

WOMEN ECONOMIC INITIATIVE PROJECTS

SHINYANGA MUNICIPALITY

MACHIBYA FRANCIS KIJA MWALLA

BSC. (ed) (UDSM)

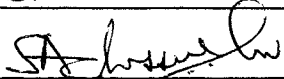
A PROJECT PAPER SUBMITTED IN PARTIAL FULFILMENT FOR
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2005

SUPERVISOR'S CERTIFICATION

I DR SIMON A. C. WAANE CERTIFY THAT I HAVE READ THIS WORK
AND ACCEPT IT AS A SCHOLARLY WORK I THEREFORE RECOMMEND IT
TO BE AWARDED A MASTERS DEGREE IN ECONOMIC DEVELOPMENT

NAME: DR SIMON A. C. WAANE

SIGNATURE 

DATE 01. 05. 2006

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DECLARATION

I MACHIBYA FRANCIS KIJA MWALLA

I hereby declare to the Senate of the Southern New Hampshire University that this project proposal is my own original work and that it has not been submitted before by any one for a degree award in any University.

Signature _____

Date _____

DEDICATION

This work is dedicated to all Community Economic Development (C E D) practitioners for use when designing sustainable income generating economic activities projects.

ABSTRACT

Shinyanga Women Society and credit Society (CHAMIWASHI) was selected for this project. The purpose of this paper was to assess the process which has been taken towards the implementation of IGAs of the CHAMIWASHI (CBO).

The consultancy work was launched with the CHAMIWASHI group to establish critical economics development factors that needed improvement. The problem is that the Group members have poor IGAs and low standard of living. Major problems identified for the poor women, these include insufficient capital, lack of saving habit, poor income generating activities, women dependency on men, poor management of income generating activities and low level of education.

These were revealed through the survey study conducted from the CBO members and other stakeholders in Shinyanga municipality. The recommendations were made to address the existing economic problems of the CBO which are:-

- The CBO and other stakeholders should have deliberate efforts for capacity building, awareness creation to the group members who believed that strongly they need assistance from external in order to improve their standards of living. Group members were emphasized to be aware of their potentials and opportunities they have.

- To undertake capacity building sessions for the management committee in particular on how to run various IGAs activities of the CBO in order to achieve its objectives.

The survey findings reveal that capacity building for the group is so important to enable the CBO members realize their potentials and opportunities they have. The proposal for the implementation of the project is presented as the need for a training program for the CBO. The training comprises of how to conduct meetings in CBOs, decision making in meetings, difficulties in decision making, why needs assessment is important in CBOs, local fund raising techniques in CBOs, record keeping in CBOs and other necessary documents for records of the CBO. The micro-credit institution groups FINCA and PRIDE have been identified as potential possible resources for capacity building of the CBO for its development and poverty eradication among the group members.

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LIST OF ABBREVIATIONS

BRAC	Bangladesh Rural Advancement Committee
CBO	Community Based Organization
CED	Community Economic Development
CHAMIWASHI	CHAMA CHA AKIBA NA MIKOPO WANAWAKE SHINYANGA
FINCA	Foundation for Inter National Community Assistance
HIPC	Highly Indebted Poor Countries
IGA	Income Generating Activies
NPEs	National Poverty Eradication strategy
P & HDR	Poverty and Human Development Report
PRIDE	Promotion of Rural Initiative and Development Enterprises
PRSP	Poverty Reduction Strategy Paper
RD	Rural Development
SME	Small and Medium Enterprise.

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CHAPTER ONE

1.0 INTRODUCTION

A major task for the developing world, including Tanzania, is to build development strategies for eradicating poverty. By 1988, nearly 12 million people in Tanzania were living below the poverty line of less than 1 US Dollar per day. (Bagachwa, 1994). This study explores the different ways in which Community Based Organizations (CBOs) can be used as instruments to eradicate poverty in Tanzania.

Tanzania recognizes the limitations of the public and private sectors in bringing about socio-economic change to the poor. Increasing attention is now being directed towards collective self-help initiatives in, the form of community based organizations working largely at grassroots level, as means of eradicating poverty.

The promotion of Community Based Organizations as instruments of Community Empowerment and poverty eradication is relatively a new concept. Admittedly there has always been community development initiatives promoted through self help community groups such as women and youth among others. However, the tradition in the past tended to see these groups as mere conduits for channeling 'development handouts'. It was believed (and still remains a fact) that distribution of such "development tokens" through groups was more cost effective.

More recent empirical experiences have suggested that Community Based Organizations, if started and supported with the right motive, have the potential to become more effective vehicles for community empowerment through people's participation in decision making. (Mulwa, F.W, 2002).

According to the National Poverty Eradication Strategy (NPES), Tanzania aims at reducing the current levels of poverty by 50% by the year 2010 and to eradicate absolute poverty, which stands at 36% at the moment to 0% by the year 2025. The Government through NPES and PRSP has earmarked some sectors as the priority sectors for poverty eradication and investing in these sectors will have high impact on poverty eradication. Poverty has many faces and indeed many roots. Attacking it from all fronts can reduce poverty.

Given the multidimensional nature of poverty it is clear that all routes taken for poverty reduction matters. This includes poverty eradication initiatives and the role of civil society in poverty program formulation, design, implementation, monitoring and evaluation to mention but a few areas. (Tandari K., 2002)

In March 1995, the UN held the First World Summit for Social Development in Copenhagen. Tanzania was one of the ten case-study countries, and one of two from the African continent. The theme of the Summit was poverty eradication and possible ways of exploring alternative strategies to tackle the worsening poverty situation in the Third

World. Hans Gsanger,, Stephanie Castendyk and Martin Khor¹ followed the deliberations of the World Social Summit keenly, since the preparatory committee meeting in January 1995. They give us a briefing on the Summit. Among all other deliberations and resolutions on rural poverty, they noted the following that:

- (i) The only possible way to convey the most needed development assistance to reach the target poor was to channel it through local co-operatives and community organizations, formed and managed by the poor themselves;
- (ii) A financing policy to reduce poverty should be based at the grassroots where the poor live; and should thus involve the promotion of micro enterprises initiated and managed by their own local organizations.(Jovian A. 2000 pp 2)

Tanzania has two types of local self-organization at grass root level: “co-operatives” and formal and non-formal “self-help organizations”. These are non-governmental organizations (NGOs). These organizations together constitute an “associative sector” of the economy. They are meant to counter-balance the overwhelming influence of the profit-oriented private sector and the state-controlled public sector. When functioning properly, they offer an opportunity for partial reshaping of the economic system that governs the daily lives of the poor majority, in a direction congruent with their interests (Verhagen, 1987).

Basically in order to achieve community economic development, there should be an obligation to mobilize all available resources in a collective and self-help spirit with the

In spite of the progress made on both the Poverty Reduction Policy and structural fronts, Tanzania now still ranks low in terms of income and human development indexes as it used to be in the early 1960s and mid 1970s. Poverty continued to persist specially women because of gender inequity.

1.1 BACK GROUND INFORMATION

This project was to assess the process, which has been taken towards the improvement of IGAs groups of the CBO. datory for my studies, it was undertaken in partial fulfillment of the requirements for masters of science in Community Economic Development.

Objectives of the project assignment work are:-

- (1) To determine the potential and weakness of the CBO and to mobilize local resources and promote socio-economic development in an effort to eradicate poverty among the group members (poor women).
- (2) Awareness creation and capital creation on socio-economic development for the group members.
- (3) To raise the standard of living of the group members through improved income generating activities.
- (4) To build & saving habit among the group members as a source of capital creation.

1.1.1 Chama cha Akiba na Mikopo Wanawake Shinyanga

(CHAMIWASHI): the profile

1.1.2 Membership

CHAMIWASHI is a CBO composed of 54 members women, from Shinyanga Municipality

1.1.3 Project location

Shinyanga Municipality, Shinyanga Region.

1.1.4 Contact Person and Address: Mrs Esha Stima, the Organization's Chairperson, with Telephone Number 0744633248. Organization Chart see appendix (iii)

1.1.5 Establishment of the CBO

The initial idea of forming the CBO goes back to 2001 when two small business women in Shinyanga Municipality who had a joint small shop business decided to sell the idea of forming a Credit and Savings Society to other women of doing similar business as a group. On 5th January 2004 they called a meeting and 56 women attended. The essence of the meeting was to try to mobilize the women to work as a group in economic activities. The idea was accepted and that was the start of the CHAMIWSHI (CBO). The meeting ended with the election of management committee that was given the task of formulating a constitution after the self identification of some of critical socioeconomic problems facing them. The problems were as:

- low standard of education
- insufficient capital
- poor income generating activities
- poor standard of living
- poor management of the IGA
- women dependency on men

CHAMIWASHI's main objective is to raise the standard of living of the group members, through improved income generating activities.

