groups or stokvels (ibid).

The interest and commitment of the government that can be traced by collaboration between government and the non-state sector, which is the private sector, independent research institutions and the civil society organisations. Some research has focused on understanding and determining factors that influence the willingness and the ability of people to save with a

view of improving the savings culture amongst the South Africans (Bank SETA, 2009). For instance, the Financial Diaries Project in Khayelisha in the Western Cape in 2007 confirmed that most poor people utilize stokvels as a savings vehicle (Collins et al., 2009). FinMark Trust (2007) also confirms that social pressures are responsible for motivating people to save and to build trusting environments and institutions that promote savings. There is a handful of projects implemented by non-governmental organisations including SaveAct - who operate in KwaZulu-Natal, Eastern Cape and Free State provinces. The Small Enterprise Foundation operates mainly in the province of Limpopo. Hand-in-Hand, with its roots from India, operates in South African, Swaziland, Lesotho and Zimbabwe to use financial services as the basis for enterprise development for poor and vulnerable populations.

Having noted the benefits of community-based saving groups such as providing an alternative financial institution at reduced transactional costs, some challenges have been recorded. The main challenge is that non-governmental organisations (NGOs) that implement savings programmes are largely dependent on donor funds and as a result donor dependency limits their ability to reach remote villages (Beaman et al., 2014). This is significant for this study as the NGOs that implement savings programmes are responsible for generating participation particularly in the rural villages they service. However, there is limited evidence that the usage of the initial advice that is provided by NGOs is sustained long after the NGOs have moved out of the villages that have been supporting (ibid).

2.3.3. Summary

This section has briefly reviewed the literature related to this research. It has managed to show that in many cases studies (Blunt et al., 1996; Dichter and Harper, 2007; Högman, 2009; Delany and Storchi, 2012; Fiala, 2013) focus is primarily on the promotion of informal financial institutions, using savings groups as strategic instruments for development. It has also identified a huge gap in studying the learning that happens among the participants of the informal financial institutions such as savings group. The focus of the reviewed studies has been on the impact of savings groups as a development tool that is used to respond to the ills of development. It can be concluded that many development interventions using the savings groups are mainly interested in improving access to financial services and improving the incomes of poor and vulnerable households, hence the recognition by international

development bodies like the United Nations, the World Bank and the South African public institutions.

2.4 Related Concepts

This section presents the concepts that have been used in the study. These concepts are: triggers of change; social constructivism; participation; bond of association; non-formal; and informal learning. These concepts are used to enhance the community of practice and the theory of this study, hence every practice is dependent on social processes through which it is sustained and reproduced, and that learning takes place through the engagement in the practice. The central proposition is that learning is more than simply acquiring knowledge, it is about development of a common identity and purpose. Active involvement which is underpinned by Legitimate Peripheral Participation is identified as a key process in learning. This section excludes formal learning because learning does not happen inside the formal structures of learning in general.

2.4.1. Triggers of Change

This section reflects on the transformative learning theory developed by an American adult education theorist Jack Mezirow, who believes that individuals constantly engage with their experiences through frames of reference in making meaning of events that happen in their social environment (Cox & John, 2016).The concept of triggers for change has been found relevant to the study as it translates learning that happens at a group level which motivates an individual to participate in a group activity. When an individual experiences something that does not fit into what she or he already knows (frames of reference), it triggers critical reflection on previous assumptions in order to make meaning of it (ibid). Cox and John (2016) acknowledge that although learning is a social process, it happens at an individual level and leads to personal transformation. According to Mezirow (1991; 1995; 1999), discomforting experiences which Mezirow refer them as disorienting dilemmas are the main triggers that are responsible for personal transformation. Disorienting dilemmas occur through a three-part process:

"Firstly, an individual is pushed by a discomforting experience to engage in a critical reflection of assumptions. Assumptions are meaning perspectives that are developed by the individual in order to help in making meaning of experiences. Secondly, the individual is engaged in a reflective discourse in order to validate insight. Lastly, the individual takes the most appropriate decision or action".

Adapted from Cox and John (2016)

This meaning making process reflected above resonates with the observation made by Fox (2001) that an individual is a product of social learning and it is a matter of negotiating the construction of social knowledge (Fox, 2001). The importance of triggers in Mezirow's transformative learning is total change that is underpinned by triggers on an individual. Mezirow recognizes that people learn by reflecting on their experiences, by correcting errors and distortions of their perceptions and beliefs, and thereby generating change and new meaning that responds to problems at hand. However, Mezirow is silent on contextual factors that are key in influencing and shaping meaning making of an individual (Cranton, 2006). Through critical reflection (Mezirow, 1999), a person is triggered to change by constructing new knowledge through adaptation and assimilation of impressions of the surrounding by re-interpreting old experiences and adding new impressions to existing cognitive schemes. The result is that the acquired information or experience confirm or fit into existing perspectives, reject or construct the new meaning. In other words, the triggers allow an individual to question his or her world view that is loaded with assumptions and perceptions about reality, beliefs, fears and pleasures. The result is that a rational discourse would emerge as a response to an experience that would have addressed the long-held assumptions and beliefs about the experience. Not all life transitions become learning experiences – and for learning to happen and to be transformative (Mazirow, 1999; Merriam, 2005; Cranton, 2006; and Cox and John, 2016) the experience must be discomforting or disorientating to one's habitual expectations (Cranton, 2006; Cox and John, 2016). In this instance, dealing with stresses such as divorce, rejection and social exclusion (Merriam, 2005) are common examples of experiences.

In conclusion, triggers in a social environment are the basis for the transformative learning process to happen (Mezirow, 1995; 1999) and are building blocks in a continuum of experience or a disorientating dilemma. What can be drawn from this section is that critical reflection is a result of triggers that are experienced by an individual in a social environment. In this instance, learning is a result of disorientating dilemma such as a divorce, near death

accident and death of a loved one or breadwinner. It must be acknowledged that triggers for learning tend to overlap with each other. For instance, interacting with others is the platform or the basis for experiencing discomfort that leads to critical reflection regarding the subject under discussion or experience. Lastly, critical reflection should allow the individual to take a rational discourse at the end.

2.4.2. Social Constructivism

Fox (2001) notes that social constructivists that follow Vygotsky's theory insist that an individual is a product of social learning and it follows therefore that teaching and learning is a matter of negotiating the construction of social knowledge. Vygotsky holds that learning and construction of new knowledge is essentially dependent on individual experiences interacting with others in a particular context. Illeris (2003) holds similar views that an individual's learning is influenced by cognition of new information through participating, co-operating and communicating in a particular social space.

The relevancy of social constructivism to this study as the basis for construction of knowledge is clearly pronounced by the views of Merriam, S. B, Caffarella, R. S, Baumgartner, L. M. (2007) which recognise the construction of knowledge at the individual and group levels. Unlike Mezirow (1991; 1995; 1999) who focuses his transformational learning theory on an individual, Merriam et al., (2007) put the construction of knowledge or meaning-making at two distinct levels. First, it happens at an individual cognitive process, and secondly, as a result of interaction among individuals in a social setting (Merriam et al., 2007). This corresponds with the views of Illeris (2002) that the significance of learning is determined by the interaction and the relationship between an individual and the community. According to Illeris (2002) an individual acquires and engages with societal norms, practices and structures to enhance capacities to respond to consequential conflicts and contradictions contained in the social environment. Similar views are expressed by Child cited in Sutherland (1998), that an individual is continuously and actively engaged in constructing knowledge and new versions of reality from lived experiences. According to Child, learning be an output of the combined processes between the brain and social interactions.

2.4.3 Participation

This section presents types of participation that promotes and/or discourages empowerment of participants that are engaged in a collaborative activity. It does this by presenting some complexities which are triggered by participation. This section concludes by summarising empowering participation that may reflect learning among the participants in a savings groups.

Arnstein (1969) reflects the controversy surrounding participation due to innocuous euphemisms like citizen involvement or public participation which in many cases may be rhetoric and reduced to tokenism. Although Arnstein's arguments are pitched at macro levels, the controversy of participation is also relevant at micro levels. Such controversy is triggered by the divide between participants that command authority and those that receive authority. The significant of this is that the recipients of authority see themselves as non-participants since they feel excluded in decision-making processes (Arnstein, 1969). According to Arnstein such participation remains incomplete when some participants believe that they have no control of the outcomes of participation. Arnstein's description is very significant to the study because it emphasises the importance of participants having control on the outcomes of their participation. In other words, incentives and gains tend to encourage people to participate in a collaborative or group activity. Arnstein's description recognises participation as one of the key components for learning.

According to Arnstein (1969) citizens' control has the ability to facilitate redistribution of power between those who command authority and those who receive authority. She believes that citizens' control allows the vulnerable population to secure decision-making authority when compared with other forms of participation (Arnstein, 1969). For her manipulation, consultation and placation remain non-participative. While Arnstein (1969) recognises the limitations of participation, that is from manipulation, consultation and through to partnership, Freire (1970) extends participation to include empowerment of the participants as a result of core-creation of knowledge during participation. In his book, the "Pedagogy of the Oppressed", Freire (1970) describes empowerment in the light of an educational

discourse where he advocates for educators that are conscious and enabled to help the disempowered learners to take control of their education and development.

According to Freire, educators and learners should transform to core-creators of knowledge through dialogue and critique of the realities of their communities so that they could develop ways of resolving community development challenges they face. In other words, Freire advocates the use of experiences of people in making meaning of their own development. This description of empowerment resonates with Chambers (1983), where he places people, especially rural people at the centre of their development and sees them taking full control of their lives. Both Freire (1970) and Chambers (1983) further recognise the power of learning between, and among the beneficiaries themselves. Empowerment should be a process that allows people to make informed choices in effecting change and transformation of their communities (ibid). This recognition of learning among the beneficiaries resonates with learning that happens in savings groups. However, according to Lekoko and van der Merve (2006) participation may have unintended consequences, mainly the disempowerment of participants.

There is similarity between Arnstein (1969) and Pretty (1995) in that they both see manipulation, consultation and other forms of participation as tokenism and not truly empowering. Scheyvens (1999) provides a framework that best describes Arnstein's and Pretty's forms of participation and empowerment. Scheyvens' framework describes the broad outcomes such as economic and social empowerment. With regards to economic empowerment, Scheyvens maintains that development should bring lasting economic gains to people partaking in the development initiative. It must be noted that Arnstein (1969) sees partnership as a form of participation that allows all parties to negotiate win-win arrangements. Again, it must be noted that Pretty (1995) promotes interactive participation which involves interdisciplinary and structured learning processes that seek to accommodate multiple perspectives to ensure that participants take control and ownership of their decisions. With regards to social empowerment Scheyvens believes that it is when the community's equilibrium and social relations are enhanced and maintained. It is when community cohesion is improved as the large majority of members of the community work progressively together to achieve the goals of development. This observation resonates with interactive participation

and self-mobilisation (Pretty, 1995) and delegated power and citizens control (Arnstein, 1969) which manifest learning and empowerment.

However, according to Lekoko and van der Merve (2006) and Cooke and Kothari (2001) participation may have unintended consequences, mainly the disempowerment of participants. Cooke and Kothari (2001) make at least two observations regarding participation. Firstly, members of a group are likely to take collective decisions that expose them to high risk. They argue that in many cases these members would not have taken such risky decision as individuals. This suggests the presence of peer pressure. Secondly, simplistic assumptions that rationality is inherent in participation and by painting a picture that those that are not participating as being irresponsible. Cited in Van der Merwe (2009), Lekoko and van der Merve (2006), unintended consequences of participation may include a culture of silence. This suggests that although poor people would present themselves as participants of a collaborative development activity, they may not express their honest views since they have become so used to being excluded or not heard. The result of all this is simple compliance, functional participation (Pretty, 1995), consultation and placation (Amstein, 1969) which are manifested by following the authority such as attending the meetings. This may be a consequence that participation ranges from pure manipulation, consultation to placation as reflected by Arnstein (1969) and Pretty, and Hine (1999) where participants simple comply with the vies and instructions the organisations in control. In other words, participation is disempowering when it is manipulative and disguised by forms of information sharing and one-way or monologue (Freire, 1970) consultative process or a dialogue. It is in these instances that one finds participation disempowering on the part of the intended participants or beneficiaries.

In closing, participation that appears to be relevant to learning in a group is a form of participation that promotes core-creation of knowledge among the participants and between the external development institution and the group. It is a form of participation that promotes decision-making by the participants and at the same time which acknowledges and responds to the dilemmas of participation in a group activity. Based on the reflections of this section, it is concluded that it is the responses to the dilemmas of participation, ownership of decisions and ownership of the outcomes of participation that manifest learning in a group.

4.1.1. 2.4.4 Bond of Association

This section will introduce the concept of the bond of association as defined by the Co-operative Banks Development Agency (CBDA) in South Africa (CBDA, 2013; 2016). The CBDA is an institution of the National Treasury in South Africa, describes a common bond or the bond of association as a chain of trust amongst members of a group. It further describes three types of bonds which are (i) associational, (ii) occupational, and (iii) geographical or common residency. These three bonds of association are self-descriptive. In this instance, associational bond exits where members belong to same association or organisation. Occupational bond occurs where members work for the same employer and/or are in the same profession or trade. Geographical bond is also referred to as a community bond where members of a group live in a defined geographical space or locality, be it a village, hamlet or town. The relevance of the bond of association in this study is that it gives the basis for unpacking factors that bind the members of a savings group together.

The CBDA is a regulatory structure established to facilitate financial inclusion and to provide protection to informal member-based groups and financial co-operatives. This Act makes provisions for the informal member-based groups to pool their funds and to utilise them for the sole benefit of their members on condition that a common bond exists between members within the group (South African Reserve Bank, 2011). This Act further requires that such informal financial institutions should be affiliated to CBDA accredited self-regulating bodies, such as the Savings and Credit Co-operative League of South Africa (SACCOL) if they are co-operatives or the National Stokvel Association of South Africa (NASASA) if they are savings groups or stokvels (ibid).

4.1.2. 2.4.5 Non-formal and Informal Learning

The SaveAct programme is anchored on non-formal learning because learning is provided in communities where the participants reside and serves to provide pre-determined outcomes of learning. This section defines the two conceptions of learning which are non-formal and informal learning because the context where SaveAct operates is suitable for non-formal educational programmes. It argues that these conceptions are facilitated through participation.

The description of learning provided by Normak et al., (2012) provides a basis for understanding learning within the context of community participation. Learning within the context of community development is relevant for this study. According to Normak et al., (2012), learning is a systematic acquisition of knowledge which is triggered and advanced by interaction amongst people in a social environment; and which is an application of knowledge that should lead to the growth of a person. Further to this, they see learners as a group of individuals that share a common identity and a common course for learning in an organised educational activity. In this instance, SaveAct's education programme is established outside the formal system and relies heavily of the role of informal learning. Informal learning is critical for the savings groups because it allows participants to learn from each other and in many instances without recognising it. This description of learning is significant to the study because it forms the basis for understanding non-formal and informal learning. According to Rogers (2014), informal, formal and non-formal learning is seen as:

> "lying on a continuum ranging from accidental/incidental learning, through task-conscious learning, through self-directed learning to non-formal and formal learning. The boundaries between them are blurred and will change from context to context, from discourse community to discourse community; and there are many hybrid varieties of learning," (Rogers, 2014 p.10).

