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*Mali Poverty Outreach Study of the Kafo Jiginew and Nyèsigiso  
Credit and Savings with Education Programs*

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# MALI POVERTY OUTREACH STUDY OF THE KAFO JIGINEW AND NYÈSIGISO *CREDIT AND SAVINGS WITH EDUCATION PROGRAMS*

ANASTASE NTEZIYAREMYE AND BARBARA MKNELLY

## EXECUTIVE SUMMARY

### Introduction

Since 1996, Kafo Jiginew and Nyèsigiso credit union networks added *Credit and Savings with Education (CEE)* to the range of products and services they offer clients. For the credit unions, one of the main attractions of the *CEE* strategy was its potential to better serve a relatively poorer clientele. Although *CEE* does not employ specific screening mechanisms, it is thought that features such as small loan sizes, joint guarantee and regular meetings result in the self-selection of relatively poorer women. With a cadre of motorcycle-equipped *animatrices*,<sup>1</sup> the credit unions have used *CEE* to extend services to smaller and more-remote communities.

The objective of this study is to determine whether the *CEE* strategy improves the depth of outreach of the Kafo Jiginew and Nyèsigiso credit union networks. The study will also examine the obstacles to membership that may deter the poor from participating. The study employed a variety of quantitative and qualitative methodologies to answer three types of specific questions.

- ❖ A basic needs survey methodology was used to answer the question: *Is CEE better at reaching relatively poorer households than the credit unions' other financial products?*
- ❖ A wealth-ranking exercise was undertaken in a number of *CEE* program communities to answer the question: *What proportion of the CEE*

*clients come from the relatively poorer versus the relatively better-off households?*

- ❖ Focus-group discussions were held with *CEE* members and nonmembers, all from households identified as among the poorest in the community, to answer the following questions: *What obstacles prevent women from the relatively poorest households from joining CEE? Why is it that some women are able to overcome these obstacles and join CEE even though they come from the relatively poorest households?*

### Findings

#### *Basic Needs Survey*

Applying the basic needs methodology for developing a poverty index, the *CEE* clients were the relatively poorest client category for both credit union networks. This method is based on the population's own perceptions, as the interviewees themselves define what is important to them. For example, some of the conditions that the greatest number of respondents identified as being a "basic need" that no household should have to live without included the following:

- ❖ Having all the children complete the entire vaccination series.
- ❖ Having soap in the house for bathing and for washing clothes.
- ❖ Having enough food in the household so if a child is hungry there is something to give him or her.
- ❖ Having the means to honor one's children's wedding ceremonies.

<sup>1</sup> Field agents.

Comparisons of the poverty scores across client categories:

CEE clients vs. regular credit union members

CEE improves Nyèsigiso and Kafo Jiginew's outreach to a significantly poorer clientele as compared to their regular credit union members.

CEE clients vs. clients of other financial products for women (AFCRED)

CEE clients were significantly poorer than the clients of financial products such as AFCRED that cater to a predominantly urban clientele. Of the five financial products included in the Nyèsigiso sample, the AFCRED individual loans for women had the highest average loan size and the relatively best-off client households.

CEE clients vs. clients of agricultural loans (PACCEM cereal loans and CCA cotton loans)

CEE clients were not significantly poorer than borrowers of financial products such as PACCEM and CCA that are designed for farmers. Actually, there was considerable overlap for the Kafo Jiginew network between the CEE and CCA client categories. In this random sample, 23 percent of the CEE clients came from households in which another member was a client of Kafo Jiginew's CCA cotton loans.

Products that were brought to the villages reached a relatively poorer clientele. Extending the credit unions' services beyond the towns and large villages in which the branches are typically located seems to be more important than loan terms or even preferentially lending to women in reaching a relatively poorer clientele.

**Wealth-Ranking Exercise**

In nine CEE program communities, local informants categorized all households into relative wealth groupings. Four common categories emerged: Category I: Households Which are Food-Secure; Category II: Households Vulnerable to Food Insecurity; Category III: Households with Periodic Food Insecurity; and Category IV: Households Which are Chronically Food-Insecure.

The wealth-ranking exercise showed that the majority of CEE client households for both networks came from the target clientele represented by categories II-IV. In fact, both programs were even

reaching women living in households classified as among the poorest and most destitute in the community.

One of the most striking findings from the wealth-ranking exercise was how closely the wealth distribution of CEE members mirrors the overall wealth distribution in the communities in general.

In the absence of specific screening mechanisms, the wealth-ranking exercise showed that a cross-section of socioeconomic groups will participate in the CEE program. The relative wealth of the clients will mimic closely the distribution of wealth in the community at large. For example, more of the Nyèsigiso CEE households were chronically food-insecure than Kafo Jiginew CEE households, in large part because more of the households in the Nyèsigiso communities in general had been classified that way.

Despite the program terms, a certain number of women from better-off households will join CEE. And, despite their extreme poverty, a surprising number of women from the poorest, most food-insecure households will also join. For Kafo Jiginew, some bias is evident in CEE membership toward the food-secure category and away from the two poorest categories. Still, this bias is relatively minor and the representation of each wealth category among CEE households is never more or less than 10 percent of what it is in the population at large.

***Focus-Group Discussions with Women from the Poorest Households***

Women from households identified by the wealth-ranking exercise as among the poorest third in the community were interviewed further. Separate discussions were held with poor women who had never joined the CEE program, with poor women who were currently members and with ex-members. The discussions revealed little to no evidence of the poorer women being systematically excluded either by better-off members or by program representatives.

Women in the majority of the focus groups believed that the program was designed for the poor. In several instances, women referred to community orientation given by the CEE animatrice who described the program as being meant for poor women to pull them out of poverty.

However, some poor women were self-excluding themselves and chose not to join out of fear for their

already precarious economic situations. In fact, nonmembers referred three times more often to the poverty of their household than to any other reason for not joining the program. They also referred to a lack of experience or a lack of means for starting an income-generating activity, fear of tainting their reputation or the trust of others if they are unable to repay, and the pressure to use the loan money to meet immediate consumption needs such as food and clothing and other work responsibilities, especially during the rainy season.

The poor women who had joined talked about how their participation had helped them meet their families' basic needs for food, clothing, medical expenses and prepare for the marriages of children. Some also described being able to acquire agricultural equipment, learn new health/business practices and experience greater self-reliance and respect. But they also talked about how hard they struggled to make their repayments and few described real progression in their socioeconomic status. The villages in which the wealth-ranking exercise was conducted all had relatively weak local markets. The challenge of converting a working-capital loan into increased income is greatest for relatively poorer women who, compared to better-off women, are less likely to have their own mode of transport (moped, bike, etc.) to get to market and have fewer of their own resources to invest in their business activity. The weekly repayment schedule is also more difficult for poor households because they lack alternative means or sources of income from which they can repay their *CEE* loan. For this same reason, the poorer members are also at particular risk if there is a sickness or death in the family.

The focus-group interviews provide insight into the type of flexing and ancillary financial services the credit unions might offer to better reach and keep the poorest, most food-insecure clients; for example, experimenting with lengthening the loan period and reducing the meeting and repayment frequency. Ideally, the repayment schedule would match women's earning cycles and capacity to repay. Repayment frequency also needs to be linked to the economic opportunities available within villages, such as the frequency and vigor of the market.

Loan repayment by poor households is perhaps better understood as being made from "future

savings" that are coming from their overall productive and consumption strategies rather than simply returns from a single enterprise (Rutherford 1999). From this perspective, the absolute amount of repayment installment is very important and potentially limited.

Considering that most of the poor have little or no previous experience running an income-generating activity, the first educational sessions should emphasize business development to enhance their skills and confidence.

Good-quality savings services can attract and assist poor women who are afraid or unsure of how to use a working capital loan.

If not policy already, meeting frequency needs to be reduced in the rainy season and new Credit Associations should not be inaugurated. The credit unions already allow women to save without borrowing if they so choose. In addition, alternative or longer-term credit products could also be offered at this time of year. A variety of studies have indicated that the financial products that the extremely poor need include the following:

- ❖ Good-quality savings services that are convenient, available and voluntary.
- ❖ Consumption loans that assist households to maintain adequate diets during the predictable "hungry season" during the rains.
- ❖ Emergency loans and/or insurance to help poor households weather economic shocks due to sickness or death.

Strategies for enhancing these types of ancillary financial services that are already to varying degrees part of the *CEE* program should be studied further.



## INTRODUCTION

### Background

Since 1996, Kafo Jiginew and Nyèsigiso credit union networks have integrated the *CEE* product into their regular credit union operations. One of the main attractions of the *CEE* strategy for the credit unions was its potential to better reach relatively poorer households with credit union services. While the strategy does not employ a specific poverty-targeting tool for choosing clients, aspects of the operational methodology encourage poor people to join:

- ❖ *CEE* is offered to women in their own community and therefore extends beyond the towns and large villages in which the credit union branches are located.
- ❖ Members must organize into Credit Associations comprised of several Solidarity Groups.
- ❖ Loan sizes are smaller than the better-off are likely to desire—maximum loan amount is \$50 for the first loan and \$300 at maximum.
- ❖ Periodically, the Credit Associations' members have to meet in order to reimburse, which also might discourage non-poor people from participating.

It is hoped that these programmatic features result in the self-selection of relatively poorer households to join *CEE*. However, this does not mean that the *CEE* clients are exclusively poor. As the *CEE* program in Kafo Jiginew and Nyèsigiso is not exclusively targeting only the poorest, we can assume that members are a mixture of the poorest, the poor, and the nonpoor. The program staff and the credit union managers believe that the *CEE* program is reaching poorer households than their other financial products (individual, AFCRED, PACCEM loans in the case of Nyèsigiso; regular credit union loans, cotton campaign loans in the case of Kafo Jiginew). However, until now, no empirical evidence has tested this assumption.

### Objectives

This study is aimed at determining whether the *CEE* strategy improves the two Malian credit union networks' depth of outreach. The study will also examine the obstacles to membership that may deter the poor from participating.

More specifically, we will attempt to answer the following questions:

- ❖ What is the comparative depth of outreach for the credit union networks' different financial products?
- ❖ With *CEE* program communities, what proportion of the *CEE* clients come from the relatively poorer versus the relatively better-off households?
- ❖ What obstacles prevent women from the relatively poorest households from joining *CEE*? How are some women able to overcome these obstacles and join *CEE* even though they come from relatively poorer households? What obstacles and constraints do poor women face when participating in the *CEE* program?

In addition to answering these questions, the study will

- ❖ learn how local people define poverty and how they characterize poor people;
- ❖ develop and test two poverty assessment tools that could be used easily by other practitioners and reproducible elsewhere; and
- ❖ generate operational information for better matching the financial service needs of women from the poorest households.

Quantitative and qualitative assessment tools were used to investigate the following:

- ❖ The Basic Needs Survey was conducted to determine which of Nyèsigiso's and Kafo Jiginew's financial products were reaching more poor people. The Basic Needs Survey is a relatively new approach by which there is not a predetermined definition of poverty. Instead, interviewers themselves determine poverty as the interview goes along. Then, interviews are compared according to a series of poverty indicators recognized by the majority of interviewees as "basic needs" which every household should have and no household should have to go without. In total, 498 randomly selected clients from different financial products of both networks were interviewed.
- ❖ The Wealth-Ranking Method was used in nine rural communities from both networks to determine the proportion of the *CEE* clients who

come from the relatively poor versus the relatively better-off households. This approach is also based on the poverty perception of local people. Local informants were invited to define poverty according to their terms. They were then invited to rank all households of the community according to their wealth status. From their ranking, it was then possible to determine the proportion of poor households with a *CEE* member or with an ex-*CEE* member.

- ❖ The focus groups were conducted in the same nine rural communities to investigate the obstacles that might prevent women from the relatively poorest households from joining *CEE* or from using its services to their full potential. After all the households in a community were ranked according to their relative wealth, a focus group with approximately six women currently participating in the *CEE* program and another one with six women not participating in the program were facilitated. These women were chosen from the households considered as the poorest of the community. By discussing with participants and nonparticipants, it was possible to have a perspective from both groups—poor women who were not able to join the *CEE* program and poor women who were able to overcome obstacles and join the *CEE* program.

The fieldwork was carried out in late February and early March 2000 in both credit union networks. Two teams of interviewers were recruited and trained. The quantitative team of nine interviewers and their supervisor was responsible for conducting the Basic Needs Survey. The qualitative team, very small with two interviewers and their supervisor, was responsible for conducting the wealth-ranking exercise and the focus groups. The preparation work, including sampling and interviewer training, lasted for ten days, while data collection lasted for four weeks, two weeks in each network. Data were simultaneously entered as data collection went along.

Results are presented in three sections corresponding to each of the three tools used. Each section is composed of a brief presentation of the methodology, followed by the presentation of the results and a brief conclusion.

## **1.0 CLIENTS' RELATIVE POVERTY BY FINANCIAL PRODUCT: BASIC NEEDS SURVEY**

Poverty can be defined as the lack of basic necessities. A survey to capture households' satisfaction of basic needs was conducted to determine which of the financial products offered by Nyèsigiso and Kafo Jiginew were better at reaching poor people. The survey tested the assumption that the *CEE* program increases the credit unions' outreach to a relatively poorer clientele.

The chapter begins with a description of the various financial products offered by the two credit union networks. The methodology for the survey is then outlined. This is followed by a summary of the socioeconomic characteristics of each "type" of client and a comparison of their relative poverty levels.

### **Description of Nyèsigiso's and Kafo Jiginew's Main Financial Products and Services**

Both credit unions offer a range of financial services. Their "regular" credit union members all maintain an account with a local credit union (Caisse d'épargne et crédit or CEC) and they also may or may not choose to borrow. In addition, both credit union networks have diversified into financial services and loan products tailored to the specific needs of certain clients. It was not possible to take a sample from all of the credit unions' various products. Instead, the survey was confined to the three or four products that were most important to the credit unions' loan portfolio or to the number of individuals reached.

### **Financial Products Offered by the Nyèsigiso Network**

Table 1.1 summarizes the features of the five different financial products from which Nyèsigiso clients were sampled. Savings and loans to regular credit union members are the principal financial products

provided by credit unions in the Nyèsigiso network. The network also developed other programs to answer certain client groups' specific needs. These programs are Accès des Femmes au Crédit (AFCRED) (Women's Access to Credit), the Projet d'Appui à la Commercialisation des Céréales au Mali (PACCEM) (Project Supporting Grain Marketing in Mali)<sup>2</sup> and *Crédit Épargne avec Éducation (CEE)*.<sup>3</sup>

AFCRED was initiated to increase women's access to credit by offering services to individuals and women's associations. Starting in 1996, AFCRED is gradually being transferred to the credit unions. Ultimately, AFCRED will cease to operate as a separate project and these loans will become part of the regular lending service provided by the CECs. AFCRED loans are concentrated in the urban and peri-urban towns. As of June 2000, approximately 1,600 individuals and 340 groups with 1,400 members are receiving AFCRED loans.

Credit from the PACCEM program is a product specifically designed for grain producers to allow them to buy inputs and market their grain surpluses. All clients belong to "Faso Jigi," a peasant organization with technical and financial support from the PACCEM program. Faso Jigi markets its members' grain surpluses and provides a guarantee for member loans from the Nyèsigiso's CEC. Farmers receive 60 percent of the loan at the beginning of the season to assist with production costs. When they deliver their surplus grain, they receive an additional 40 percent of their loan. Farmers may receive additional money depending on the price for which the grain is ultimately sold. Table 1.1 summarizes the conditions of membership. Approximately 1,700 members are receiving PACCEM loans.

*CEE* offers women a combination of credit, savings and education services that address health, better business and credit management. Nyèsigiso adopted this financial product through a partnership with Freedom from Hunger. As with the AFCRED project, *CEE* will ultimately be integrated into the credit unions' regular financial services. With *CEE*, women are organized into Solidarity Groups of five

<sup>2</sup> Implemented with technical and financial support from the Corporation for International Development of the Union of Agricultural Producers of Québec, and from Développement international Desjardins (DID).

<sup>3</sup> Implemented with technical and financial support from Freedom from Hunger and the U.S. Agency for International Development.

**Table 1.1: Nyèsigiso: Client “Types” Included in the Basic Necessities Survey**

<b>Financial Product</b>	<b>Regular Credit Union Members</b>	<b>AFCRED Individuals</b>	<b>AFCRED Groups</b>	<b>PACCEM</b>	<b>CEE</b>
Purpose/ Target Clientele	Basic financial services offered to credit union members.	Specialized product to increase lending to women, primarily in urban areas.	Specialized product to increase lending to women, primarily in urban areas.	Specialized product designed for grain producers who are members of “Faso Jigi,” a peasant organization.	Specialized product to increase lending to poorer households and women, primarily in rural areas. Nonformal health and business education offered to groups.
If Group, Average Size	Not Applicable.	Not Applicable.	Women’s association of 5 to 10 persons.	Village association of 5 to 30 cereal producers.	Caisse Villageoise (CV) of 25–35 persons made up of Solidarity Groups of 5–7 members.
Eligibility Requirements	To be a member, must save. To borrow, must 1) be a member for at least four months; 2) keep on deposit 30 percent of loan until fully repaid; and 3) provide evidence of collateral or third-party guarantee.	To borrow, must 1) maintain individual account at CEC and maintain deposit of 20 percent of loan until fully repaid; 2) provide collateral; 3) follow the credit advisor’s recommendation; and 4) use the loan as described.	To borrow, must 1) maintain group account at CEC and keep on deposit 10 percent of loan until fully repaid; 2) agree to jointly guarantee group members’ loans; and 3) attend regular meetings if needed.	To be a member, must 1) organize village association 2) pay membership fee (FCFA 10,000) and annual dues; 3) expect a grain surplus; and 4) have access to storage. To borrow, must 1) pay FCFA 1,000 fee; 2) open account at CEC and maintain deposit of 10 percent of loan until repaid; and 3) commit to deliver harvest, no collateral necessary. Faso Jigi maintains guarantee of 30 percent of aggregate loan.	To borrow, must 1) be a member of a group; 2) have the loan approval of Solidarity Group and entire CV; 3) over the loan cycle, make deposits that accumulate to 5 percent of loan amount; 4) agree to jointly guarantee group members’ loans; 5) agree to attend CV’s regular meetings; and 6) agree to possible physical collateral requirement for loans above FCFA 150,000 (US\$224).
Loan Terms	<ul style="list-style-type: none"> <li>Length of loan flexible (negotiated).</li> <li>Maximum loan FCFA 500,000.</li> <li>21 percent annual interest.</li> <li>Borrower comes to CEC.</li> </ul>	<ul style="list-style-type: none"> <li>Length of loan is 1 year.</li> <li>Repayment monthly, quarterly or annually.</li> <li>Maximum initial loan FCFA 50,000.</li> <li>21 percent annual interest.</li> <li>Borrower comes to CEC.</li> </ul>	<ul style="list-style-type: none"> <li>Length of loan is 1 year, mostly.</li> <li>Repayment monthly, quarterly or annually.</li> <li>Maximum initial loan FCFA 500,000 per group.</li> <li>Reimbursement occurs at one time</li> <li>Credit advisor visits groups.</li> </ul>	<ul style="list-style-type: none"> <li>Producers get 60 percent of loan amount before planting and 40 percent on delivery of the grain.</li> <li>Interest is 12.5 percent per annum based on actual days had loan.</li> <li>Interest 33 percent per annum flat with delivery of grain.</li> <li><i>Animatrice</i> visits groups.</li> </ul>	<ul style="list-style-type: none"> <li>Loans for 16 weeks for first two years then can increase to 24 weeks.</li> <li>Initial loan maximum is FCFA 25,000 (US\$37) and loan ceiling is 250,000 (US\$373).</li> <li>Repay in equal weekly or biweekly installments.</li> <li><i>Animatrice</i> visits groups regularly in community.</li> </ul>
Savings Terms	Two types of savings: 1) No minimum required, earns no interest. 2) Minimum of FCFA 50,000 earns interest. Rate depends on amount and period.	Mandatory “savings” or deposit of 20 percent of loan—can also save more.	Mandatory “savings” or deposit of 10 percent of loan—can also save more.	Mandatory “savings” or deposit of 10 percent of loan—can also save more.	Mandatory “savings” or deposit of 5 percent of loan. Voluntary savings encouraged, access at end of loan cycle.

to seven persons and then several Solidarity Groups together form a Credit Association (“Caisses Villageoise”). The Credit Association is in charge of managing and reimbursing its members’ loans. Weekly payments take place in the village at the same time as the educational sessions facilitated by the *animatrice*. Additional detail about the terms and conditions are included in Table 1.1. As of June 2000, *CEE* was reaching more than 17,000 women members organized into 816 Caisses Villageoises with an average loan of FCFA 42,000 (US\$63).