The CHAMIWASHI vision, mission and objectives are of pivotal significance for the dissemination of appropriate management of IGA, but lack of financial resources among the community members acts as a stumbling block towards the enhancement of the IGAs. Currently the CBO members in collaboration with the Management Committee are engaging in individual income generating activities like poultry keeping; indigenous cattle keeping; Food Vendiog (Mama Lishe); tailoring; and others as shown from the questionnaires summary.

The CBO is looking forward to seeing that these projects are improved through capacity building and capital creation.

1.2 PROBLEM ANALYSIS AND STATEMENT

Many projects, which are established, don't consider the issue of sustainability right from the beginning that results into failure to achieve the intended objectives. Stephen Covey in book titled, "Seven Habit of Highly Effective People" explains clearly the importance of starting projects with the end in mind that means with clear understanding of one's destination. (Coveys, 1989 pp 95 – 145)

The problems for the poor women were analysed; these include, insufficient capital, Lack of Saving habit; poor income generating activities; women dependency on men; poor management of initiative income generating activities and low education were identified.

Consequently, the poor women are bound to be poor. The Shinyanga Women Saving and Crediting Society is more concerned with raising the standard of living of the group members; through improved initiative income generating activities.

The identified problems create a vicious circle of poverty, low education and awareness on IGA results into poor management of the projects hence poor quality of IGA, and poor standard of living. Lack of Saving habit and gender roles that assumes that women have to depend on men that results into miserable life to women economically.

In view of the stated problems, this specific assignment attempts to assess what intervention should be made to alleviate the problems/challenges facing the CBO members. The assignment is made with the understanding that the CBO is well established as it has been explained in the background.

The project assignment seeks to address the question on how income generating activities of the group members, can be improved and ultimately raise the standard of

living of the CBO members (poor women). It is expected that the findings and recommendations that will be given, will strengthen and enhance the established income generating activities.

1.3 OBJECTIVE OF THE PROJECT ASSIGNMENT

1.3.1 Broad Objective

To conduct participatory research to identify problems/challenges facing a selected CBO and prioritize the problems for intervention.

1.3.2 Specific Objectives

- (1) To determine the potential and weakness of the CBO, mobilize local resources and promote socio-economic development in an effort to eradicate poverty among the group members (poor women).
- (2) Awareness and capital creation on socio-economic development for the group members.
- (3) To raise the standard of living of the group members through improved income generating activities.
- (4) To build saving habit among the group members as a source of capital creation.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 INTRODUCTION

This Chapter brings forth several ideas, policies and definitions given by different writers as regards to various issues related to the poor and community economic development. The ideas taken are those which directly relate to the objective of the project assignment.

2.2 DEFINITIONS OF TERMS

For the sake of clarity it is so important to define some key terms that have repeatedly been used in this project work. The definitions have been given by different development practitioners depending on their perspective context.

2.2.1 Poverty

The term poverty is commonly used when one thinks of community economic development. In the early days of development thinking poverty was defined as a **deficit or lack of wants**. The implied assumption here being the missing wants are provided, the poor will no longer be poor. However, poverty should be viewed in its holistic dimensions. Poverty comes into existence when people fall short of economic; social and political power hence a need for remedial measures (Myers B, 1999). Poverty can be analysed into different degrees, absolute poverty, relative poverty etc. Bagachwa,

1994, defines poverty as the “inability to attain a minimum standard of living, and as a material condition as well as a power relationship.”

In Tanzanian context, we have “absolute poverty” referring to the section of the population whose income or expenditure is not sufficient to ensure the acquisition of the basic necessities of life, and “relative poverty” as lowest income in relation to the national income (Lugalla, 1993). The definition of poverty is complex, multi-dimensional, wide scoped and dynamic. However, poverty is broadly defined as a state of deprivation, denial of decent life, which includes exclusion, isolation, and vulnerability. Other dimensions of poverty are income poverty and food poverty. Otherwise, poverty at its broadest level can be defined as a state of deprivation prohibitive of decent human life. This is caused by lack of resources and capacities to acquire basic human needs as seen in many, but often mutually reinforcing parameters. These include malnutrition, ignorance, prevalence of diseases, squalid surroundings, high infant, child and maternal mortality, low life expectancy, low per capita income, poor quality housing, inadequate clothing, low technological utilization, environmental degradation, unemployment, rural urban migration and poor communication. (Clifford K., 2002)

2.2.2 Empowerment

The term Empowerment has been defined as the **ability to stand independently, think progressively, plan and implement changes systematically and accept the outcomes**

rationally. It implies enabling people understand the reality of their environment; reflect on factors shaping the environment and take steps to effect changes to improve the situation. (Guyanayake et al, 1993, pp. 10)

2.2.3 Participation

The term participation has been defined as an **acceptance that local people can, to a large extent identify and modify their own solutions to their needs.** In the past participation meant that local people were expected to provide their physical labour as their contribution but recently the term has come to mean that **local people also assess their own needs and priorities** (Haver Kort et al, 1996, pp 6 – 19) Bottom-up participatory development and respect for local knowledge are vital for the poor to participate fully for their own development.

That participation of people provides an effective means to mobilize local resources, organize and tap the energies, wisdom and creativity of people for their own development projects. It enables prior identification of community needs, provides legitimacy to the project, promotes commitment on the part of the people in its implementation and ensures sustainability. When community members participate in all phases of project planning, execution and evaluation, they will be more committed to the project and have a sense of ownership. Indeed, a project that satisfies the needs of all groups within the community will be more sustainable (Codel W, 1986 pp. 30 – 33).

Participation is therefore the organized involvement of individual or community efforts to increase control over resources in economic activity of interest to the

Community. It is an essential part of human development that is development of self-confidence, pride, initiative, creativity, responsibility and cooperation.

2.2.4 Marginalized Group

Mohmood A. Khan describes Marginalized Group as a cluster of household representing common interests and living close to a limit below or beyond which it is hard or impossible to meet the minimum (basic) subsistence needs out of the given resource base, of the household, such cluster include the uneducated, the illiterate, the landless peasants, the very small holders, the women and children.

2.2.5 Sustainability

The term sustainability is usually used when referring to economic projects, when talking of sustainability; one should not try to capture its complexity in a single “catch phrase”. The definition should recognize the current problems, present society with options for future change expressing explicitly the environmental, economic and social consequences, develop public support goals and mechanisms for achieving them, monitor success in achieving those goals and take adaptive management approach to modify the process at each stage when required ([http://Portland green map.org/sustainability. php](http://Portlandgreenmap.org/sustainability.php) pp. 1-2).

2.3 THEORETICAL REVIEW

Every citizen has a right to participate and benefit from national economic development. However, for most women, this right is denied because of their lack of economic self-reliance, access to employment and appropriate working conditions and control over economic resources like land, capital and technology. (http://www.Sardc.net/widsaa/Sgm/1999/Sgm_ch4.html PP.1)

Naresh Singh observes the importance of the link between poverty reduction, environmental protection and sustainable development. He further observes that communities should think of creating projects aimed at employment creation and income generation and emphasize on more equitable distribution of income, popular participation and access to and control over land and other resources (Singh N, et al, 1995, pp. 82 – 92)

The ideology that assumes women to be less capable of economic success than men is gender bias problem. Take an example, the prejudice that “women are less able to make investments profitable.” Just as gender biases in labour markets (masculine and feminine sectors and jobs) and land market (absent or limited land property rights for women) disadvantage women, so too gender segmentation of financial markets creates disadvantages for women.

In the developing world, 40-60 per cent of the adult workforce is self-employed. The majority of these are micro-entrepreneurs with little or no formal education. They are seen by formal financial institutions as either a credit risk or a not profitable venture. Microfinance Institutions (MFIs) have entered the market to offer financial services to low-income entrepreneurs. Through MFIs, like FINCA, these entrepreneurs are gaining access to loan capital to start or expand their businesses. MFIs have found that not only are these low-income entrepreneurs a good credit risk (repayment rates are generally equal to or better than commercial financial institutions) but that their lending programs can become sustainable.