Rogers (2014) emphasizes the varieties of learning by pointing out that some people would be conscious to learn to perform certain tasks while others would learn incidentally. He also emphasizes the fact that boundaries between different forms of learning would largely be blurred depending on the context it happens.

According to Rogers (2014) non-formal learning may also lead to some sort of recognition of achievement just like the formal learning in some instances. This type of learning is described as an organised learning activity that happens outside the boundaries of formal educational institutions. It is designed to serve specific and identifiable participants. In this instance, many apprenticeship programmes fall in this category. Examples in this category include project-specific community-based learning programmes, sports programmes, driving a motor vehicle and many others. Simkins (1977) as cited in Fordham (1993) identifies four key feature of non-formal learning:

- The main purpose of a non-formal learning is to deliver a short-term and non-accredited training programme.

- It is usually delivered on short cycles. It must reinforce literacy.

- Content is individualised, simple and practical. The content and the material should be relevant to the expectations of the learners.

- Delivery of the non-formal learning programme is learner-centred, flexible and usually delivered where participants are. Participants determine the entry requirements as to who should participate. In other words, participants have control on the delivery of the learning programme.

Adapted from Fordham (1993)

Further to this and according to Fordham (1993), non-formal learning programmes should be of interest to the targeted learners and should lead to genuine empowerment where learners understand and use the social structure around them to achieve the learning outcomes. This description on non-formal learning resonates with the SaveAct programme. In this instance, SaveAct rely on non-formal education methods to implement community development programmes. SaveAct's structured curriculum is designed to train the participants of the groups on governance priorities such as developing a constitution of a group and procedures on conducting the business of the group. Further to this, the structured curriculum is designed to guide and support the savings groups during the supervision through the maturity phases of the group. Participation of the beneficiaries, in other words, the participants of the savings groups is the main pillar SaveAct's community-based learning programme. This makes non-formal learning relevant for this study.

The last category is informal learning which is also very important for this study. Participating in a non-formal learning programme creates opportunities for informal learning. Informal learning occurs through every day experiences in socio-economic settings beyond the educational institutions (Marsick & Watkins, 2001; Marsick & Volpe, 1999). Obviously, it does not follow a particular structure or system or require learners to undergo assessment for certification. Informal learning has at least three conceptions which are socialization, incidental learning and self-directed learning, however, in this instance, informal learning is viewed from an angle of socialization and unconscious learning. Informal learning acknowledges that participants may recognize learning as they self-direct themselves to learn what SaveAct teaches them. Informal learning also acknowledges that learning may not be recognised by participants as it happens naturally. Informal learning comes from carrying out

activities that resolve immediate life situations (Lave and Wenger, 1991) within a socio-cultural context. For example, when members of a community engage in collective development chores, they constantly resolve differences because of non-matching and incompatible views but always find a way to achieve their common goal. However, informal learning can be conscious and self-directed especially when the learner focuses on mastering an activity at hand and/or completing a certain task (Rogers, 2014). In the case of the savings groups, newly recruited members of the group may sometimes consciously derive learning from old members.

Informal learning resonates with the African ways of meaning making and knowing. According to Lekoko and Modise (2011) indigenous learning in African communities, which is often unconscious, is entrenched in deep practices that are geared towards collective gains. This observation is supported by Hlela (2014) those social platforms and institutions provide unstructured learning opportunities, platforms and spaces that seek to encourage situated learning. These platforms help the participants to identify conditions in their social environment that either promote or impede learning (Marsick & Watkins, 2001). This experience makes informal learning a participatory and collaborative effort and the basis for individual transformative learning (Cranton, 2006) and consequently allowing individual participants to showcase their knowledge and experiences (Hlela, 2014).

In conclusion, this section has managed to define the non-formal and informal learning as the two conceptions that are relevant to this study. It has also managed to identify relevancy and significance of non-formal leaning to institutions in providing community-based learning programme. In the same vain it has elevated the relevancy of informal learning among the participants of a collective activity. Lastly, it has reflected on some connections between informal learning and African perspectives of learning and concludes that informal learning can also be self-directed especially when people focus on mastering an activity at hand and/or completing a certain task (Rogers, 2014).

2.5 Summary

This chapter has introduced the communities of practice as the theoretical framework of the study. It has discussed the concepts that are related to this study. It has also managed to draw

connections between the communities of practice and the Legitimate Peripheral Participation which allows novices to becoming skills experts. It has also presented some studies within the community-based financial institutions. Lastly, it has aligned non-formal and informal learning to the study.

CHAPTER 3: RESEARCH METHODOLOGY

3.1. Introduction

This is a qualitative study that is located in the interpretive paradigm and uses a case study method. This chapter describes the methodology applied in the research. It explains the stages and process that was employed in the study and presents the design, data collection instruments and data analysis methods. It prioritises three key research questions which are:

- What is the nature of learning that occurs in a savings group?
- How do members of a savings group participate in the activities organised by SaveAct?
- How does Sizanani Savings Group participate in SaveAct activities?

3.2. Research paradigm

The interpretive paradigm informs this research study. A research paradigm is system of interrelated practices and thinking that defines the nature of enquiry (TerreBlanche & Durrheim, 1999). The position of interpretivism in relation to ontology and epistemology is that reality is multiple and relative, that reality depends on other systems from making meaning (Lincoln & Guba, 1985). The knowledge acquired through interpretive paradigm is socially constructed rather than objectively determined (ibid). De Villiers (2005) cited in Van der Merwe (2009) describes a research paradigm as a primary philosophical point that underpins the research process.

The case study was found to be the most appropriate research designs to capture real-life events and situations (Keeves, 1998) which occur in their naturalistic settings (Cohen et al., 2011). Interpretive studies do this by describing and interpreting the human phenomenon (Cohen, 2000), and by explaining a set of assumptions and fundamental aspects of reality that present a particular worldview (Maree, 2007) which signify that knowledge is socially constructed.

The concept of socially constructed knowledge is supported by Guba and Lincoln (1994) and Habermas (1988), as cited in Bartram and Christiansen (2014), who see the interpretive paradigm as holding a belief that the worldview is informed by the local and specific

interpretations and experiences of people. This is because the goal of interpretivist paradigm is to understand and interpret the meanings in human behaviour rather than to generalize and predict causes and effects (van der Merwe, 2009). The events and situations people find themselves in give rise to multiple truths, understandings and knowledge of a specific setting. Accessing and analysing this multiplicity, mainly through dialogue and consensus (Cohen et al., 2011) focussed on explaining similar phenomenon, allows fair generalisation of the results to the entire population that is studied (Webster, 1985). However, these social constructs remain subjective (van der Merwe, 2009). The ontological stance of this research is that the constructed meaning of reality is dependent on the experiences of the participants in the study beyond their participation in the savings group (Cohen & Manion, 1985). Ontological aspects are commonly referred to as worldviews that are concerned with the form and the nature of reality and what can be known about it (ibid). The interpretive research approach has many pitfalls, such as subjective aspects of experience that can lead the researcher to clutter findings as 'many truths' (Blanche et al., 2007). This will be dealt with in the quality of the scholarship section of this chapter.

3.3. Research Design and Research Approach

The research design aims to show how all of the major parts of the research study, namely, the sample and sample size, data collection instruments and data analysis techniques were used to address the research questions and to achieve the credibility of the study (Blanche et al., 2007). The theory of the communities of practice was imposed over data in order to help with the interpretation of data.

3.3.1. Research Style

This section describes the case study method, the advantages of this method and some areas of concern. One of the paramount decisions during the process of designing the research study was to decide on the most appropriate way of carrying out this study. There are two main reasons that motivated for the case study method. First, a case study method was chosen because of its strength to undertake an in-depth investigation of the specific savings group. Secondly, Yin (2003) confirms that a case study is most appropriate to explore situations in which the interventions being evaluated have no single set of outcomes.

Cohen and Manion (1984), Cohen, Manion and Morrison (2000), McMillan and Schumacher (2001), Chilisa and Preece (2005) and Zainal (2007) agree that the case study method allows the researcher to observe and to probe deeply a single entity in its natural setting in order to gain a detailed and in-depth contextual analysis of a particular real-life situation. Similarly, McMillan and Schumacher (2001) confirm the strength of a case study is that it allows examination of a bounded system and can employ multiple sources of data found in a specific setting. Similarly, Maree (2011) cites Yin (1984) who defines the case study research method as an empirical inquiry of a contemporary phenomenon in its real-life context; when the boundaries between phenomenon and context are not clear; and in which multiple sources of evidence are used. Furthermore, Rule and John (2011) cite Asmussen and Creswell (1995) to have used the case study approach to understand how an American university campus responded to a student gunman, which demonstrated the depth of the case. Rule and John have also used the case study method to understand the barriers to learning with special focus on HIV and AIDS in Richmond (Rule and John, 2011), highlighting the strength of the case study method.

In summary then, Rule and John (2011) and Cohen et al., (2011) argue that the case study method is a systematic and in-depth investigation of a unit of analysis of a particular contemporary phenomenon. Since this study is an investigation into the case of how learning happens in the Sizanani Savings Group, and in particular, how learning skills develop in the group in its 'natural' form, a case study approach is relevant to generate understanding and construct meaning of the phenomenon of learning in savings' groups. The Sizanani Savings Group presents a case to reflect on and construct meaning about the skills its members have drawn on since its establishment in 2009. Further to this, Cohen and Manion (1984), Yin (1998), and Bartram and Christiansen (2014), also see a case study as a comprehensive examination of a case which could be a case, community, individual, organisation, group or event. In this instance, the case is Sizanani Savings Group and the unit of analysis is the learning that occurs in the group. Understanding how learning occurs in a group should make it possible to explain how the connection works between members' experience in the group and their ability to conduct the business of the group, acknowledge and learn from mistakes, and identify and replicate positive experiences.

Finally, according to Willis (2007), the case study has researcher subjectivity, external validity and replicability as its main methodological concerns. However, Yin (2009) argues that the strengths of the case study approach outweigh its limitations. In enabling investigation of context-based issues and real life situations, case studies can produce rich and holistic account of a phenomenon.

3.3.2. Research Site

As highlighted in the first chapter of this research report, the study occurred in the community of Ezintabeni in Obonjaneni in Bergville in KwaZulu-Natal and a detailed description of this community is presented in the first chapter.

3.3.3. Positionality

Since the researcher was part of a SaveAct support team, he must acknowledge the unavoidable reality of subjectivity and the competing roles of facilitation and recording of discussion. The researcher was employed as an external programme support consultant to SaveAct. Since the researcher was part of the SaveAct support team in 2009, the participants were also likely to assume that the researcher had answers for most of the questions posed to them. Based on these challenges, the research design had to be strong on validity, trustworthiness and credibility (this will be covered in another section in the chapter). Validity refers to the degree in which the tool measures what it claims to measure while credibility involves establishing that the results of the study represent the perspective of the participants. A preventative approach was then employed to confront this reality. The local SaveAct's representative that was not part of the training and that has never supervised this group took the lead role in facilitating the discussion. This allowed the researcher to focus on recording the discussion without prejudice. This further allowed the researcher to maintain a neutral role and to probe and to seek clarity during the discussion.

3.3.4. Sample and Participants in the Study

This study has employed purposeful sampling. Purposeful sampling is when a researcher chooses respondents or a site which provides specific knowledge about the topic of the study,

or in other words a sample from which the most can be learned (Merriam, 1998). Besides the willingness of the members to Sizanani Savings Group to participate in the study, the researcher developed criteria to select the specific participants. These criteria are presented in box 1 below.

Box 1showing criteria for selecting a savings group to participate in the research study. The group that was selected was the savings group that had members that;

- have participated in training workshops by SaveAct
- have received mentorship and supervision from SaveAct for at least 12 months since the date of establishment
- have participated in one or more key functions such as general administration and record keeping in the group

The savings group was to be selected if it had;

- operated uninterrupted for at least 5 years
- operated without support and supervision from SaveAct for the last 3 years
- retained at least 50% of the founding members of the group

Out of thirty members of the savings group which met the criteria referred to above (box 1), only nine participants agreed to participate in the study. Twenty-one members of the group did not participate in the study. Purposeful sampling allowed the researcher to encourage and select participants with institutional memory about their savings group. These participants were selected at the introductory meeting of this research project – and where the researcher only carried out the direct observations.

3.3.5. Data Collection

Data collection methods that were used in this study were document reviews, direct observations, focus group discussions and semi-structured interviews. The use of multiple data collection was chosen to enhance the credibility of data (Yin, 2003), and to mitigate risks that could affect the findings (Cohen & Manion, 1984). The researcher chose to study

the SaveAct's development model and archival records of Sizanani Savings Group because the development model for SaveAct provided key learning moments for the participants while the archival records presented the performance of the group. According to Baškarada (2014) archival records are more reliable than other forms of documents such as policies that may not always reflect reality. Direct observations sessions were conducted when the group was conducting its monthly business. Each observation session was as long as the group meeting which lasted about three hours each. The researcher observed two savings meetings of the group. Direct observations were found appropriate for the study as they allowed the researcher to understand the processes followed by the savings group in conducting their savings and loan issuing meetings, record keeping and participation of members in resolving challenges they had. The researcher took an active role during the observations by asking questions aimed to clarify discussions amongst group members.

The researcher also conducted three semi-structured interviews with three group members that lasted just over an hour each. Participants in these interviews also participated in the focus group discussion session. Interviews were chosen for two main reasons. Firstly, they provided opportunity to get the view of participants independently from the focus group discussion sessions. In other words, they gave the researcher an opportunity to probe deeper in areas that required further clarity. Secondly, interviews provided opportunity for the researcher to better understand the independent perspectives of the participants. Data collection techniques are further elaborated on here below.

4.1.2.1. Document Reviews

Rule and John (2011) recommend document analysis as the appropriate place to start the case study as documents provide history, a sense and a direction of a case. Organisational documents carry independent meaning from that of the researcher (Blanche, Durrheim & Painter, 2007). They provide the researcher with a sense of direction. Besides understanding the objectives and outcomes of the training programme and indicators of learning through the lens of SaveAct and the community development context of the research site, document analysis also aimed to look for evidence of learning in the group as reflected in the SaveAct development model. The selected sources were mainly the training manual for savings groups, the constitution and the reports of Sizanani Savings Groups which recorded the life history of the group. The significance of the training manual of the savings groups and the

reports of the group provided insight and understanding with regards to the learning programme and the capacity of the group to conduct its business. The development planning reports of Ukhahlamba Local Municipality were used to provide better understanding of the contextual factors of the community of Ezintabeni.

4.1.2.2. Direct Observations

Observations most often take the form of participant observation (Blanche, Durrheim & Painter, 2007). The researcher observed the savings group conducting its monthly business in their chosen homestead in the village. The researcher did participate in the meeting of the group during the observation although only to ask questions of clarity. The researcher attended two meetings where the participants of the group saved, paid back their loans, took new loans and recorded all their transactions accordingly. These meetings happened one month apart.