### **Financial Products Offered by the Kafo Jiginew Network**

For its part, the Kafo Jiginew network has developed a range of products and services to answer its members’ specific needs. Rural savings mobilization is one of Kafo Jiginew network’s reasons for existence, which is why we have chosen to particularly focus only on credit union members who are savers for this study. In addition to savings services, the two other important services are the cotton loans and *CEE* (see Table 1.2). The cotton loans are referred to as “Crédit de campagne” or “Crédit campagne coton” (CAA) (Credit Campaign or Cotton Credit Campaign); they represent more than 75 percent of the network’s loan volume. Cotton loans are provided to Kafo Jiginew’s regular members to allow them to buy inputs, hire labor, rent equipment, etc. during the cotton cultivation season.

The *CEE* program accounts for about 10 percent of Kafo Jiginew’s total loan volume. It is similar to Nyèsigiso’s *CEE* program except that the maximum loan ceiling is lower (FCFA 150,000) and the interest rate of 3 percent per month (or 36 percent per year) for the first six cycles can decrease to 2 percent per month for subsequent cycles. At Kafo Jiginew, the *CEE* borrower groups are referred to as Credit Associations rather than village associations (“Caisse Villageoises”). As of June 2000, *CEE* was reaching more than 16,000 women members organized into 733 Credit Associations with an average loan of FCFA 29,000 (US\$43).

The Basic Needs Survey is confined to these three products because they represent the major services. However, Kafo Jiginew offers other products such as equipment loans and short-term loans, which although relatively few in number also have significant impacts on certain households.

### **METHODOLOGY**

This study built upon the basic needs survey methodology as described by Rick Davies and applied by ActionAid.<sup>4</sup> Rather than define “poverty” or “basic needs” a priori, this is a dynamic approach whereby the interviewees themselves determine the indicators that will reflect relative poverty. The questionnaire is very simple. It lists a number of conditions—approximately 30—that might be considered to be basic necessities. The interviewee is asked to respond to the following two questions for each of the basic necessities indicators:

1. “Which of the conditions that I am going to read to you do you think are basic necessities which every household should have and which no household should have to go without?”
2. “Which of these conditions from the following list does your household currently have?”

Only those conditions or indicators considered basic necessities by more than 50 percent of the respondents are included in the poverty index (see question #1). In this way, the methodology could be said to take a democratic approach. For those conditions, a weighting coefficient is assigned based on the percentage of respondents who considered it a basic need. If the interviewees report that their household has this condition, the weighting coefficient is multiplied by “1.” If they do not have this condition, they get a “0.” The sum of the scores for each condition is divided by the total maximum score to compute the poverty index. If an interviewee has all the conditions, his or her index will be 1, whereas if an interviewee has none of the conditions, the index will be 0.

The list of basic needs conditions was generated on the basis of qualitative research done in Nyèsigiso and Kafo Jiginew several months earlier. In a first stage, discussions with groups of men and women

<sup>4</sup> Davies, Rick (1997) “Beyond Wealth Ranking: The Democratic Definition and Measurement of Poverty,” A Briefing Note prepared for the ODI Workshop, “Indicators of Poverty: Operational Significance,” held in London, October 1997. Davies, Rick and William Smith, “The Basic Necessities Survey: The Experience of ActionAid Vietnam.” Hanoi, September 1998.

**Table 1.2: Kafo Jiginew: Client “Types” Included in the Basic Necessities Survey**

<b>Financial Product</b>	<b>Regular Credit Union Members</b>	<b>Campaign de Crédit (CCA) (loans to CEE cotton farmers)</b>	<b>CEE</b>
Purpose/ Target Clientele	Basic financial services offered to credit union members.	Specialized product designed for cotton producers who are organized into village associations to facilitate cotton production and marketing.	Specialized product to increase lending to poorer households and women, primarily in rural areas. Nonformal health and business education also offered to groups.
If Group, Average Size	Not Applicable.	Size of the village association varies and can be quite large.	Association du Crédit (AC) of 25 to 35 persons made up of Solidarity Groups of 5–7 members.
Eligibility Requirements	To be a member, must save. To borrow, must 1) be a member for at least four months; 2) maintain deposit with CEC of 30 percent of loan until fully repaid; and 3) provide evidence of collateral or third-party guarantee.	To borrow, must 1) be a member of the credit union for at least six months; 2) maintain deposit of 10 percent of loans under FCFA 1,000,000 and 30 percent for larger loans until repaid; 3) submit to collateral requirement; and 4) agree to mutual guarantee of the village section.	To borrow, must 1) be a member of a Solidarity Group and AC; 2) have the loan approval of Solidarity Group and entire AC; 3) make deposits, over the loan cycle, that accumulate to 5 percent of the loan amount; 4) agree to jointly guarantee group members' loans; and 5) agree to attend AC's regular meetings.
Loan Terms	<ul style="list-style-type: none"> <li>Length of loan flexible (negotiated).</li> <li>Maximum loan cannot exceed 10 percent of the CEC's total deposits.</li> <li>21 percent annual interest.</li> <li>Borrower comes to CEC.</li> </ul>	<ul style="list-style-type: none"> <li>Length of loan corresponds to cotton season.</li> <li>Individual loans can be as high as FCFA 1,000,000 or greater, but cannot exceed 10 percent of the CEC's total deposits.</li> <li>Interest: 2 percent per month or 24 percent per annum.</li> <li>Single reimbursement after the cotton sale.</li> </ul>	<ul style="list-style-type: none"> <li>Loans for 16 weeks for first two years, then can increase to 24 weeks.</li> <li>Initial loan maximum is FCFA 25,000 (US\$37) and loan ceiling is 150,000 (US\$224). Interest 3 percent per month for 16-week loans or 36 percent per annum flat. Can decrease to 2 percent per month or 24 percent per annum after two years.</li> <li>Repay in equal weekly or biweekly installments.</li> <li><i>Animatrice</i> regularly visits groups in community.</li> </ul>
Savings Terms	Two types of savings: 1) On-site deposit of at least FCFA 1,000. Full access. Earns 3 percent per annum. 2) Term deposit committed to 12 months. Minimum FCFA 25,000. Earns 4 percent per annum.	Mandatory “savings” or deposit of 10–30 percent of loan—can also save.	Mandatory savings: 5 percent of loan amount. Voluntary savings encouraged. Access at end of loan cycle.

were facilitated in the villages of Banankoroni (Ségou) and Konséguéla (Koutiala) with the intent of identifying a preliminary list of potential indicators. Discussions were begun by having the participants identify the major needs that households had to satisfy and without which households could not live without being considered poor. For each identified need, the participants were asked to identify one or more indicators that would distinguish a poor from a non-poor household. The discussions were directed to make the participants respond as specifically and as tangibly as possible.

In a second stage, the methodology was tested on a few people identified as being “nonpoor,” “average” and “poor.” This stage helped determine the indicators to keep on the list. Starting with 43 indicators, the final version of the questionnaire ended up with only 30 indicators. Three indicators concerned the satisfaction of nutritional needs, six concerned agricultural production needs, three concerned health needs, two concerned educational needs, five concerned housing needs, two concerned clothing needs, two concerned social needs, and seven concerned material needs. As suggested by the protocol, the final list included items that almost everyone would agree are basic necessities and others for which there would be more disagreement so that the “list [could] be seen as a menu of possibilities.”<sup>5</sup>

The list was also slightly modified during the four-day training and as a result of the pre-test. The pre-test also underscored the importance of re-reading the questions as often as possible to keep the concept of “basic necessity” in the interviewee’s mind. We found the phrase “... [that] every household should have and should not live without” essential for clarifying the concept of basic necessity.

In addition to the basic necessities, the survey collected some additional information about respondents’ demographic characteristics and those of their households and their communities, as well as their credit union experience.

### Sampling Plan and Sample Size

Overall, 498 credit union clients were surveyed. These respondents were divided into five

membership categories for the Nyèsigiso network and into three categories for the Kafo Jiginew network. The sampling process occurred in two or three stages, depending on whether the interviewees were individual or group members.

The first selection level involved choosing the credit unions for the survey. So that the findings could be compared to another survey also being conducted with Nyèsigiso and Kafo Jiginew, the pool of potential credit unions was limited to examining those eight credit unions participating in the New Member Intake Survey. The credit union also had to meet the following criteria:

1. Have a very wide range of financial products.
2. Have Credit Associations of different ages (Credit Associations in their first, second or third year).

For Nyèsigiso, an urban credit union (Médine) and a rural credit union (Koyan Coura) were selected. For Kafo Jiginew, the Konséguéla and Finzankoro credit unions were selected.

Within each of the four selected credit unions, individual members were picked at random using credit union records and a random number table. In the case of association members, a random drawing for the requisite number of associations in each category was done first. Based on association records, a random drawing of members was made each time using a random number table. Table 1.3 presents the sampling plan used at the credit union level by membership category.

### Data Collection

A team of nine interviewers and a supervisor conducted the survey over a period of four weeks through February and March 2000. Interviews with members organized into associations (*CEE* program members, members of AFCRED women’s associations, PACCEM program members) took place at these associations’ regular meeting places. Interviews with the individual members took place in their homes.

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<sup>5</sup> See note 4 above.

**Table 1.3: Sampling Plan at the Credit Union Level According to Member Category**

<b>Financial Products</b>	<b>Sampling Plan</b>	<b>#</b>
<b>Nyèsigiso Network: Médine (Urban CEC); Koyan Coura (Rural CEC)</b>		<b>286</b>
Individual Savings and Borrowing Members	At the level of each CEC: <ul style="list-style-type: none"> <li>From an available list of active members from each credit union, random drawing without replacement of 18 savers and 18 borrowers (i.e., 36 regular credit union members from Médine and 36 from Koyan Coura)</li> </ul>	72
Individual AFCRED Members	At the level of each CEC: <ul style="list-style-type: none"> <li>From a list of active AFCRED members, random drawing without replacement of 18 members from Médine and 18 members from Koyan Coura (i.e., 36 regular AFCRED members)</li> </ul>	36
Group AFCRED Members	At the level of each CEC: <ul style="list-style-type: none"> <li>A list of active AFCRED women's associations</li> <li>Random drawing of seven associations from Médine and five from Koyan Coura</li> <li>Random drawing without replacement of five members from each of the selected associations</li> </ul>	70
Individual PACCEM Members	At the level of each CEC: <ul style="list-style-type: none"> <li>Selection of two village associations (i.e., two from Médine and two including one new and one old from Koyan Coura)</li> <li>Random drawing of nine members from each of the selected village associations</li> </ul>	36
CEE Program Members	At the level of each CEC: <ul style="list-style-type: none"> <li>Three lists of Credit Associations according to whether they are in their first, second or third year</li> <li>Random drawing of three Credit Associations from each of the three age categories (five from Médine and four from Koyan Coura)</li> <li>Random drawing of eight active members from each of the selected Credit Associations</li> </ul>	72
<b>Kafo Jiginew Network: Konséguéla Credit Union; Finzankoro Credit Union</b>		<b>212</b>
Individual Savings Members	At the level of each credit union: <ul style="list-style-type: none"> <li>From the computerized member register, random drawing without replacement of 36 savers</li> </ul>	70
Individual Members Who Benefit from Cotton Loans	At the level of each credit union: <ul style="list-style-type: none"> <li>From the computerized member register, itemizing the borrowers for the cotton loans, random drawing without replacement of 36 borrowers</li> </ul>	70
Members of the CEE Program	For both credit unions: <ul style="list-style-type: none"> <li>Three lists of Credit Associations according to whether they are in their first, second or third year</li> <li>Random drawing of three Credit Associations from each of the three age categories (six from Konséguéla and three from Finzankoro)</li> <li>Random drawing of eight active members from each of the selected Credit Associations</li> </ul>	72
<b>Total Over the Two Networks</b>		<b>498</b>

## MEMBERS' CHARACTERISTICS AND THEIR EXPERIENCE WITH FINANCIAL INSTITUTIONS BY FINANCIAL PRODUCT

For the various client groups selected for the survey, this section presents their socioeconomic characteristics at the individual, household and community levels (see Table 1.4). Finally, the section will touch on members' experience with their credit unions and their credit programs.

### Socioeconomic Characteristics Across Client Groups

#### Location

As was described in the methodology section, clients were randomly selected from the records of four different credit unions. Both credit unions from the Kafo Jiginew network were located in rural areas, so almost all of the sampled clients were categorized as living in rural communities. For Nyèsigiso, one of the credit unions was located in a town or urban area while the second was in a rural community. As a result, the Nyèsigiso clients included in the basic necessities survey come from both urban and rural communities; 64 and 33 percent, respectively.

Across the various financial products offered by the Nyèsigiso credit unions, a definite locational bias is evident. Regular credit union members and clients of the AFCRED group and individual program are much more likely to come from urban communities than clients of *CEE* and PACCEM. Since PACCEM is a product for cereal farmers, it is not surprising that all of the sampled clients lived in rural communities. But it is interesting to note that 100 percent of the AFCRED group members, 97 percent of the AFCRED individual borrowers and 83 percent of Nyèsigiso's regular credit union members lived in urban communities as compared to only 33 percent of those in the *CEE* program. In fact, both credit unions have specifically used the *CEE* services and the mobility of the *animatrice* to extend their outreach into smaller and more rural surrounding communities. For Nyèsigiso, *CEE*

clients were significantly more likely to be located in rural communities than the regular credit union members ( $p < .05$ ).

### Socioeconomic Characteristics Across Client Categories

Information on clients' individual characteristics, including their gender, age, literacy and marital status were compared for each financial product included in the basic necessities survey.

#### 1. Gender

The AFCRED and *CEE* financial products are specifically intended for women, so 100 percent of the individuals sampled to represent these client groups are women. Of the financial products tailored to farmers, 100 percent of Nyèsigiso's PACCEM borrowers were men while only 77 percent of sampled clients of Kafo Jiginew's CCA cotton loans were men. A minority of almost one-quarter (23 percent) of the sampled cotton borrowers were women. Credit union membership is certainly open to women as well as men. From the random sample, however, women are relatively underrepresented among the regular members of both credit unions; women make up only 26 percent of Nyèsigiso and 29 percent of Kafo Jiginew regular members. The standard eligibility criteria for joining the credit unions seem to better suit men than women.

#### 2. Age

The average age of the sampled clients was 42 years for both networks with little difference by financial product. For Nyèsigiso, the *CEE* program seemed to have better outreach to older women than either of the AFCRED products since 13 percent of the *CEE* clients were over 60 years of age as compared to only 1 and 3 percent of the AFCRED group and individual loans, respectively. The *CEE* programs of both credit union networks also had significantly more younger members (under 30 years of age) relative to their other financial products. In summary, the Nyèsigiso *CEE* program seemed to have a broader age range of clients while the Kafo Jiginew *CEE* program catered to younger clientele relative to their other financial products.

**Table 1.4: Individual, Household and Community Characteristics By Client Group**

	Nyèsigiso						Kafo Jignew				Over Both Networks (n=498)
	Regular Credit Union Members (n=72)	Individual AFCRED Members (n=36)	Group AFCRED Members (n=36)	PACCEM Members (n=36)	CEE Program Members (n=72)	All Nyèsigiso (n=286)	Credit Union Members (savers) (n=70)	Individual CAA Borrowers (n=70)	CEE Program Members (n=72)	All Kafo Jignew (n=212)	
<b>Location</b>											
Percentage Living in Urban Community	83	97	100	0	33*	66	1	0	0	0	38
Percentage Living in Rural Community	17	3	0	100	67*	34	99	100	100	100	62
<b>Individual Characteristics</b>											
Percentage of Men	74	0	0	100	0	31	71	77	0	49	39
Percentage of Women	26	100	100	0	100	69	29	23	100	51	61
Mean Age (in years)	40	44	38	45	45	42	45	43	39	42	42
60 years and older (%)	4	3	1	11	13	6	16	7	7	10	8
40–59 years (%)	50	75	38	56	49	51	43	56	39	46	49
30–39 years (%)	29	17	45	33	24	31	31	27	31	30	30
Under 30 years (%)	17	6	16		13*	12	10	10	24*	15	13
Percentage who are Literate	81	56	23	28	11*	39	34	32	4*	23	32
Average Years in School	7	6	2	1	1*		1	2	1	1	2
Percentage who are Monogamous	54	43	46	58	40	48	40	37	43	40	44
Percentage who are Polygamous	26	43	41	42	49	40	57	60	49	55	46
Percentage who are Single/Widow	19	14	13	0-	11	13	3	3	8	5	9
<b>Household Characteristics</b>											
Number of Members	12	14	12	17	13	13	20	19	17	19	16
Number of Literate Members	4	5	2	1	1*	3	1	1	1	1	2
Most Years of School of Any Member	10	11	8	3	5*	8	5	4	3	4	6
Number of Economically Active Adults	4	4	4	8	6*	5	8	7	7	8	6
Ratio of Total Members to Active Adult	1.9	1.9	2.1	1.9	1.8	1.9	2.1	2.2	2.1	2.1	2.0
Percentage Having a Wage Earner	54	58	27	-	19*	33	6	9	6	7	22
Percentage Receiving Remittance	32	42	16	14	26	26	13	11	17	14	20
<b>Community Characteristics</b>											
Percentage Living in Community with Electricity	89	94	94	22	46*	72	3	1	3	2	42
Percentage Living in Community with Potable Water	85	92	100	17	67*	76	93	83	100	92	83
Percentage Living in Community with Complete Primary School	89	97	100	28	34*	71	34	40	38	37	57
Percentage Living in Community with No Health Services	33	29	36	83	71*	49	39	29	33	33	42

\*Statistically significant difference for CEE clients vs. Nyèsigiso's (or Kafo Jignew's) other products. Using T-Test for means or Chi-square test.

### 3. Education

*Literacy.* The rate of literacy among the different client groups showed real differences depending on gender and whether the clientele was predominantly drawn from rural or urban areas. In general, literacy rates were lower for Kafo Jiginew clients (23 percent) than for Nyèsigiso clients (39 percent). But for both credit union networks, the *CEE* clients were significantly less likely to be literate than the regular credit union members ( $p < .05$ ). Only 28 percent of the Nyèsigiso *CEE* members were literate as compared to 81 percent of the regular members, and only 4 percent of Kafo Jiginew's sampled *CEE* members were literate as compared to 34 percent of the regular members. Of the other products specifically designed for women, 56 percent of the AFCRED individual borrowers and 23 percent of the AFCRED group borrowers were literate as compared to only 11 percent of the *CEE* clients. This percentage of *CEE* literate members was significantly different from the percentage of literate women of AFCRED individual borrowers ( $p < .05$ ), but not for AFCRED group borrowers. In that education levels and socioeconomic status are often linked, the AFCRED program—and in particular the individual credit line—seems to be reaching relatively better-off women than *CEE*. The relationship between rural areas and low literacy rates is also quite clear in that only 28 percent of the PACCEM clients were literate, although this group was entirely made up of men. The lack of education services in rural areas adversely affects better-off as well as poorer households.

*Formal Education.* Nyèsigiso's regular members had attended on average seven years of schooling, which is significantly more than the one year for the sampled *CEE* clients ( $p < .05$ ). No difference was evident for the Kafo Jiginew credit union sample.

### 4. Marital Status

Few differences were evident in marital status across the various client groups. For Nyèsigiso, regular credit union members were more likely than any other group to be unmarried (19 percent) but this difference was not significant. For Kafo Jiginew, *CEE* clients were more likely

than any other group to be unmarried (8 percent) but again this was not significant.

## Household Characteristics

Household-level information was also collected for each client. For the purposes of the survey, a household was defined as those people who regularly eat together and share the same meals as well as other economic resources.

### 1. Size

The size of Nyèsigiso client households were relatively smaller than the Kafo Jiginew client households—on average 13 as compared to 19 members, respectively. This difference is probably related to the more rural nature of the Kafo Jiginew sample. Few differences were evident, although Nyèsigiso *CEE* clients' households had significantly more active adult workers than regular credit union members ( $p < .05$ ).

### 2. Economic Security

For Nyèsigiso, the *CEE* client households seem to have relatively less economic security than the households of regular credit union members and AFCRED individual borrowers. *CEE* households have significantly fewer literate members (only one as compared to 4–5 for regular members and AFCRED individual borrowers) and significantly lower educational attainment (most years in school for any member) ( $p < .05$ ). *CEE* households are also significantly less likely to have a member who is earning a wage ( $p < .05$ ). Although they are less likely to be receiving remittances, this difference is not significant. No significant differences are evident for these same variables for the Kafo Jiginew *CEE* households relative to the other financial products.

## Access to Basic Social Infrastructure and Services

The availability of basic social infrastructure in a community provides an indication of the opportunities for households to have better living conditions. If public services are absent from a community, all the households from this community will suffer whether they are rich or poor. Not surprisingly, the financial products such as *CEE* and PACCEM with greater outreach into rural communities have clients with

poorer access to social infrastructure and services (see Table 1.4).

For the Nyèsigiso credit unions, the *CEE* clients relative to the regular credit union members and the AFCRED individual borrowers were significantly more likely ( $p < .05$ ) to live in a community

- ❖ without electricity;
- ❖ without potable water;
- ❖ with no primary school; and
- ❖ with no health services.

Compared to AFCRED group borrowers, the *CEE* clients were significantly more likely ( $p < .05$ ) to live in communities lacking in electricity and health services.