Microfinance is coming to be seen as one of the greatest tools in poverty alleviation. By increasing the capital base of low-income entrepreneurs through credit and savings services, these entrepreneurs are able to work their way out of poverty.

MFIs differ greatly in their methodology and the services they offer. Some MFIs offer individual loans to their borrowers, some work through solidarity groups in which small groups of borrowers guarantee, each other's loans and others, like FINCA, work through Village Banking where larger groups of borrowers guarantee, approve, and deny each other's loans as well as keeping their own books of accounts.

Many MFIs place their focus on women borrowers. This focus is for a variety of reasons. But most importantly, it has been found that increasing the income of a woman

is liable to have a substantial impact on the health and welfare of her family. In addition, women as a group have shown themselves to be more consistent in repaying loans.

In addition to focusing on micro entrepreneurs, successful MFIs have some common characteristics which include:

- Accessibility by poor clients, having branch offices in the areas where the poor live or have field officers who make frequent visits to these areas,
- Simple procedures with minimal paperwork for loan applications allowing illiterate and semi-literate entrepreneurs access to their services,
- Small loan sizes at the beginning that increase based on the clients ability to service the loan, in order to attract a low-income client base,
- Minimal or no collateral requirements for loans, instead the peer guarantees system makes paperwork easier on the MFI and ensures repayment installments.

In addition to offering credit to micro entrepreneurs, perhaps the most important service MFIs avail to their clients is a variety of savings services. By learning to save and having a safe place to keep those savings, microfinance clients are improving the security of their families and giving themselves their own working capital, with which to improve their businesses.

Beyond the services offered by MFIs, regular loan meetings provide a forum for the MFI to provide facilitation in areas from business to health education and give the borrowers the opportunity to discuss their own problems, concerns, and achievements.

The “Vicious Cycle of Poverty” begins with low-income. When a family has a very low-income, they do not have the resources to save money so we find Low Savings. A family that is not using new investments cannot raise their level of production, so there is Low Production. The family with low production cannot increase their income so we come back to Low-income. And so on and so on, around and around, day after day, year after year, generation after generation.

How can this “Vicious Cycle of Poverty” be broken? The village bank accomplishes this with an injection of outside capital – a loan – that substitutes for the lack of savings and permits a family to make new investments. With new investments the family starts to achieve better production and better income. On increasing their income, the family now has better capacity to save. These savings, combined with ongoing injections of external capital from FINCA, create a continual process of growth and economic improvement and break the vicious cycle, as long as the family does not cease their efforts to achieve a better life.

As all the facts are clear that women’s disadvantaged position in access to productive resources such as land, credit, education and other resources, there is a need of

promoting entrepreneurship of women in particular and other disadvantaged groups. This project aims at the promotion of entrepreneurship of women through their initiative income generating activities, of the group members of the CHAMIWASHI (CBO).

2.4 EMPIRICAL REVIEW

Poverty in Tanzania is mainly a rural phenomenon because rural households comprise some 92% of the poor, and rural villages generally lack financial services. As reported in the 1997 World Bank Participatory Poverty Assessment, in Tanzania's rural villages, savings meant putting aside something for emergencies, or for major or special expenses. The survey found that the ideas of savings seemed to be widespread and well understood to "help overcome the bad times in a difficult life." If microfinance is to perform its function as one (but not the only) tool in a poverty reduction program, the role of savings and credit in rural village communities – as well as village households perception of the financial services – need to be clearly understood by providers of microfinance services. The survey addressed several questions, including: (i) what is the prevalence of informal and formal savings and credit institutions?, (ii) what are the preferred attributes of savings and credit institution?, (iii) how are they used and by whom?, (iv) are there any gender differences, and (v) where are surplus resources saved.

The survey respondents' answers to the last question are quite revealing; (i) by cattle ("walking bank", or goats and sheep ("liquid cash"), (ii) buy and keep surplus grain, (iii) keep money in the house (iv) keep with an upatu¹ [a village-based rotating savings and credit association], or (v) with a branch of Postal Bank, CRDB, NMB. The principal barriers to the use of savings bank facilities by rural village households as

reported by the survey consisted of high opening and minimum account balances, travel time and transport costs involved in making deposits and withdrawals at the bank branch (in town or market center), and lack of familiarity with bank branch operations and procedures.⁴

Most of the self employed small holder farmers, traders, and entrepreneurs in developing world are from the low-income households. Bangladesh is a leading among low-income countries offering micro-credit using a group-based approach. The Bangladesh Grameen Bank, founded as a project in 1972 and transformed into a bank in 1983 the best known micro-credit program closely followed by other well known micro-credit programs namely Bangladesh Rural Advancement Committee (BRAC), and the Bangladesh Rural development project (RD 12).

The Grameen Bank believes that the most pressing need of the poor is credit, which they can use to create and expand self – employment opportunities. The micro-financial institutions had been a blessing for Bangladesh poor especially women providing the poor with financial services increases their income and productivity hence reducing poverty. But in many countries the traditional financial institutions, which require physical collateral worth two to three times the amount of their loan, have failed to reach the poor, micro-credit programs have been developed to fill this gap. Many of these programs use special techniques, such as group based lending to reach the poor especially women. The micro-credit programs mobilize the poor into groups and

provide them with consciousness training offering them a way to realize their potentials.

Also groups monitoring helps to ensure that loans are repaid.

By 1994 the Grameen Bank had more than 2 million members, 94 percent of them women. Nearly 88 percent of BRAC's members were women as were 70 percent of RD. Most interesting women's loan repayment rates were well above 90 percent. (World Bank, 1998).

The study also reveals that the per capital annual income of the households that borrowed from BRAC was 26% high than that of the control households. It also showed that 50% of the borrowing households had an annual income of more than 19,000 taka (Bangladesh currency) per annum where as this was true for only 29% of the control group. The survey reveals that the role of microfinance institutions for poverty eradication among the poorest of the poor is so important.

2.5 POLICY REVIEW

1. The CBOs Policy, June 1996, Ministry of Community Development, Women Affairs and Children.

The Community Development Policy was published in Dar es Salaam in June, 1996, by the Ministry of Community Development, Women Affairs and Children. The Policy acknowledges women's disadvantaged position in access to productive resources such as land, credit and education. It proposes specific measures for promoting entrepreneurship of women and other disadvantaged groups, such as youth and people with disabilities, by facilitating their participation in community development.

2. Small and Medium Development Policy (2002). The Policy was developed under the Ministry of Trade and Industry. It commits to enhancing gender mainstreaming in all initiatives in Small and Medium, Enterprise (SME).

The Policy acknowledges women's disadvantaged position in access to productive resources also. The policy proposes the following strategies.

- (i) Facilitating SME Service provides to Special designed programs for women and disadvantaged groups
- (ii) Identifying factors that restrict women and other disadvantaged groups from going into business and designing programmes which address those factors.

3. **National Employment Policy, 1997.** This government policy is a specific statement advocating equal rights for women in the workplace, Section 10 (6), Employment Promotion Groups states: “Employment promotion for women will be accorded priority not only on gender equal rights basis, but also due to the fact that women constitute 54% of all the labour force in Tanzania mainland. They therefore have a large contribution to the growth of the economy”. In view of this, to promote employment for women, the following strategies were suggested.

- (i) to strengthen the fund for providing loans to women
- (ii) to remove discriminatory laws against women, such laws include those pertaining to ownership of land, inheritance of property, etc.
- (iii) to emphasize the use of labour saving technologies in order to reduce workload facing women in domestic shores.
- (iv) To encourage women to acquire economic power through involving themselves in various commercial activities.

4. **The National Policy on Economic Empowerment of the Tanzanian Citizen issued on February, 2004,** The National Policy on Economic Empowerment for the Tanzanians Citizen aims at promoting and encouraging economic activities that will give quick results for the low-income majority dominated by women in our country. CHAMIWASHI group is a good example of organizing for empowerment for poverty eradication within the community.

“Tanzanians citizens should be enabled to participate fully in the national economic activities, with the strategy of empowerment. This can be done by training Tanzanians especially in small groups to improve their income generating activities”.

5. National Microfinance Policy The National Microfinance Policy articulates a clear vision and strategy for the development of a sustainable microfinance industry, specifying the respective roles of the key stakeholders – the Government and its principal agencies in policy formulation and implementation, the different institution providers of microfinance services, and the donor community. In its statement of the overall microfinance policy, the Government recognizes the microfinance sector as an integral part of the financial sector, which falls within the general framework of its Financial Sector Reform Policy Statement of 1991.