The main purpose of observing the group conducting its monthly meeting was to understand the application of learning on two levels. Firstly, it was about the application of non-formal learning in conducting the business of the group as was taught by SaveAct. For example, direct observations allowed the researcher to assess the ability of the group in following the standard procedure of conducting a meeting, recording savings, payment of loans and taking of new loans. The sequencing of critical steps of a savings meeting provided positive clues that pointed towards the strengthened institutional capacity of the group. Secondly, direct observation also allowed the researcher to identify instances that confirmed that informal learning was happening in the group. To do this an observation schedule and a checklist was developed. The direct observation schedule is attached as Appendix A of this dissertation. This allowed the researcher to remain focused on the research question, but leaving opportunities to record unexpected information (ibid). For example, in the absence of record books that are normally provided by SaveAct, the group developed a journal that captured savings, loans taken out, loans repaid, outstanding loans and closing balances. Again, the discussion and the responses regarding "the rule-breaking" by few members of the group that were struggling to pay their debts were manifestations of the maturity and institutional capacity of the group to deal with adverse realities. Thirdly, to directly observe relationships between and among members, see how seniority played a part in participation and positioning in that space.

4.1.2.3.   Focus Group Discussion

The focus group discussion session followed a week after the second direct observation session. One focus group discussion was conducted and it took approximately four hours. It was constituted by nine members of the Sizanani Savings Group who were part of the establishment the group in 2009. This focus group discussion session was divided into two parts. Besides reminding the participants about the purpose of the meeting, the first part presented the structure of the focus group session, its duration and the voluntary nature and right of the participants not to participate or answer questions that they feel uncomfortable with. The second part was the focus group discussion session that was guided by a set of questions that formed the basis for discussion. Refer to Appendix B for details.

The main purpose of the focus group discussion was to encourage dialogue amongst the participants that would respond to the key research questions. According to Blanche et al., (2007), a focus group is largely constituted by a group of people of between six and twelve, who share a similar type of experience. The focus group discussion meeting was held at the house of the chairlady. This had been the meeting venue since the establishment of the Sizanani Savings Group in 2009. This number of participants (nine) was deemed sufficient and adequate to yield usable insights and data of the study (Cohen, Manian, Morrison, 2007; McMillan & Schumacher, 2001).

The nature of the focus group discussion allowed the interviewer to engage the participants on issues that could be deemed sensitive for the group to discuss on its own. For instance, the first research question that deals with participation in the group's activities was teased out by questions like: how do participants reject or accept new members into the group? The key research question dealing with the learning that occurs in the group was probed in this way: what is it that you are able to do now that you were not able to do before joining the group? Very close to this were probing questions regarding the creativity in responding to challenges that the group faced and which required the application of the constitution within their social context. Similarly, the learning and the institutional capacity of the group was teased out with questions that dealt with challenges they faced regarding loan defaulters. Questions that

probed the capacity of the group in correcting their mistakes as a collective were asked to expose the connections between key research questions. For instance, the group was asked as to how they intended to deal with over-indebtedness that was seen as one of the causes of breaking the rules of the group.

A focus group discussion structure was adapted from Blanche, Durrheim and Painter (2007). It provided the structure and key components for facilitating the focus group discussion – in terms of group procedure, interaction, content and recording. These four components were integrated in the focus group schedule (refer to Appendix B) to create a stimulating social environment (McMillan and Schumacher, 2001), and to maximize the interaction within the group (Cohen et al., 2007). The four components involve:

- Procedure gives the focus group a structure of discussion by establishing limits and the 'rules of play';
- Interaction is about the facilitation style and the management of interpersonal dynamics so that maximum participation is achieved;
- Content usually follows a semi-structured interview format allowing the facilitator to probe deeper, interpret, cluster the discussion into themes and summarise the discussion; and
- Recording largely entails taking of field notes and audio recording of the discussion but not by the main facilitator.

Adapted from Blanche et al., 2006

As reflected in the preceding sections, there was one focus group discussion with the participants, which lasted approximately four hours. Participants sat in small circle. This sitting arrangement helped to limit domination of dialogue by a few. This was supported by eye contact. It triggered and encouraged voluntary contribution. For example, a participant would refer to a specific incidence or event while looking the other participants in the eye. In some cases, a participant would refer to another participant by name. This was a direct invitation to make a contribution in the dialogue. In other words, this would trigger the other participant to provide further details (experiences) on the subject under discussion. Probing and clarifying questions allowed the facilitator to explore perceptions and understanding of the participants (Bartram & Christiansen, 2014). For example, there was a view that members

that joined the group after the first and second year had certain disruptive behaviours. Participants were asked to list specific actions that they perceived as disruptive. The discussions were recorded with electronic recorder and notes were captured personally by the researcher.

3.3.5.1.   Semi-structured Interviews

The interviews took place one week after the focus group discussion and each interview lasted just over one hour. The main purpose of these interviews was to discover those experiences that participants were not able to share during the focus group discussion and specifically to understand what the participants had learnt as a result of participating in the savings group. This section describes the interviews and how they were conducted. Three participants were selected for the interviews because of their roles in the group, such as recording of meetings and general administration. (Refer to box 1above.)

The semi-structured interview schedule was developed (see Appendix C) to guide the interviews and to help limit the probing questions to a minimum. These interviews were conducted at the houses of each of the three respondents. This was done to ensure that the respondents were in their relaxed space so that they could be motivated to raise issues that the researcher may have overlooked. For example, a researcher may have missed subtle issues regarding the reasons behind slow repayment of loans by participants. For instance, passive participants may have agreed to group meetings before they had received their remittances or state social grants. This may have caused some participants to miss their instalment loan repayments.

The nature of the semi-structured interviews allowed the interviewer to pose open-ended questions and to adapt the questioning to suit the context. For instance, the researcher asked the respondents to share skills and lessons that she or he, as a member of the savings group, had gained since the establishment of the group and in support of the goals of the group. Further to this, the interviewer could probe deeply on specific issues and thus to generate rich data, but maintained the balance for the interviewees to express their opinions freely. The open-ended questioning technique was used to trigger purposeful conversations and to achieve authenticity and depth of response (Cohen et al., 2007), which allowed the respondents to share their experiences regarding their participation, learning and their trust of

the group to resolve its challenges. Some level of drifting from the questions at hand was provided in order allow insights regarding the perceptions and the usefulness of the savings group.

3.4. Data Analysis

This section presents the methods used to analyse data and to interpret the document analysis, observations, focus group discussion and individual interviews. According to Merriam (1988), data analysis is a process of examining raw data by using logical reasoning to draw constructive information that is used to formulate conclusions. In this instance, data analysis in case studies interprets data systemically to identify and categorise specific observable patterns and/or characteristics (Merriam, 1988). The main purpose for looking for patterns is to search for meanings that are understood and experienced by the participants. A deductive data analysis approach was used in this research study and two themes were drawn from the characteristics of the communities of practice. The themes were the shared domain of interest and a shared practice.

Guided analysis was used extensively to develop better interpretation of data. Field data was then coded to identify patterns, similarities and differences and was later use it to generate themes (Rule and John, 2011;Bertram and Christiansen, 2014); and individual responses from the interviews were analysed, categorised and compared with the results of the focus group discussion. A spreadsheet was used to analyse data responses in the following way:

- Firstly, recurring themes were identified from the research notes.
- Secondly, the focus group and interview questions were allocated numbers to enable the coding of responses against questions and themes. For example, patterns that reveal evidence of participation such as collective decision making, adherence to the constitution of the group and the results of participation were categorised and coded to fit the two themes. The two themes were the shared domain of interest and a shared practice.

This method made it possible for the researcher to identify commonalities and trends that emerged during the conversation with the respondents (Maree, 2011). The presentation of the research results is in a narrative form.

3.5.   Ethical Considerations

One of the key considerations was negotiating access. A meeting was arranged and held with Sizanani Savings Group. In this meeting with the group, the University's ethical expectations such as autonomy, beneficence and non-malfeasance were explained in detail to secure the informed consent from the members of the Sizanani Savings Group. For instance, it was emphasised that the researcher would respect the choice of the members of the group to participate or not to participate in the study. For those who chose to participate, the researcher emphasised that they have autonomy to express or hold their views regarding any topic that is discussed during the research study. In addition, the researcher emphasised that the views and experiences shared during this study should make positive contribution towards the operation of their savings group. This was done to secure the informed consent from the members of the Sizanani Savings Group.

According to Bertram and Christensen (2014), autonomy, beneficence, non-maleficence are three principles that should inform the research process. Autonomy includes respect of participants' right to hold and express their views and to make choices of their own. The researcher sought consent from all parties involves, that is, the University of KwaZulu-Natal and the members of Sizanani Savings Group. Permission was sought from mainly from the members of the savings group. A letter requesting a meeting and introducing the research project to the savings group was prepared. During the introductory meeting, the objectives, the process and the duration of the study were explained to the savings group members. An informed consent form was prepared and presented at the introductory meeting, which took place about one month before the data gathering processes commenced. In the main, it was explained that the participants are free to choose to participate and to withdraw their participation at any time of the research process. Participants were assured of the confidentiality of the information and the anonymity of the sources. They were also assured that transcripts and notes of the interviews would be kept in a safe place and to which only the researcher and the School of Education in the University of KwaZulu-Natal would have access; and that such would be destroyed three years after the completion of the study.

Beneficence is about doing public good and in the case of this research study it referrers to the use of the study by other researchers, policy makers, development institutions and the broader society (Christiansen et al., 2010). The researcher is passionate about adult learning in advancing inclusive financial services and believes that this study could influence and shape future programmes in the financial services sector. Non-malfeasance referrers to a commitment or obligation not to do harm to the next person (ibid). For this research study, the researcher was careful not to inflict any form of pain, be it physical or emotional. The researcher ensured that the participants used the same meeting venue and their own houses, where they felt safe.

Regarding the research findings, the researcher promised to share the findings with the participants before they are finalised. The researcher also promised the participants that he would share the research report immediately after it has been approved by the University of KwaZulu-Natal. To maintain anonymity, the name of the savings group and the exact location or sub-ward (*isigodi*) were not recorded in the final report. There were more than seven savings group operating in this sub-ward making it difficult to identify this particular group. However, it was important to retain the name of broader community and the name of the Municipality for reasons associated with future community development planning. In this instance, the rich information drawn from the contextual factors laid the foundation for future development interventions by community development organisations.

In conclusion, ethical considerations focused on ensuring participant autonomy, and protecting and doing no harm to the respondents and were upheld throughout the research process.

3.6.   Quality of the Study

The pitfalls of interpretive research such as subjective aspects of experience which may lead the researcher to clutter findings as 'many truths' were noted (Blanche et al., 2007). The research design prioritised the description of the nature of knowledge pursued, how it was produced and assessed within the interpretivist paradigm. To do this, it was decided to have the findings of the study verified by participants. According to Maree (2007), and according to Rule and John (2011), reliability and validity are the pillars of trustworthiness or quality of

a qualitative research study. However, assessing credibility of qualitative findings may be a very complicated task. To demonstrate trustworthiness, validity and credibility of the study, Baxter and Jack (2008) summarises strategies for achieving trustworthiness of the case study. Firstly, the research question should be clear and be well substantiated by key clear research questions. Secondly, the research study design should be appropriate to the research question and adhere to the theoretical framework. Thirdly, it is about purposeful sampling. Purposeful sampling strategies should be applied appropriately. Lastly, data collected should be managed systematically and analysed appropriately. Guba and Lincoln (1985) simplified the credibility of data. Credibility of data and the study is described below.

- **Credibility and Confirmability**

  Credibility involves establishing that results of the study are believable from the participants of the study hence the researcher should describe the phenomena from the perspective of the participants (Guba & Lincoln, 1985). Data should reflect the reality of the participants in the study. Confirmability refers to the degree to which the results of a qualitative study could be confirmed by other researchers. Most important is that the results of the study should reflect the view of the participants and not the researcher's bias or subjectivity. Interpretations of data were pursued consistently to identify multiple influences. This was done by listening to the audio tape and comparing with the researcher's notes. The findings and the results of the study were shared with the participants in one of their savings meeting.

- **Purposeful Sampling**

  The significance of purposeful sampling is that it can maximize the range of specific information that is obtained from a specific context, which is purposely selected by the researcher. The researcher used criteria (refer to box 3 above) to select the participants for the study.

- **Dependability and Transferability**

  The researcher collected and recorded sufficient and detailed description of data and sufficiently providing a detailed description of the context to allow judgments about transferability to be made by the reader. To allow sufficient recording of data the

researcher did not facilitate the focus group discussion. It was facilitated by SaveAct's local representative. The researcher could concentrate on taking notes probing for clarity where it was necessary. A preparatory meeting was held with the SaveAct's local representative where the structure and the schedule of the questions were discussed. This prepared her well to facilitate the focus group discussion. The focus group session was recorded with a digital recorder and notes were recorded in a daily journal like observations and interviews by the researcher while the participants were speaking. The finding and the results of the study would be the same if replicated with the same participants and in a similar environment.

- **Validity**

  Validity refers to a degree in which the tool measures what it claims to measure. The researcher employed four data collection methods to ensure validity. The responses generated by these methods were coded, categorised and developed to fit into the themes extracted from the theoretical framework.

Although the researcher has the advantage of a good command of both IsiZulu and English, translation between the languages during the focus group discussion and interviews could have compromised the study. Conversations with the respondents were conducted in IsiZulu and recorded in English. For instance, key words in the study such as empowerment and functional participation could have not carried the same meaning between the participants and the researcher. Lastly, the research project could have been compromised since participants were aware that the research was involved in the work of SaveAct. For instance, participants may have assumed that the researcher knew some answers and this could have led to cosmetic behaviours and weak responses. Nevertheless, the researcher was aware of these risks and took precautions described above to limit their impacts on the study's findings.

3.7.   Limitations of the Study

The main limitations of the study are reflected below:

Limited time spent on collecting data

The short time period that was spent in collecting data was one of the limitations of the study. Field visits were designed to coincide with the monthly meetings of Sizanani Savings Group. The purpose of the first meeting was to introduce this research project and to negotiate access. The observation of two further meetings took place over two months. In total, three days were used in the space of three months for negotiating access and conducting direct observations. Two further days were spent during the third month to collect data using focus group discussion and interviews. This gave the total of four days that was spent on fieldwork over a period of three months excluding the introductory meeting for negotiating access. The sequencing of the meetings of the group determined the availability of participants. This was the main limiting factor with regards to meeting the group. However, some adjustments were to be made particularly with regards to time and distance between the research site and the residence of the researcher. A higher number of groups and days would have widened the possibility to generalise the findings and increase the dependability of the study, for instance, by collecting data from two or more savings groups in different phases of the SaveAct's programme, but this was not going to be possible due to distance to different research sites, time and financial constraints.

English and IsiZulu during data collection

Another limitation to the study concerned a level of ambiguity imposed by the research instrument that was prepared in English and translated into IsiZulu. In many instances, there is not direct translation of English words and concepts from English to IsiZulu. For example, words like "shares" and "passbooks" that were used during data collection have no direct translation for IsiZulu. This was resolved by giving detailed explanations and examples to deal with ambiguity of questions when translated from English to IsiZulu.