Since all of the Kafo Jiginew client samples were drawn from rural communities, there were no significant differences across the three types of financial products in access to social infrastructure and services. For the overall Kafo Jiginew sample, only 2 percent of the clients had access to electricity and one-third lived in a community with no health services. However, access to potable water was higher for the Kafo Jiginew communities than for Nyèsigiso’s rural clients since only 17 percent of the PACCEM borrowers had potable water as compared to 100 percent of the cotton borrowers.

In summary, the basic socioeconomic characteristics of the different client samples support the assumption that—especially for the Nyèsigiso credit union network—the *CEE* program is reaching out to a relatively poorer, female clientele as compared to the regular credit union members. For both networks, the literacy rates among sampled *CEE* clients were significantly lower than for the regular credit union members who were also much more likely to be

men ( $p < .05$ ). For Nyèsigiso, the *CEE* members also came from households with lower education levels and fewer wage earners and lived in communities with significantly less social infrastructure (electricity, potable water, schools and health facilities) than regular credit union members. However, most of these differences seem to be attributable to the more rural nature of the *CEE* clients as compared to the regular credit union members or the AFCRED borrowers. The PACCEM client households who are even more predominantly rural have similar or even lower education levels, number of wage earners and access to social infrastructure and services than the *CEE* client households.

### Members’ Experience with the Credit Unions’ Financial Products

On average, the individuals sampled had been clients for about 3–4 years (see Tables 1.5 and 1.6). The duration of participation was a little shorter for the Nyèsigiso members (34 months) than for the Kafo Jiginew members (49 months). The *CEE* program in both networks can be regarded as one of the most recent financial products (31 months at Nyèsigiso and 33 months at Kafo Jiginew), along with the PACCEM program, whose members have 25 months of experience with the program.

Almost all of the interviewees said they had received at least one loan from their credit union or program. Of the ordinary Nyèsigiso members and Kafo Jiginew savers, however, only 64 and 74 percent had received loans, respectively. Some members had received a second type of loan (14 percent), but rarely a third type (1 percent). Average loan

**Table 1.5: Average Loan Size—Nyèsigiso (US\$)**

	Nyèsigiso					
	Regular Credit Union CEC Members (n=72)	Individual AFCRED Members (n=36)	Group AFCRED Members (n=36)	PACCEM Members (n=36)	CEE Program Members (n=72)	All Nyèsigiso (n=286)
Length of time as a member (in months)	36	41	35	25	31	34
Taken at least one loan from the credit union	64%	100%	100%	100%	100%	91%
Average loan size	\$390	\$538	\$214	\$333	\$120	\$290

**Table 1.6: Average Loan Size—Kafo Jiginew (US\$)**

	Kafo Jiginew			
	Regular Credit Union CEC Members (n=70)	Individual CAA Borrowers (n=70)	CEE Program Members (n=72)	All Kafo Jiginew (n=212)
Length of time been a member (in months)	61	53	33	49
Taken at least one loan from the credit union	74%	100%	99%	91%
Average loan size	\$76	\$98	\$39	\$71

sizes by product are summarized in Tables 1.5 and 1.6.<sup>6</sup>

The survey also tried to determine whether the sampled clients or other members in their households had accessed other credit union financial products. It was interesting to learn that

- ❖ 24 percent of sampled AFCRED group members and 8 percent of individual AFCRED members had already applied for *CEE* loans;
- ❖ 3 percent of the sampled clients from the Nyèsigiso *CEE* program had applied for individual AFCRED loans; and
- ❖ 15 percent of the sampled Kafo Jiginew *CEE* clients had already taken cotton loans and 6 percent had taken short-term loans (one of the financial products that was not profiled in the basic necessities survey).

In terms of other household members also accessing credit union financial services, consider the following:

- ❖ 41 percent of the sampled Nyèsigiso clients and 58 percent of the Kafo Jiginew clients live in households in which at least one other member has accessed credit union financial services. A majority of these clients (79 and 84 percent at Nyèsigiso and Kafo Jiginew, respectively) have already received a loan from the credit union.
- ❖ Of the sampled Nyèsigiso *CEE* clients, 38 percent live in households where at least one other person is a credit union member and 1 percent live with an individual AFCRED borrower. For these same *CEE* clients, 33 percent live in households where at least one other woman participates in the *CEE* program.

- ❖ Of the sampled Kafo Jiginew *CEE* clients, 57 percent live in households where at least one other person is a credit union member and 23 percent live with a CCA borrower. For these same *CEE* clients, 36 percent live in households where at least one other woman participates in the *CEE* program.

## RESULTS FROM THE SATISFACTION OF BASIC NEEDS APPROACH

This section compares the poverty levels of clients accessing the credit unions’ various financial products. The conditions or items clients identified as being “basic needs” are summarized. Because there were differences by clients’ geographic location in what constituted a basic need, separate poverty indexes were created for the Nyèsigiso and Kafo Jiginew clients. Finally, the relative “wealth” of the client groups is compared based on conditions or assets that are typically used to assess socioeconomic status but were not considered “basic necessities” by the credit union clients.

### Conditions or Items Clients Identified as Basic Needs

Of the possible 30 indicators included in the list, only 15 of these were identified as basic needs that every household should have by more than 50 percent of the clients in both urban and rural areas. Table 1.7 presents results by residence location to verify whether poverty is perceived similarly or differently according to whether one lives in a rural or urban area. If there is a difference in perception, poverty indexes must be developed that are location-specific.

<sup>6</sup> If a sampled client representing a certain product line also reported taking a loan from another product line, this information was also included in the averages.

**Table 1.7: “Basic Need” in Rural and Urban Areas (identified by more than 50 percent of clients)**

<b>Fifteen Indicators</b>	<b>Rural Area</b>	<b>Urban Area</b>	<b>Total</b>
Number of clients interviewed	308	190	498
Percentage having all children complete <b>vaccination</b> series	96	98	97
Percentage having <b>soap</b> in the house for bathing and washing clothes	94	99	96
Percentage having <b>enough food</b> in the household so when children say they are hungry there is something to feed them	96	91	94
Percentage having the <b>means</b> to honor one’s <b>children’s wedding</b> ceremonies	94	86	91
Percentage having at least <b>three meals per day</b> all year long	90	92	90
Percentage having a <b>latrine</b>	83	100	90
Percentage having money to pay for <b>medical costs</b> and to buy medicine	91	87	89
Percentage having money to pay for <b>school costs</b> and to buy uniforms	81	93	86
Percentage having a meal with <b>meat or fish</b> at least once a week	80	84	81
Percentage having good <b>shoes</b> for all the children in the household	76	84	79
Percentage having metal <b>bowls or buckets</b>	83	72	79
Percentage <b>producing enough grain</b> so it is not necessary to buy	83	62	75
Percentage having all children in the household complete or be in <b>primary school</b>	68	86	75
Percentage having one or more <b>friend(s)</b> who can help financially in emergency	77	72	75
Percentage having a new <b>set of clothes</b> for the holidays	71	72	72

The relative ranking of factors provides insight into people’s priorities and conception of fundamental needs. The condition that the most number of people identified as a basic need was having children in the household complete the vaccination series (97 percent). This was followed by having soap in the house for bathing and washing (96 percent). Both of these health or personal hygiene-oriented indicators were considered to be basic necessities by slightly more people than those who named having food when children say they are hungry (94 percent). Similarly, having the means to honor one’s children’s weddings was a basic need for even more people

than having at least three meals per day. Producing enough grain so it is not necessary to buy was actually an indicator developed for the rural area. The fact that more than one-half of the urban dwellers identified this factor reflects the close link between urban and rural areas and the fact that many urban dwellers still maintain farms.

Certain factors were identified as basic needs in the rural or urban areas but not both (see Table 1.8). A majority of urban dwellers don’t think conditions such as having a plow and at least four oxen, having a cart and a draft animal or having a bicycle should be deemed as basic needs. Another of the agricultural-

**Table 1.8: Basic Necessities Identified in Rural or Urban Areas Only**

	<b>Rural Area</b>	<b>Urban Area</b>	<b>Total</b>
Number of clients	308	190	498
Percentage having a bicycle in good shape	<b>83</b>	45	69
Percentage having at least one cart with a draft animal	<b>76</b>	46	65
Percentage having at least one plow and four oxen for plowing	<b>71</b>	40	59
Percentage having at least one motorized cultivator and a sower (only for Kafo Jiginew)	<b>77</b>	—	77
Percentage having access to drinking water	46	<b>69</b>	55

**Table 1.9: Indicators of Relative Wealth**

	<b>Rural Area</b>	<b>Urban Area</b>	<b>Total</b>
Number of clients	308	190	498
Percentage owning a <i>modern granary</i> (can be fumigated)	45	31	39
Percentage owning a <b>radio</b>	34	43	37
Percentage owning a <b>moped or a motorcycle</b>	36	39	37
Percentage owning at least ten head of <b>cattle</b>	29	18	25
Percentage owning a house with a <b>roof</b> built from durable materials	19	24	21
Percentage owning a <b>fruit plantation</b> (only for Kafo Jiginew)	19	—	19
Percentage owning a <b>bed with a mattress</b>	5	24	12
Percentage owning a house with <b>walls</b> built from durable materials	3	19	9
Percentage with <b>electricity</b> in the house	4	16	9
Percentage owning a <b>car or a pick-up</b> truck	2	11	5

oriented indicators—having a motorized cultivator and sower—was included in surveys with Kafo Jiginew but not Nyèsigiso clients. (During the qualitative group discussions to identify potential basic needs, motorized machinery was only mentioned in the Kafo Jiginew area where cotton production is predominant.) Only one factor was identified as a basic need in urban but not rural areas. Access to potable water was not considered indispensable in rural areas. In the survey, potable water refers to having a pump, a faucet or a well (covered and maintained), which are not amenities available throughout the rural communities.

Ten indicators included in the survey were not considered to be basic necessities by more than 50 percent of those interviewed and therefore are not included in the poverty index (Table 1.9). These included most of the assets or material goods included in the survey—a bed with a mattress, a radio, a moped, a car, a granary which can be fumigated. Also not mentioned by the majority were housing indicators such as a roof and walls built from durable materials and having electricity. To some degree, these can be considered indicators of relative wealth that only better-off households would consider to be basic needs.

### **Client Households' Satisfaction of Basic Needs**

Table 1.10 presents the percentage of clients reporting that their households had or were able to meet the conditions from the list. The results are presented by member category and network to

highlight differences among the various financial products.

The following points emerge from the results:

1. **Nutritional needs** (measured by having three meals per day, one meal with meat/fish at least once per week and having enough food throughout the year) are overall very well fulfilled over all the member categories (between 92 and 96 percent of the households at Nyèsigiso and between 87 and 93 percent of the households at Kafo Jiginew). At Nyèsigiso, there is no significant difference among member categories. At Kafo Jiginew, on the other hand, *CEE* program members have a significantly lower level of satisfaction of food needs than savers in terms of number of meals per day and meat and fish consumption ( $p < .05$ ).
2. Regarding **health needs**, it is interesting to note that all of the vaccination sequences have been completed in 97 percent of Nyèsigiso households and in 93 percent of Kafo Jiginew households. Also, soap for bathing and for washing clothes is always available in 94 percent of all of the households surveyed. However, there are fewer households with the means to pay medical fees and buy medicine each time a household member falls ill: 55 percent at Kafo Jiginew and 64 percent at Nyèsigiso. Differences between *CEE* members and other categories' members can only be seen at Nyèsigiso for money for medical fees. Due to their limited financial resources, a significantly lower portion of *CEE* members have money to

**Table 1.10: Satisfaction of Basic Needs (percentage of interviewees for whom the need is satisfied at the household level)**

Indicator	Nyèsigiso network						Kafo Jiginew network				Over Combined Networks (n=498)
	Regular Credit Union Members (n=72)	Individual AFCRED Members (n=36)	Group AFCRED Members (n=36)	PACCEM Members (n=36)	CEE Program Members (n=72)	All Nyèsigiso (n=286)	Credit Union Members (saver) (n=70)	Individual CCA Borrowers (n=70)	CEE Program Members (n=72)	All Kafo Jiginew (n=212)	
<b>Satisfaction of Nutritional/Health Needs</b>											
Three meals per day all year	97	100	97	97	93	96	96	87	78*	87	92
Meal with meat/fish once per week	99	100	100	94	96	98	99	93	85*	92	95
Enough food if child says they are hungry	93	97	91	86	93	92	100	94	86*	93	93
Money for medical treatment	65	75	76	59	49*	64	61	50	53	55	60
Soap	94	100	97	94	85*	93	96	90	96	94	94
Vaccination	97	100	100	91	97	97	96	90	94	93	96
<b>Satisfaction of Educational Needs</b>											
All children completed or in primary school	90	97	76	56	53*	74	65	63	58	62	69
Money for school	85	94	85	61	59*	77	80	68	63	70	74
<b>Satisfaction of Housing Needs</b>											
Durable roof	56	69	53	8	21*	42	57	53	46	52	46
Durable walls	40	50	20	6	8*	24	9	7	3	6	17
Potable water	76	83	73	17	39*	59	48	50	58	52	56
Latrine	99	97	96	100	100	98	84	79	72	78	90
Electricity	64	64	37		25*	40	1	1		1	23
<b>Satisfaction of Clothing Needs</b>											
Set of new clothes at holiday	83	97		91	85	89	76	66	74	72	82
Shoes for children	90	97	96	92	90	93	86	81	83	83	89
<b>Satisfaction of Social Needs</b>											
Means for children's wedding	74	77	80	93	77	79	85	83	85	84	81
Friends to help	70	65	57	60	47	59	62	67	57	62	60
<b>Satisfaction of Material Needs</b>											
Bed with mattress	72	92	70	20	36*	59	9	14	8	10	38
Radio	97	94	86	94	75*	88	90	80	78	83	86
Bicycle	72	74	61	86	63*	69	93	96	90	93	79
Moped or motorcycle	71	81	70	56	39*	62	69	50	56	58	60
Car/truck	14	19	9		0*	8	1	0			5
"Modern" granary	17	6	6	36	39*	20	11	14	19	15	18
Metal bowls	92	94	87	94	90	91	97	93	83*	91	91
<b>Satisfaction of Agricultural Production Needs (MORE APPROPRIATE TO RURAL PRODUCTS—PACCEM and all KAFO JIGINEW products)</b>											
Grow enough grain so not have to buy	43	44	49	53	51	48	84	72	75	77	60
At least one plow with four oxen	21	25	24	50	26*	27	67	56	58	60	41
At least one cart with animal	51	61	50	86	65*	60	90	83	75	82	70
At least ten cattle	11	11	9	20	20	14	51	30	32*	38	24
Fruit plantation							22	24	22	23	23
Motorized cultivator							80	77	74	77	77

\*The chi-square test shows a significant difference (p&lt;0.05) in percentage between CEE members and at least one other credit union member category.

meet their medical expenses compared with regular credit union members and AFCRED borrowers ( $p < .05$ ). Also, soap is significantly less available for *CEE* members in comparison to AFCRED individual members ( $p < .05$ ). The high vaccination rate for all categories, however, is probably because the service is free.

3. Regarding the level of satisfaction of **educational needs**, the results show that about three-quarters of Nyèsigiso members send all of their children to school versus 62 percent of Kafo Jiginew members. Moreover, 77 percent versus 70 percent for Nyèsigiso and Kafo Jiginew, respectively, have enough money to pay for school fees and buy supplies and school uniforms. There is no significant difference among the members of Kafo Jiginew. Among Nyèsigiso members, *CEE* members and PACCEM members have levels of satisfaction clearly inferior to those of the other three member categories. These same member categories have poorer access to the basic school infrastructure given their relative concentration in rural rather than urban communities. The children of *CEE* clients are significantly less likely than regular credit union members and individual AFCRED borrowers to attend primary school ( $p < .05$ ). *CEE* clients are also significantly less likely than both types of AFCRED borrowers and regular credit union members to have money for education expenses ( $p < .05$ ).
4. It is striking to see the low proportion of clients for whom the various indicators of **housing needs** are satisfied. For both networks combined, more than one-half of the households have houses which have a roof and walls built from non-durable materials and which don't have electricity. Moreover, only 56 percent of the households have access to potable drinking water. For Nyèsigiso, the percentage of PACCEM members and *CEE* members who live in houses with roofs built from durable materials is only 8 and 21 percent, respectively, whereas it exceeds 50 percent of the members for the other three categories. The percentage for *CEE* program members would be even lower if only members living in rural areas were considered. These poor housing conditions can have serious consequences for the population's state of well-being. For example, at the time of the data collection, entire villages around the Konséguéla credit union (Koutiala) had been destroyed and abandoned after the preceding year's torrential rains. *CEE* clients in the Nyèsigiso network were significantly less likely to have durable roofs and potable water as compared to regular credit union members and both types of AFCRED borrowers ( $p < .05$ ). They were also significantly less likely to have durable walls and electricity than individual AFCRED borrowers and regular credit union members ( $p < .05$ ).
5. Overall, **clothing needs** are well satisfied for members of Nyèsigiso and Kafo Jiginew. Furthermore, the findings suggest that there is no significant difference among member categories. People more or less well-off do their best to buy their children a new set of clothes, including new shoes, for at least the Tabaski or Ramadan festivities. It is instead the value of the clothes or shoes that varies according to the level of well-being. The phrasing of the question did not allow these differences to be detected.
6. Regarding the satisfaction of **social needs**, the findings show that 81 percent of the households for both networks combined have the means to honor the wedding ceremonies of their children who wish to marry. Moreover, 60 percent of the interviewees have at least one friend who can help them financially or materially in case of extreme necessity. Statistical analysis showed relative similarity across member categories for these two indicators, probably due to the way these two indicators were phrased. As is the case for clothes, what varies according to the level of well-being are elements such as the value of the dowry, the quantity of kola nuts given to the bride's parents, or the value of various wedding gifts.
7. Regarding **material needs**, one should note that the level of satisfaction is quite variable from one indicator to another. For both networks combined, three out of seven indicators are satisfied at close to or more than the 80 percent level (bike, radio, metal bowls/buckets) whereas three others are only satisfied at less than the 40 percent level (bed with a mattress, "modern"

granary, car/pick-up truck). A single indicator (metal bowls/buckets) differentiates among Kafo Jiginew members: fewer *CEE* members own this asset compared with savers ( $p < .05$ ). On the other hand, at Nyèsigiso, *CEE* members were significantly less likely than regular credit union members and both types of AFCRED borrowers to have a bed with mattress, or a moped/motorcycle ( $p < .05$ ). They were also less likely than regular credit union members and individual AFCRED borrowers to own a radio ( $p < .05$ ). The only asset *CEE* members and PACCEM borrowers were more likely to have was a modern granary, reflecting their greater concentration in rural areas ( $p < .05$ ).

8. The level of satisfaction of **agricultural production** needs varies by network. Not surprisingly, satisfaction rates are higher for the Kafo Jiginew households, where interviewed members come solely from rural areas, than for the households of Nyèsigiso, where the majority of interviewees are from urban areas. In fact, for the Nyèsigiso member categories, it is only appropriate to consider satisfaction for these indicators among PACCEM borrowers since this is the only member category drawn entirely from rural communities. At Kafo Jiginew, only one indicator out of six, namely the number of head of cattle, is significantly different among members. One-half of the regular credit union members said that their household had a herd of ten or more, while the proportion is nearly one-third of the households for cotton campaign credit borrowers and members of the *CEE* program ( $p < .05$ ).

This analysis allows us to appreciate the level of satisfaction of needs by member category and allows us to have an idea of which indicators seem to be the most apt at differentiating members according to their level of well-being. These indicators are usually those which exhibit a significant difference by the chi-square test. This analysis also shows the importance of phrasing the questions for capturing differences. For example, indicators having to do with clothing or the satisfaction of social needs should be phrased differently in the future to capture the characteristics specific to each well-being category.

## Basic Needs Poverty Index by Client Category

According to the basic needs methodology, a poverty index is developed for each respondent based on whether they possess those conditions or items deemed to be basic needs. The degree of consensus among all respondents as to whether an individual condition or item was indeed a basic need becomes the weighting factor for each item. If a household were to have all the basic needs, they would have a poverty score equal to “1” which is used to represent the poverty line. Households lacking one or more basic needs are defined as falling below the poverty line (Davies and Smith, 1998).