Lead Government Agencies. Insofar as the Government agencies are concerned, the policy identifies the Ministry of Finance as the agency having the overall responsibility for government finances, the development of the financial system and oversight for all official donor assistance. Because the Bank of Tanzania (BOT) has responsibility for oversight of the entire financial sector, the policy places on the BOT the overall responsibility to coordinate the implementation of the national microfinance policy. As microfinance appears in various policy and strategy documents issued by government ministries as an element in their programs, these other government agencies and entities are required to coordinate and consult with the Bank of Tanzania to ensure that the

design and implementation of their programs are consistent with best practices and the principles laid out in the policy statement.

Coverage of the Policy. The policy covers the provision of financial services to households, small holder farmers, small and micro enterprises in rural areas as well as in the urban sector. It covers a range of financial services including savings, credit, payments, and other services which clients use to support their enterprises and economic activities as well as their household financial management and consumption needs. For purposes of policy, financing for all types of legal economic activity is included, e.g. commerce, trade, manufacturing and agriculture, and the definitions of small and micro enterprise are not tied to arbitrary limits or bases such as the number of employees, or the value of assets or sales. Thus the policy focuses on financial services for low income families and their enterprises that have lacked access to financial services from mainstream financial institutions.

The National Microfinance Policy recognizes the institutions providing microfinance services as the real driving force behind the achievement of the ultimate goal of development of sustainable microfinance. Banks and non-bank financial institutions, SACCOs and NGOs are free to develop microfinance services on the basis of their own internal objectives – whether profit, poverty alleviation, self-help or other motivations. The Government expects the institutions that decide to become microfinance service providers to fulfill their responsibility to learn best practices and to apply sound financial

principles in the delivery of their services, particularly with respect to pricing, loan delinquency control, financial reporting and information management, appropriate techniques and products, gender equity and governance.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 INTRODUCTION

This Chapter presents methods used for data collection, sampling techniques as well as procedures for data analysis and presentation. In this study two methods of data collection were applied, these are qualitative and quantitative methods. The two methods are complementary to each other.

It should be understood that there are always strengths and weakness to any single data collection method (Kothari C. 1990. pp – 83). With this in mind the project assignment allowed the use of other methods so as to overcome the problem that could emerge from the use of only one method.

3.2 RESEARCH DESIGN:

The survey was designed to establish problems and challenges facing the small-scale business women (poor women) in improving their Income Generating Activities (IGA) as a means of poverty eradication. This research used both qualitative and quantitative approach. Survey research method was applied alongside structured questionnaires and focus group discussion. Both were research techniques for obtaining the primary data

from the respondents. Other research methods were interviews and direct observation. The purpose of the survey was to enhance communities capabilities in identifying and analyzing problems and challenges facing poor women, suggesting solutions and strategies for implementing the solutions for poverty eradication. Descriptive method and simple statistics methods was used in data processing. The surveys ought to collect information about their income generating activities, problems and challenges that hinder the improvement of income generating activities projects.

Using survey research methods the study was able to gather as much details as possible on many aspects of the group characteristics that helped to formulate impressions about the group members of the CBO.

3.3 UNITS OF INQUIRY

The data was collected from both primary and secondary data sources, primary data was obtained through survey carried out from the CBO group members, micro credit institutions these are Foundation for Inter National Community Assistance (FINCA) and Promotion of Rural Initiative and Development Enterprises (PRIDE) and ward leaders. The wards involved are Kambarage, Chamaguha, Mwasele, Ndala and Ngokolo in Shinyanga Municipality. Others sources of Secondary data were obtained from reports, case studies and books.

3.4 SAMPLING TECHNIQUES

The research survey both used purposive or deliberate sampling technique and probability sampling method. The deliberate sampling and probability sampling were used to solicit information from the group members (CBO), the ward leaders, the micro finance institutions managers from FINCA and PRIDE.

Since the survey research was used to establish problems and challenges facing small-scale business women (Poor women) in improving their income generating activities, both deliberate and probability sampling were used for a valid conclusion.

3.5 DATA COLLECTION METHODS

In collecting data for this assignment various research techniques were used. The research techniques used helped to increase the chance of having more reliable and valid conclusion to the research problem. The survey used questionnaires, focus group discussion and direct observation were the research techniques for the collection of primary data.

3.5.1 Questionnaires

Questionnaires were used to gather information, which focused on the general understanding of the CBO (CHAMIWASHI). Open-ended questionnaires were used as a major technique of data collection from the following sources.

- (1) CBO (CHAMIWASHI) group members
- (2) CBO Management Committee members

(3) Wards leaders

(4) Micro finance institutions managers from FINCA and PRIDE

3.5.2 Observation Method

This is a way of obtaining informations by physical visit and witness by yourself. It can either be participatory observation, where one is participating actively in the group or it can be observation without participating (non participatory observation).

3.5.3 Interviews

Interviews involve obtaining responses from a direct encounter i.e. face to face question and answer sessions. This survey research method was used with wards leaders and managers from the micro credit Institutions like PRIDE and FINCA. This method has a room for clarifying and probing on a question that is not easily understood or clearly answered by the respondent. Also more questions can be asked then in case of a questionnaire.

3.5.4 Documentary sources

This involved examining books and other records concerning the required information in relation to the project assignment. Minutes from CHAMIWASHI meetings were

reviewed. The rationale behind such reviews was to give background information to the project assignment.

3.6 SAMPLING PROCEDURE AND SAMPLE DESIGN

Due to the diverse nature of the groups identified that will give the necessary information about the community based organization (CHAMIWASHI), different methods of sampling were used.

For the CBO group members, the selection of the sample was based on “instantaneous random sampling method,” as were required to have at least three quarters respondents from the CBO members. As regards to the Management Committee members, respondents were identified through “judgmental or purposive sampling method”.

Other potential respondents were chosen on the basis of their conveniences and availability.

3.7 PROCEDURES FOR DATA ANALYSIS AND PRESENTATION

After the fieldwork, data were compiled coded and summarized prior to its analysis. The analysis was done manually and by use of computer software. The data then were analyzed by using descriptive methods and simple statistical methods e.g. frequencies

and presented by using parentages. This was because of the nature of the data collected from the survey.

3.8 PROBLEMS ENCOUNTERED IN THE PROCESS

In the course of doing this project work some constraints were experienced.

Shortage of funds for facilitating the exercise emerged as a major problem.

Visiting the CBO and other offices for the project work required funds. On the data collection, some constraints emerged due to failure of respondents to return their questionnaires despite several follow-ups. As noted previously fifty four (54) questionnaires were distributed to the Community members but only forty six (46) responded positively. Five (5) CBO management committee members who were contacted responded.

Another problem that emerged was balancing between office work, family issues and study time. It had been so difficult as it was so necessary to touch all areas with no exception.

CHAPTER FOUR

4.0 FINDINGS AND DATA ANALYSIS

4.1 INTRODUCTION

This Chapter presents and analyses the survey findings collected from different sources, using different tools for data collection, as explained in detail in Chapter three. The sources of the data were the CBO members, management committee members of the CBO, wards leaders and managers from the micro-finance institutions FINCA and PRIDE.

4.2 RESEARCH FINDINGS FROM THE CBO MEMBERS

4.2.1 Number of the respondents.

The number of the respondents from the CBO was (46); that is about (85%) of the entire CBO membership. The high % of respondents is considered to be the valid representation of the CBO.

4.2.2 Participation of the group members in the process.

The group members were asked about their participation in the process of establishing the Community Based Organization (CHAMIWASHI), 97.8% of the respondents

participate in the activities of the CBO through economic projects (IGAs), monthly contributions of five hundred shillings (500/=) and 2.2% participated by contributing ideas of how best the CBO can be strengthened and managed.

This data shows that a high percentage of the group members are aware of what is taking place within the CBO. This observation also suggests that sustainability of the CBO is certain as group members are actively participating in the various activities of the CBO.

4.2.3 Importance of the CBO to the Community.

Respondents were asked about the importance of the CBO. About 98% indicated that the Organization is an essential instrument for community empowerment and poverty eradication. Therefore, in a way, the objective of sustainability of the income generating activities of the group members is guaranteed. Consequently the organization will continue to be the nucleus for economic development for the group and community.