Previous involvement of the researcher in SaveAct work

The participants were aware of previous involvement of the researcher in the work of SaveAct. The researcher was therefore concerned that in some instances the participants felt that he already had answers for the questions and clarifications he was asking for. This was resolved by giving explanation that although the researcher was previously involved with SaveAct, he was not intimately involved in training and supervising the savings groups.

Despite these limitations the researcher recorded clear, precise and non-judgemental field notes by hand and with the help of the digital recorder, the observation schedules (McMillan and Schumacher, 2001, and Cohen and Manion, 1984) and the daily journals. Unbiased personal reflections of the incidents at the site were also recorded.

3.8.   Summary

This chapter has provided the justification of the interpretive paradigm, research methodology and the research process used. It presented and explained the methods of data collection which were the document analysis, observation, focus group and in-depth interviews. It described the sample. A data analysis approach was described. Lastly, this chapter has justified the credibility of data. The next chapter presents the findings of the study emanating from the analysis and interpretation of data gathered. It interprets the data in accordance with the conceptual framework that has emanated from the literature review. The themes that emanate from the data are discussed and presented to respond to the research questions of the study.

CHAPTER 4: PRESENTATION AND DISCUSSION OF FINDINGS

4.2. Introduction

The purpose of this chapter is to present a qualitative case study that is focused on developing an understanding the experiences of learning in the Sizanani Savings Group. Guided by the key research questions and following a deductive approach and community of practice as a theoretical framework, major categories were generated from the primary research data. The categories reflect learning as belonging, as becoming, as experience and as doing. The themes that were generated from the theoretical framework were shared domain of interest and a shared practice. Figures and tables to clarify issues that were discussed during different conversations are presented. This chapter concludes with a summary of key findings which lay the basis for recommendations in the final chapter of this dissertation.

4.3. Presentation of the data

According to Wenger, the community of practice should have at least three characteristics, which are the domain, the community and the practice. Data presented here start off with the presentation of the case. This is followed by presentation of themes which are shared domain of interest and the shared practice. The shared domain of interest is presented by two sub-themes which are: group methodology and bond of association. The second theme adapts the four components of the community of practice which are: (i) learning as belonging, (ii) learning as becoming, (iii) learning as experience and (iv) learning as doing.

4.3.1. The Case: Sizanani Savings Group

This section wants to present the case to reflect the key features of the community of practice. It starts by describing the community of Ezintabeni where Sizanani Savings Group operates. It then ends by describing Sizanani Savings Group using the three characteristics of the community of practice.

The socio-economic experiences of the community of Ezintabeni reflect the nature of the financial services in South Africa. Although South Africa is characterized by a very advanced and sophisticated financial services industry, many poor people do not have access to useful financial services, particularly in the line of savings, investment, credit and insurance. The nearest town is Bergville where most financial institutions, shops and other service providers are located.

There are few anomalies that result from spatial location of rural communities and the price households pay to travel to town. The distance between this rural community and the town makes consumer products and services more expensive for this rural community. For instance, shops operating in Ezintabeni tend to charge high prices to make up for transport costs. The distance and the cost of transportation of goods from town makes it even harder for local people to operate most income generating enterprises because their products end up more expensive compared to retailers in town.

The life of a rural household is further complicated by access to financial services. The majority of people from this community do not have the financial clout to be considered as valued clients by the financial institutions, mainly by the banks and are effectively pushed to the arms of exploitative and notorious informal moneylenders when they require credit or loan products. They do not have assets that can be used as collateral by the banks so that they can qualify for loan products, leaving them to informal moneylenders that charge exorbitant interest on their loan products. This tends to destroy opportunities for the vulnerable households to claw their way out of poverty. Consequently these three challenges translate into a very expensive community to live in. Besides being a cash-starved community, householders battle to save the little they have in the face of ever increasing household consumption demands.

Sizanani Savings Group reflects all three characteristics of a community of practice as defined by Wenger. Sizanani Savings Group has a clear identity which is defined by a shared domain. Its members operate a savings group that provides specific financial services to them. These financial services are clearly defined as monthly savings, access to short-term credit and getting lump sums at the end of each saving cycle. The collective or shared competence of the members of the group distinguishes members from other people in the

village. Further to this members of the group engage in joint activities and discussions in pursuing their interest as reflected in the domain. These joint activities and discussions establish a community as their relationships allow them to care for each other and to learn from each other. Doing things together and learning from each other transforms the members of the group to practitioners. As a practice, members of the Sizanani Savings Group had developed a shared repertoire of tools, cases, stories and experiences in managing their group, and most importantly ensuring that the goal of their group is achieved. It is this practice that validates members as practitioners of Sizanani Savings Group.

4.3.1.1. Profile of Participants

The tables below present the biographical information of the participants in this research study.

GENDER			AGE				
			Females		Males		
Females	Males	Total	40 – 49	50 – 65	40 – 49	50 – 65	Total
8	1	9	3	5	0	1	9

Table 1: Gender and age of participants

EDUCATIONAL LEVELS				
	Completed Primary Education	Completed Junior Secondary Education	Completed Senior Secondary Education	Achieved a Post Senior Secondary Education
Females	3	3	2	0
Males	1	0	0	0

Table 2 : Educational levels of participants

INCOME SOURCES						
	Remittances	Child Support Grant	Old Age Pension	Income Generation Activity		
				Tuck Shop	Selling Household Items	Selling Vegetables
Females	7	5	4	3	4	0
Males	0	0	1	0	0	1

Table 3: Income sources of participants

The tables above present biographical information of the nine participants in the study. These are income sources, gender and age distribution, and educational levels of the participants. These characteristics were chosen for their direct relationship with the key research questions of the study. The significance of this is to show that all nine participants that participated in the study were receiving income on monthly basis and this allowed them to participate in the savings group.

4.3.2. The Nature of Learning

The themes that were extracted from the communities of practice are: shared domain of interest and a shared practice. The three moments referred to above are: establishment of the group, intervention by SaveAct and post-graduation, or the lonely road. The significance of these three moments is that they reflect the nature of learning as: learning as belonging, learning as becoming, learning as experience and learning as doing (Wenger, 1998; 2000).

4.3.3. Theme One: Shared Domain of Interest

This section explores the nature of participation and collective learning in the Sizanani Savings Group by studying ways members of the community establish the savings group; become and belong into the group and participate in activities of the savings group. Shared domain of interest has been found appropriate to describe the action that is taken together by members of the Sizanani Savings Group. The theme: shared domain is presented through two sub-themes which are the group methodology and bonds of association. It is a form of organised social act that the Sizanani Savings Group carried out to address the unavailability of financial services in their community. The main goal of Sizanani Savings Group is to provide a community-based financial vehicle that is able to take monthly deposits for savings, provides short term credit to its members and provide lump sums at the end of the saving cycle.

> *Life was not easy before we started our group. We did not have enough money to meet our needs. Loan sharks were killing us* (Zanele, 2014).

We started in 2009. We started with 15 members in 2009. I heard about SaveAct from other people on the other side of Obonjaneni. The story was interesting. I shared the news with my neighbour and we decided to tell others (MaZungu, 2014).
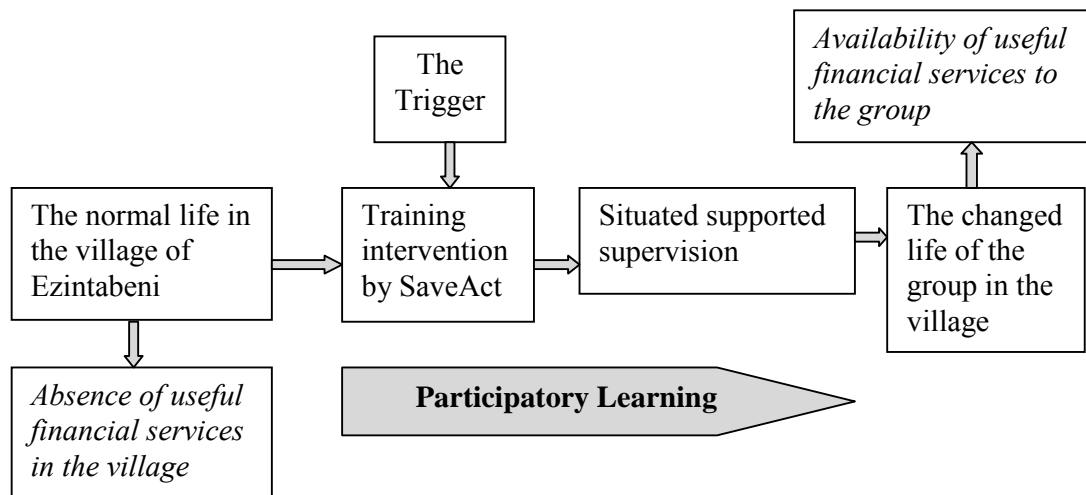
Figure 2: The journey of transformative learning through participation

There is relationship between a shared domain of interest and collective action. In this instance, collective action has been associated with public campaigns and political actions where members of oppressed and/or underserviced communities engage in public protests to secure attention and to get their miseries resolved. Collective action has also been associated with community development initiatives and has been used to depict direct involvement of people in their development (UNDP, 2010; World Bank, 2013). Basically, collective action is the manifestation of shared interest of those people involved in collective action. Based on how the savings group is established and how it conducts its business, the theme, shared domain of interest has been found appropriate to reflect the experiences of the participants with regards to their participation in the activities of SaveAct. Figure 2 above presents key experiences of the participants, before, during and after the intervention by SaveAct. Figure 2 also shows a clear picture as to how the participants were able to establish and manage their financial institution. This section responds to the key research question: How does Sizanani Savings Group participate in SaveAct activities? Two sub-themes which are group methodology and bond of association have been found appropriate to describe a shared domain of interest.

4.3.3.1.   Sub-theme one: Group Methodology

This sub-theme was used to explore how participants engaged in the activities of SaveAct. The purpose of this section is to identify experiences of participants with regards to the application of group methodology in the Sizanani Savings Group. This section also reflects on engagement, knowing, trusting and lived experiences, governance and the constitution.

Engagement

> *I heard about SaveAct from other people. I engaged a local woman that was employed by SaveAct in Obonjaneni. I could not believe what I was told. I decided to tell most people that I knew that want to improve the quality of life of their families* (MaBhengu, 2014).

> *SaveAct helped us to start our group. We were trained and as a result developed our set of rules. SaveAct was always present in our monthly meetings to support us but after a while we were left on own* (Mr Zulu, 2014).

At least three observations can be drawn from these statements. The engagement of participants was traced in all three moments of in the journey of learning of the group. Firstly, engagement with SaveAct was initiated and driven by the participants and particularly during the recruitment stage. It took only few participants (women)to identify possible other participants in their neighbourhood to join them in the exploration meeting with SaveAct. The exploratory meeting provided the participants with information that was adequate for them to make a decision regarding participation in the SaveAct programme. However, it was also clear that SaveAct was offering a part solution to their challenges that was already packaged and ready to be consumed by community members. The statements above reflect collective action and a shared domain of interest amongst the participants which appeared to be organic and voluntary. There was a clear desire amongst the participants in taking collective responses to their development challenges (Chambers, 1995, Freire, 1970), which in this case their challenges were largely caused by lack of financial services in their community. The significance of the active role played by the participants in this initial phase displays the level of hope that was attached to SaveAct activities. The exploratory meeting also laid the foundation for training of participants that registered interest in the activities of

SaveAct. The statements above also reflects that the participants went through training, monthly supervision and graduation that confirmed that the group had capacity to operate independently from SaveAct.

We were relieved to hear that no money was going to be paid to SaveAct. We were happy to learn that we were responsible for the management of our books and finances and this was different from stokvels that we knew (Lulu, 2014).

We were also happy that there would be a person from SaveAct that was going to visit the group during its monthly meeting. This meant that there was going to be no confusion in recording keeping and following procedures. This kind of guidance gave us hope that we were going to be successful like other groups in Obonjaneni (Mrs Cele, 2014).

The significance of engagement with SaveAct prior to the establishment of Sizanani Savings Group was an opportunity and platform for participants to understand the development programme that was promoted by SaveAct. The participants understood and appreciated that they would be fully responsible to manage the affairs of their group including their money. The discussion that took place regarding the criteria for forming a group and mainly self-selection was irrelevant because participants had made their minds that they would be members of the group that was yet to be established. It would also appear that no participant would have been bold to apply the selection criteria religiously to disqualify the participants that did not meet the criteria. This may be caused by the fact that participants only invite friends and relatives which would make it complicated to reject their membership during the training meeting. In the same vein, it may be argued that only like-minded people get the invitation to attend the exploration meeting and to participate in the training meeting conducted by SaveAct. The group methodology anticipates that self-selection happens during the first training workshop and in this particular instance self-selection was not the case. The statement above only suggests that selection of participants (members of the group) happened long before the exploration meeting with SaveAct. This process of establishing a savings group resonates well with the observations of Chambers (1995) that while participation is diverse and complex, it has internal selection filters that decide as to who participates as well as the level of participation (Robinson, 2002). This is very important for the group methodology with regards to the application of the rules as contained in the constitution of the group.

Knowing, Trusting and Lived Experiences

We invited other women in the village that we trusted to a meeting with SaveAct. All of them joined us in establishing the group, and all of them were our relatives and friends (Mrs Zondi, 2014).

I was worried about the concept of a stokvel. I was concerned about collecting our money and giving it to some people that we don't know. But when I heard that SaveAct does not take any money from people, I took a decision to join other women (Mrs Mtolo, 2014).

We were challenged after the departure of SaveAct. We allowed other people that we trusted to join the group. The group struggled to get members to settle their loans in good time for the share-out (Mrs Khumalo, 2014).

Knowing and trusting one another was critical at the establishment stage of the group. The significance of knowing and trusting is that it informed the recruitment of members of the group. The importance of knowing and trusting each other in the group was also discussed in the light of self-selection during the exploratory meeting and later at the first training meeting. The significance of self-selection filters is the ability to empower similar-minded people to establish a savings group despite the fears and unintended consequences of the traditional stokvels. Fears of traditional stokvels and foreign organisation conning communities of their hard earned cash reflect the lived experiences of the participants. It appeared that this was the basis for confirming the membership of the group that was yet to be established. It would also appear that even though the criteria for establishing the group, accepting and or/rejecting members was discussed in the meeting, the participants that were already there had already decided to form the group which was purely based on knowing and trusting each other. Close to this was confidence and trust of the development programme especially because SaveAct was not taking money from the group. Clearly, control of their money and getting to learn new skills were the main fears or concerns of the participants. Participants confirmed that they showed jubilation and trust of SaveAct when they saw that they were really in control of their money during the supervision stage of the group. Besides

the trust that SaveAct earned, managing their money and all the affairs of the group improved their confidence and capacity to operate their group with less supervision.

Governance

The participants had this to say about governance of their group.

The way our group was going to be managed was simple and straight forward (Zanele, 2014).