### *Poverty Index for the Nyèsigiso Credit Union Network*

Since Nyèsigiso’s surveyed members live in both urban and rural areas, the poverty index applied to this network is based only on those indicators identified by 50 percent of the rural and urban respondents as being a basic need. The weighting coefficients for each of the indicators were the percentages of all Nyèsigiso members who thought that those indicators were deemed to be basic needs. Even though it was identified in both areas, the condition having to do with grain production was excluded from the poverty index because it was judged to be too closely linked to rural areas. In all, fourteen indicators were selected to calculate the poverty index in the Nyèsigiso network:

- ❖ Having all the children complete the entire **vaccination** series
- ❖ Having **soap** in the house for bathing and for washing clothes
- ❖ Having **enough food** in the household so if a child is hungry there is something to give him or her
- ❖ Having the **means** to honor one’s **children’s wedding** ceremonies
- ❖ Having at least **three meals per day** throughout the year
- ❖ Having a **latrine**
- ❖ Having money to pay for **medical costs** and to buy medicine

- ❖ Having money to pay for **school costs** and to buy uniforms
- ❖ Having a meal with **meat or fish** at least once a week
- ❖ Having good **shoes** for all the children in the household
- ❖ Having metal **bowls or buckets**
- ❖ Having all the children in the household **go to school**
- ❖ Having one or more **friends** who can help out
- ❖ Having a new **set of clothes** for the holidays

Table 1.11 presents Nyèsigiso’s poverty index by member category and residence area. The following is a ranking of client categories according to their poverty index from relatively poorest to relatively best-off:

- CEE program members
- PACCEM members
- Regular credit union members
- AFCRED group members
- AFCRED individual members

On average, the *CEE* members had a poverty index score of .78 which was significantly lower than the

poverty score for three other Nyèsigiso member categories (AFCRED individual members, AFCRED group members, and regular credit union members) ( $p < .01$ ). The poverty level of PACCEM members is, on the other hand, comparable to that of *CEE* members and was not significantly different. Group AFCRED members and regular credit union members have very similar average poverty index scores (.85 and .87 respectively). The “best-off” client category—AFCRED individual borrowers—was the only client group with an average score in the nineties. Furthermore, the percentage of households who manage to satisfy all of their basic needs is 14 and 18 percent for PACCEM members and *CEE* members, respectively. The number is about one-third of the households in other client categories categorized as above the poverty line (index=1). Of all the Nyèsigiso clients sampled, the household with the lowest poverty index (.31) was a member of *CEE*.

Table 1.11 also allows us to see the difference in living standards between rural and urban areas. The level of satisfaction of basic needs of clients living in rural areas is 78 percent, whereas it is 87 percent in urban areas, a 9 percent difference. This difference is statistically significant ( $p < 0.01$  with T-test). For

**Table 1.11: Basic Needs Poverty Index by Client Category—Nyèsigiso Credit Union Network**

Member category— Nyèsigiso	Number of Members Interviewed	Index according to residence area		Index* for the Entire Network	Lowest Index	Percentage Above Poverty Line (index=1)
		Rural	Urban			
CEE Program Members	72	0.73	0.88	<b>0.78</b>	0.31	18%
PACCEM Members	36	0.81	–	<b>0.81</b>	0.51	14%
Regular Credit Union Members	72	0.90**	0.85	<b>0.86</b>	0.43	30%
Group AFCRED Members	70	–	0.87	<b>0.87</b>	0.35	31%
Individual AFCRED Members	36	–	0.90	<b>0.90</b>	0.58	33%
Nyèsigiso Network	286	0.78	0.87	<b>0.84</b>	0.31	25%

\* The Student T-test results show a high significant difference ( $p < 0.01$ ) for *CEE* members versus regular credit union members, for *CEE* members versus AFCRED individual members, for *CEE* members versus AFCRED group members; but no significant difference for *CEE* members versus PACCEM members. Furthermore, these results show a significant difference for PACCEM members versus AFCRED group members, PACCEM members versus AFCRED individual members, but no difference for PACCEM members versus regular credit union members. There were no significant differences among regular credit union members, individual members and AFCRED members.

\*\* Very few observations (11 cases)

the *CEE* program, one can see that rural women are poorer than their urban counterparts. This table also allows us to realize to what extent *CEE* program members come from relatively poorer households (score of 0.73) compared with PACCEM program members (score of 0.81).

Graph 1.1 presents the poverty index information in a slightly different manner, according to the distribution of scores within a client category. As described above, the poverty line or cut-off between those who are “poor” and “non-poor” is assumed to correspond to a score of “1” indicating all basic needs are met. Households falling below the poverty line can be classified into relative poverty categories. Households having a poverty score less than .25 are classified as “destitute,” those with a score of .25 through .74 as “moderately poor” and those with a score of .75 to .99 as borderline poor. Also according to the distribution of poverty within a membership category, *CEE* members stand out as Nyèsigiso’s relatively poorest client group.

**Poverty Index Based on Basic Needs in Rural Areas—The Kafo Jiginew Network**

The basic needs index for the Kafo Jiginew members included the same 14 indicators that were used for Nyèsigiso plus an additional five indicators that only residents of rural areas considered to be basic necessities. This longer list of 19 conditions or items was appropriate since virtually all the surveyed Kafo Jiginew members lived in rural areas. The additional five indicators were as follow:

- ❖ Having a **bicycle** in good shape

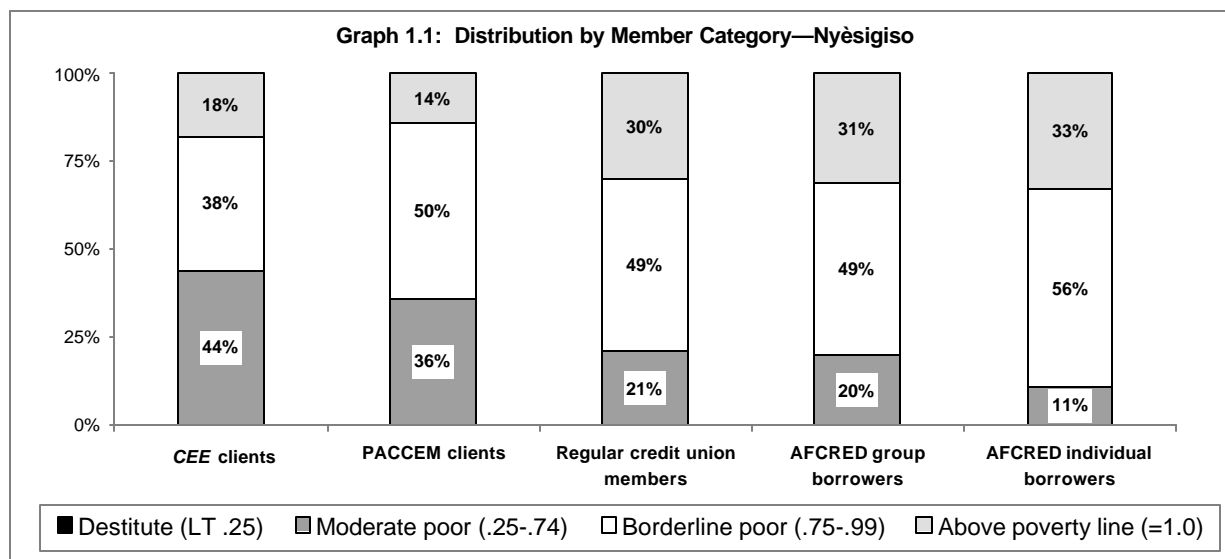
- ❖ Having at least one **cart with a draft animal**.
- ❖ Having at least one **plow and four oxen** for plowing
- ❖ **Producing enough grain**
- ❖ Having at least one **motorized cultivator** and a sower

Table 1.12 presents the poverty index scores by Kafo Jiginew member category. As is the case for Nyèsigiso, on average Kafo Jiginew’s *CEE* program members are the relatively poorest client category. The following is a ranking of client categories according to their poverty index from relatively poorest to relatively best-off:

- CEE* program members
- CCA borrowers
- Regular credit union members (savers only)

On average, *CEE* members had a poverty index score of .75. Furthermore, the score difference that separates *CEE* members from the richest category (savers, with a score of 84 percent) is 9 percent. This difference is statistically significant ( $p < .05$ ). Although the score of cotton credit borrowers (78 percent) puts them above *CEE* members, their level of well-being is not significantly different. The T-test shows a significant difference for CCA borrowers versus savers ( $p < .05$ ). According to the mean poverty index, the regular credit union members who only save are from better-off households compared with *CEE* members and CCA borrowers.

Of all the Kafo Jiginew clients sampled, the household with the lowest poverty index (.18) was a member of *CEE*. However, the percentage of



**Table 1.12: Basic Needs Poverty Index by Client Category—The Kafo Jiginew Network**

Member Category— Kafo Jiginew	Number of Members Interviewed	Index* for Kafo Jiginew	Lowest Index	Percentage Above Poverty Line (index=1)
CEE Program Members	72	<b>0.75</b>	0.18	13%
CCA Borrowers	70	<b>0.78</b>	0.23	4%
Savings Members	70	<b>0.84</b>	0.38	11%
Kafo Jiginew Network	212	<b>0.79</b>	0.18	9%

\*The Student T-test results show a high significant difference ( $p < 0.01$ ) for CEE members versus savers, for CCA borrowers versus savers; but no significant difference for CEE members versus CCA borrowers.

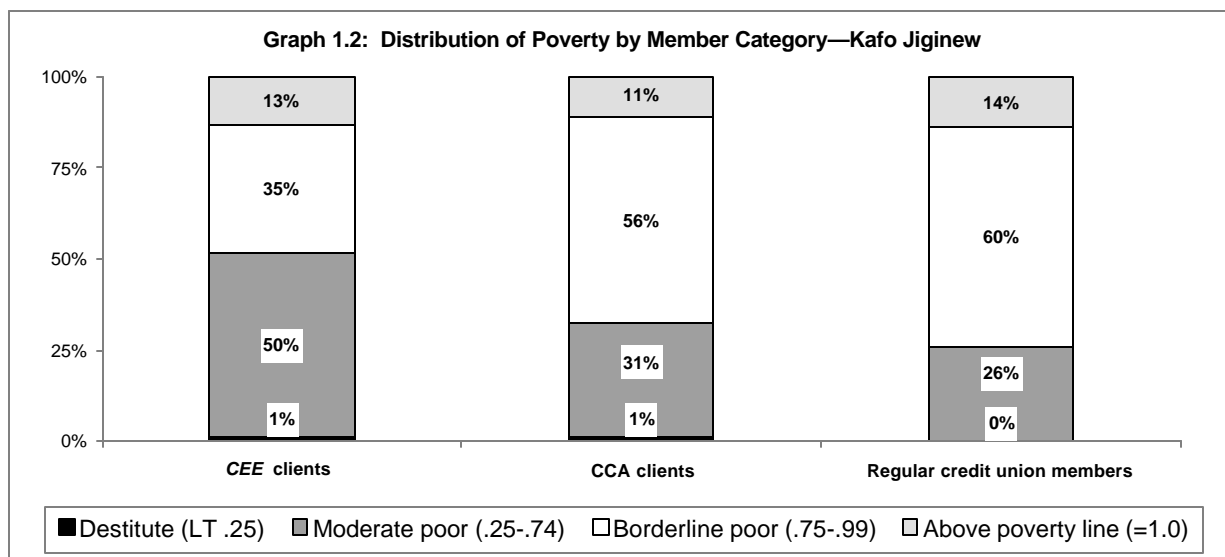
households who manage to satisfy all of their basic needs is 13 and 11 percent respectively for CEE members and regular credit union members, whereas only 4 percent for the CCA sample is categorized as above the poverty line (index=1). Although on average the CEE members are the relatively poorest client group, there seems to be a greater range in CEE clients’ socioeconomic status relative to the other two financial products.

Graph 1.2 presents the distribution of poverty scores within Kafo Jiginew’s client category. Again, the basic needs poverty index was used to classify households into relative poverty categories. Households having a poverty score less than .25 are classified as “destitute,” those with a score of .25 through .74 as “moderately poor” and those with a score of .75 to .99 as borderline poor. Households having an index of “1” are considered to be above the poverty line as all basic needs are fulfilled. Also according to the distribution of poverty within a membership category, CEE members stand out as Kafo Jiginew’s relatively poorest client group.

### More “Traditional” Measures of Socioeconomic Status: Relative Wealth Index

Several indicators included in the survey were not selected as basic needs yet they reflect a certain level of relative wealth. Most of these indicators are frequently used in studies that measure household socioeconomic status. There are FIVE indicators concerned with household assets (a bed with a mattress, a radio, a bicycle, a moped or motorcycle, a car or pick-up truck) and three indicators concerned with good housing conditions (having a house with roof and walls built from durable materials, having access to electricity). A relative wealth index was calculated based on households’ possession of these items without applying any weighting coefficient. So, for example, a household with a relative wealth index of “6” possessed six of the eight indicators.

Table 1.13 presents the wealth index by member category and network. The results are ranked in



increasing order, from the poorest to the richest category within each network.

For Nyèsigiso, the mean score is .39. *CEE* program members have the lowest score (.26). This score is statistically less than for AFCRED individual members, regular credit union members and AFCRED group members. AFCRED individual members and regular credit union members stand out from the other categories with higher scores (.54 and .49, respectively). Group AFCRED members have a score (.40) near the network's mean (.39), while PACCEM members have a score much closer to that of *CEE* members (.27).

For Kafo Jiginew, the *CEE* members and CCA borrowers have roughly comparable scores (.28 and .30, respectively). However, the scores of the *CEE* members and the savers (.33) are statistically different ( $p < .05$ ). By comparing Kafo Jiginew's results with those of Nyèsigiso's two rural programs (*CEE* and PACCEM), one can also see that the level of wealth in Kafo Jiginew is higher than in Nyèsigiso.

## CONCLUSION

This random selection of clients shows that *CEE* improves Nyèsigiso's and Kafo Jiginew's outreach to a clientele relatively poorer than their regular credit union members and poorer than the clientele of

financial products such as those of AFCRED which focus on lending to women in urban areas.

The basic descriptive information provided a profile of each of the client categories. Certainly, the *CEE* program increases credit union outreach to women as only approximately one-quarter of the regular credit members of both networks were women as compared to all of the *CEE* clients. *CEE* clients also had significantly lower literacy rates than regular members. The relatively lower education levels of *CEE* clients seemed to reflect a locational bias as much as gender inequity. For example, the *CEE* client sample for Nyèsigiso had significantly lower literacy rates than the AFCRED female borrowers but comparable rates to the all-male PACCEM farmers.

Virtually all the Kafo Jiginew client households were categorized as living in rural communities. Few differences were evident across client categories in household socioeconomic characteristics or community infrastructure and services.

In contrast, some of the Nyèsigiso financial products primarily serve an urban clientele while others serve a rural clientele. Almost 100 percent of the AFCRED women borrowers lived in towns as well as more than 80 percent of the regular credit union members. The sample of *CEE* clients showed a bias toward rural communities (67 percent) and all of the randomly selected PACCEM borrowers lived

**Table 1.13 Relative Wealth Index for the Nyèsigiso and Kafo Jiginew Networks**

Member category	Number of Members Interviewed	Wealth Index*	Lowest Index	Highest Index
<i>CEE</i> program members	72	<b>0.26</b>	0	0.7
PACCEM program members	36	<b>0.27</b>	0.1	0.6
Group AFCRED members	70	<b>0.40</b>	0	0.8
Regular credit union members	72	<b>0.49</b>	0	0.8
Individual AFCRED members	36	<b>0.54</b>	0.1	0.8
Nyèsigiso total	286	<b>0.39</b>	0	0.8
<i>CEE</i> program members	72	<b>0.28</b>	0	0.5
CCA credit borrowers	70	<b>0.30</b>	0	0.6
Savings members	70	<b>0.33</b>	0.1	0.6
Kafo Jiginew total	212	<b>0.30</b>	0	0.6
<b>Over both networks</b>	498	<b>0.35</b>	0	0.8

\*For Nyèsigiso members, the Student T-test results show a significant difference ( $p < .05$ ) for *CEE* members versus other Nyèsigiso category members, except for PACCEM members. For Kafo Jiginew, the results are significant only between *CEE* members and the ordinary savings members.

in rural communities. As a result, more differences are evident in household and community characteristics for the Nyèsigiso network whereas *CEE* members came from households with lower education levels and fewer wage earners and they lived in communities with significantly less social infrastructure (electricity, potable water, schools and health facilities) than regular credit union members. These differences reflect the rural outreach of the *CEE* product. The PACCEM client households that are even more predominantly rural have similar or even lower education levels, number of wage earners and access to social infrastructure and services than the Nyèsigiso's *CEE* client households.

Applying the basic needs methodology for developing a poverty index, the *CEE* clients were the relatively poorest client category for both credit union networks. This method is based on the population's own perceptions, as the interviewees themselves define what is important to them. This approach takes into account a broader view of poverty, considering social dimensions of poverty rather than limiting itself to concepts of income and household assets.

#### *CEE* clients vs. regular credit union members

*CEE* clients were significantly poorer than Nyèsigiso and Kafo Jiginew's regular credit union members ( $p < .05$ ). Significantly more of the Nyèsigiso regular credit union members were categorized as above the poverty line (30 percent) relative to the *CEE* clients (18 percent) ( $p < .05$ ). Also, significantly more of the Nyèsigiso and Kafo Jiginew *CEE* clients were categorized as moderately poor (44–50 percent) than the regular credit union members (21–26 percent) ( $p < .05$ ).

#### *CEE* clients vs. clients of other financial products for women (AFCRED)

The Nyèsigiso *CEE* clients were also significantly poorer than either the AFCRED individual or group borrowers, both of which lend exclusively to women ( $p < .05$ ). In fact, of the five client categories drawn from the Nyèsigiso network, AFCRED individual borrowers were relatively the best of the better-off group. While the AFCRED group loans seem to reach a relatively poorer clientele than the individual loans, both AFCRED client groups had more women categorized as above the poverty line than did *CEE* clients. The *CEE* category also had more clients in

the moderately poor category than either AFCRED borrower groups.

#### *CEE* clients vs. clients of financial products meant for farmers (PACCEM and CCA)

Although *CEE* clients had a relatively lower mean poverty score on average, they were not significantly "poorer" than clients of the two financial products tailored to agricultural production—PACCEM and CCA. Actually, there seemed to be considerable overlap for the Kafo Jiginew network between the *CEE* and CCA client categories. In this random sample, 23 percent of the *CEE* clients came from households in which another member was a client of Kafo Jiginew's CCA cotton loans.

The findings from the relative wealth index based on assets or housing conditions brought out the same general trends as the basic needs poverty index.



## 2.0 WEALTH-RANKING EXERCISE: RELATIVE FOOD SECURITY OF THE CURRENT AND EX-MEMBERS OF CEE

A wealth-ranking methodology was used to answer the question: *Does CEE reach poor households?*

This methodology relies on the knowledge of key informants to classify all the households in the community into relative wealth categories according to the locally defined and meaningful criteria. By combining this approach with program information, it is possible to know which socioeconomic strata in a community are being reached by CEE. Because information was collected about current and former CEE members, it is also possible to investigate whether rates of client drop-out differ by socioeconomic status.

The concept of wealth in Mali implies comfort that includes not only material goods, but also fulfillment of basic needs and other social dimensions regarded as essential in a community. For example, when you arrive in a village, people might tell you that no one is “rich” in this village, that everybody is “poor.” Still, some people are “more comfortable” than most while others are distinctly “very poor.” One becomes rich when he/she has reached a certain level of essential personal needs satisfaction. The term “wealth” in the Mali context can be used to differentiate households according to the satisfaction of their basic needs.

### METHODOLOGY

The methodology used for this aspect of the study is called “wealth ranking” and it was based on the approach described by Grandin (1988) and applied to microfinance projects by the Small Enterprise Foundation.<sup>7</sup> This was the second time this approach was applied in a *Credit with Education* program.<sup>8</sup> The wealth-ranking exercise was divided into three phases at each village level:

- ❖ Phase 1: Initial Contacts and Organizational Work. Establishing contacts with the village authorities (village chief or representatives) in order to interest them in participating in the study,

identify key informants, collect the preliminary information necessary to the realization of the exercise, and schedule the work. Two types of informational lists were created. The first listed all households in the village based on census information available in the village or at the municipal office. The census data also provided information on the total number of people and adults in each household. The second list was compiled during a meeting with the Credit Associations’ management committees and it identified for each household the number of women who were either current or ex-members of the CEE program.

- ❖ Phase 2: Ranking the Households. With the support of the village authorities, “key informants” were selected and invited to participate in the wealth-ranking exercise scheduled for a later date. The key informants were principally men possessing a high regard from others in the village and knowledge about the socioeconomic situation of all the village households. Depending on the village, key informants included village counselors, members of the village committee association or other people selected for their leadership or openness. The number of key informants varied—from 6 to 12—in each village. The exercise took place in three steps:

Step 1. When the research team met with the key informants, the facilitator began by briefly explaining the reason for the visit. He then asked the participants how they perceived the concepts of poverty, wealth and well-being at the village level and, more particularly, at the household level. He continued by encouraging discussion in general terms about the differences between households in their community that were relatively better-off versus those that were relatively worse-off. Once the facilitator was certain that all the participants understood the concepts of wealth and poverty in the same way, he introduced the idea of classifying specific households according to their relative wealth. It was important to stimulate discussion from the beginning of the meeting to ensure that the

<sup>7</sup> See Barbara Grandin, *Wealth Ranking in Smallholder Communities: A Field Manual*, IT Publications, U.K., 1988 and Anton Simanowitz, Small Enterprise Foundation, “Pushing the Limits of Wealth Ranking,” PLA Notes #34, 1999.