4.2.4 Strategies for Sustainability of the Income Generating Activities.

As explained in Chapter One, the broad objective of this project paper is to determine the sustainability of the income generating activities of the CBO. The survey shows that 42.2% of the respondents indicated that financial monitoring, solidarity, good integrity, transparency and creativity of the members are the key issues towards sustainability of the Income Generating Activities of the group members; while 57.8% of the respondents

suggested that the group needs an injection of capital from external. This shows that, community members have good ideas which can contribute to sustainability of the Income Generating Activities (IGA) for the CBO.

4.2.5 Sources of Capital to Run the Income Generating Activities (IGAs)

Capital for running the IGA is necessary in order to achieve sustainability. Having asked the question on capital creation; respondents had different opinions: 39.5% thought that capital could be obtained from monthly contributions by members; 50.5% felt that funds should come from both member's contributions and donors; while 10% suggested that they need donors assistance as the only way to access capital. Significantly 90% of the respondents felt that capital should come from members' contributions. This is a healthy perception of ensuring the sustainability of their Organization. However, donor's contribution was mentioned by about 60.5% thus respondents indicated their awareness of good alternative strategy for raising additional capital.

4.2.6 Income Generating Activities of the CBO group members

The Respondents indicated that they were engaged in different Income Generating Activities projects. The dominant IGA being food vending (Mama Lishe) (23.9%). Other IGA's include 21.7% indigenous cattle rearing; 15.2% tailoring; 6.5% buying and selling goats and goats meat; 6.5% shops; 6.5% selling vegetables and 6.5%,

making and selling fruit juice, as shown in appendix vii. The initial capital for start-up income generating activities were also indicated by the respondents as shown in appendix vi.

The study also established that about (98%) of the respondents mentioned the following problems as major problems to improve their economic projects in ranked order:

(1) Capital and Savings

There is low capital and poor saving among the members.

(2) Lack of ability to advance oneself in life, because of low education.

(3) Financial dependence on others, people fail to realize their potentials and opportunities they have.

(4) Low income, the family with low savings does not have money to invest, so there is low investment and hence low income.

(5) Inability to meet basic needs. The family that is not investing cannot increase production and be able to meet the basic needs.

This reveals that the CBO members are engaged in income generating activities that need to be improved and be sustainable.

4.2.7 Sustainability of the IGA

The concept of sustainability is the core of the life of any organization. Members of the Management Committee of the CBO were asked to explain as to what needed to be done

to ensure the sustainability of the IGAs: 60%, saw commitment of the group members in doing whatever is agreed and work hard for their IGA's, while 40% insisted on the importance of capital creation and capacity building of the group members.

4.3.0 FINDINGS FROM MANAGEMENT COMMITTEE OF THE CBO

For the purpose of achieving objectivity in the survey, an attempt was made to seek information's from the Management Committee of the CBO. The essence of involving them in the survey was due to the fact that they are the main facilitators of the process of establishing the CBO and its objectives. Details of the findings are as follows:-

4.3.1 Reasons for Establishing the CBO

Management Committee Members were asked to give their opinion on reasons for the establishing the CBO, 56.3% expressed that the need was expressed by the community members themselves while 23.7% said the community wanted to establish the CBO in order to improve their IGAs and to alleviate poverty. The first reason suggests that the approach used in the process was bottom-up thus showing that the people were fully involved in the process (people participation). By ensuring community participation there appears to be an in built mechanism to guarantee sustainability of the CBO and

IGA's of its members. Also, that the CBO will play a great role in economic developments and hence poverty eradication within the community.

4.3.2 Participation of Community members

It was important to get information's from the Management Committee about the participation of the community members in the process of establishing the CBO.

About 100% of the management Committee responded that people were fully involved right from the beginning. This also guarantees sustainability for the IGAs. The full involvement of the community members largely depended on the capacity of the Management Committee to disseminate information's to the group members.

4.3.3 Strategies for Sustainability of IGAs.

On the question of sustainability of the CBO the Committee Members suggested that, the CBO should not depend wholly on external financing, but start seriously with the little local available resources. This will ensure active participation and sustainability of the IGAs, for their community economic development.

4.3.4 Benefits of Improved IGAs to the Community members

The Management Committee consists of five members. The Committee was asked to give their opinion on the benefit that will be obtained by community members following the establishment of the CBO. 60% explained that the community members will improve their standard of living through accessing credits and loans as a group; and other 40% saw that pulling together of the locally available resources, through subscriptions as a strategy for capital creation. As this has a big element of sustainability, the group will improve the standard of living through improved IGAs that lack mainly capital and sustainability.

4.4 FINDINGS FROM THE WARD LEADERS

The Wards involved for the survey were Chamaguha, Ndala, Ngokolo, Kambarage and Mwasele. There was a great need to get information from the Ward leaders through interviews; see the map appendix xi for the location of the wards.

Three wards leaders were available for interview. The questions raised were: why were women forming groups (CBO) to fight poverty among themselves? To find out, if there are aware about members from their wards have joined CHAMIWASHI, and why only women are in front line in forming CBO's to fighting poverty?; What support, as leaders, are you making to facilitate women effort to fight poverty? And lastly, what

does the local government say about this situation of women deciding to participate actively in CBOs and NGOs for poverty eradication. The respondents said that they were quite aware of their people (women) joining in various CBO's and NGO's. Most of them are women because this is one of the marginalized groups in their communities, denied access to resources and also facing gender discrimination. They also admitted that they were positive to see women joining hands in their struggle towards poverty eradication. They also responded that the local government is morally and financially supportive of these groups. The local government in some cases is acting as a link between the CBOs and donors to access funds that can support economically the CBOs. This information suggests that the ward leaders are well informed about the existence of the CBOs and they facilitate their development.

4.5 FINDINGS FROM THE MANAGERS OF MICRO-CREDIT

INSTITUTIONS, FINCA AND PRIDE BRANCHES IN SHINYANGA TOWN

Most of micro-finance institutions in Tanzania are involved in economic development for women. The reason given is that women are a marginalized group in our communities and that they lack access to economic resources. I had an interview with the managers from FINCA and PRIDE to see why these institutions are pro-women economic development. They admitted that women are a marginalized group that needs economic empowerment. This is one of their priority areas as a strategy for poverty

eradication in the communities. Many women groups ranging from 5 – 7 have access to credit from these financial institutions: The Managers admitted that the only way they can help women is to form voluntary groups and work together for a common goal because funding and assistance can only be given to groups and not individuals. The managers also admitted that women are the best customers of their institutions as their repayment rate is about 98%. This suggests that the Micro-credit institutions FINCA and PRIDE in particular, are positive to assist the economic development of women in groups.

4.6 GENERAL OBSERVATIONS, RECOMMENDATIONS AND CONCLUSION

4.6.1 General Observations

Having gone through the findings obtained from the four groups namely CBO members, Management Committee Members; Wards leaders and the micro-finance institutions managers. **The general observation is that the process was participatory and had big support.** This is supported by the high percentages of the respondents from each group that expressed a sense of community involvement and awareness. The active involvement of the group members reveals the realization of the importance, which is attached to socioeconomic development through the CBO, the initiative income generating activities for the group members is the most important way of attaining community economic development.

Also the majority of the community members have come to realize the importance of their own participation by contribution through ideas, financially and physically so as to improve their standard of living. The CBO is formed by a group of people with common bond, high sense of social awareness, self identity and genuine concern for the welfare of each member, hence sustainability of the IGAs.

Its also observed that, **CHAMIWASHI membership criteria are clear and known by all**, there is a group-constitution i.e. there are some rules or norms, membership criteria are clear and known to all. The CBO is formed out of an initiative of people and managed by them, there exists regular reviews of group activities and management to ensure no operational, priority, ethical doubts go unattended, there exists efforts to strengthen the economic base of the members with tangible benefits accruing to the individual members and democratic leadership is in place.

This observation brings us to a general conclusion that, **the CBO is a base for launching economic empowerment of the community as members pool their meager resources together for common good.** This enhances their bargaining power in defense of people's economic interests. As it is believed that it is easier to facilitate community development processes through groups than through individuals, CHAMIWASHI as an organization it is an instrument for poverty eradication.