It was for the first time I heard that members of the group can contribute different amounts and have a satisfactory way of distributing the money at the end of the year. I was not under pressure to pay one big amount. Shares gave us flexibility to pay anything between R100 and R500. I also like the fact that loans were only allowed to us only and not for people outside this group (Mrs Zondi, 2014).

We knew that if you take a loan from lender, you pay both the capital and the interest to him. You do not pay yourself interest and pay the lender the capital. Everything goes to him. The way it is done here is that a member of the group takes out a loan, give it to non-members of the group and the interest generated by these loans becomes hers. This is one common practice we had to change and to copy the money lender's way (Mrs Mtolo, 2014).

The statements above reflect the first two key moments of the group, that is, the establishment and intervention by SaveAct. Although the group methodology prescribes certain regulations regarding the governance and management of the savings group, it is clear that the participants were also encouraged by two other features of the programme which are transparent record keeping system and on-going supervision by SaveAct. Supported by social constructivism that follow Vygotsky's theory (Fox, 2001), it can be concluded that participants were drawing from contextual factors and unpalatable social learning experiences. The discussion triggered the participants to reflect on their experiences regarding traditional stokvels and through emotional learning (Illeris, 2003) they were able to construct new meaning (Mazirow, 1991) about the SaveAct programme. In other words, the statements above simple reflect that the participants had concerns and fears about SaveAct being a foreign organisation that they were expected to trust with their money. However, they

were happy that they were going to take full control of their money and ownership of their savings group and that SaveAct was going to hand-hold them to succeed with matters of governance and transparent record keeping.

The Constitution

I remember, we took time to develop our constitution. We set rules for becoming a member of our group. There was no position for executive committee but functions of all members of the group (Mr Zulu, 2014).

We also agreed on the items and steps in conducting our monthly meetings (Lulu, 2014).

We set the minimum amount a member can save as well as maximum loan a member can take and repay in three months (Zanele, 2014).

We are not too good with adherence to our rules when SaveAct was no longer checking on us. We gave members loans that were too big for them to repay. At least we managed to recover from this (Mr Zulu, 2014).

The group established its constitution during the first training workshop as part of governance strategy. This constitution became a master guide for all the operations of the group and a simple vehicle for correcting practices that disadvantaged others. In other words, the constitution guided the establishment and the operations of the group. The statements made by the participants above raised three major concerns which were: a simple and easy to follow group management system; giving loans only to members of the group; and the beneficiaries of the interest generated by loans. SaveAct's group methodology makes it clear that the group should establish a constitution that would provide a formal structure for accepting new members, conducting monthly meetings, issuing and repayment of loans, for dealing with delinquency and so forth. Based on the group methodology, it can be concluded that the content of the constitution that dictates how the group should be established and operated is one major qualification that guarantees the savings group to participate in the activities of SaveAct and at least gives hope that the group will be able to operate

independently from SaveAct after graduation. Critical contents of the constitutions were found to be as follows:

- Firstly, the establishment of the group should be championed by the people themselves. Obviously these are people that know each other very well. In other words, the request for participating in the SaveAct activities should come from the people that want to operate the group and they should participate in the exploration meeting and make a decision at this meeting whether to continue or not and if they decide to continue they set a date and time for a training meeting where the details of participation in the SaveAct activities are explained
- Secondly, strict adherence to rules and procedures prevail over all activities of the group. For instance, participants bought between one and five shares in each monthly meeting and only members of the group qualified for loans. Together with shares, the interest generated by loans made up a collective fund that was owned by the group.

In conclusion, the significance of this group methodology is that it encouraged the participants to group themselves in ways that reflected their lived experiences and trust among the participants. It was in this way that lived experiences were able to inform the decisions participants took to establish and operate their savings group. This section has demonstrated that lived experiences and trust were the bedrock to the development of constitution and its rules and procedures which gave the group the purpose and the sense of direction especially during the establishment, training and supervision stages of the group.

4.3.3.2. Sub-theme two: Bond of association

The research data demonstrates that there were aspects and activities that kept the participants interested in what they were doing and working together. The purpose of this section is therefore to identify the role of social bonds, types of participation and discipline which facilitated the establishment and operation of Sizanani Savings Group.

Social Bonds

> *There was talk about SaveAct in this village. I was invited by my neighbour to attend a meeting with SaveAct. I knew all the women in the room* (Mrs Bhengu, 2014).

> *Basically I invited women that we collaborate in village chores. I mean women from my burial society and from my church. I did not forget my father*(Mrs Zungu, 2014).

Clearly there was dialogue in the neighbourhood mainly amongst women that knew each other but specifically those women that were engaged in community work. This assertion is informed by the description of the bond of association that is provided by the CBDA (2013; 2016) which sees it as a chain of trust that is facilitated either by geographical location, organisation or work amongst people. This was very critical for the recruitment of members and the establishment stage of the group. The data shows that the establishment of a group was triggered by women who shared positive stories about other successful groups outside her village. This could only suggest that some social bonds were responsible for selective invitations that went out in preparation for the exploratory meeting with SaveAct. The significance of this is that social bonds are pillars of collective action such as communal responsibilities where the superiority of collectivism prevails in groups similar to Sizanani Savings Group. Social bonds are responsible for achieving collective harmony as they create social pressures amongst members and such result in lessening the risks associated with bad behaviours in a community-based financial institution (CBDA, 2013; 2016). This study has concluded that bonds of association that existed amongst the participants is the main anchor of the group methodology because the domain, community and practice (Wenger, 1998) was clearly articulated by the members of Sizanani Savings Group. The participants that attended the exploration meeting and the training meetings were still participating in the group five years later.

Participation

> *I remember we discussed the good qualities of members and of good leadership. We discussed good behaviours of members of the group* (Mr Zulu, 2014).

Many things were discussed during the training. I cannot remember the precise sequence, but I do remember the discussion of a constitution and the rules; of knowing each other very well; of trusting one another and of following procedures set by SaveAct (Mrs Khumalo, 2014).

We meet every month to conduct our business. It is a very simple business. We bought shares, we paid our debts and we took new loans (Mrs Cele, 2014).

The statements above reflect that manipulative participation was used to encourage participants to engage with, and reflect on their past experiences. Obviously, the significance of manipulative participation was that it triggered social bonds and helped participants to establish Sizanani Savings Group. For instance, the discussion about good qualities of members and good leadership qualities during the training meeting triggered the participants to reflect on the personalities and behaviours of their colleagues. Again, participation was manipulative because the discussion about the anticipated behaviours of to be the members of the savings group resulted in the formulation and adoption of the constitution which laid the basis for support and supervision by SaveAct.

While the training meeting may suggest manipulative participation, compliance to the constitution, rules and procedures may suggest movement towards functional participation. There is clear connection between the topology of participation as described by Pretty (1995), Arnstein (1969) and the SaveAct's structured approach is the manner in which the savings group moves through different forms of participation.

We discussed simple matters about money. We discussed what we take for granted about earning and using money (Mr Zulu, 2014).

According to the description of participation provided by Pretty (1995), it is clear that SaveAct moved strategically from manipulative to functional participation and this is confirmed by the research data in the following way. The first stage was a mixture of manipulative participation and participation for material gains. The participants knew that they stand to benefit materially if they participate in the SaveAct activities. Their participation was motivated by the positive stories people heard about other savings groups that were supported by SaveAct and it was for this reasons that they requested an exploration

from SaveAct. The result of this engagement between the participants and SaveAct resulted in the exploration meeting which was followed by the training meeting. The significance of the exploration and training meetings was to explain the group methodology that the participants had to accept in order to quality to participate in the SaveAct activities. It can be therefore concluded that participation was manipulative because the participants had to follow strict procedures as expected by SaveAct.

> *We were ready to do everything that we were advised by SaveAct to do so that we could achieve what other women in the neighbouring villages have achieved. We had to be united* (Mrs Khumalo, 2014).

Regardless that participation was manipulative, some form of learning took place. The exploration meeting re-affirmed the importance of the bond of association and trust amongst the members of the group. It would appear from the responses of the participants that the bond of association made it easy for them to discuss and share their unpalatable experiences in traditional savings groups such as grocery stokvels. For instance, there was a consensus that it was a bad practice for the money and the records of the groups to be kept by few individuals in the group. They agreed that it was improper for the interest from loans to be earned by individual members and not by the group. They realized the risk of offering loans to non-members of the group. They also acknowledged that traditional savings groups were not transparent enough to prevent wrong doing and manipulation of records by the few members of the group. However, all the participants applauded each other's experiences in the traditional savings groups because it provided a strong foundation for renewed intervention. Based on these discussions, the participants of the presentation meeting made a decision to participate in the savings group programme implemented by SaveAct. The participants registered for the training workshop.

The second stage was functional participation. The members of Sizanani Savings Group underwent training that facilitated learning to the members of the group. A training meeting was held over three consecutive days but taking three hours each day. This training meeting was structured in such a way that it balanced time required by women to take care of morning and afternoon chores. In these training meeting participants learnt about activities and processes for establishing and operating a savings group such as the development of a constitution and application of the rules contained in the constitution. According to Pretty

(1995), this was functional participation because the group was trained to comply with the set rules and procedures of a well-functioning savings group. In this instance, both Sizanani Savings Group and SaveAct used the training and supervision meetings to establish common ground required by both organisations to achieve their goals. The ultimate development goal for SaveAct is expressed in its evaluation report in 2014 as;

> *SaveAct's focus is on achieving financial inclusion and building financial capability amongst the poor and economically excluded groups in South Africa. It works with members of savings groups to assist them in developing sustainable livelihoods with an emphasis on agriculture* (SaveAct, 2014, p.8).

Surely, SaveAct development intervention was beneficial for the Sizanani Savings Group because the participants were provided with specific skills required to manage a community-based financial institution. The research data confirms that the structure of monthly savings meetings during the first year encouraged open dialogue, transparency and adherence to the constitution, rules and procedures. Led by the chairlady the participants were able to conduct the savings meeting in accordance to the set structure and procedures of the meeting as presented below:

- Asking the members about the closing balances of the last meeting.
- Making monthly contributions. This is referred to as buying of shares.
- Making loan repayments by borrowers.
- Issuing of new loans.
- Counting and announcing closing balances.
- Booking of new loans to be issued in the next meeting.
- Making announcements and closing the meeting.

This sequencing of the activities during the monthly savings meeting could only confirm the application of learning by the members of the group. It is important to note that the participants confirmed that the group was allowed to make mistakes and it were these mistakes that improved their comprehension and understanding of the group methodology. One month before the end of the savings cycle the group was assessed by SaveAct to make judgements whether they could operate independently from SaveAct. This was followed by the dissolution of the collective fund of the group and the beginning of the new cycle. The significance of this stage is threefold. Firstly, it allowed the group to implement the savings

programme in accordance to the prescripts contained in the SaveAct's model. This was a clear demonstration that the members of group had learnt the operations of the savings group in accordance to the expectations of SaveAct. Secondly, it delivered its promise that is, simplicity and guaranteed returns for every participating member. Lastly, it triggered the desire from the members of the group to do more in the second year. However, there was no evidence that the participants or the group reached the ideal form of participation, which is self-mobilization. The responses of the participants during the focus group discussion and interviews suggest functional participation instead of self-mobilization because participants had to comply with the predetermined group methodology to qualify for participation in SaveAct activities.

The research data reveals traces of interactive participation. According to Pretty (1995), interactive participation involves interdisciplinary and structured learning processes that seek to accommodate multiple perspectives from participants so that they are able to take control and ownership of their decisions.

> *Everything went very well in the first year. I remember we had our share-out sometime in January in 2010. We made a lot of money and everybody was very happy* (Mrs Zungu, 2014).

> *There were meetings when we felt the absence of SaveAct. We wished that SaveAct had continued to visit us at least once a quarter just to check whether we were still on track. The new members especially the younger one cared less about the rules of the group. All what they wanted was more money irrespective whether they qualify for a loan or not* (Mrs Cele, 2014).

Discipline

> *It is obvious. The impact of savings groups is very visible in this community. People want to participate in these groups to save money for buying furniture, appliances and building their houses. But the main problem is the intergeneration mix that challenges the founding rules of the group* (Zanele, 2014).

We allowed borrowers to repay their loans over extended loan terms (Lulu, 2014).

We resolved to encourage new members to establish their own groups and copy us, that is, us as the main group (Mrs Mtolo, 2014).

The research data provides evidence that the group was struggling to maintain discipline with regards to adherence to the rules of the group when the group was no longer supervised by SaveAct. This happened during the post-graduation stage or the lonely road. The 15 founding members of the group were battling to enforce the rules to the new 15 members. Reasons that insinuated the intergeneration mix and the fact that the new 15 members never received training and supervision from SaveAct were raised as root causes of challenges. The research revealed that the founding members couldn't push back but only condoned bad practices and mainly over-indebtedness until borrowers and delinquent members saw that the risk of losing their investment was imminent.

The research data also reveals that the group faced the biggest dilemma. Firstly, the participants had tasted the achievements of the group in the first year. This achievement happened during the training and supervision stages. Participants managed to buy household assets and met a variety of consumption needs. Secondly, the social bonds outside the group were too strong to enforce the rules of the group in ways that could risk their relationships outside the group. Lastly, the group was not prepared to keep huge sums of cash in the cash-box because such could have exposed the box keeper (treasurer) to criminal elements in the community.

It would appear that corrective measures in the group were guided by bonds of association which united them to acknowledge their mistakes and resolved to correct them. In other words the participants used the crises to craft the new agenda. This was the reflection of the interactive participation because participants acknowledged that the group was facing the worst tragedy, that is, the total collapse of the group. It was interactive participation because participants resolved to dedicate time to discuss challenges facing the group in each meeting and committed to find solutions as a collective. The following solutions are some of the highlights.

The participants resolved to reschedule loans over extended loan terms. They managed to force the defaulters to settle their debts. In this instance, defaulters that were no longer attending the monthly meetings were reported to the traditional leadership of the area. Some members were assigned to pay these defaulting members at least one visit per month. This strategy worked because two out of three defaulters settled their debts in good time before the dissolution meeting. The remaining defaulter was persuaded to sign an acknowledgement of debt where she committed to make payment over a period of six months in the following year. The second group of defaulters were those that were still participating in the monthly meetings of the groups. These defaulters were advised by the group to prioritise loan repayments over buying shares. Based on these experiences where members battled to repay their loans, the founding members of the group plus few good standing new members supported a decision that new members should be supported to establish their own groups. Each time an off-spring was established, one or two members from the parent group would take leadership roles in it in order to provide the necessary guidance. This ensured that the basic principles and rules are followed by the off-spring group. The research data reveals that to-date; Sizanani Savings Group established five off-spring groups. Although this strategy proved to be successful, it triggered few complications for the new groups but these were not part of the study.

The significance of this group methodology is that it encouraged the participants to group themselves in ways that demonstrated reinforcement of existing social bonds among the participants. The bond of association played a key role in preparing women to participate in the activities of SaveAct. It was in this way that social bonds and networks that already existed helped the participants to select members of the group based on trusting each other and having confidence on the development programme of SaveAct. Lastly, it is evident that the bond of association contributed to the empowerment of the participants with regards to responding to the challenges the group faced later in the years when it operated without the support from SaveAct.