<sup>8</sup> MkNelly, Barbara and Chatree Watetip. “Impact of *Credit with Education* in Thailand,” *Freedom from Hunger*. May 1993.

participants were comfortable voicing their opinions when they began classifying households.

Step 2. The local informants were divided into three reference groups of two to four people. Each reference group received a complete set of cards corresponding to the total number of households in their village. Each card represented a specific household and contained the name of the head of that household. An identification number was recorded on the card. With the facilitator's support, each reference group was asked to organize the cards into different piles, with each pile containing households with similar socioeconomic characteristics. The piles were organized from the relatively wealthiest households to the relatively poorest households.

Step 3. Once the classification was finished, the facilitator probed for detailed descriptions for how they defined and contrasted each card pile. These detailed descriptions were recorded for later comparison and analysis. The specific household identification numbers assigned to each wealth grouping were also recorded for later follow-up.

- ❖ Phase 3. Once the ranking was completed, an overall average score was computed for each household based on the three independent scores assigned by the reference groups. The “wealthier” a household appeared to be, the lower its score. For example, if a reference group divided the households into four piles, those in the wealthiest pile would have a score of  $(1/4) \times 100=25$ , and the poorest pile would have a score of  $(4/4) \times 100=100$ .

### **Selection of Villages**

The wealth-ranking methodology was conducted with four villages participating in the Nyèsigiso *CEE* program and five villages participating in the Kafo Jiginew *CEE* program. (See Appendix 2.1 for a description of these villages.) Two of the Nyèsigiso villages were associated with the Médine credit union (Zéguéla, Tesserela) and two others with the Koyan N'Golobala credit union (Km26, Koyan Coura). Three Kafo Jiginew villages were associated with the Finzankoro credit union (Tomina II, Nièmina and Finzankoro) and two others with the Konséguéla

credit union (Toupourla, N'Golobougou). The choice of these villages was based on three principal criteria:

- ❖ The total number of households in the community did not exceed 125. The wealth-ranking methodology is better suited to relatively small villages with about 100 households. Local informants are less likely to be familiar with the relative wealth of each household if the community is very large. If the number of households is much greater than 100, it is recommended that the village be divided into several sections.
- ❖ The community included a Credit Association that had also been selected for the basic needs satisfaction survey (see chapter 1.0). This was done to allow for a comparison of the results generated from the wealth-ranking and basic needs methods.
- ❖ The community included a relatively mature Credit Association—one that had been operating for at least two years—that would allow program outreach and membership dynamics to unfold over time. In order to include enough program communities, an exception was made for the community of Zeguèla which had a Credit Association that was only in its second loan cycle.

### ***Data Analysis and Processing***

Data has been analyzed and processed in two phases.

Phase 1. In the field summary, analysis of the household rankings was completed in order to identify women from the relatively poorest households to be included in the focus groups discussed in Chapter 3. Following the methodology suggested by Grandin (1988), this was done by listing households in ascending order according to their average scores; e.g., from the wealthiest to the poorest. Cutoff points were then determined in order to divide the entire list of households into three groups: “wealthiest,” “average” and “poorest.” In making these cutoff points, three criteria were considered and balanced:

- 1) Defining three intervals of approximately equal size ( $[\text{maximal score} - \text{minimal score}]/3$ )
- 2) Defining three intervals with approximately the same number of households in each group
- 3) Utilizing gaps occurring in the average score

sequence that would help to identify natural grouping among groups

This approach was useful as it allowed for relatively immediate identification of the relatively poorest households in the community. This was important as focus-group discussions with members and nonmembers from these relatively poorest households were arranged for the days immediately following the wealth-ranking exercise.

Phase 2. Once the fieldwork was completed, the issue of determining appropriate and valid wealth classifications was revisited. A major challenge, and to some degree weakness, of the wealth-ranking methodology is the difficulty of summarizing and generalizing findings across different communities. For example, it is possible that households that are relatively wealthy in one community would be only average in another. Dividing the households into roughly equal wealth groupings and compiling these groupings across communities provides insight into relative wealth categories but not consistent wealth classifications. In addition, arbitrarily organizing the households into three wealth categories fails to incorporate distinctions and strata the local informants believed to be important. Of the 27 reference groups that performed the wealth-ranking exercise, the great majority divided the households into four or five separate piles. Recategorizing households into only three wealth categories would blur important differences in wealth and force more ad hoc cutoffs between groupings.

Detailed descriptions had been recorded for all wealth groupings identified by each reference group. Following the completion of the fieldwork, these descriptions were reviewed and compared. Virtually all the reference groups mentioned certain common distinguishing characteristics pertaining to household food security and ownership of agricultural equipment, land and animals. For example, reference groups consistently described the wealth groupings according to how much agricultural equipment (plows, carts, etc.) households had, the number of oxen for animal traction or total head of cattle and the adequacy of their food production relative to household needs. In terms of this last aspect, wealth categories were consistently described in one of the following four ways:

1) Produce surplus food and agricultural products so that they could sell or share with others.

- 2) Produce sufficient food and agricultural products to meet their own needs but with no surplus. However, some years (one in two or one in three years) they will fail to produce enough food to meet their needs so some of the households in this category might need to buy food, especially during rainy season.
- 3) Unable to produce enough food to meet their needs and experience food problems for some part of the year (from one to six months), typically during the pre-harvest rainy season.
- 4) Unable to produce enough food to meet their needs and experience food problems throughout the year (more than 6 of 12 months and, in the great majority of the cases, daily).

Using these key characteristics, it was possible to compute new scores for each household by applying four standard wealth groupings with clear and consistent distinguishing features. It was felt that this approach remained more true to the information provided by the reference groups and improved the comparability of the wealth-ranking findings across communities and credit union networks.

Once the new average scores were recalculated, four rather than three cutoff points were applied again to the sequentially organized total list of households. Because a standard scoring system was being applied, all lists of households now had average scores ranging from 25 (a household put in the “wealthiest” pile by all three reference groups) to 100 (a household put in the “poorest” pile by all three reference groups). The cutoff point for the “wealthiest” group (Category I) was set at 33 as this would include only households that were reassigned to the wealthiest group by at least two of the reference groupings. Similarly, the cutoff point for the “poorest” group (Category IV) was set at 92 since this would require that at least two of the three reference groups had categorized the household as being in the “poorest” pile. The cutoff points for the two middle wealth categories were made at approximately equal intervals. The dividing lines between the four different categories, starting from the average score, have been organized as

- ❖ Category I, Households Which are Food-Secure: scores between 25 and 33;
- ❖ Category II, Households Vulnerable to Food Insecurity: scores between 34 and 62;

- ❖ Category III, Households with Periodic Food Insecurity: scores between 63 and 91; and
- ❖ Category IV, Households Which are Chronically Food-Insecure: scores between 92 and 100.

The number and percentage of current and ex-members of *CEE* according to these four wealth categories were determined in order to evaluate to what extent the *CEE* program reaches the poor.

### **DESCRIPTION OF HOUSEHOLD CATEGORIES ACCORDING TO RELATIVE WEALTH**

A common characteristic used by virtually all the reference groups to distinguish among the various wealth categories pertained to food security. A household has food security when all the members have suitable and adequate amounts of food throughout the year. Food insecurity in Mali, as in other West African countries, occurs most profoundly during the pre-harvest rainy season. This is the time when for many households the harvest from the previous year is finished. The region's characteristically long dry season and single cultivation period mean that many households are not able to grow sufficient food to meet their families' needs. The sowing period is also a critical time because households which do not have sufficient food stocks must choose between consuming seeds or reserving them for planting. The majority of households begin to experience food shortages during the months of June through August while awaiting new harvests. During these months, food prices tend to increase due to the relative scarcity of agricultural products. For many households, the number of daily meals (from three or four meals per day to two) as well as the quality and quantity of food per meal often decrease.

A household's ability to cope with the hungry season clearly indicates the level of its wealth. From the key informants' descriptions (Box 2.1) of wealth categories, four classifications emerged:

Category I: Food-Secure. The best-off households even produce a surplus of food that they are able to sell and/or use to help others. They have agricultural equipment and a substantial number of draft animals so they do not need or depend on others to rent equipment.

In fact, they rent out equipment to others and hire laborers.

Category II: Vulnerable to Food Insecurity. These households experience food insecurity every one in two or one in three years. These households do not have a surplus and some might need to buy food during the rainy season. They have less equipment and fewer animals than Category I and so they typically need to rent equipment and/or take credit.

Category III: Periodic Food Insecurity. These households experience food problems during part of the year (from one to six months, especially during the rainy season). They have little equipment and only one, if any, ox. Because they lack cash, rather than rent additional equipment they tend to engage in informal land/labor/equipment arrangements.

Category IV: Chronically Food-Insecure. These households are very poor and they suffer from chronic food insecurity throughout the year. They farm with hoes only because they have no other equipment or draft animals. They depend on the assistance of others.

Of course, there is a relationship between food insecurity and other underlying factors—most importantly the household’s productive assets such as agricultural equipment (plows, cultivators, sowers), draft animals (oxen and donkeys), availability of land suitable for cultivation and

manpower. If food security is ensured at the household level, then the household can afford other goods, including education, health care, wedding ceremonies and other social activities. Table 2.1 presents additional details provided by the key informants about the four wealth categories.

**Box 2.1: Key Informants’ Descriptions of Households in the Four Wealth Categories**

**Category I: Food-Secure:**

- ❖ “They eat to their satisfaction throughout the year.”
- ❖ “They eat three meals a day even in the rainy season.”
- ❖ “The new harvest joins the previous one in the granary.”
- ❖ “They are able to take in other family members.”
- ❖ “They have cash; they depend on no one.”
- ❖ “They own a good bed to lie on with a mattress.”
- ❖ “Their children go to school by bicycle.”
- ❖ “Their household members are seen at the hospital.”

**Category II: Vulnerable to Food Insecurity**

- ❖ “They have enough to eat but not to sell.”
- ❖ “They have just enough to eat but do not set aside money and have no cereal in storage after consumption.”
- ❖ “They have food problems every two to three years.”
- ❖ “They are equipped, but all their equipment may not belong to them.”
- ❖ “Each year, these households rely on credit to farm while those in the first category mostly pay for their inputs with cash.”

**Category III: Periodic Food Insecurity**

- ❖ “Food is not quite assured throughout the year.”
- ❖ “Before the new harvest, they have food problems.”
- ❖ “They do not have enough equipment. Some have plows, others do not. They have difficulties with food 3 out of 12 months.”
- ❖ “Between June and September, they eat three times a day but not to their satisfaction. Two to three people do not eat well.”
- ❖ “They unite with others. They barter labor for equipment and land for food.”
- ❖ “They manage to cover half their health costs. Their harvest is not enough for them.”

**Category IV: Chronically Food-Insecure**

- ❖ “They have nothing. It’s poverty that reigns from A to Z. They have no means.”
- ❖ “They have cruel difficulties with food. They have daily food problems.”
- ❖ “They don’t have any equipment. They cultivate with a hoe.”
- ❖ “They live on the help of others. Their survival depends on others.”
- ❖ “They send their children to work for other villagers in exchange for some sacks of millet at harvest time.”
- ❖ “They are not well clothed and they lack shoes.”
- ❖ “Sometimes the children get sick and they cannot have them cared for. They have no money.”

**Table 2.1: Characteristics of the Different Wealth Categories**

Description	Category I: Food-Secure	Category II: Vulnerable to Food Insecurity	Category III: Experience Periodic Food Insecurity	Category IV: Chronically Food-Insecure
<b>Food security</b>	"They eat to their satisfaction throughout the year." "They eat 3 meals a day even in the rainy season." "The new harvest joins the previous one in the granary." They are completely self-sufficient and can sell surplus. They often help others with food.	"They have enough to eat but not to sell." "No cereal in storage after consumption." "They have food problems every 2–3 years."	"Their harvest is not enough for them." "Before the new harvest they have food problems." They have difficulties with food 3 out of 12 months (up to 6 months)." "They eat three meals but not to their satisfaction." "Two or three people do not eat well."	"They have cruel difficulties with food. They have daily food problems." "They have nothing. It's poverty that reigns from A to Z."
<b>Agricultural equipment and draft animals</b>	"Their agricultural equipment is complete." They own draft animals (4–20 oxen), plows (2–7), carts, donkeys, cultivators and seed sowers. They rent equipment to others. They pay cash for fertilizer.	"They are equipped, but all their equipment may not belong to them." They have oxen (2–4) and plows (1–2) but fewer of each than Category 1. Likely have cart and donkey. They are able to rent the equipment that they don't have. They get inputs such as fertilizer on credit.	"Their agricultural equipment is incomplete." Most own a plow and 1–2 oxen. They may have a cart/donkey but some only have a cart or a donkey. Engage in a variety of informal arrangements to secure additional labor, equipment or land; e.g., offer their labor for equipment. Lack money for inputs such as fertilizer so either yields are low or they ask friends for fertilizer.	"They have no agricultural equipment." They have no cart, donkey, oxen or plow. "They cultivate with a hoe." They do not use inputs such as fertilizer.
<b>Manpower</b>	They are generally big households with considerable manpower. They are self-sufficient but can afford to hire labor.	The size of the household is up to 25 people with 15 active workers. Some have more active members but not enough equipment; others have fewer workers but all the necessary tools.	Often secure additional labor through cooperative exchange such as mutual work parties. Labor not timely, so yield suffers.	They generally are small households. They are forced to work for others during rainy season. May even send their children to work for other villagers in exchange for millet.
<b>Land suitable for cultivation</b>	They usually own large areas of land (between 15 and 40 ha in the cotton areas).	They farm less land than Category 1 households.	They own small lands (2–3 ha). In some cases they sharecrop land or rent out some of their land for cash.	Own very small parcels of land (1ha). "They give their fields to others and share the profit." "They rent fields from others."
<b>Herds (cattle)</b>	They own big herds, typically 30–40 heads, but can have as many as 100–200 heads.	Own a maximum of 15 heads.	Few or no cattle.	No cattle.
<b>Assets (car, motorcycle, bicycle)</b>	Own motorcycles/mobylette and bicycles. May even own a car, tractor or machinery such as a mill. They own a good bed to lie on with a mattress.	They may have motorcycles or mobylettes but not in good working order. Have bicycles.	They own bicycles but no motorcycles or mobylettes.	They have no personal means of transport—no bicycle, no motorcycle. Own no assets of significant monetary value. They are not well clothed and they lack shoes.
<b>Cash/credit</b>	They are able to pay their debts and may make loans to others.	May borrow from others. If so, they are able to repay.	Difficult for them to get loans. Tend to use informal exchange rather than take cash loans.	If borrow, can't repay.
<b>Housing</b>	At least one of their structures has corrugated iron roofing.	Only a few families have an iron roof, others live in tile houses.	Housing not of good material. No iron roofs.	They live in poor housing conditions. Some cannot even find a place to live.
<b>Education</b>	They can buy school supplies and clothing for their children. "Their children ride to school by bicycle."	Children go to school but some families have problems with school expenses, especially for secondary school.	Children go to school but they have difficulty paying expenses.	Children go to school in some cases if families get help. In others, they don't go to school.
<b>Ability to pay for health care</b>	"They can treat their sick all year round." "They are seen in the hospital." "They give birth in the hospital."	"Most have means for health center. Others cover one-half of their health costs."	In order to take care of their family members, they can take credit, sell their tools and go to traditional healers.	If they are sick, they need someone else to help them. "A small illness can bring on death among them."
<b>Ability to pay for ceremonies</b>	They are able to pay for their children's entire weddings.	"They need to ask others for help when they have a wedding or baptism." "They take a loan and pay back later."	They take a loan for ceremonies but they cannot repay. They are able to contribute to others' ceremonies.	When they marry, they exchange daughters between households. Some are unable to marry. They are unable to contribute to others' ceremonies.

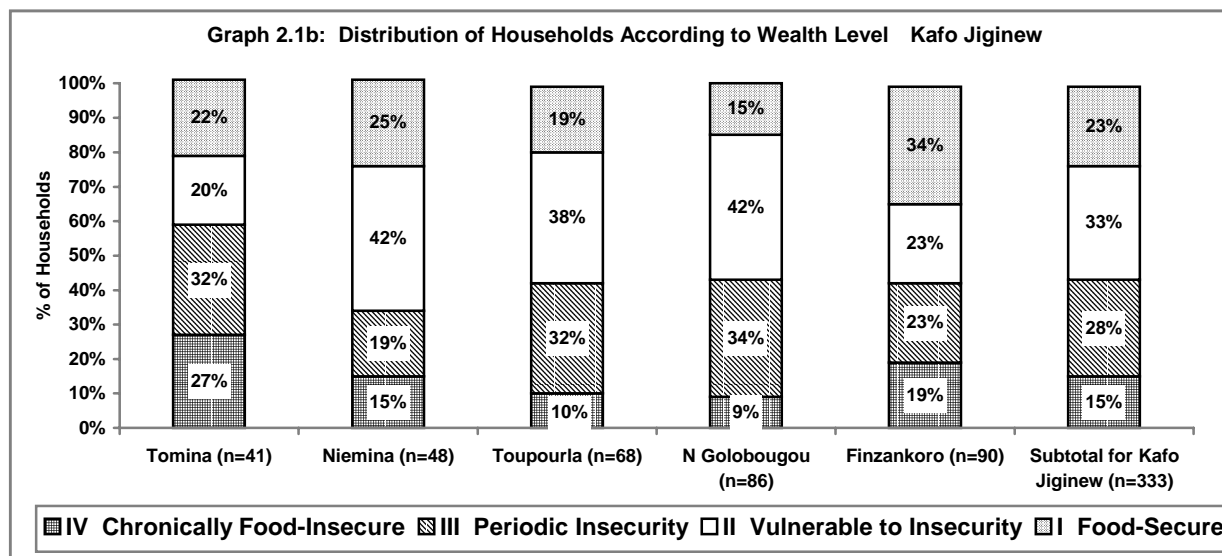
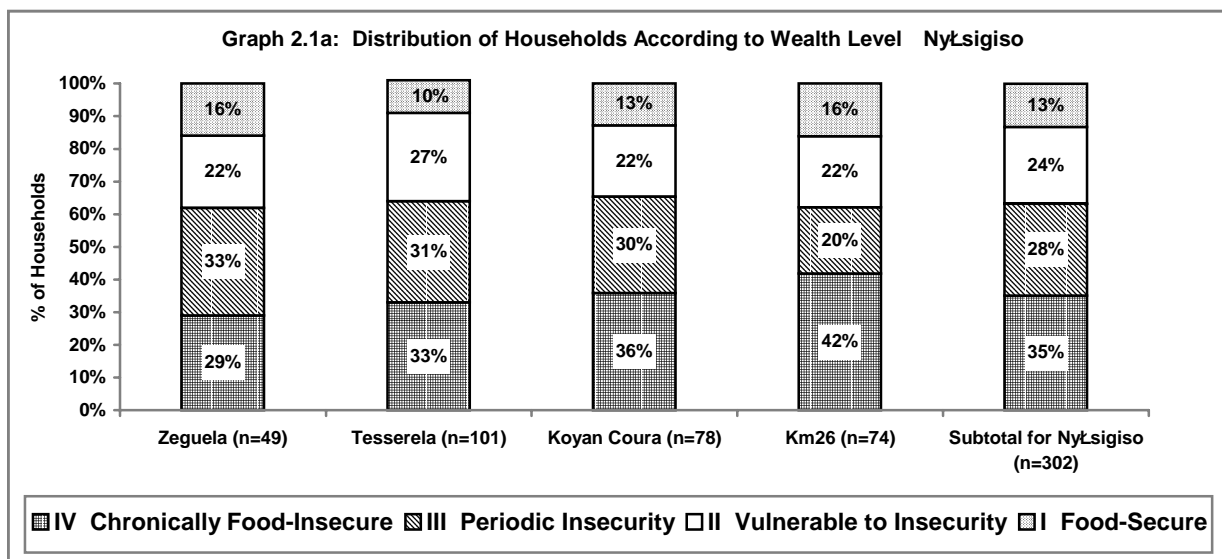
## OVERALL WEALTH DISTRIBUTION FOR HOUSEHOLDS IN SAMPLED VILLAGES

This section analyzes the overall distribution across the wealth categories in the sampled villages served by either the *CEE* programs of Nyèsigiso or Kafo Jiginew. Graphs 2.1a-2.1b provide household distribution in each village by wealth category. (In these graphs, “n” refers to the total number of households in the village.) The prevalence of food insecurity, and by our definition poverty, is different in the two *CEE* program areas.

The degree of poverty is greater in Nyèsigiso than in the Kafo Jiginew villages included in this wealth-ranking exercise. In the Nyèsigiso villages, 63

percent of all households were categorized by local informants as suffering from either periodic or chronic food insecurity. In comparison, only 43 percent of households in Kafo Jiginew villages fell into these categories. Almost one-fourth (23 percent) of the households in the Kafo Jiginew villages were defined as being food-secure as compared to only 13 percent of those in the Nyèsigiso villages.