4.6.2 Recommendations

Recommendations for the sustainability of the Income Generating Activities have been made by the majority of the respondents through their responses. The questionnaires and interviews were designed to solicit information's that will enable getting recommendations for the improvement of the activities of the CBO. As a Consultant and practitioner of community economic development, I would like give my own recommendations out of what I have learnt from the CBO and community members at large. Some recommendations will originate from the ideas given by various respondents as they were reacting to the questionnaires and interviews. Below are some of the recommendations be implemented by the CBO for strengthening and improving the IGAs of the group members and ultimately the targeted community of Shinyanga Municipality. The recommendations are given on the basis of the sustainability of the IGAs which is the main focus of this project paper.

Codel W, suggests that, a project that satisfies the needs of all groups within the community have a great possibility of being more sustainable (Codel W, 1986 PP. 30 -- 31). As about 57.8% of the respondents suggested that the group needs external assistance from external as a source of capital. The fact remain that development cannot be imported from outside the community, it can be facilitated from outside to the community. 42.2% saw that solidarity, integrity transparency and creativity of the members and funds monitoring are the key issues towards sustainability of the IGAs.

From the Codel W, idea, it is recommended for **the CBO and other stakeholders make deliberate efforts for capacity building, awareness creation to those who seem to believe strongly that, they need assistance of other people in order to improve their standard of living.** So that the entire group is reduced to a common denominator of how they can really improve the IGAs and bring in the sense of sustainability for economic development.

From the findings of the survey of the research, CBOs members were largely represented on the activities related to it. 85% of the CBO members participated in filling the questionnaires, but the responses reveals that the IGAs were poor not because of lack of capital, but also projects management education and skills need to be improved.

It is also recommended to **undertake capacity building sessions for the Management Committee on how to run various activities of the CBO in order to achieve its objectives.**

The management committee should ensure that the CBO possesses the strong qualities needed to achieve its objectives. These include:-

- The CBO should be governed by some policies and by-laws in implementing its activities. For instance members have mentioned accessing credits from micro-finance institutions and loans from donors. It should be very clear to them how the loans, credits can be used economically and repaid. That each planned

activity for the fund should have a specific policy on how to implement, monitor and evaluate the whole process.

- The CBO main strategy is to create a common pool of funds through subscriptions, donors as revolving fund to the members.
- This is to ensure that the group members can access bank services from the CBO for community economic development.
- Capacity building of the group members on income generating activities aimed on sustainability is of significance for community development. Members should emphasize the importance of transparency, integrity, solidarity and creativity in sustaining their IGAs. The four components are the key for success in any socioeconomic development project.
- Strategies for sustainability of the IGAs should aim at building a spirit of community ownership. Members should see the established IGAs are theirs for the own development. The survey done showed that the majority of the group members have a sense of ownership of the projects. However, about 57.8% of the group members didn't seem to have a sense of ownership, as they wanted capital to be obtained from external donors. This percentage of the community members should not be neglected but rather encouraged to see the IGAs as their projects for their own development. They should mobilize the local resources available for capital creation.
- The Management Committee should visit other CBOs that are running similar programs to be able to learn best practices that can be applied to their situation:

Learning from others who have done similar programs for economic development helps to foresee difficulties and their remedial measures.

- Having given the above recommendations, I the researcher, I recommend to the CBO members that in order for them, to be successful they should seek to build on the self-help spirit and participation of the group members. This will enhance a sense of collective responsibility towards the sustainability of locally initiated projects for socioeconomic development of the people.

4.6.3 General Conclusions

Having gone through the survey for the CBO, one can conclude that CHAMIWASHI is a strong and viable CBO with the following qualities.

- Formed by a group of the people with common bond.
- Members have high sense of social awareness, self identity and genuine concern for the welfare of each other
- Democratic leadership is in place
- There exists efforts to strengthen the economic base of the group members
- There is a group constitution
- Membership criteria are clear and known by all.
- Formed out of initiatives of local people and managed by them
- There exists regular reviews of group Income generating activities by the Management Committee
- There exists efforts to link-up and network with others CBOs

This can be substantiated by the survey findings, which revealed a high degree of community awareness and participation in various activities pertaining to the existing of the CBO. The findings ensure the sustainability of the IGAs since the majority of the respondents mentioned the pillars of sustainable development that are economic, social and environment for Community economic development. The principal focus of CED is to raise the standard of living of the low-income and marginalized people in our Communities through collective responsibility and use of locally available resources for community economic development and empowerment. It is therefore generally concluded that, the degree of community involvement in the process was high; the approach used was bottom-up. The Income generating activities of the CBO are sustainable that ensures community economic development. The CBO (CHAMIWSHI) will benefit both group members and the community at large.

CHAPTER FIVE

IMPLEMENTATION

5.0 TRAINING PROGRAM FOR THE CBO MANAGEMENT TEAM

5.1 INTRODUCTION

The group lacks skills and education in managing IGAs, also they lack capital. From the recommendations, the group should undertake capacity building sessions on how to run IGAs of the CBO members in order to achieve its objectives.

The micro-credit institutions' project experts have been identified where the management Committee can be trained on the improvement and sustainability of the IGAs of the CBO members.

The micro-credit institutions promotion of Rural Initiatives and Development Enterprises (PRIDE) and Foundation for International Community (FINCA) are dealing with micro-credit for poverty eradication in particular women in Shinyanga Municipality who are the poor majority.

Generally the CBO needs to undertake capacity building sessions to empower members on IGAs improvement and ultimately eradicate poverty among the group members. For the purpose of the training program, important aspects have been considered in the project paper for training purposes of CBO Management team, to enable it to achieve its objectives.

5.2 HOW TO CONDUCT MEETINGS IN CBOS EFFECTIVELY

(Verbating from D'Souza, 1997, 30 – 37)

5.3 WHEN A LEADER IS AN EFFECTIVE DISCUSSION FACILITATOR OF A GROUP

Effective discussion leaders have skills in organizing group thinking. They understand the patterns of group thinking; suggest appropriate patterns to follow and they recognize side-tracking and bring the group back on track.

- Effective discussion leaders are open-minded and flexible. They encourage open-minded response from the participants, grasp the problems and have a sufficient grasp of the subject to ask stimulating questions.
- Effective discussion leaders respect group members and are sensitive to people.
- They try to be especially aware of how members feel during the discussion. They note when members are unhappy with turn of events, when they are on the verge of a consensus, or when a hesitant member wants to speak. They treat everyone with equal dignity, and never take sides in personal conflict. In the language of argumentation, they speak 'to the issue' rather than 'to the speaker', that is, they take care not to attack a person's wisdom, integrity, or character.
- They trust the group and believe in its collective wisdom; act with tact and have concern for participant's feelings. They react to statements with

acceptance even when they disagree personally. They seek to know how others think and why. They do not attack when disagreeing.

- Effective discussion leaders are good listeners. They involve themselves in trying to understand and clarify issues and ideas. They behave patiently and calmly and do not interrupt (except dominating member). They will summarise accurately what has been said.

When all these are well observed conflicts in the group are highly minimized, it also create a strong sense of unity among members, hence the stated CBO objectives can easily be achieved through the collective effort.

5.4 SIGNS OF EFFECTIVE GROUP MEETINGS

- The atmosphere tends to be informal, comfortable, and relaxed with no obvious tensions. People are involved and show no signs of boredom.
- A lot of discussion takes place in which virtually everyone participates; yet the statements remain relevant to the group task.
- Everyone understands and accepts the group's task. At some point they freely discuss their goal until they formulate it in such a way that members commit themselves to it.
- Members listen to each other. The discussion does not have the quality of jumping from one idea to an unrelated one. Every idea gets a hearing. People do

not appear to be afraid of others thinking of them as foolish, so they speak their creative thoughts even if they sound extreme.

- The group is comfortable with disagreement and shows no signs of avoiding conflict or of staying on a superficial level so that no one gets offended. They do not override but instead seek to resolve differences rather than to dominate dissenters.
- Individuals who disagree do not try to dominate. They expect to arrive at a satisfactory solution. Sometimes they have basic disagreements they cannot resolve. Such a group finds it possible to live with ambiguity, accepting these disagreements but not permitting them to block its efforts. Under some conditions, the group members defer action to permit further study of an issue, On the other occasions, when they cannot resolve differences and yet must act, they decide with caution and recognize what they may need to reconsider.
- They accept frank criticism with relative comfort. They feel no personal attack, either openly or in a hidden fashion. They see the criticism as constructive because it helps remove obstacles that face the group and prevent them from getting the job done.
- People freely express their feelings and ideas on the problem. They have few 'hidden agendas'. Everybody appears to know how others feel about any subject under discussion.