4.3.4. Summary

In wrapping up, the presentation of the theme: shared domain of interest has responded to the two key research questions: How do members of a savings group participate in the activities of SaveAct; and how does Sizanani Savings Group participate in the SaveAct activities? This

section has explored ways participants select each other to establish and operate a savings group. This discussion reveals the three most critical linear development stages of the life of a savings group. These are establishment, training and supervision and lastly, the graduation stage which is maturity phase. The establishment stage allows participants to pre-group themselves in preparation for the training and supervision. The establishment stage sets out the rules and procedures of the group that are defined in the constitution of a group. SaveAct has a developed programme that facilitates learning in the savings group. Group supervision is concerned with adherence to the constitution. The final stage is group graduation. The term graduation is used loosely to confirm that the group has operated successfully in its first annual cycle and suggest that the group has managed to conform to the operating standards and procedures established by SaveAct. This term, group graduation will be discussed further in the second theme: a shared practice. This section has also noted that it was after group graduation when the group the signs of diversion from the practice were noticed.

What is evident is that both establishment and supervision phases are not designed to provide opportunities for the core-creation of knowledge between the supervisor and the members of the savings group. What is clear is that the SaveAct programme was able to provide a mechanism that enabled the participants to cope and respond better to challenges associated with the lack of financial services and cash in their community. Although participants found ways for resolving their challenges in the absence of SaveAct, data cannot provide evidence that Sizanani Savings Group moved beyond functional participation. However, it does provide evidence that core-creation of knowledge did happen between the old timers (founding members) and the few newcomers through Legitimate Peripheral Participation(Lave & Wenger, 1995). In this instance, the founding members of the group or the old timers became teachers or coaches and the new members became learners, and together they adopted practices that built a stronger group (Pretty & Hine, 1999).

4.3.5. Theme Two: A Shared Practice

This theme is interested in evidence that demonstrates experiences of learning by the participants of the group. This section adapts the communities of practice and presents data in four broad sections which are: (i) learning as belonging, (ii) learning as becoming, (iii) learning as experience and (iv) learning as doing. Such learning occurs in a community which is one of the three characteristics of the community of practice.

4.3.5.1. Learning as belonging

The following statements present evidence of participants belonging to a particular community.

> *My membership to this group has been enormously rewarding to me. I am always inspired by jokes and laughter during our meetings* (Mrs Khumalo, 2014).

> *It is fascinating to work with these women. I mean, you could come to the meetings feeling depressed because of personal pressures but when you get into the meeting you only see good things yet to happen* (Mrs Mtolo, 2014).

The statements above suggest that membership to the group was enormously important and beneficial to the participants. These statements also confirm that participating in the activities of a group signified a sense of belonging for the participants (Wenger, 1998, 2000). The significance of participation gave shape as to what the participants were doing in their group as their community, and most importantly, how they gave meaning on what they were doing (*ibid*).

> *Although we wanted to succeed like other groups in the neighbouring village, we were very sceptical of a stokvel. People have lost their money in this community through dodgy stokvels and burial societies* (Mr Zulu, 2014).

> *Training and continuous support from SaveAct gave us hope and improves our confidence in our group. The first share-our meeting in 2010 was exhilarating. We won big* (Mrs Bhengu, 2014).

> *New members of the group came with some challenges. All what they wanted was money, money, loans after loans and suddenly we found our group getting bankrupt. What can I say? Slow repayment of group loans as a result of over-indebtedness by few members taught us some good lessons hence we are still standing today* (Mrs Cele, 2014).

Besides reflecting the three key moments, which are, the establishment of the group, training and supervision and post-graduation, the statements above give the context where learning was happening. The unpalatable experience regarding traditional stokvels, confidence of SaveAct's training and supervision programme and lessons learnt at the post-graduation stage demonstrate how participants learn. As a result of these experiences and lessons, the participants were able to construct knowledge and skills they required to operate their group. This resonates with Wenger's social theory of learning theory. According to Wenger, a social learning theory describes the context where learning happens; describes participation both as a process of learning and of knowing; and sees an individual learning from others (Wenger, 1998, 2000).It is therefore concluded that belonging to a community or common world, the participants were inevitable involved in the construction of shared knowledge and meaning of their group.

4.3.5.2.   Learning as becoming

The following statements present evidence that the participants had a common identity:

> *We were already involved in some income generating activities. We have tried buying and selling clothes and linen. That is the reason as to why it was a simple exercise to get everyone together to establish this group. I guess we are attracted to each other* (Mrs Zondi, 2014).

> *Everyone here had always wanted to improve the quality of life of their families. The savings programme came at the right time. Everything that we were taught and did was spot on. I mean, things like planning how you will save or how much loan you will borrow, how you plan to repay it and more importantly how you use your money to benefit your family* (Mrs Khumalo, 2014).

> *We want to do more next year. This is like our little bank. We want to do big things for our members* (Mr Zulu, 2014).

There are few observations from the statements above. They reflect that participants engaged in social processes such as negotiating joint enterprises that were geared towards improving

the quality of life of their respective households. It can be argued that these joint enterprises made it much easier for the participants recruit one another and consequently establishing a savings group. Clearly, this is evidence that the participants were involved in a learning trajectory even before the establishment of their savings group. Participation and membership in a joint enterprise gave the savings group a particular identity which made it possible for transformative learning to happen. The significance of the identity of their savings group is that it gave participants a platform for recognising their competencies.

4.3.5.3.   Learning as experience

The following statements present evidence that the participants were constantly engaged in making meaning of what they were doing and/or their experiences in the savings group.

> *We stated with what we already knew, that is, our experiences of the stokvels. To our surprise we became aware that most of the things like giving money to non-members of the stokvel and the way we structured interests and repayment terms was actually encouraging dishonesty and recklessness. We corrected our past experiences with the development of rules and group procedures. Actually, looking back, our constitution should be our bible in conducting our business. We cannot fail if we continuously strive to follow it* (Lulu, 2014).

The above statement traces the experiences of participants from the establishment of the group through the post-graduation stage. Learning as experience is concerned with making meaning. Learning as experience considers the relationship between the social and cognitive structures. In this instance, Sizanani Savings Group is a social enterprise or a community which is established by its members. This makes the relationship between the character and the objectives of a community a defining factor in the construction of meaning. According to Wenger (1998), learning as experience is described as the ability of individuals to engage with the world and consequently make meaning of their experience.

4.3.5.4. Learning as doing

No month pass without a meeting of a group. All meetings happen just after the payment of welfare grants. Interestingly, we are able to predict the behaviour of group members. Those that have booked loans tend to be punctual for the meeting. Those who do not have enough money to buy shares and service their debt tend to come a bit late to the meetings. We fine late comers! All members tend to be very punctual at the dissolution meeting (Zanele, 2014).

I can safely say that the stories we share informally are very similar. It's about doing this and that in my house, or buying that for my house, the list is endless. There are many proud moments. Improving dwelling, buying furniture, appliances and traditional ceremonies are always in our lips. I cannot forget the laughter and joy we had when settled the notorious money lender in this village. He does not have any more customers now (Mrs Zondi, 2014).

You buy enough shares first in order to qualify for a substantial loan. You prioritise settling a loan before buying shares. I personally respect a loan very much. It is also very good to buy many shares. This grows the loan account much quicker and it makes money available for borrowers (Mrs Cele, 2014).

The statements above clearly demonstrate that the participants had developed a shared experiences, stories and ways of operating their savings group. This demonstrates a shared and sustained practice. These statements also demonstrate a more encompassing process of active participants in the practices and in their community. The standing meetings and in particular the venue of meeting gives the group an identity. Clearly, informal conversations that were held by members of the group proved to be most powerful informal instrument of learning. It provided the participants with multiple triggers, cases and stories which became a shared repertoire for their practice, but without realizing it. In this way learning becomes embedded on practice to such that even the newcomers are inducted through the ongoing interaction without realizing it. The next section presents learning from SaveAct, members learning from each other and learning from tensions between formal process and lived experiences by the participants.

4.3.5.5.   Learning from SaveAct

This section will provide evidence and discussion with regards to acquiring specific knowledge and skills by the participants from a structured non-formal learning programme which is a trigger for reflection as well as other learning opportunities.

> *SaveAct gave us an opportunity to better ourselves. Short training workshops and supervision sessions helped us to achieve our common goal, that is, to have access to money to better our families* (Mrs Zondi, 2014).

> *I learnt that the borrower cannot earn interest from the money she never had. How come did we forget that the loans sharks lend you money and as a borrower you pay back his money with interest? We were supported to use calculation formula that made it easy to see that the more shares one buys the more interest you will get at the end of the year* (Zanele, 2014).

These statements reflect some of the discussion that happen during the group establishment phase which is the main learning platforms. Data confirms the non-formal nature of learning that was provided to the savings group as part of SaveAct's community-based learning programme. At the first training workshop the experienced facilitator who is most knowledgeable in terms of the learning outcomes of SaveAct transferred the required knowledge and skills to participants by encouraging them to share and apply their experiences.

The results were that the participants were able to make connections with the new knowledge. The research data reflects that bad practices in traditional savings groups and stokvels were dealt with extensively in order to trigger the participants to find appropriate solutions for managing a savings group on fair grounds. This learning experience facilitates the movement of members as novice to masters or experts of practice. For instance, the experiences of participants in the group regarding loan providers in their community came to the fore. Discussion regarding borrowing and loan providers deepened their understanding about how they should manage the issuing of loans to members of the group.

At the same time we were taught many things, to be organized, to start meetings on time, to fine transgressors and to do monthly budgets for our houses. The highlight for me in all this was doing things ourselves and the room to make and correct mistakes especially when it comes to our books (Mrs Cele, 2014).

Our eyes were opened. We became to know how to select honest and trustworthy members (Mrs Bhengu, 2014).

There was a strong conviction that SaveAct taught them a better way of establishing and operating a savings group. Data also confirms that challenges that participants experienced proved that SaveAct's framework was the most appropriate and reliable way for managing a savings group. This clearly confirms that capacity building and supervision of the novices (participants in the savings group) by the expert from SaveAct as one of the platform of learning. Over months of supervision of the novices transformed to masters of the application of the learnt skills. This data confirms the non-formal and structured learning curriculum that SaveAct implements in order to enhance the capacity of the savings group to manage their group effectively. Training on governance strategy, compilation and adoption of a constitution as well as rules of procedure made it easier for the participants to manage their group from accepting members, taking deposits, issuing of loans and keeping group records.

Keeping simple and transparent records for my group gave me hope that we were going somewhere. If you can count stamps in your savings book, you also know how much you have contributed into the group fund (Lulu, 2014).

Our lady would sit next to me and watch me while recording transaction in the books. In case I make a mistake she will stop the meeting and ask everybody to listen carefully and explain how transactions should be recorded (Mrs Khumalo, 2014).

The research data confirms that participants learnt the basic but critical components that make up a successful group which extended beyond the savings group. Besides following a strict sequence of managing a monthly savings meeting from buying shares (making contributions), followed by repayment of loans and taking of new loans, the participants confirmed that they learnt other critical activities. For instance, they learnt calculating savings they have deposited in the group. They were able to do this by counting the number of stamps

in the savings book. Each stamp represented the monetary value, which in this case was R100.00. Participants learnt to read with understanding the financial recording of their transactions which include their deposits, loans and interests. More importantly, they learnt to calculate interest on decreasing balances of loans. Data shows that they constructed a simpler way for understanding interest calculating formula for loans. They said members "pay interests on the amount of money they have not paid back to the group" (Mrs Bhengu, 2014). The record keeper explained how payment of loans was recorded in their books.

Figure 3: A copy of a transaction book of Sizanani Savings Group, December 2014

They also emphasized the once members have made their contributions and/or have repaid their loans with interest, the ownership of the funds shifts from individual members to ownership by a group. This represents a high level of numeracy and literacy skills. It can be concluded that the record keeper in particular was the most advanced member of the group when it came to literacy and numeracy skills. This transaction book (figure 3) reflects both the recording skills of the recorder and the reading skills of all the members of the group. The money counters and generally all the members demonstrated high levels of money counting skills.

The research data also reveals the sitting position of the supervisor from SaveAct who they referred to her as "our lady" and what she would do during the meeting of the savings group. This confirms with the management of the savings meeting in the SaveAct's framework. The supervisor would come to the meeting with a checklist which the participants referred to as "her book" to advise and coach the group through scaffolding techniques. She would sit

between the record keeper and chairperson of the group and observe them when they conduct their savings meeting. This is a very strategic position that allowed the supervisor to coach both the chairperson and the record keeper and where everyone would see. In this instance, the supervisor would advise the chairlady or record keeper if they missed a critical step between the activities of the meeting. In the event of the omission, she would ask the chairlady to pause the meeting and would then raise the omission to the entire group. She would also seek solutions from the group before emphasising the solution provided by the participants. It is in this way where participants were learning from practice with the help of the supervisor. What the data also reveals is a very strong bond that emerged between the supervisor and the group. The group recognised her as one of them. This may explain the reasons she was referred to as "our lady" and why every member was happy with the operations and the results in the first year.

This section has shown that the training intervention by SaveAct served as a trigger to the participants to carry out activities of the group. It has shown that participation was central in developing and maintaining the identity of the group which allowed to become and to belong. The savings group programme developed by SaveAct, its training content and supervision structure determine how members of the group embrace the new knowledge and common practice. This section has also demonstrated specific skills that participants learnt from operating their savings group with the support of the supervisor mainly with regards to reading transaction records with comprehension which are recorded by the skilled record keeper. This helped the group with issues of transparency which were bedrock for building and deepening trust among the participants.

4.4. Summary

This section dealt with all three key research questions. Data reflected manipulative and functional participation as the basis of learning of participants in the SaveAct activities. The significance of manipulative participation allowed Sizanani Savings Group to appreciate the non-formal learning programme that was designed by SaveAct to help the group to conduct savings according to a specific regime. On the other hand compliance of participants to the savings regime reflected functional participation. This was enhanced by supervision that was provided regularly to advance the performance of the group in terms of record keeping, managing and operating the group. Besides raising levels of confidence in the group,

supervision empowered the group resolve the challenges that were triggered by over-indebtedness in an amicable fashion. What also stood out was the ability of the group to resolve challenges that threaten to collapse. The group was able to negotiate solutions as a collective to resolve over-indebtedness as the main cause of conflict and anxiety that was threatening the group.

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

This chapter provides a summary of the whole study by highlighting key areas of learning, mainly the research methodology and major observations informed by the findings. Firstly, this chapter provides highlights of the research methodology in answering the key research questions. Secondly, it presents a summary of major findings of the study. These are immediately followed by conclusion and recommendations. The final section presents the significance of the study.

5.2. Methodology

This section wants to reflect on the experiences of the application of the case study method. It presents the benefits as well as the drawbacks from using the case study method.

- **Benefits**

The case study method gave the research the flexibility of using at least four data collections instruments during the study. These were document analysis, direct observations, focus group discussion and semi-structured interviews. During the data capturing stage, the researcher was able to record reality as it allowed the researcher to probe where it was necessary. The case study was found to be very appropriate for a research assignment that is under budgeted but which did not compromise on the credibility of study.