Kafo Jiginew operates in the rural area of Southern Mali, the cotton basket of the country and a relatively rich agricultural region. Due to the favorable agriculture conditions and relatively greater agricultural services and investment, food concerns are fewer here than in other rural regions of the country. Cotton cultivation in this area also contributes to cash income. For these reasons, we



find more food security in the Kafo Jiginew program area.<sup>9</sup>

National data based on total household expenditures for 1998<sup>10</sup> classify 76 percent of the households in rural Mali as being below the poverty line. The Nyèsigiso *CEE* communities were drawn from the Ségou region which had an overall rate of poverty of 70 percent. The Kafo Jiginew *CEE* communities were drawn from the Sikasso region which had an overall rate of poverty of 83 percent. Although the poverty line and the wealth categories described here are derived from different methods and indicators, categories II-IV can be assumed to fall below the poverty line as they represent from 76 to 87 percent of the total households, which roughly corresponds to the regional poverty rates of 70 to 83 percent. But such a comparison should be made with caution, as the study did not cover the entire region. For example, the program communities from the Sikasso region were all located within a 35- to 45-kilometer radius from the town of Koutiala where cotton production is supposed to be the highest.

While the credit union's *CEE* programs do not apply a rigid eligibility criterion, the intent is to offer sustainable services to poor households; e.g., those below the poverty line who are vulnerable to or experiencing food insecurity.

### **HOUSEHOLD DEMOGRAPHIC CHARACTERISTICS ACCORDING TO WEALTH LEVEL**

This section presents information on the composition of households according to their relative wealth level and by credit union network. The size of household, including the total number of people and total number of adults in the household, exhibited a clear pattern. Households categorized as chronically food-insecure tended to have fewer members than those in the other categories. In fact, moving up from those who are chronically food-insecure to those who are food-secure, the average size of the household is progressively larger for each wealth category. This pattern is evident for the communities associated with both credit union networks.

Table 2.2 provides information on the average number of people per household and the average dependence index of households by wealth category. Category I food-secure households are larger, with an average of 24 people in Nyèsigiso and 28 people in Kafo Jiginew. Conversely, Category IV households experiencing chronic food insecurity are generally small, with an average of eight people in Nyèsigiso and 11 people in Kafo Jiginew. In the Nyèsigiso *CEE* program, Category IV households characterized by chronic food insecurity are one-third the size of Category I food-secure households and half the size of Category III households vulnerable to food insecurity. These proportions are similar for villages in the Kafo Jiginew *CEE* program. The proportions observed in the number of adults per household by category follow the same pattern of household size, but with more notable variations from one village to the next.

These results indicate larger households are less likely to experience food insecurity than smaller households. The factors underlying this relationship could be understood in two ways. On the one hand, relatively large households have many able-bodied adults to farm and provide for their food needs. In communities where agriculture is more labor-intensive and little to no mechanized equipment is used, the number of people available for agricultural work can determine the level of agricultural production and therefore food security. It is also true that better-off households have more agricultural equipment and draft animals and are therefore able to support larger numbers of people. Rather than strike out on their own, sons and their families will remain in the family compound of better-off households. In contrast, chronically food-insecure households tend to be more similar to a nuclear family and due to their very limited access to productive assets tend to splinter into smaller family units. With this scenario, the relatively large size of the Category I households is a result of their relatively better socioeconomic status rather than the reason for it.

Despite this difference in absolute size, it is interesting to note that the dependence ratio is relatively similar

<sup>9</sup> However, it should be noted that urban program sites were intentionally not included in this wealth-ranking exercise. In general, Nyèsigiso has more *CEE* Credit Associations in urban or peri-urban communities than Kafo Jiginew. Due to the nature of the methodology, the wealth-ranking exercise was restricted to program communities with less than approximately 120 households.

<sup>10</sup> Ministère de l'économie, du plan et de l'intégration/PNUD/Banque mondiale (1999), Croissance, Équité et Pauvreté: Rapport national sur le développement humain durable

**Table 2.2: Average Number of Household Members and Dependence Ratio According to Wealth Category**

Village	I-Food -Secure	II-Vulnerable to Insecurity	III-Periodic Insecurity	IV-Chronically Food-Insecure	All Wealth Categories	Total # of Households
<b>A - Total Number of Persons in the Household</b>						
Zeguela	N/A	N/A	N/A	N/A	N/A	N/A
Tesserela	36	19	15	7	16	101
Koyan Coura	15	17	12	7.1	12	78
Km26	25	14	9	10	13	74
Subtotal—Nyèsigiso	25	17	13	8	14	253
Tomina	31	31	18	10	21	41
Niemina	18	25	15	16	20	48
Toupourla	37	19	10	6	18	67
N’Golobougou	24	15	13	10	15	86
Finzankoro	28	19	18	11	21	91
Subtotal—Kafo Jiginew	28	20	14	11	19	333
Overall for both networks	27	19	14	9	17	586
<b>B - Ratio of Dependence</b>						
Zeguela	N/A	N/A	N/A	N/A	N/A	N/A
Tesserela	1.7	1.5	1.4	1.1	1.4	101
Koyan Coura	0.9	1.5	1.4	1.0	1.2	78
Km26	1.1	0.8	1.0	1.0	0.9	74
Subtotal—Nyèsigiso	1.3	1.3	1.3	1.0	1.2	253
Tomina	1.6	1.6	1.4	1.6	1.6	41
Niemina	1.4	2.0	2.1	1.4	1.8	48
Toupourla	1.7	1.3	1.3	1.3	1.4	67
N’Golobougou	1.6	1.5	1.4	1.1	1.5	86
Finzankoro	1.5	1.4	2.0	1.7	1.6	91
Subtotal—Kafo Jiginew	1.6	1.6	1.6	1.5	1.6	333
Overall for both networks	1.5	1.5	1.5	1.2	1.4	586

across the wealth categories.<sup>11</sup> For Nyèsigiso the dependence ratio is actually a little higher (1.3 dependents per adult) for the Category I food-secure households than for the Category IV chronically food-insecure (1.0 dependents per adult). For Kafo Jiginew, the dependence ratio is on average very stable across the wealth categories and ranges only from 1.5–1.6. It seems that regardless of the socioeconomic level, adults were supporting an average of 1.5 dependents.

### **DISTRIBUTION AND COVERAGE OF THE CEE PROGRAM ACCORDING TO WEALTH CATEGORIES**

*CEE* is designed to serve households that are either vulnerable to or experiencing food insecurity. The

intended clientele for the *CEE* would include households in categories II–IV.

However, no “screening” or means test is used to restrict program membership per se. This wealth-ranking exercise provides a rare opportunity to assess whether the strategy’s programmatic features, together with an ethos to serve the poor, function as self-targeting mechanisms for reaching the relatively poorer households.

“Depth of outreach” refers to the relative representation of the poor in an institution’s or program’s clientele. For this study, *CEE*’s depth of outreach is explored at the level of the household and the individual in two ways. One approach examines the distribution of *CEE* members across

<sup>11</sup> The ratio between the total number of young people (0–17 years old) divided by the number of adults in the household, also known as the “dependence ratio.” Usually, this ratio of dependence is calculated as the number of persons not part of the labor force (whether young or old) divided by the number of adults working in the household (UNDP, 1998). However, from the source of information available it was impossible to distinguish the number of elderly in the household. For this reason, the dependence ratio calculated here will be somewhat underestimated. Still, it allows us to get a sense of the number of young dependents per adult. A high dependency ratio is one of the factors assumed to correlate positively with poverty.

the wealth categories. For example, of all the households having at least one active *CEE* member, what percentage were categorized as being “Category I: Food-Secure” versus “Category IV: Chronically Food-Insecure?” This approach allows us to characterize the relative wealth of *CEE*-member households and to determine how effectively the program is reaching food-insecure households. The second approach looks at the program’s depth of outreach in a slightly different way according to the coverage within a given wealth category. For example, if there were 15 “Category I: Food-Secure” households in a given community and all fifteen had at least one member in *CEE*, the coverage rate for food-secure households would be 100 percent. This approach allows us to see whether *CEE* more effectively penetrates a particular wealth category.

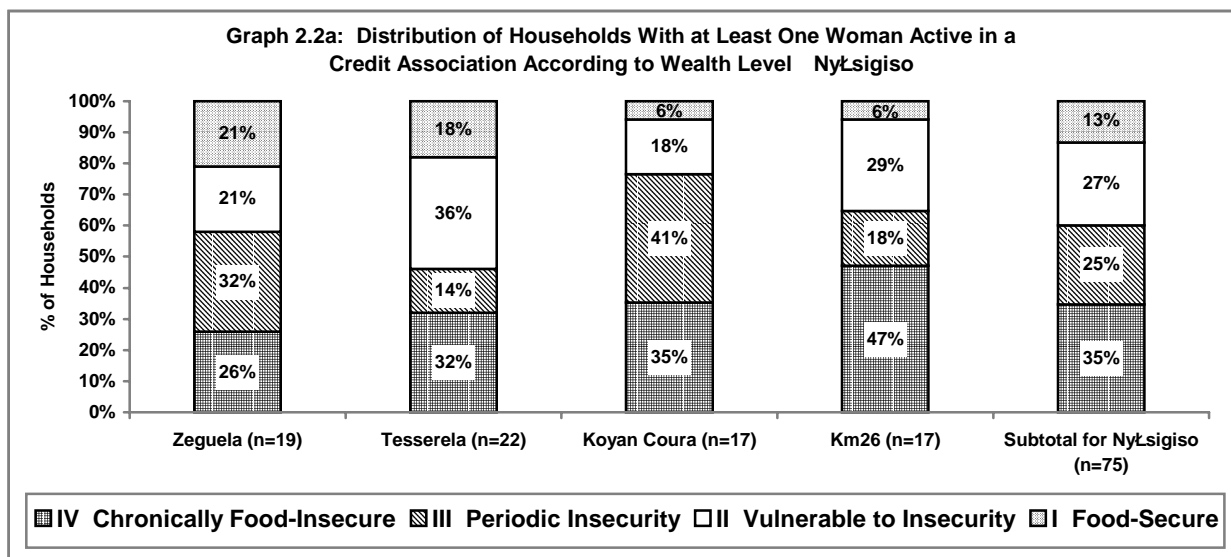
### Distribution of Member Households by Wealth Category

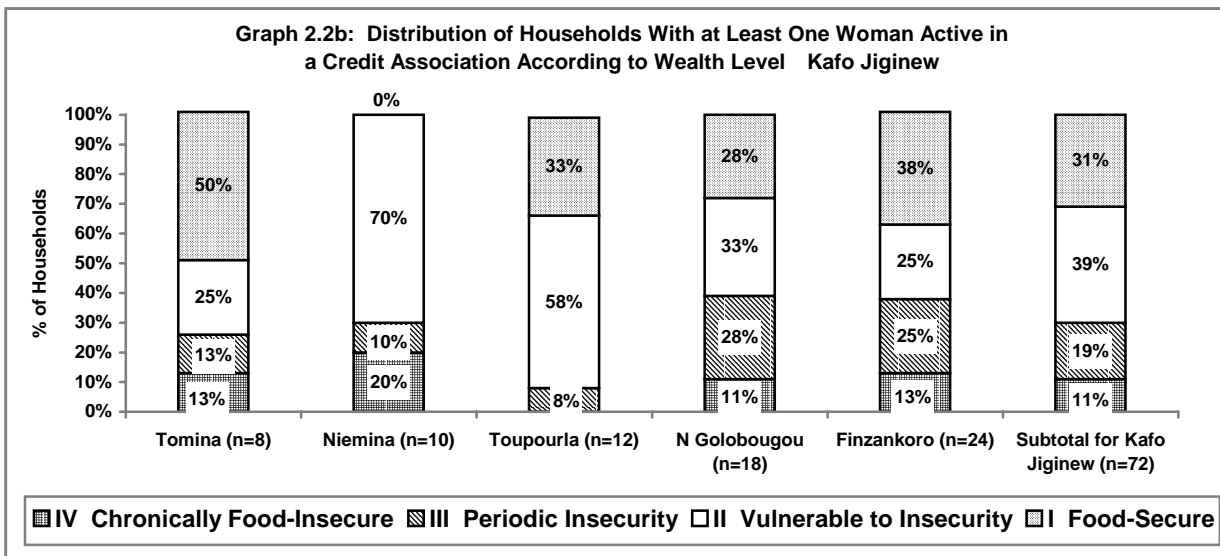
This section analyzes the distribution and coverage of the *CEE* program to households by wealth category. At the level of the household, any household having at least one member active in the *CEE* program when the fieldwork was carried out is considered a “member” household. With this approach, households that had several women members would be counted the same as a household with only a single member. Later sections of the report examine depth of outreach at the individual level.

Graphs 2.2a and 2.2b present the distribution by wealth category of households with at least one

woman active in the *CEE* program. These graphs show the percentage of current *CEE* households that fall into each of the four wealth categories by village. From these graphs, we can see the following:

- ❖ *CEE is reaching destitute households.* Just over one-third (35 percent) of the Nyèsigiso member households and 11 percent of Kafo Jiginew households were categorized as chronically food-insecure. As described by the local informants, these households were truly destitute and “experiencing poverty from A to Z.” In recent years, the question has been raised whether microenterprise programs actually reach this type of severely poor household. These results indicate that a good proportion of the current *CEE* households are truly destitute. This is especially true for Nyèsigiso’s non-urban program communities.
- ❖ *CEE is reaching households experiencing food insecurity.* Sixty percent (60 percent) of the Nyèsigiso households and 30 percent of the Kafo Jiginew households were described as having food problems for at least some part of each year.
- ❖ *CEE is reaching its intended target group.* Households categorized as vulnerable to or experiencing food insecurity are the strategy’s target group of households falling below the poverty line. The percentage of member households categorized in the target wealth categories was 87 percent for Nyèsigiso and 69 percent for Kafo Jiginew.



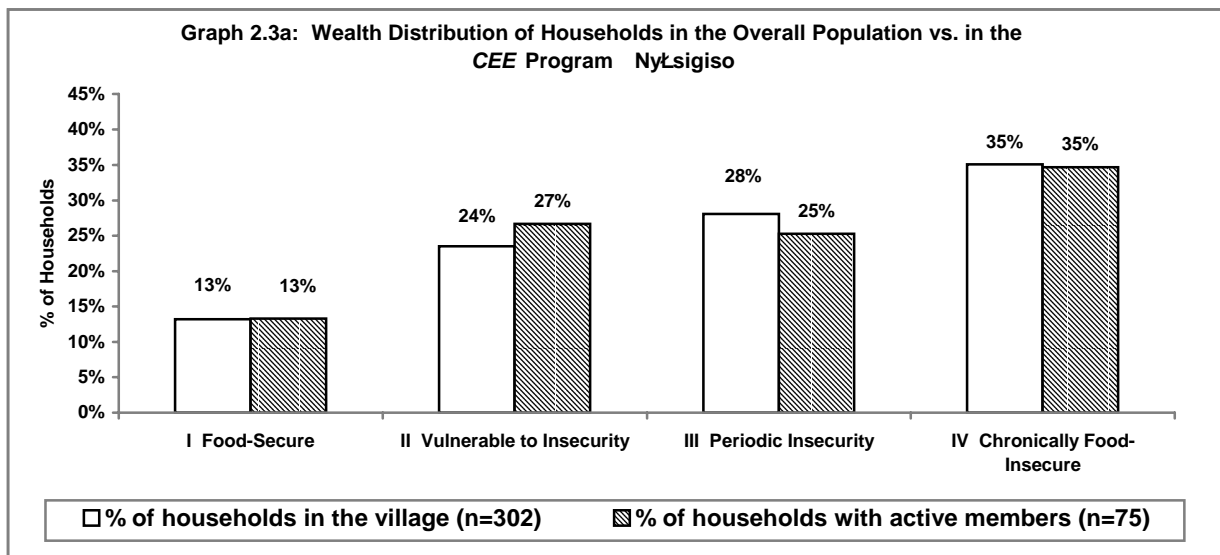


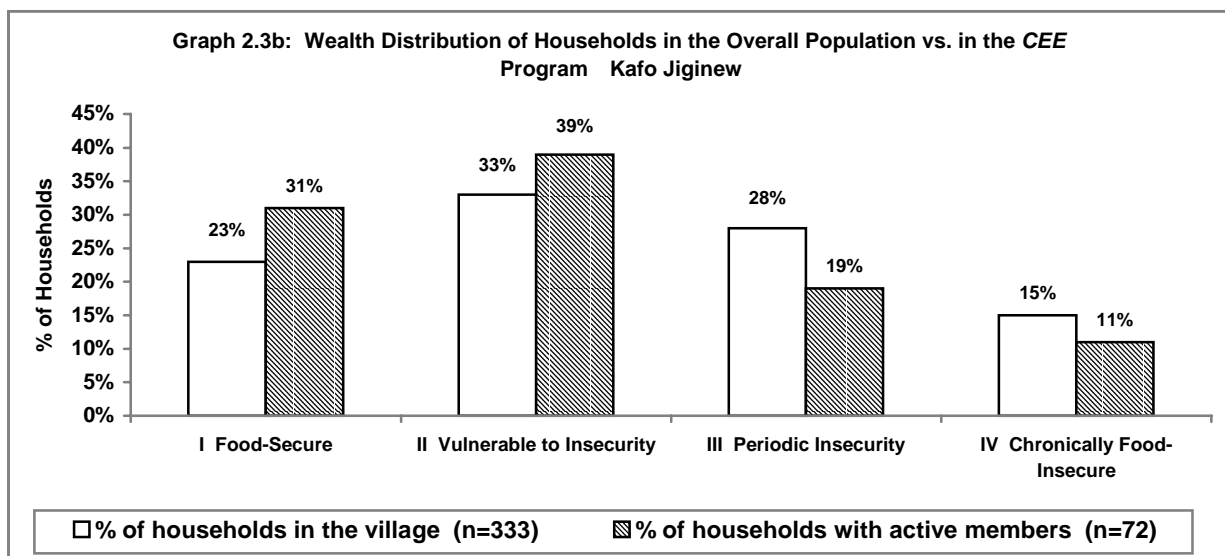
❖ *CEE also attracts better-off households.* Category I food-secure households made up 31 percent of the current *CEE* households for the Kafo Jiginew program and 13 percent for Nyèsigiso. Although neither credit union screens or excludes potential members on the basis of their socioeconomic status, it is thought that the program terms tend not to attract the wealthiest women. However, it may be that alternative sources of credit are so rare for women that even those from better-off households choose to join *CEE*. It may also be that women see value in the savings and education services and/or the solidarity of this women-only village association.

These results suggest that the Nyèsigiso *CEE* program reaches more very poor households than

the Kafo Jiginew program. However, this may not reflect any genuine difference in how the programs are implemented. Instead, it may simply reflect the greater prevalence of very poor households in the Nyèsigiso as compared to Kafo Jiginew communities.

It is more appropriate to compare the depth of outreach for the two *CEE* programs relative to the distribution of households across the four wealth categories in the overall population as has been done in Graphs 2.3a and 2.3b. With this perspective, both credit unions appear to have had similar success self-targeting their services. In both cases, the socioeconomic breakdown in their clientele is similar to the overall wealth breakdown evident in the program communities. While it is true that a higher proportion (35 percent) of Nyèsigiso's active *CEE*





households were chronically food-insecure as compared to only 11 percent for Kafo Jiginew, more households overall in the Nyèsigiso communities fell in this group (also 35 percent) as compared to only 15 percent in Kafo Jiginew communities. For Nyèsigiso, the percentage of member households that were classified as being chronically food-insecure mirrors exactly their percentage in the general population. For Kafo Jiginew, chronically food-insecure households were slightly underrepresented in the program relative to their occurrence in the overall population.

However, even considering the greater relative poverty in the Nyèsigiso program communities, the Kafo Jiginew CEE program shows somewhat of a bias away from those experiencing periodic and chronic food security as compared to Nyèsigiso.