- Once they decide on their course of action, they receive and accept clear assignments.
- Leaders do not dominate. The group does not unduly refer to them. During group discussion, leadership shifts from time to time, depending on the circumstances. Different members, because of their knowledge or experience, act as resources for the group and temporarily take over leadership roles. They have little (if any) struggle for power as the group operates. The issue is not who controls, but how to get the job done.
- The group is conscious about its own operation. Frequently, it stops for self-examination on how well it is doing or to discover what hinders its operations. The problem may be a matter of procedure, or an individual's behaviour that interferes with the accomplishment of the group's objectives. The group discusses openly until they find a solution.

5.5 THINGS PEOPLE LIKE TO SEE HAPPEN AT MEETINGS

5.5.1 Clear Role Definitions

Members want to know the responsibilities and roles for each member, each leader vis-à-vis the group goals.

5.5.2 Time Control

People want meetings to start on time and to end on time. Planners need to allow enough time to get work done – but no more.

5.5.3 Members Sensitive to Each Other's Contribution

People listen and respect others' opinions. They avoid interruptions or at least hold them to a minimum.

5.5.4 Informal, Relaxed Atmosphere

Meetings function better under relaxed conditions rather than as formal exchanges.

5.5.5 Good Preparation

Leaders and members should come prepared to make the meeting meaningful.

5.5.6 Acceptance of Members

All members want to be part of the group and they participate when they feel ownership (belonging). Someone has said, "When I know I am needed, I know I belong."

5.5.7 Good Records

When groups keep good minutes, decisions do not get lost and the group does not have to search to discover what decisions they previously made.

5.5.8 Group Assessment

Periodically, the group stops and assesses its own performance. The members work towards needed improvements that result from such self-assessments.

5.5.9 Member Reward

Members want recognition and appreciation for their efforts. They want recognition for their contributions.

5.5.10 Accepted Work

People want to know the work they do in-groups has value. Not only have they done acceptable work, but they also want to know that the organization uses it.

5.6 POST-MEETING ACTIVITIES

Its not just going to the meetings that matter, what is important is what you do after the talking stops.

Effective leaders know the importance of developing follow-up on meetings they attend. They know, for instance, that follow-up contributes to the success of the next meeting. Instead of thinking only about what they have to do or remembering what assignment they received, the whole meeting will systematically:

- Review the goal
- Identify personal responsibilities

5.7 WHY PEOPLE DO NOT LIKE TO ATTEND MEETINGS

Sometimes, people do not like to attend meetings. That's why forming a quorum sometimes becomes a difficult task. People also often come to meetings late. Why?

Poor Leadership

Leaders fail to keep the discussion on the subject, to keep things moving in the appropriate direction, and to engage in stimulating and motivating activities.

Unclear Goals

Members are not sure what they are trying to accomplish.

Lack of Commitment to Assignments

Members either not follow up their assignments or do them poorly.

Group Recommendations Often Ignored

Management needs to be more responsive.

Waste of Time

Unproductive discussions of problems with no conclusions or decisions made.

Domination

Some talk constantly and push for their positions. One person controls the meeting or a small group forms a clique and dominates. Non-responsive members wonder why they have come.

Lack of Preparation

Lack of preparation can include members as well as leaders. When members see that there is no agenda, or that needed materials and resources are not available, they realize that some person or group has not properly prepared.

No action Taken

The group spends a lot of time without coming up with specific decisions that result in some kind of action.

Hidden Agenda

Some members come with personal agendas to grind. They get into discussions that only they (or perhaps one or two others) consider important.

5.8 DECISION MAKING IN A MEETING

‘People are not born effective leaders. They learn effective techniques’ (D’Souza, 1997).

There are several types of decision making; the most important one is:-

Consensus

This is an agreement, often-involving compromise or the combination of various possibilities, after all opinions have been heard. Disagreements and minority viewpoints are discussed fully. It takes time and care to build a climate in which all feel free to express themselves, but this method does build unity, co-operation and commitment. It does not mean listening to people and then doing what we were going to do in the first place. It means adapting to accommodate the concerns of all. It may take longer to make a decision this way, but it will often be carried out more quickly and wholeheartedly.

5.9 DIFFICULTIES IN DECISION-MAKING

- Fear of Consequences

In some groups the possible outcomes of an impending decision may bring divisions and disagreements. Frank acknowledgement of these fears often suggests how they can be dealt with effectively.

- Conflicting Loyalties

When one person is a member of a number of groups, this frequently leads to divided loyalties about decisions. An atmosphere in which it is possible for these conflicts to be brought out in the open without threat to the individual is a great help in resolving them.

- Interpersonal Conflict

In-groups of any size personal differences occur which provoke feelings of affection or dislike among members and which interfere with sound decision-making. Power struggles when two different people are each trying to get their way are common.

- Hidden Agenda

One person may try to get the group to make a certain decision, which she wants for reasons, which he or she will not share with the group.

5.9.1 Inadequate Leadership

A leader may hinder good decision-making if she restricts the expression of opinion or discussion on issues too soon. Leaders also may fail to provide assistance in selecting appropriate methods for decision-making or be insensitive to the factors causing difficulty in the group.

5.9.2 Clash of Interests

Sometimes different groups or individuals within an organization do have opposing interests.

Decision-making processes should be seen to be democratic while at the same time including the views of the minority groups.

5.10 NEEDS ASSESSMENT IN CBOs

Why Needs Assessment is necessary in CBOs

- Helps us to understand the felt needs/developmental priorities of a CBO, hence, members' commitment to action for change.
- Enables those involved to determine the prevalence of particular problems.
- Helps the parties concerned to make best use of otherwise scarce resources.

- Facilitates a process where CBO needs can be compared to the needs of the entire community to see whether they concur.
- Helps in understanding the composition of the CBO membership.
- Helps to determine the entry point and choose intervention strategies.
- Helps to establish the abilities of the external animators and their need for capacity building to be in a better position to help the CBO.
- Helps to establish the capacity of the CBO in relation to their plans. This leads to the identification of training needs for capacity building.
- Helps to avoid the duplication of efforts by establishing who is doing what with the CBO and what areas are less catered for.

5.11 LOCAL FUND RAISING TECHNIQUES

5.11.1 Introduction

The concept and practice of fundraising has nearly exclusively been associated with external donor funding. Community groups and community organizations alike have always tended to look up to an intermediary agency to provide the necessary linkage with overseas funding sources. Rarely do they think of the local potential that exists for project funding. We do not wish to create the wrong impression that overseas funding is undesirable. In fact, overseas funding would be imperative to supplement a number of large-scale community projects that need relatively large amount of resources to accomplish. We also need overseas funding as a balancing act. I believe we need to

redistribute resources from the North to the South, in an effort to address the existing imbalance in resource flow between the two spheres.

Continued dependency on external funding can result to serious consequences. This leads to the creation of what has been referred to as dependency syndrome. Once the donor funding is withdrawn from a project exclusively dependant on external resources, such a project often ceases to operate almost immediately! Its sustainability is at stake in such a case. The premature collapse of such a project becomes a waste of resources.

Dependency is usually accompanied by inertia, whereby people sit and wait for things to be done for them. People begin to assume that they had nothing to offer for their own welfare, that they cannot make the right decisions for their own lives, that they cannot effectively manage their own projects. They begin to believe that they are not good enough, wise enough, endowed enough with resources or even educated enough to become masters of their own destiny. Hence, it is the outsiders who can make a difference in their lives. It is external donors who have all what they need to make that difference in their lives.

This mentality and belief has to be challenged before people can begin to look into their own inherent potential to transform their own situation. People will need to come to believe in themselves, what they have and what they can do. They need to realize that they often have enough of what they need to attain their dreams. It may take longer without external funding, but it will eventually be achieved. Those involved will

emerge with pride enhanced sense of dignity as they declare to the world that; 'we have done it ourselves:' (Mulwa F. 2002)

Below we have one of those techniques for local fund raising that is ideal for the CHAMIWASHI group.

5.11.2 Micro Savings and Credit Schemes

What

A more formal, more structured saving and loaning facility created and managed by its members. The principle here is to save regularly, borrow wisely (for providence and productive purpose) and repay loans promptly. A savings and credit scheme is not meant to give charity, but to give service to its members.

How

- Members save according to their ability. One may not save more than 1/5 of the total share capital of the scheme to the scheme to avoid the possibility of concentration of power and authority to the rich.
- Usually members borrow three times their total share capital. In some cases, this has been double one's shares while in other cases, it has been quadruple.
- One may borrow Equal Share Loan (ESL) with or without interest, depending on members' policy.