- **Drawbacks**

The main drawback of the case study method will always be the challenge associated with generalisation of research results. However, the researcher chose the case study site and participants carefully in his design in order to describe, interpret and explain the social phenomena carefully. The other challenge was the timing of the research that happened just before the busy season for the savings group, that is, when the savings groups were

preparing for dissolving their group funds. This was the only period the researcher could have interacted with the participants just before they start a new cycle. The size of the sample could have been improved to include at least savings groups that were in different phases, that is, the establishment and supervision phase and the post-supervision phase. This would have allowed the researcher to compare the research findings from the wider sample. This would have extended the period that was spent on collecting data longer than three days.

5.3. Summary of Major Findings of the Study

The following section takes from the two themes that emerged because of the study findings. The purpose of this section is to present a summary of major findings.

5.3.1. Community of Practice

The purpose of this section is to demonstrate participation in the savings group and in the SaveAct non-formal learning programme. The group methodology was the lens that was used to understand how savings groups adhere and/or divert from the SaveAct programme post the SaveAct intervention. The study confirmed at least three success factors about the establishment and the operations of Sizanani Savings Group. These are reflected in Figure 4 below.
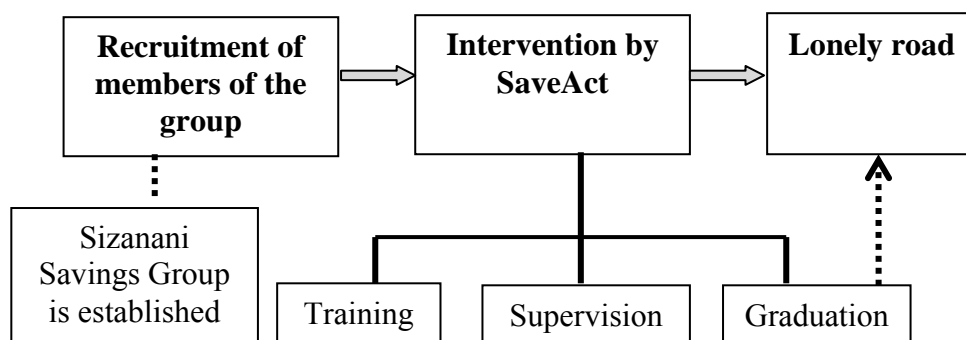
**Figure 4: Three main moments in the learning journey of Sizanani Savings Groups**

First, the savings group methodology promoted by SaveAct builds on what people already know and like doing. This resonate well with the observation of Mazirow (1991, 1996) regarding the frames of reference and meaning schemes that people already have and which they use to accept or reject new knowledge. The knowledge and the experiences that participants already had about the traditional stokvels was able to fit into their preconceptions regarding the savings groups.

Second, it was the self-selection approach that was used to identify and select the members of the group; however the study found that participants identified themselves before meeting SaveAct. This contradicts the notion that self-selection of the group happen during the training meeting of the group. It would appear that existing social bonds and associational bonds were instrumental in establishing group because all women came from the same neighbourhood. They knew each other very well and they shared common interest of improving the wellbeing of their households.

Third, it was a commitment made by the members of group as a collective to accept training and supervision by SaveAct and to commit to good practice which allowed the knowledgeable to share their skills with others. However, the study found that the group only adhered to the constitution when they were supervised by SaveAct and it was during this period when they did not face challenges. This may validate the observation made by Mazirow (1995; 2009) that the points of view are responsible for validating or rejecting new knowledge. In other words, this means that the point of view or the meaning perspectives are responsible to modifying assumptions that people already have. The study further found that the group needed both experiences to confirm their resilience against challenges. Participants revealed two distinct phases which are supervision and post-supervision. During the supervision phase they experience almost no challenges but only started to experience challenges when SaveAct was no longer there. However, the post-supervision phases affirmed the institutional capacity of the group to resolve challenges on its own. This experience also affirms the observation of Freire (1970) and Chambers (1983) that community institutions are best suited to identify and to respond to their challenges much better than outside agencies. This may explain the reason as to why the group hardly engaged with their constitution.

5.3.2. Nature of Learning

The purpose of this section is to define the nature of learning in a savings group. The second key research question was interested in exploring the nature of learning that occurs in a savings group. This is presented in Figure 5 below.
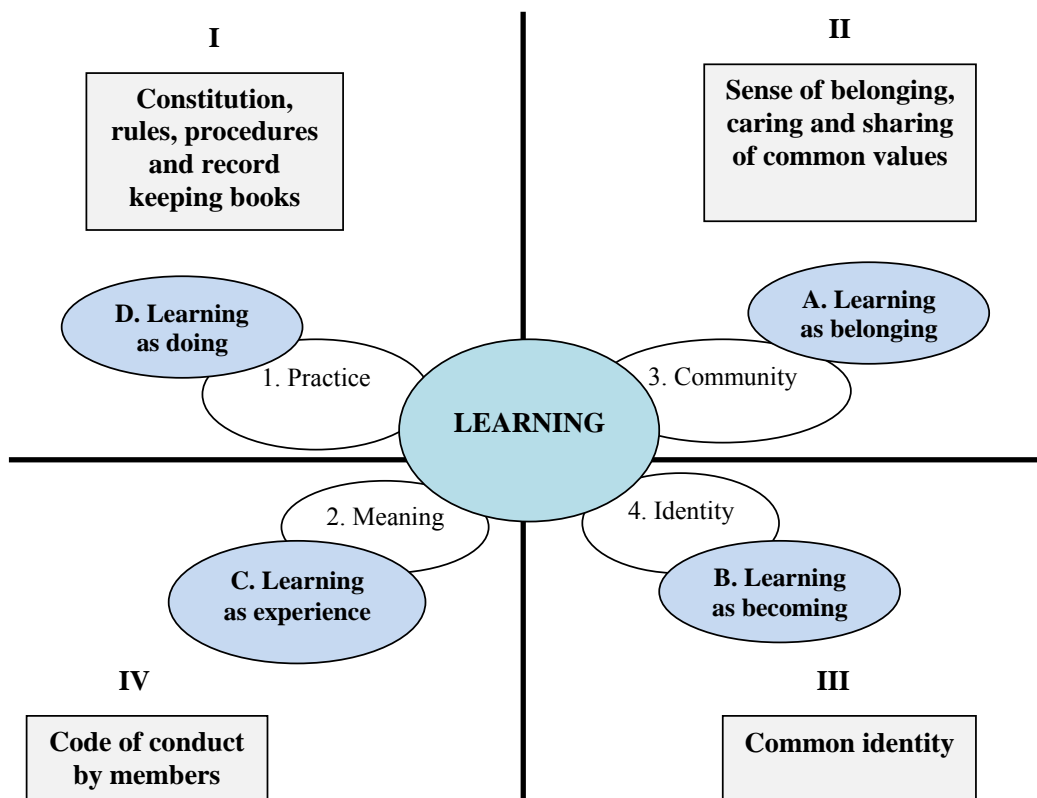
Figure 5: Nature of learning in Sizanani Savings Group

Adapted from Lave and Wenger (1991) and Wenger (1998)

KEY: 1 – 4: Character of the community of practice

A – D: Nature of learning

I – IV: Sizanani Savings Group

Figure 5 above show the character of the community of practice. The character of Sizanani Savings Group resonates with the description of a community of practice as pronounced by Wenger (1998; 2000). In 2009 the participants were able to organise themselves to establish the Sizanani Savings Group which later developed its own identity and practice and routines

for conducting its business. Through the savings group, participants have established themselves into a community that works towards providing useful financial services to the members of the community. These savings group further gives the participants the meaning and reasons to participate in the group. The reasons for participation are underpinned by the three financial services they get from the savings groups. These financial services are: a vehicle to take cash deposits (savings), access to short-term credit and the cash lump sum they get at the end of the saving cycle. Participants also revealed that they found ways of resolving misunderstanding among themselves. These misunderstandings were largely triggered by failure to settle the debts in good time for the group to dissolve and share its fund. Lastly, figure 5 also shows the movement of participants from the establishment stage, development of rules and procedures through the institutionalisation of the code of conduct. The details of this movement (I – IV) were presented in chapter 4.

The study concluded that the community of practice (Wenger, 1998) was the basis for situated learning and particularly the Legitimate Peripheral Participation (Lave and Wenger, 2006).Using the theory of the community of practice, learning in the savings group was traceable from the four domains of the community of practice which are the community, the identity, the meaning and the practice. Further to this, the experience of the savings group demonstrated that learning happened non-formally and informally. It happened non-formally because of a structured training and supervision that was provided by SaveAct. Learning also occurred informally between the participants of the group. Informal learning was triggered mainly by two experiences, namely, SaveAct intervention and tensions between formal process and lived experiences of participants. It was found that Legitimate Peripheral Participation was responsible for the largest learning that happened in the group.

What stood out in the study is that learning was largely facilitated by mistakes committed by the group post the graduation stage. The research study found few unique experiences of success that were beyond the obvious. These included the ability of some participants to communicate and persuade delinquent borrowers to co-operate and settle the debts of the group. This would confirm that the founding members of the group who were most knowledgeable than others showed leadership and authority within the group. It would appear that social bonds were responsible for dialogue and constructive engagement that re-focused them to a common goal. The significance of these experiences provides evidence that challenges tended to encourage collaboration rather than destructive behaviours. For instance,

challenges related to reckless lending taught them to think of ways for including an acknowledgement of debt when the group issue loans to borrowers. Again, the research data confirms the growth aspirations such as better use of their savings, enterprise development and management of debt. Few income generating activities such as garment making, buying and selling women's and children's clothing and blankets, grow and sell chickens, growing and selling vegetables, beans and maize were reflected in the study. These participants confirmed that entrepreneurs needed larger loan amounts that are payable at least between six and twelve months. This reflects a very strong allegiance to the neo-liberal economic system which is based on monetary exchange.

5.4.   Recommendations to Organisations implementing VLSA

The purpose of this section is to present the recommendations of the study under the following sub-headings:

- Strengthen self-selection process to enhance participation
- Embrace life skills
- Dedicate record keeping and supervision skills programme to record keepers
- Broaden financial offerings

Saving groups are not the panacea for all development challenges facing communities, however they remain the vital mechanism for helping the unbanked populations to access basic financial services, namely, saving product and short term credit. In other words, they have the ability of circulating cash via few hands before it leaves the village. The primary focus of Sizanani Savings Group was to provide a financial services vehicle that would allow its members to save or invest their meagre incomes and access short-term loans – something that was not available in their village. Although the members of the group had a broad diversity of income sources, data showed that they rely on their savings group as the main financial instrument to manage their money and in running their respective households. This study has found that the participants helped to establish and operate a financial institution that is able to take deposits, issue short-term loans and provide lump sums at the of the saving term. Based on this experience, the recommendations listed below go beyond SaveAct as they speak to:

- Self-selection, group establishment and participation

- Life skills with specific focus to managing debt and prioritising savings

- Instruments and tools that a saving group can use to strengthen its operation and capacity

5.4.1. Strengthen self-selection processes to enhance participation

The study found that the deciding factor regarding the success of the savings group is the ability of the prospective members to conduct honest and transparent self-selection exercise. The main objective of self-selection is to allow members to decide exactly as to whom they want to be with. Further to this, the ability to screen new members that join the group from the second saving cycle is equally important as a self-selection exercise. Based on the experiences of the participants, the following recommendations are made with regards to participation in the savings group:

- The group should not be allowed to accept members that are not trained in the savings methodology. In the case resignation of few members and where the remaining members want to replace them, the new members should at least attend an induction training workshop facilitated by a support organisation such as SaveAct. This will afford the new members an opportunity to unlearn traditional stokvels practices and to appreciate the group methodology.

- It will be important to review the constitution at least one month before the dissolution of the group fund. This should be done in preparation for the new savings cycle and most importantly in preparation for screening the applicants that want to join the group. Review of a group constitution will also allow members to apply their minds (based on their experiences) in amending the constitutions, rules and procedures. New clauses that deal with servicing of debts should be strengthened. For instance, participants wanted a way to use the constitution as an acknowledgement of debt instrument that can stand in the court of law.

- There should be a formal application process for accepting new members and such should happen in good time before the start of the new savings cycle. It is recommended that a checklist for screening the applicants should be developed.

- A special meeting should be called to present the constitution, the rules of the group and the screening process to the participants. This will allow the applicants to self-

screen themselves and to decide at this stage whether they want to proceed or not. Further to this, the applicants should accept the terms and conditions of participation in the group. For instance, old timers may propose loan restrictions to the newcomers for a certain period in order to enjoy full access to the services and products of the savings group.

5.4.2. Embrace life skills

The study also found that through the savings group, participants members benefited beyond financial products and services that were offered by the group. There should be a concerted effort to commend positive experiences that promote discipline in the group. For instance, the blending of conflict management with the experiences of the participants during the training and supervision phase of the group would go a long way in helping the group in preventing and/or resolving dilemmas and conflict situations. However, transferable skills should go beyond savings and managing debt. A concerted effort to provide extensive personal financial planning, mainly funeral insurance, life insurance and medium to long term investment should be introduced as part of the financial education package. It is believed that such interventions would optimize the choices members to reach their socio-economic goals.

5.4.3. Dedicate record keeping and supervision skills programme to record keepers

A dedicated record keeping and supervision skills development programme should be designed mainly for the record keepers of the group. This programme should focus on providing supervisory skills to the record keepers so that they are empowered to supervise other groups in the village regarding keeping accurate and clean records of the savings groups. Skilled record keepers may graduate to become Community-based Promoters.

5.4.4. Broaden financial offerings

It was clear that the participants were confident that their group was able to provide them with a savings vehicle, short-term loans and lump sums at the end of each saving cycle. However, it was also clear that the group had to re-orientate itself in order to overcome some discomforting experiences that were caused by bad practices. The survival of the group

despite of challenges suggests that the participants believed that the group was able to deliver the three financial products. It can therefore be concluded that additional financial services and products would enhance the social bonds of participants and help to strengthen the institutional capacity of the group. This service can be done by linking the group to the formal financial institutions that provide friendly banking services (and infrastructure), funeral insurance and affordable medium to long-term investment products. Further to broadened financial offerings, the group can also tap into public and private institutions that provide personal financial education or the responsible personal finance training that will propel the group to the next level and conclude mutually-benefiting relationships with institutions in the financial services value chain. However, the notion of creating apex structures and provision of foreign capital for loans should be avoided at all costs for such programme. Foreign capital and apex structures risk taking away the founding principles and control from community-based financial institutions like Sizanani Savings Group.