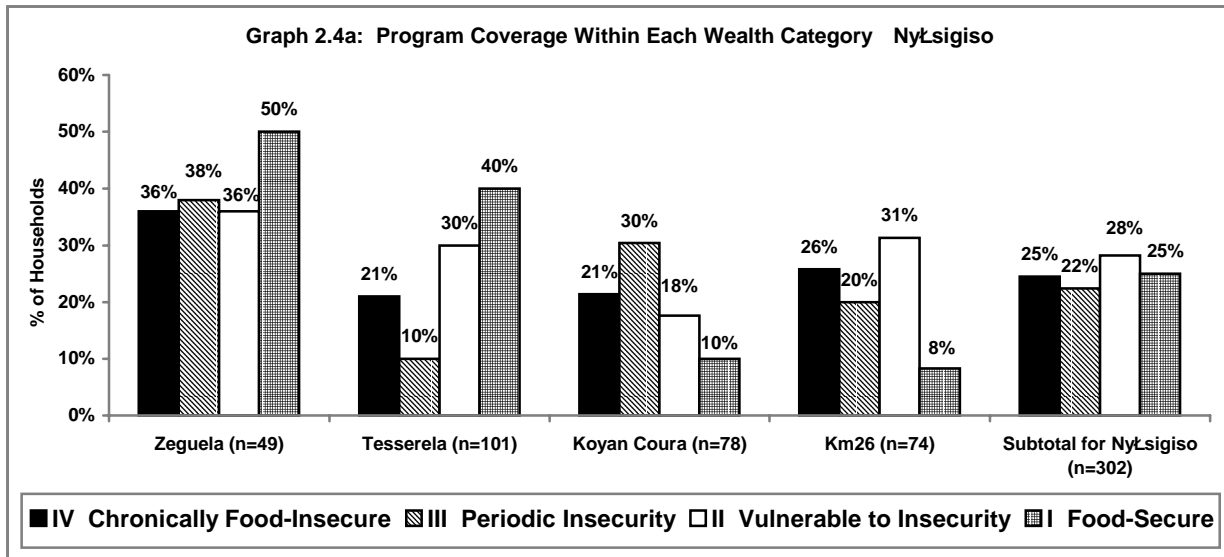
For Nyèsigiso, the outreach of CEE is remarkably similar to the general pattern of wealth in these communities. For example, 13 percent of all the households in the community fell into Category I: Food-Secure and similarly 13 percent of the member households also came from this group. Program membership for the Category IV chronically insecure households also mirrored exactly their general occurrence in the total population. There was a very slight overrepresentation of Category II households and underrepresentation for Category III households, so arguably a very minor bias is evident towards households just below the poverty line. But in general, for Nyèsigiso, what is most striking is how similar the wealth profile of member households is to the community at large.

By contrast, there is somewhat of a bias toward the upper range of the wealth scale in the Kafo Jiginew area. For Kafo Jiginew, households categorized as food-secure and vulnerable to food insecurity are overrepresented in the CEE program relative to their occurrence in the general population. Households experiencing periodic and chronic food insecurity are underrepresented in CEE membership, indicating an underrepresentation of poor and very poor people within the CEE program. Even with this upward bias, Kafo Jiginew’s CEE program shows outreach in all of the wealth categories and a pattern of wealth distribution that is similar to the population at large. For example, the wealth categories with the largest and smallest shares of CEE-member households—categories II and IV, respectively—hold these same rankings in the overall population.

### Program Coverage for the Different Wealth Categories

Another approach to assessing the depth of outreach of the CEE programs is to examine program coverage for the different wealth categories. The “rate of coverage” refers to the percentage of households in that category with a member participating in the CEE program. For example, if all the households in a community that were categorized as being food-secure had a woman participating in the CEE program, the rate of coverage for Category I would be 100 percent.

Overall, the coverage rate of the CEE program across all households in the Nyèsigiso communities



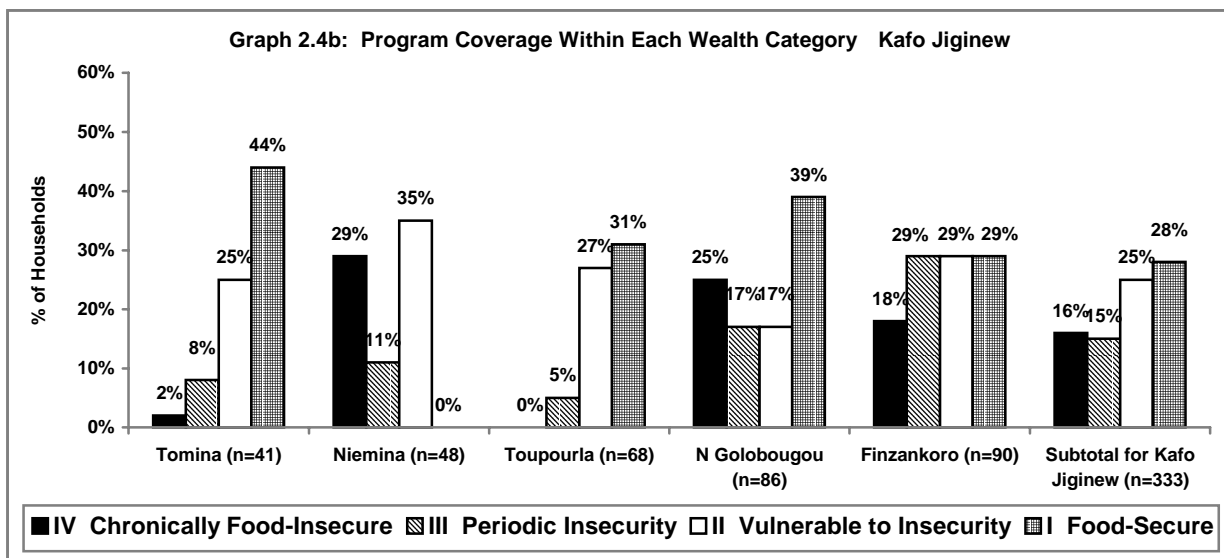
was 25 percent and in the Kafo Jiginew communities 22 percent. So, for both credit unions, approximately one-quarter of the households had at least one woman active in the program. However, coverage rates are not uniform for the various wealth categories for the two credit unions.

For Nyèsigiso, the *CEE* coverage rates in Graph 2.4a are highest (28 percent) for households in Category II—those who are vulnerable to but most likely not experiencing food insecurity in the current year. The rate of coverage is surprisingly uniform, between 22 and 25 percent, across the other three categories. These findings support the conclusions drawn from Graph 2.3a that the depth of outreach for the Nyèsigiso *CEE* program is very similar to the overall wealth distribution with arguably a very

slight bias toward those in Category II who are only vulnerable to food insecurity.

For Kafo Jiginew, the *CEE* coverage rates in Graph 2.4b are higher for households in categories I (28 percent) and II (25 percent) than for households in categories III (15 percent) and IV (16 percent). Again, this supports the findings from Graph 2.3b that the Kafo Jiginew *CEE* program has somewhat of a bias to the upper range of the wealth scale.

It is interesting to note that across all the program communities, Kilometer 26 (Km26) and Koyan Coura stand out as having relatively low program coverage (about 10 percent) for the food-secure wealth category, which is well below the mean. These two communities are also exceptional in that



informants mentioned other credit programs operating in the area.<sup>12</sup> It may be that when alternative credit options exist, better-off households are attracted to these other programs and so *CEE* tends to more successfully self-target the relatively poorer households. In most cases, program coverage was higher among Category I households than in any other wealth category with the exception of Km26, Koyan Coura and Niemina, a community where none of the households were described as fitting the characteristics of the food-secure households.

### Representation of Individual Members by Wealth Category

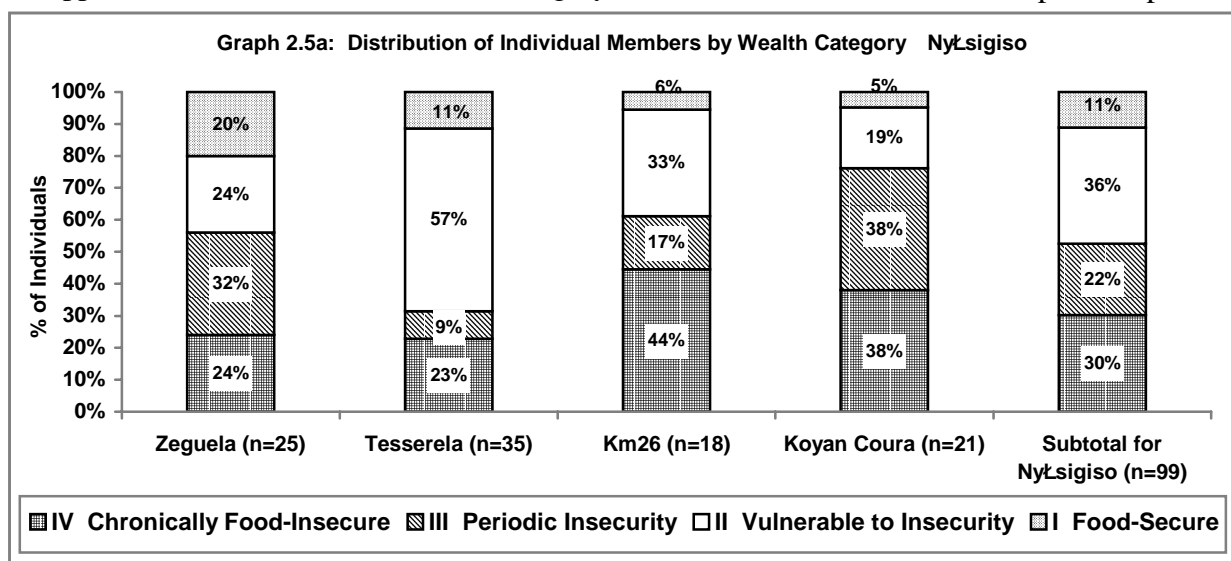
For a complete view of the outreach of the *CEE* program, analysis must also include the number of individual members by wealth category. Each household can have one or several women participating simultaneously in the program. By limiting the analysis to the household level, it is possible to underestimate the weight of households that have several women in the program. One might also assume that “numbers” could translate into power and influence. The more a particular wealth category is represented in a credit union, the more likely that decisions will be biased toward the interests of that category. Graphs 2.5a–2.5.b capture this individual-level dimension.

- ◆ With this individual-level perspective, the distribution of current Nyèsigiso members appears even more biased toward the Category

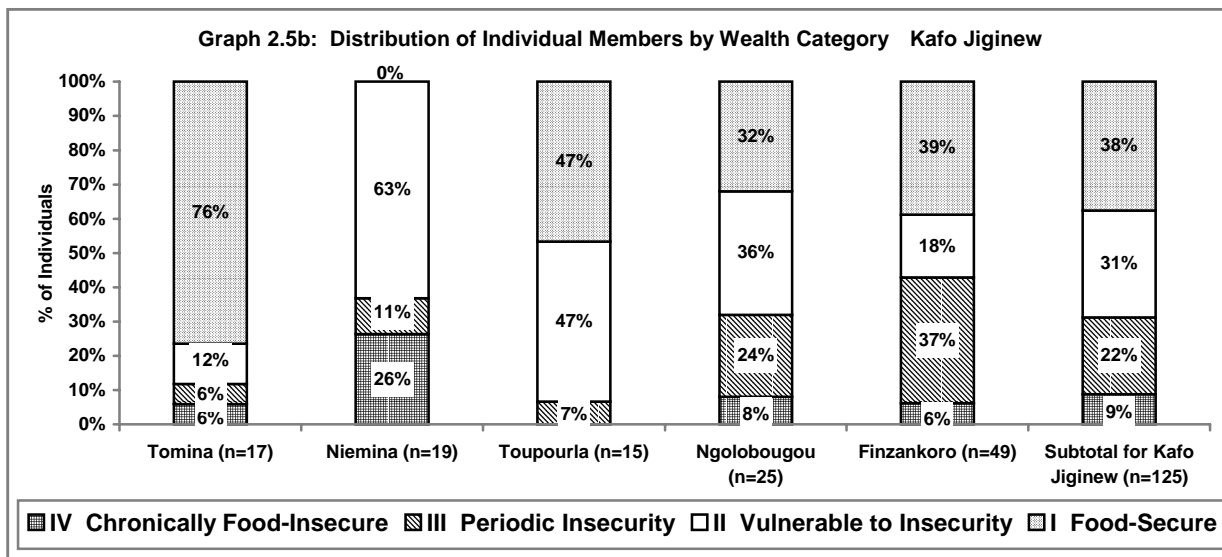
II households with 36 percent of the individual members categorized in this group as compared to 27 percent of member households (see Graph 2.2a). This is related to the fact that better-off households tend to be larger and therefore are more likely to have multiple *CEE* members. Still, for Nyèsigiso, 89 percent of the individual members were categorized as being in the target clientele, Category II to Category IV, those wealth groups that approximate those below the poverty line. Only 11 percent of the individual members are drawn from the Category I food-secure households.

- ◆ In the Kafo Jiginew program area, the distribution across wealth categories also shifts upward when presented in terms of individuals rather than households. With a household perspective, the wealth category with the largest percentage of *CEE* members was Category II (39 percent) but when the actual number of individual members is considered, the largest percentage of members are drawn from Category I: Food-Secure (38 percent). For Kafo Jiginew, 62 percent of the individual members came from the intended clientele—those either vulnerable to or experiencing food insecurity. However, individuals from households experiencing chronic food insecurity represent only 9 percent of all the membership.

Based on individual membership, the Nyèsigiso *CEE* program has relatively equitable representation of households between those that experience periodic



<sup>12</sup> Réseau des Caisses Villageoises d’Épargne and Crédit Autogérées—CVECA/CIDR or Office du Niger which provides credit for agricultural purposes.



and chronic food insecurity and those that do not. However, Kafo Jiginew's *CEE* program is dominated by women from the food-secure and vulnerable-to-food-insecurity categories. Again, this pattern is related to the relatively greater prevalence of food insecurity in those Nyèsigiso program communities included in the wealth-ranking exercise.

### PROGRAM DROP-OUT BY WEALTH CATEGORY

This section explores the drop-out rates across the four wealth categories to determine whether members' socioeconomic status is related to whether they stay in or leave the *CEE* program.

#### *CEE* Drop-Out Rate by Wealth Category

The drop-out rate reflects the dynamism of the *CEE* membership. This rate is the number of women who left the *CEE* program over the total number of women who ever were members. For example, if a total of 50 women joined a certain Credit Association since its inception, but 25 of these women subsequently left the group, the drop-out rate would be 50 percent. Similarly, the inverse of the drop-out rate would reflect the rate of member retention (100 minus the drop-out rate). Table 2.3 presents the drop-out rates by village and by wealth category after approximately three years of *CEE* program

services.<sup>13</sup> Overall, the drop-out rates for both *CEE* programs are very similar—63 percent for Nyèsigiso and 68 percent for Kafo Jiginew. An average 67 percent of the members who joined *CEE* subsequently left the program.

The overall drop-out rate for the two programs combined (67 percent) is quite comparable to other village banking programs. A study of seven village banking programs from around the world found on average only 35 percent of the first-cycle borrowers still participating after three years.<sup>14</sup> As with other programs, those leaving do not seem to discourage new members from joining, as membership tends to be stable or even grows over time.

As for the relationship between members' relative wealth and the likelihood of their leaving the *CEE* program, Table 2.3 provides the following insights:

- ❖ For both networks combined, there is striking similarity across the four wealth categories in the overall drop-out rates. The overall drop-out rate for the Category I food-secure members is 65 percent as compared to 68 percent for individuals in Category IV who are chronically food-insecure. The drop-out rate for categories II and III also fall in this range of 65 percent to 68 percent. Additional information would be needed to know whether women from better-off households leave the program for different

<sup>13</sup> The community of Zeguella is excluded from this analysis because its drop-out rate was considerably lower (.17%) due to the fact that the program had been operating for a shorter period than other communities. Whereas all the other program communities had Credit Associations in their seventh or higher loan cycles, the Credit Association in Zeguella was only in its second loan cycle.

<sup>14</sup> Painter, Judith and Barbara MkNelly, "Village Banking Dynamics Study: Evidence from Seven Programs" in *Journal of Microfinance Practitioner and Development Perspectives*, Vol. 1 No. 1. Fall 1999, p. 113-116.

reasons than those from the poorest households. But, at least in general terms, across the two credit unions poorer women are no more likely to leave the *CEE* program than are wealthy women.

- ❖ For Nyèsigiso, the “Food-Secure” members have the relatively highest drop-out rate (78 percent) of the four wealth categories. But with Kafo Jiginew the opposite is true, with the Category I individuals having the relatively lowest drop-out rate (62 percent). These patterns are evident in the current membership profile, with Kafo Jiginew’s *CEE* program having a more pronounced bias toward these better-off households than the Nyèsigiso *CEE* membership.
- ❖ Drop-out is higher—more than 76 percent—in the more remote villages (Tomina, Nièmina, Toupourla) that do not benefit from direct access to a dynamic market. In these villages, drop-out from the *CEE* program appears to be somewhat higher in the household categories with food insecurity than in the ones that have food

security. However, the sample is quite small and so it is difficult to draw strong conclusions. Tesserela is also relatively more remote and drop-out rates were higher for food-secure than chronically insecure households.

- ❖ Similarly, the drop-out rate is lower in villages where good economic opportunities exist. In Nyèsigiso, the incidence of program abandonment is lower in the two villages (Km26 and Koyan Coura) located in the irrigated zones. In addition to benefiting from the Niono market, irrigation offers these village households two cultivation seasons per year (rice production during the rainy season and market-garden produce in the dry season). In Kafo Jiginew, the drop-out rate is lower in the villages of N’Golobougou and Finzankoro which benefit respectively from the Konséguéla and Finzankoro markets and from their location along a very busy stretch of road.

In summary, overall there is little difference in drop-out rates across the wealth categories. No particular wealth category has a strikingly higher attrition rate

**Table 2.3: Drop-Out Rate of *CEE* Program by Wealth Category**

Village	Indicator	I-Food-Secure	II-Vulnerable to Insecurity	III-Periodic Insecurity	IV-Chronically Food-Insecure	All Members Who Ever Joined
Tesserela	# of <i>CEE</i> members	20	43	15	20	98
	Drop-out Rate	80%	54%	80%	60%	64%
Koyan Coura	# of <i>CEE</i> members	3	9	19	20	51
	Drop-out Rate	67%	56%	58%	60%	59%
Km26	# of <i>CEE</i> members	4	15	6	27	52
	Drop-out Rate	75%	60%	50%	70%	65%
Subtotal of Nyèsigiso	# of <i>CEE</i> members	27	67	40	67	201
	Drop-out Rate	78%	55%	65%	64%	63%
Tomina	# of <i>CEE</i> members	23	17	13	8	61
	Drop-out Rate	43%	88%	92%	87%	72%
Nièmina	# of <i>CEE</i> members	11	45	12	11	79
	Drop-out Rate	100%	73%	83%	55%	75%
Toupourla	# of <i>CEE</i> members	27	23	9	3	62
	Drop-out Rate	74%	70%	89%	100%	75%
N’Golobougou	# of <i>CEE</i> members	11	31	17	5	64
	Drop-out Rate	27%	71%	65%	60%	61%
Finzankoro	# of <i>CEE</i> members	52	22	40	16	130
	Drop-out Rate	64%	60%	55%	81%	62%
Subtotal of Kafo Jiginew	# of <i>CEE</i> members	124	138	91	43	396
	Drop-out Rate	62%	72%	70%	75%	68%
Overall for both networks	# of <i>CEE</i> members	151	205	131	110	597
	Drop-out Rate	65%	66%	68%	68%	67%

than other categories. It seems drop-out from the *CEE* program is more closely linked to a lack of economic opportunity or the remote location of villages rather than to wealth category. The fewer opportunities to use a working-capital loan to generate regular cash income, the higher the drop-out rate.

### Individual Member Drop-Out Rate by Wealth Category

Graph 2.6 presents the wealth distribution of the current and ex-members of both credit unions' *CEE* programs. Made clear by this graph is the fact that the wealth breakdown of the *CEE* members today is influenced by the socioeconomic status of those members who chose to leave the program.

- ❖ For Nyèsigiso, the breakdown of *CEE* members who are periodically and chronically food-insecure is very similar for both the current and ex-members. However, the percentage of food-secure women who are ex-members is higher than the percentage who are current members. One of the reasons why such a relatively small percentage of the Nyèsigiso current members come from the best-off wealth category is the greater tendency of this type of woman to leave the program.
- ❖ For Kafo Jiginew, the percentage of ex-members who are chronically food-insecure (28 percent) is much higher than the percentage of current members who fall into this poorest wealth category (9 percent). Similarly, those who are

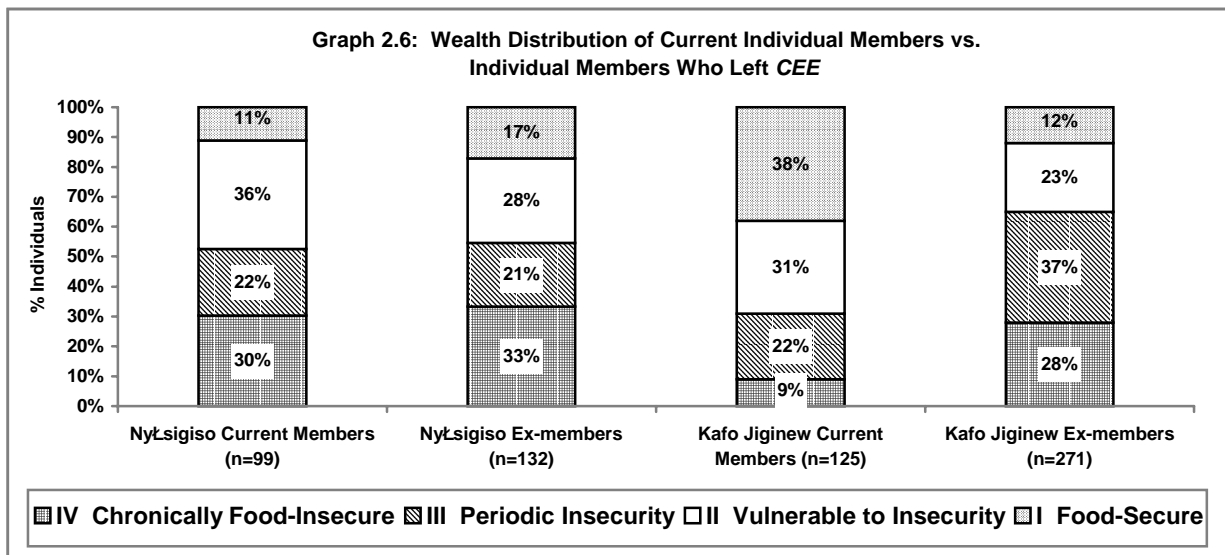
periodically food-insecure represent a larger percentage of the ex-members than current members—37 percent as compared to 22 percent, respectively. But, only 12 percent of the ex-members came from food-secure households whereas women from this group represented 38 percent of the current members.