- Guarantor system is used to secure a Loan, with guarantors surrendering all or part of their savings as security for friends' Loan. The character of a borrower is usually considered when processing a Loan.
- Interest is charged (lower than prevailing marketing rate) to meet the running costs of the scheme.
- Money is usually banked in commercial banks.
- Committees are formed by members to manage the scheme.

Rationale

- Nobody will have anything to save, no matter how poor!
- It is easier and more motivating for one to save in a collective binding scheme than to save alone and at will. One would feel more obliged to save to catch up with peers and less motivated to withdraw savings unnecessarily.
- Due to peer pressure, members take more responsibility to repay loans promptly, now that their friends have guaranteed them.
- Members borrow more wisely and for worthy purposes since other members are keen to see what comes out of the loan.
- One does not need to wait until he/she has enough savings to realize one's dream. The provision of borrowing more than one's savings means one can attain a dream much earlier than if she/he relied on one's saving capacity. There are

times we do not need our money while others in our community are in dire need. This is an opportunity for such sharing.

Limitations

- Loan default rate can be high where management committees are weak, corruptible or simply resigned. Care should be taken to ensure loaning procedures and default penalties are strictly adhered to.
- Members do not like/encourage taking defaulters to court. One absurd reason has been that the group does not want to take a friend to court! The other limitation is that unless registered, such a scheme may have no legal authority to sue. The other common reason is that of negligence. ‘It is not necessary, let us wait a little longer’.

Caution

Savings and credit schemes will only succeed where there is honest and transparent leadership. Without this, it can turn out to be the easiest way to impoverish the poor even the more. One or few officials can run away with a fortune of members’ savings, while legal procedures and bottlenecks may give them the advantage of time until the case loses momentum. Hence, it is advisable that savings and credit schemes should be facilitated by a reputable organization which will oversee to ensure member’s savings are safe.

5.12 RECORD KEEPING IN CBOs

Common Records in Income Generating Activity Groups

Record	Purpose
<ul style="list-style-type: none"> • Meeting minutes 	<ul style="list-style-type: none"> • To keep track of what has been discussed and passed
<ul style="list-style-type: none"> • Constitution 	<ul style="list-style-type: none"> • To guide group relations and activities
<ul style="list-style-type: none"> • List of group members 	<ul style="list-style-type: none"> • To know the profile of each group member
<ul style="list-style-type: none"> • Cash book 	<ul style="list-style-type: none"> • To show income and expenditure
<ul style="list-style-type: none"> • Store ledger book 	<ul style="list-style-type: none"> • Show non-fixed assets owned by group
<ul style="list-style-type: none"> • Savings and credit record 	<ul style="list-style-type: none"> • To know who saves, borrows and pays
<ul style="list-style-type: none"> • Bank records 	<ul style="list-style-type: none"> • To have a record of bank transactions
<ul style="list-style-type: none"> • Internal / external auditor's report 	<ul style="list-style-type: none"> • To have accountability and transparency
<ul style="list-style-type: none"> • Visitors book 	<ul style="list-style-type: none"> • To monitor the kind of visitors who visit the project and advice given.

5.13 SUMMARY OF RECORDS KEPT BY CBOS AND THE PURPOSE FOR KEEPING THEM

Nature of record	Purpose
Inventory	List of property owned by the CBO
Minutes book	Proceedings/deliberations of meeting for future reference
Membership register	To identify bona fide members
Financial records	To track cash flow, income and expenditure
Correspondence file	Keep copies of letters sent out and received for future reference
Progress record	For monitoring and evaluation
Attendance register	To identify active, dormant and 'ghost' members
Visitors book	For reference, networking and feedback
Ledger book	To ensure adequate supplies for needs
Constitution / By laws	For good governance
Log book / project diary	Record of events and activities for reference, report writing
Receipt book	Tracking of financial transactions for accountability
Cheque book	Tracking of financial transactions for accountability
Petty cash voucher	Tracking of financial transactions for accountability
Training/activity file	Keep workshop records for reference
Project document	Keep original project proposal for reference
Registration certificate	Legal document to validate group existence

Observation

It is possible that some of these records may not be kept by some CBOs – either because they may not be relevant or their activities are too small in size.

5.14 GROUP ATTENDANCE RECORD (MEETINGS)

Group / Committee

Location

MEMBERS: MEN WOMEN TOTAL

ATTENDANCE IN MONTHLY AVERAGES

MONTH	MEN	WOMEN	TOTAL	OBSERVATIONS
JANUARY				
FEBRUARY				
MARCH				
APRIL				
MAY				
JUNE				
JULY				
AUGUST				
SEPTEMBER				
OCTOBER				
NOVEMBER				
DECEMBER				

END OF YEAR AVERAGE MEMBERSHIP: MEN.....WOMEN..... TOTAL.....

COMMENTS

NAME SIGNATURE:DESIGNATION..... DATE.....

5.15 GROUP MEETING MINUTE BOOK

DATE OF MEETING

GROUP MEMBERS PRESENT: Men Women..... Total

OTHERS UN ATTENDANCE

MATTERS ARISING FROM PREVIOUS MEETING

.....
.....
.....
.....

MATTERS DISCUSSED

.....
.....
.....

Signed Chairperson

5.16 GROUP MEMBERSHIP REGISTER

Name of Group

Member's Name	Occupation	Date Joined	Date Left	Position in Group	Other Position(s) in Company	Observations

5.17 SIMPLE CASH BOOK

Date	Particulars	Money In	Money Out	Balance

5.18 DUTIES AND RESPONSIBILITIES OF A CBO LEADERSHIP

5.18.1 Management Committee

- To prepare the agenda for membership meetings (in consultation with members) and to schedule the meetings
- To make suggestions and give advice on viable alternatives when confronted with the reality of having to make choices for the welfare of the group.
- To promote collective and democratic decision-making.
- Hiring and firing of project staff.
- To continuously search for and recommend effective fund-raising strategies including seeking for authority from the membership to incur debts.
- To be accountable to the membership by giving reports about their actions
- To ensure the agreed constitution is followed and errant members disciplined
- To delegate tasks to both the committee as well as general membership in an effort to encourage participation and shared leadership
- To network with resource persons, groups and institutions and recommend to the group effective ways of tapping their resourcefulness
- To ensure capacity building for members by organizing appropriate training
- To help the group by facilitating effective problem solving
- To arbitrate intra-group conflicts immediately
- To represent the group in supra-village, regional, national or global (as may be the case as may be necessary)

5.18.2 Chairperson

- To organize meetings and review sessions
- To chair meetings and summaries them at the end
- To encourage participation by all members in discussions / decision – making
- To ensure the group constitution is followed
- To ensure the secretary and the treasurer remain effective in their duties
- To ensure agreed resolutions and work plans are followed and executed timely
- To delegate work and assignments
- To maintain harmony in the group
- To represent the committee / group in meetings with others.

5.18.3 Secretary

- To record the agenda, minutes and attendance at meetings
- Maintain all group records
- To read aloud minutes of meetings
- To deal with letters and other correspondence to and from the group

5.18.4 Treasurer

- To keep the financial records of the group
- To safeguard and manage group funds
- To report to the members about expenditures and receipts and the balance available in cash or in the bank

- To issue receipts for any money received
- To keep the cash-book and receipts of purchases, sales and received money.

5.19 CONCLUSION

Our Role in Building Capacities in CBOs

Defining the concept of capacity building

The most difficult task, sometimes even unnecessarily so, is to attempt to define certain concepts such as capacity building. There can hardly be a universal definition of capacity building applicable at all times, in all contexts. There would be as many definitions as there are varied experiences with capacity building. Capacity building can be seen as:

A continuous and reciprocal process of adjusting facilitators' and stake-holders' attitudes, values and organizational practices while building up appropriate knowledge and skills aimed at strengthening each partner's ability to make effective decisions and assume full responsibility over the consequences of those decisions. The process challenges partners to efficiently marshal available resources towards meeting their own needs as they identify, create and optimize on opportunities in life. Meanwhile the stakeholders seek to influence policies that govern their communities and the society at large to ensure their individual and collective needs and rights are accommodated. (Mulwa F; 1994)

There are two levels of capacity building through changing attitudes and practices:

- At the individual human resource level, and
- At the organizational level.