5.5. Further Studies

A bigger study about learning that happens in the groups which involves a larger sample of savings groups is encouraged. Further studies may consider exploring learning in savings groups that are in different stages, such as: establishment stage, training and supervision stage and post-supervision stage. Such studies may even consider comparing learning in groups that were supervised by external organisations like SaveAct and savings groups that were never trained and/or supervised by an external organisation. The significance of understanding learning that happens in a wide range of savings groups may not only provide clues that would respond to institutional dilemmas facing savings groups. It may trigger interest for collaboration between informal and formal financial sector. The following three dilemmas are relevant to the nature of learning in savings groups:

- **Internal Exploitation:** The study observed that few powerful group members exploited the group by taking more than their share of loans which resulted in over-indebtedness and defaulting.
- **Limited Capital:** The study also observed that caps on the number of shares that can be purchased by group members and the yearly distribution of savings tend to interrupt groups' efforts over time to accumulate large amounts of capital. As a

consequence, this constrains the savings group to build enough capital that may be sufficient to meet the loan demands of the members. In many instances loan demand by members tend outpace supply.

- **Insufficient Product Offering:** The study also observed that Sizanani Savings Group only offered savings and short-term credit. Savings groups are likely to be limited to the maximum of three financial products which are annual micro-savings, short-term credit and micro-insurance. These three products remain insufficient to meet other financial needs of group members.

In conclusion, further studies may trigger interest cues from the formal financial sector to collaborate with informal financial institutions in providing a wider range of financial products and services in the future. Further studies may also help support organisations like SaveAct to design responsive capacity building and supervision programmes which may transform savings groups to formal microfinance institutions.

5.6. Significance of the Study

Most studies conducted with the savings groups focus on impact of the informal or community-based financial institutions. This study focused on learning that happens in the savings group. This has been found to be different and innovative. It is anticipated that the study will be useful to the non-governmental organisations and state institutions that want to initiate similar programmes in the future.

This study has highlighted the nature of learning in a community development context. It has singled out participation, as foundations of learning that happens in a group. The study has elevated the focus on building strong savings groups that are able to self-replicate and are empowered to provide a basket of useful and responsive financial products and services, for example, providing micro-insurance to members through linking with the formal financial institutions. This is very important for organisations working in this sector to structure their programmes that empower savings groups to conclude co-operation deals with formal financial institutions and to operate with minimal external supervision. This study hopes to encourage the institutions of learning, development practitioners and their organisations in the field of inclusive financial provision and similar contexts to engage in a constructive

dialogue to work collaboratively in growing the sector. In order for these organisations and their practitioners to grow this sector, they must develop sector-specific adult learning theories and frameworks that support teaching and learning of the emerging development facilitators, and of course, to achieve the development goals of the savings groups.

5.7. Conclusion

In conclusion, the study was able to respond its rationale by identifying knowledge and skills gained by participants in the Sizanani Savings Group during and after the external support that was provided by SaveAct. For instance, the study was able to highlight specific knowledge and skills the participants had gained to operate their savings group such as recording and understanding transactions, and distributing the group fund proportionally to the savings of an individual member to name a few.

A case study method was used to carry out this qualitative research assignment. The size of the sample was nine members. Data was coded to identify patterns, similarities and differences and was later use to inform the thematic presentation of the findings. Thematic presentation of the findings was found appropriate to provide an easy read for the practitioners and academics to understand the dynamics present in savings groups. Given the experience of the participants in operating their community-based financial institution, this study should be able to incentivise further research and consequently develop responsive learning programmes for the practitioners and the savings groups. The findings presented in the previous chapter claim that the savings group that was studied was an organisation that was constantly learning from its experiences. This is imperative for the strengthening the savings methodology in preparation for replication of such institutions.

The significance of these findings is to motivate researchers and development practitioners to find innovative ways for designing informed learning interventions in future. The insights provided by this study assert that SaveAct and similar organisations should be cautioned in how they provide training and mentorship to the savings groups.

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APPENDIX A: Direct Observation Schedule

This semi-structured observation is intended to help the researcher (observer) and those who are observed. The focus of this is to observe how the savings group carries out its activities as well as the content of the meeting.

DATE: _____ TIME: _____

NUMBER OF PARTICIPANTS: _____ DURATION OF THE MEETING: _____

THE FOLLOWING MUST HAPPEN ACCORDING TO SAVEACT:
1. Number of members at the start of the savings meeting

2. Sitting arrangement of members

3. Structure of the meeting

    ▪ Opening by chair

    ▪ Confirmation of quorum

    ▪ Asking of closing balances of the last meeting

    ▪ Opening of cash box and confirming of closing balances

    ▪ Buying of shares (savings)

    ▪ Repayment of loans

    ▪ Issuing of new loans

    ▪ Calculation of closing balances

4. Special announcements

5. Set of the date of the next meeting, time and venue

6. Adjournment of meeting

GENERAL OBSERVATION CHECKLIST

1. Number of members at the start of the savings meeting

2. Sitting arrangement of members in the room in relation to the original group (founding members).

3. The atmosphere between and among members.

4. Issues of power and status, checking sources of these.

5. The use of "new" common language gained through participation in the group.

6. How conflicting ideas and disagreements are resolved.

7. The shifts and changes in the structure of the meeting in relation to what was originally taught by SaveAct.
8. Special announcement
9. Set of the date of the next meeting, time and venue
10. Adjournment of meeting

APPENDIX B: Focus Group Discussion Schedule

PLAN FOR CONDUCTING FOCUS GROUP DISCUSSION

1. Opening of the meeting by the chairwoman of the group

2. Introduction of the researcher and facilitator

3. Reconfirmation of the consent

4. Structure of the meeting

5. Discussions

6. Next steps

7. Thanking participants and closure

DISCUSSION

HOW DOES THE GROUP PARTICIPATE IN SAVEACT ACTIVITIES?

1. What is the nature of partnership between your group and SaveAct?

2. What does SaveAct do for your group?

3. What do you do in return in to order secure support from SaveAct?

WHAT KIND OF LEARNING DOES HAPPEN IN THE GROUP AS A RESULT PARTICIPATION IN THE GROUP?

4. What has been the value of partnership between your group and SaveAct during the three phases? (group establishment, training and supervision and post-supervision phases)

5. What other forms of community groups exist in the village?

6. What is the significance of these groups in the village?

7. How different is this group from other groups?

8. How does you group compare with groups in this village that do not have (or did not have) partnership with SaveAct?

9. If you had not joined the group what do you think you would have missed out?

HOW DOES LEARNING THAT YOU RECEIVE FROM SAVEACT AND OTHER FELLOW MEMBERS HELP YOU TO OPERATE YOUR GROUP?

10. What have you learned through participating in the activities of SaveAct?

11. What have you learned through participating in the activities of this group?

12. Give examples of what you have learned from each other?

13. What are the criteria you use when choosing office bearers?

14. What are the criteria you use when choosing new members of your group?

15. Give examples of conflicts that the group has come up against?

16. How are conflicts resolved?

17. How would you define a good member and a bad member?

18. What are your perceptions about how things that use to happen when the group started and now?

19. What changes that has taken place? What gave rise to changes and how have you coped with changes?

20. What lessons have you learnt from the changes you have shared?

21. Is there anything you would want to ask from us?

APPENDIX C: Semi-Structured Interview Schedule

1. How did you come to know about SaveAct and Savings Groups?

2. How did you participate? What was required of you to participate?

3. What motivated you to participate? Were you motivated by certain events and experiences? What are those events and experiences?

4. What is your key role in the group? Are you supported to perform your role?

5. What is it that you do in the group?

6. What have you learned through participating in the activities of SaveAct?

7. What have you learned through participating in the activities of this group?

8. Give examples of what you have learned from each other?

9. What are the criteria you use when choosing office bearers?

10. What are the criteria you use when choosing new members of your group?

11. Give examples of conflicts that the group has come up against?

12. How are conflicts resolved?

13. How would you define a good member and a bad member?

14. Do you see changes in your life and your household? Can you list and describe these changes?

15. Can you list and describe other things that you and your household have achieved by participating in the group and SaveAct activities?

16. If you were asked to improve the functioning of the group and the programme of SaveAct what would you suggest? What would you improve and why?

17. Is there anything you would want to ask from me?

APPENDIX D: Summary of SaveAct Development Model

Schedule of Operations

A voluntary savings group promotion and training programme is implemented in three main phases.

- **The Intensive Phase:** This phase lasts up to four months. It starts off with a clarification meeting which is followed by a training workshop by a SaveAct representative and usually the Field Officer. The training workshop is extended over two days. During the workshop the group elects its leaders, establishes its constitution which sets out the rules that govern all the activities of the group. During this phase the group learns to manage and to record savings, loans issued and loans repaid.

- **The Development Phase:** During this phase the SaveAct representative visits less frequently and is less active in the group meetings. The SaveAct representative only one meeting in two months in order to allow the group to make mistakes and learn from them. This phase lasts for five months.

- **The Maturity Phase:** This phase lasts up to four months and involves three visits by a SaveAct representative. Two of these are supervision visits, to check whether the Group is able to operate without any outside help. The supervision can be extended in the event the group needs additional training and support. In the event where the group is ready to be independent, the SaveAct representative makes a third visit at the time of the last meeting of the cycle, to facilitate share-out procedures and celebrate the group's independence from the supporting organisation.

Managing a Monthly Savings Meeting

There are two basic meetings of the savings group the Management Committee must hold and facilitate. These are monthly savings meetings and one share-out meeting. The roles of the Chairman, Recorder and Treasurer are as follows:

- The Chairman maintains order; levies fines and announces each step of the meeting as it moves from one procedure to another.

- The Recorder is responsible for controlling the financial transactions occurring during each step in the meeting – at this point only those related to the savings (or shares), but in the future also issuing of loans, repayments loans and dissolution of group fund. S/he is also responsible for passbook entries and for announcing balances at the end of the meeting.
- The Treasurer is responsible for the security of the cash box between meetings, assisting the Recorder to maintain passbooks, and in the future, managing the slot savings in between meetings.

The Treasurer is also assisted by two Money Counters that count the money received by the group and loans issued out to members.

Meeting Procedures for a Savings Meeting

Step	Procedure
Opening and welcome	- The meeting is called to order by the Chairman. - The agenda is announced by the Chairman. - Members are asked if they have any other items of business to discuss, and if so these are noted.
Roll call	- The Chairman calls on the Treasurer to bring the cash box and calls on the designated Key-holders to open the box - The roll is called by the Recorder at the request of the Chairman, by member number.
Share purchase / savings	- The Chairman announces that it is time for share-purchase or Savings. - The Recorder asks the Meeting to recall the balance of the Loan Fund from the previous meeting. - Once a majority has agreed on the amount, the cash in the Loan Fund (kept in a separate fabric bag with a draw-string neck) is counted by the Money Counters and announced to the meeting. - The Recorder calls up each member by number. They give their contributions to the Money Counters who verify that the amount is correct to purchase between 1 - 5 shares. - The Money Counters announce the amount contributed and the Treasurer stamps the correct number of share symbols in the individual's passbook. The Money Counters place the money into the Share-purchase/savings bowl. - Once everyone has made their contributions, following the same procedure, the total amount is counted by the two Money Counters. - The Recorder then announces the total amount of money that was saved.

Step	Procedure
	• The money is left in the share-purchase/savings bowl.
Fines (if any)	• The Chairman then instructs the Money Counters to count the money in the fines bowl. The Recorder then announces the total amount of fines.
Expenses (if any)	• The Chairman then asks the Recorder if there will be any expenses before the next meeting (boat/bus fares, supplies, etc.). If any expenses are approved, the Chairman instructs the Money Counters to remove the necessary amount from the Share-purchase/Savings bowl, and hand it to the Recorder. If the group wishes, the Recorder should produce a receipt at the next meeting. Any unused money will be returned to the share purchase/savings bowl in the next meeting.
Closing balance	• The Chairman then instructs the Money Counters to combine the Fines and share Savings and count the total amount. The Recorder then announces the total, calling it the total of the Loan Fund. • It is then replaced in its draw-string bag and put in the cash box. • The Chairman instructs all members to remember the total of the Loan Fund for the next meeting.

Loan repayment	• The Chairman asks members who owe loans to identify themselves, and instructs them to tell the meeting what they owe. She instructs the members to correct any wrong information. The Recorder verifies the information by checking passbook records.
	• Each member is called up in number order, and gives his/her payment to the Money Counters. The Money Counters announce the amount to the Recorder, who announces it to the meeting. If the amount is correct (confirmed by the Recorder) the Money Counters deposit it into the loan reimbursement bowl.
	• The Recorder enters the amount repaid in the passbook, in the section reserved for loans, signing it in the space provided to indicate confirmation that the amount repaid has been received.
	• The Recorder next calculates the amount due in the next meeting. If there is an amount due, the Recorder adds the Service Charge to the passbook. After discussing the total amount due with the member to be sure they understand and agree:
	   • If the amount due is zero (paid in full), this is announced to the meeting by the Recorder.
	   • If money is owed in the next meeting, this amount is announced to the meeting and the members are told to repeat the amount out loud and then memorise the amount.
	• The member signs (or impresses a fingerprint) in the space provided, and the next member is called up to the front
	• Once all the loan reimbursements have been paid the Money

Step	Procedure
	Counters count all the money in the loan reimbursement bowl and announce it to the Recorder, who announces it to the meeting.
Total loan fund available	• The Chairman then instructs the Recorder and Treasurer to add the balance in the cash box from the previous meeting, the total amount of shares purchased, the fines and the total amount of loans repaid. • The Chairman requests the Treasurer to announce the total Loan Fund available.
Loan disbursement / issuing	• The Recorder requests the Money Counters to take the Loan Fund cash in the cash box out of its fabric bag and combine it with; • money in the share-purchase/savings contributions bowl • money in the loan reimbursement bowl • money in the fines bowl • The new Loan Fund amount is counted by the Money Counters and announced to the Recorder, who announces it to the meeting as the total amount of money available for lending. • The Chairman then announces that loan request can be discussed. • Individual members then make their requests. *No loan is given out until everyone who wants one has made their requests. Members requesting loans must explain the purpose and amount, and members of the meeting are asked to comment on the request.* • The Recorder adds up the total of the requests and announces that to the meeting. • If the total loans requested are greater than the amount available in the cash box, the group must resolve the difference in discussion. The Field Officer/Supervisor can offer the following guidance: • Requests that are time sensitive, such as loans for school fees or an income generating activity that is seasonal, can be given more priority if the group wishes • Another technique is to reduce all requests by a similar amount or percentage. • Once it is decided how much each applicant will receive, the Recorder announces the name of the borrower, the amount borrowed, and that amount that is due including service charge. S/he ensures that the members repeat the total amount due. • The Money Counters count out the amount of the loan and hand it to the borrower. The Borrower repeats out loud the total amount and when it is due so that everyone can hear. • The Recorder fills out the loan number, date, amount and service charge due in the passbook, under the loans section, and the borrower signs or affixes his//her fingerprint.
Final closing balances	• The Chairman then instructs the Management Committee to work out the final balances as announce them to the meeting:

Step	Procedure
	• Total value of shares purchased today • Total loans repaid today • Total Loan Fund available today (including fines and previous balance from the last meeting) • Total loans issues • Total balance remaining in the cash box • The Chairman instructs all members to remember the total of the Loan Fund for the next meeting. • The Key Holders are called by the Chairman to lock the box.
Closing	• Before closing, the Chairman holds discussion on any items of business noted at the start of the meeting. • Once discussion is complete, the meeting is closed.