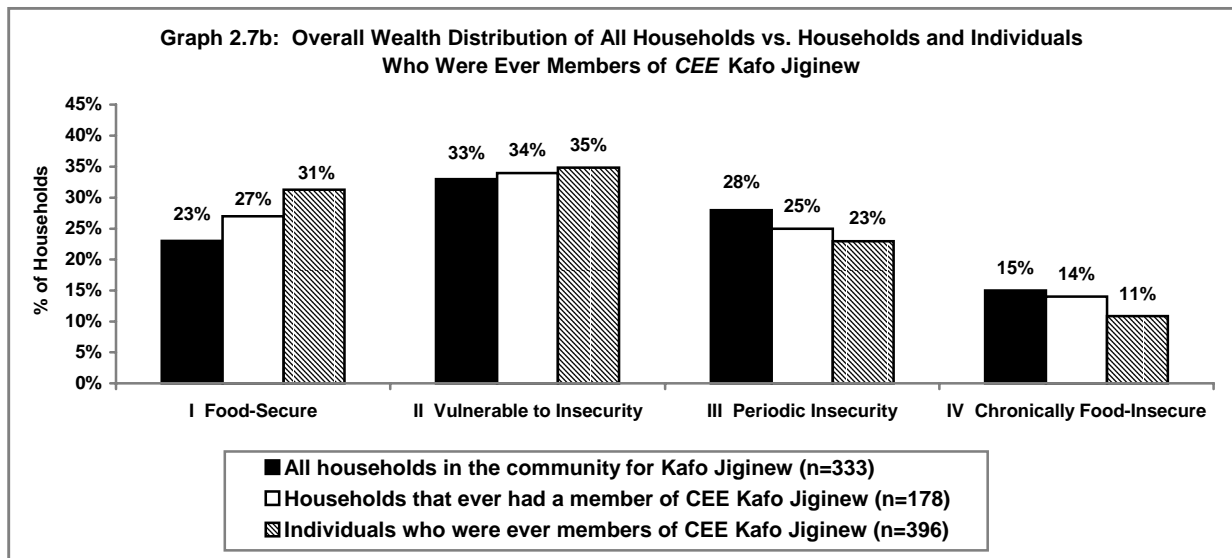
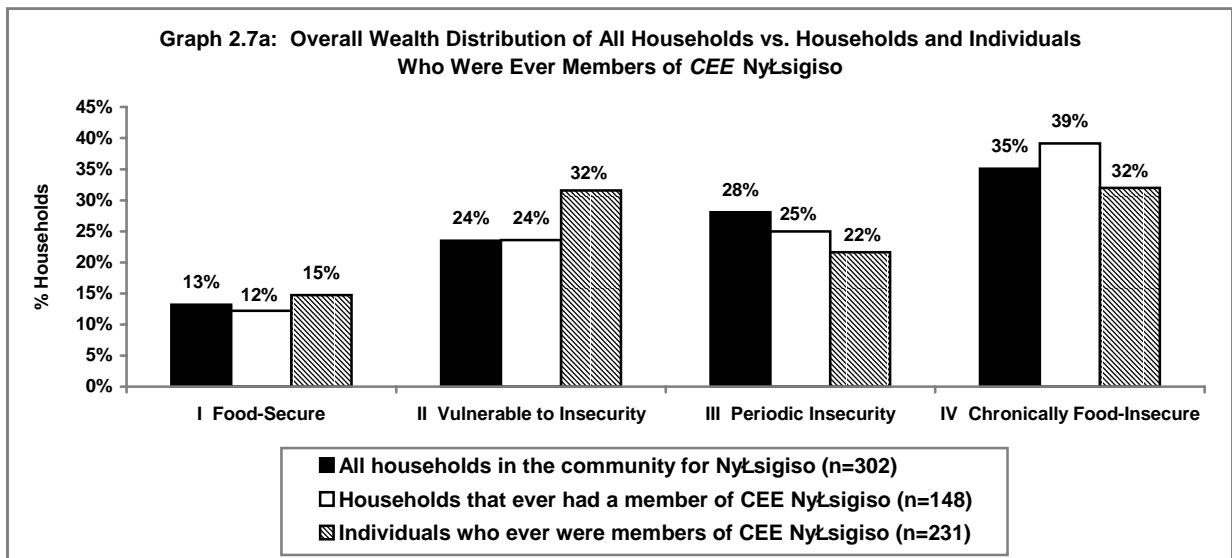
It would be very valuable to know why, especially for the Kafo Jiginew *CEE* program, food-insecure members are more likely to leave the program than women from more food-secure households. This tendency explains in part the relative bias of Kafo Jiginew's current *CEE* membership towards the better-off. These dynamics are explored in greater depth in the third section of this report, at least for women who are members of the relatively poorest households.

### Depth of Outreach to Households and Individuals Who Were Ever *CEE* Members

As evident in the previous section, many more households and individual women have accessed program services than is evident from only looking at current members. A complete picture of *CEE*'s depth of outreach should include past as well as current members.

Graphs 2.7a and 2.7b provide this complete picture. They show the overall distribution across the wealth categories for all households and women who were ever members of *CEE* relative to the wealth breakdown of all households in the program communities.





## CONCLUSION

The wealth-ranking exercise worked well to classify households into meaningful relative wealth categories. Local informants consistently defined poverty in terms of households' food security and the ability or inability to eat well throughout the year. The study also worked well to identify whether the credit unions' CEE programs were reaching their intended clientele and, if so, whether their participation is sustained over time.

CEE is designed to serve women from households vulnerable to or experiencing food insecurity. Households classified by local informants into Category II: Vulnerable to Food Insecurity, Category III: Periodic Food Insecurity and Category IV: Chronic Food Insecurity meet this description. These three wealth categories also roughly

correspond to households below the national poverty line.

The study revealed that 87 percent of the households with a current member in the NyŁsigiso CEE program were from the intended clientele. Only 13 percent of the current CEE households were classified as Category I: Food-Secure, a grouping which approximately corresponds to those above the national poverty line. If one considers all households that ever had a member in CEE, the targeting appears only slightly higher, with 88 percent of the CEE households classified as vulnerable to or experiencing food insecurity.

In comparison, only 69 percent of the households with current members in the Kafo Jiginew CEE program were from the intended clientele and 31 percent were classified as Category I food-secure

households. Again, the targeting appears just slightly better when considering all households that ever had a member in *CEE* (past and present), as 73 percent of these households were considered to be vulnerable to or experiencing food insecurity.

The difference in depth of outreach between the two credit unions is very much related to the overall prevalence of poverty or food insecurity in their respective program communities. In fact, what is perhaps most striking about the study findings is how closely *CEE* membership mirrors the relative wealth profiles in the program communities at large. In the four Nyèsigiso communities, 87 percent of all the households were classified into categories II through IV, which is exactly the same as the percentage of current members from these wealth categories. However, only 77 percent of all the households in the five Kafo Jiginew program communities fell below the poverty line, which in part explains why categories II–IV only make up 69 percent to 73 percent of the *CEE* households. So, for both programs, the wealth distribution of *CEE* members is quite similar to the overall wealth distribution in the communities in general.

Still, for the Kafo Jiginew *CEE* program, somewhat of a bias is evident toward the households in the top two wealth categories. There is an overrepresentation of *CEE* members from Category I food-secure households relative to their occurrence in the general population by 4–8 percentage points depending on whether one is considering current or ever-member households or individuals. Conversely, there is an underrepresentation of members from the periodically and chronically food-insecure categories by approximately 1 to 9 percent. Although 43 percent of all the households in Kafo Jiginew communities were characterized as experiencing periodic or chronic food insecurity, only 30 percent of the current member households and 39 percent of the households that ever had a member fell into these two poorest wealth categories. In part, this bias is related to a slightly greater tendency for women from the relatively poorer wealth categories to leave Kafo Jiginew's *CEE* program than women from better-off households. Understanding the different reasons why women from the different wealth categories leave the program would be very useful to this issue of depth of outreach. Still, when combining the membership dynamics from both credit unions' programs, drop-out rates are quite similar

across the various wealth categories. It seems drop-out from the *CEE* program is more closely linked to a lack of economic opportunity or the remote location of villages rather than to wealth category.

This wealth-ranking exercise contributed to a better understanding of some of the assumptions behind *CEE* program dynamics. On the one hand, although neither credit union screens nor excludes potential members on the basis of their socioeconomic status, it is thought that the program terms tend not to attract the wealthiest women. However, Category I food-secure households made up 27 percent of households that ever had a member in Kafo Jiginew's *CEE* program and 12 percent of the Nyèsigiso member households. It may be that alternative sources of credit for women are so rare that even those from better-off households choose to join *CEE*. (Communities such as Kilometer 26 and Koyan Coura that had alternative credit programs showed much lower relative participation of Category I food-secure households than other *CEE* communities.) It may also be that women see value in the savings and education services and/or the solidarity of this women-only village association.

Another assumption this study helped address is whether microfinance programs actually reach very poor households. The wealth-ranking exercise indicates that the *CEE* programs do reach the truly destitute. Thirty-nine percent (39 percent) of the households that ever had a member in the Nyèsigiso *CEE* program were classified as being Category IV: Chronically Food-Insecure. Fourteen percent (14 percent) of the Kafo Jiginew member households also fell in this grouping. These households were described as “suffering cruel difficulties with food,” of having “poverty from A-Z” and “depending on others for their survival.” In fact, households in this category were described as sometimes borrowing money for emergencies but not being able to repay. Yet, women from these households were joining *CEE* and they were repaying their loans. A more in-depth understanding of the experience of the poorest women with *CEE* from focus-group discussions held with members and nonmembers is provided in the next section of this report.



### **3.0 POOR WOMEN'S PERCEPTIONS: CONSTRAINTS AND OPPORTUNITIES OF JOINING AND PARTICIPATING IN THE CEE PROGRAM**

A series of focus groups was organized to better understand the obstacles poor women faced in joining the *CEE* program. Women from households identified as relatively poor through the wealth-ranking exercise were invited to participate in these focus-group discussions. Separate discussions were held with poor women who had never joined the program and with poor women who were currently members. The specific objectives of these focus groups were to

- ❖ understand poor people's motivations with respect to joining or not joining the *CEE* program;
- ❖ identify the difficulties and obstacles experienced by the poor in participating in the program; and
- ❖ identify possible strategies for addressing these difficulties and obstacles so that more poor and potentially food-insecure women would be attracted to the program.

After a brief overview of the method used to lead these focus groups, this chapter presents the major points emerging from these discussions with women from among the poorest households in the community. Results are presented in four sections. Poor women stated: 1) motivations for joining (members) or for not joining (nonmembers) the program; 2) positive or negative impacts associated with program participation; 3) obstacles to program participation and strategies used to overcome them; and 4) proposed strategies for attracting more poor women.

In each section, the main themes that emerged from the discussions are presented. Furthermore, specific quotes from the women are included to illustrate these points. In the appendix, tables can be found that provide greater detail on the most common points mentioned by community, disaggregated by members and nonmembers.

#### **METHODOLOGY**

The focus-group discussions were conducted in the same villages as those chosen for the wealth-ranking

exercise. These villages were Zéguéla, Tesserela, Koyan Coura and Km26 for the Nyèsigiso network and Nièmina, Tomina, Toupourla, N'Golobougou and Finzankoro for the Kafo Jiginew network. The wealth-ranking exercise served to identify the poor households from which the women for the focus groups could be selected. Focus-group participants were chosen from the bottom 30 percent of households according to the average wealth or well-being scores.

In each village, two focus-group discussions were facilitated: one discussion group with the women of a Credit Association and one discussion group with women of poor households having no women belonging to a Credit Association. In two of the nine villages, groups of ex-members rather than current members were convened to gain this additional perspective. The Credit Associations that were active in these villages were relatively mature, in their third year of operation (8<sup>th</sup> or 9<sup>th</sup> credit cycle), except for the village of Zéguéla where the Credit Association was only in its first year (2<sup>nd</sup> loan cycle).

The focus groups were comprised of six women, except in a few villages where it was not possible to either identify or locate this many women. To lead the discussions, the facilitator used a list of discussion questions specific to each type of group. In addition, the facilitator needed to formulate his/her own probing follow-up questions to clarify or deepen certain issue areas. This was not an easy task as it required not only a mastery of the subject, but also boundless curiosity to listen and learn without lecturing or dominating. The facilitator had to be flexible enough to adapt questions to go deeper based on the responses and reactions of the participants and, at the same time, to make sure that the group discussion was keeping to the issues of concern and that all participants were taking part in the discussion. The facilitator was supported by an assistant who took care of logistics and of tape-recording the entire discussion. Box 3.1 summarizes the discussion guide used during these group discussions.

The entire focus-group discussion was tape-recorded. It was later fully transcribed, including notation of group dynamics. Later, a content analysis was completed of all 18 focus-group discussions (two per community). This involved going through the text(s) to identify key phrases or words that

**Box 3.1: Topics Covered by the Focus-Group Discussion with Poor Women  
(Members and Nonmembers of the CEE Program)**

Topics covered by discussion groups with non-members:	Topics covered by discussion groups with members:
<ol style="list-style-type: none"> <li>1. What do you know about the <i>CEE</i> program?</li> <li>2. Why is it that you chose not to participate in the program?</li> <li>3. Are there any members of the community who cannot be members of a Credit Association because of their economic status?</li> <li>4. Does the <i>CEE</i> program tend to attract the poor women of the community?</li> <li>5. What factors may discourage poor and very poor women from participating in a Credit Association?</li> <li>6. Do you know the rules and conditions imposed by the program that may keep poor and very poor people from participating in the program?</li> <li>7. What can be done to attract more of the poor and the poorest to join the program?</li> </ol>	<ol style="list-style-type: none"> <li>1. How did you hear about the program?</li> <li>2. When you joined the Credit Association, did you have difficulties or concerns about joining?</li> <li>3. What are positive or negative impacts of membership on your household?</li> <li>4. Do any of the obligations or responsibilities that you have to fulfill as a member of the Credit Association cause you problems in other facets of your life?</li> <li>5. Are there members of the community who cannot be part of the <i>CEE</i> program because of their socioeconomic status?</li> <li>6. Does the <i>CEE</i> program tend to attract the poor and the very poor of the community?</li> <li>7. Do you think that the poor have the same privileges in your Credit Association?</li> <li>8. Do you think that the poor leave or remain in Credit Associations more than other groups?</li> <li>9. What factors may discourage the poor from joining the <i>CEE</i> program?</li> <li>10. What policies or requirements imposed by your Credit Association may stop the poor from participating in the program?</li> <li>11. How did you overcome these obstacles?</li> <li>12. What can be done to attract more of the poor and the poorest?</li> </ol>

emerged in discussions of each question. A “key word” or “key phrase” can be understood as a word (term) or group of words that participants used to express their point of view on a topic raised during the discussion. The key words or phrases were then grouped into distinct response categories.

Then, the number of responses given by women during the discussions that applied to each of these categories was tallied. The tables in Appendix 3.1 report the tallies for members and nonmembers separately. However, for simplicity and clarity of results, the “principal” or “most common” responses were identified in the following way: the number of responses given by women (members and nonmembers) indicating a particular category were summed and are presented as a percentage of the total number of responses given. Using percentages helps clarify the degree of consensus for any given response category. Response categories are also ranked in order of prevalence according to these percentages.

For some of the discussion points, additional statistical analysis was performed to compare the relative ranking of response categories. Spearman rank correlation tests were used to determine whether the relative ranking of response categories differed by credit union network.

However, this test can only compare ranking of up to five response categories so its use is limited to the main difficulties encountered and solutions proposed by member and nonmember women.

**WOMEN’S REASONS FOR JOINING OR NOT JOINING CEE**

This section aims to identify the motivations for joining or not joining the *CEE* program. But to really understand these motivations, it is first important to describe the channels through which women initially learn about *CEE* services.

**Sources of Information about CEE and Nonmembers’ Level of Awareness**

Women mention learning about *CEE* from three main sources. The first and principal source is networks of relatives and female friends. Across the nine villages, the concept of “word of mouth” appears in 70 percent of the phrases used in the women’s discourse. The second source is the program *animatrice* (22 percent) and third is radio programming (8 percent). However, it must be pointed out that the radio was mentioned only in the village of Km26 (see Appendix 3.1, Table 3.1).

Knowledge about *CEE* among nonmember women is very limited (see Appendix 3.1, Table 3.2). Even when some of the women have heard of this program, very few really know the specifics of participation or have an idea of the advantages and disadvantages of participating. In fact, fully 70 percent of the responses of nonmembers indicated that they had no awareness of the operations and services of the *CEE* program.

Most of what they do know of the program comes from the initial community meetings when a program representative (in most cases the *animatrice*) introduces the idea of the program and invites women to form groups. Once a Credit Association is formed, disseminating information about what takes place within the Credit Association to nonmembers seems very limited. Of course, some women nonmembers obtain information by word of mouth. Others, however, state that members will not tell them anything, as mentioned in the villages of Nièmina and Finzankoro. These women essentially obtain information through hearsay or observation that often contributes to a degree of misinformation.

### Motivations Among Poor Women for Joining

Throughout the discussions with women belonging to the program, the main motivation for joining the *CEE* program was clearly the ability to have access to credit. Women explained that when one is poor it is very difficult to get someone to lend you money. If you need money, perhaps because your child is sick, you will need to go around and ask different people for help. It can be humiliating to try to convince people to lend you money, and there is no guarantee that you will be successful. Even if you are lucky enough to get this kind of informal loan, you are going to live with the anxiety of not knowing exactly when the lender will come to demand repayment. If the repayment is asked for in full, as is often the case, and you have trouble putting together the amount owed, you will be labeled as dishonest (see Box 3.2a).

The *CEE* program is perceived in the eyes of the poor as an honorable means to access credit. With *CEE*, poor women have the ability to stagger their payments

over a clearly defined time period with a frequency agreed upon by both parties. In contrast to being a relatively powerless supplicant seeking informal credit, a woman's self-respect is enhanced by being a member of a cooperative association in which everyone is a partial owner/manager. The clarity of terms and reliability of the service were valued by women as giving them greater predictability when compared to informal loans.

**Box 3.2a: Excerpt from Poor Woman Member on the Motivations for Joining**

"You know, it's shameful to go ask for money from someone. The Credit Association spared us this shame and gives us enough time (four months) to repay, as opposed to any given person. Come to think of it, there's less physical and moral pressure...." (Woman member, village of Tesserela)

On the issue of whether the program attracts relatively more poor or nonpoor women, there emerged a difference of opinion. The women perceived this issue differently depending on the initial community meetings held by

*animatrices* to introduce the program (nonmembers) or according to what they experienced within their Credit Association (for members).

- ❖ Women in the majority of the discussion groups believed that the program was designed for the poor. This perception was mentioned in all the villages of Nyèsigiso (Zéguéla, Tesserela, Km26 and Koyan Coura) and in some of the villages of Kafo Jiginew (Nièmina, Toupourla, Finzankoro). In several instances, after *animatrice* presentations, women described the program as being meant for poor women to pull them out of poverty (see Box 3.2b). Although no specific eligibility criteria or screening technique is used by Kafo Jiginew or Nyèsigiso to ensure that only the poor join the program, it was clear that the motivation for *CEE* is

**Box 3.2b: Excerpt from Poor Woman Member on how the Program was Presented to Her Before Joining**

"We learned about the program through [employee of the *CEE* program] who came to show us photos of a poor woman who slowly progressed, thanks to her starting an income-generating activity. That's how we agreed to participate. [The *animatrice*] made us aware of it by showing us pictures. She convinced us that the program would allow us to reduce our poverty and that it would make us wealthy." (Woman member, village of Koyan Coura)

associated in the minds of the field staff and participants as being for poor women.

- ❖ Second, there are other women who believe *CEE* is meant for more-well-to-do women. This perception was more common in most of the Kafo Jiginew villages (Tomina, Nièmina, N’Golobougou) but was especially prominent among women who had either left a Credit Association (ex-members were only interviewed in two of the nine villages) or women who were nonmembers. Those holding this view believe that *CEE* can only retain the well-to-do client because only women in this group 1) can undertake income-generating activities that allow for weekly reimbursements; 2) have the necessary manpower for farming and income-generating activities, especially during the rainy season; and 3) have other means with which to pay the loans in case they encounter problems. Also, they think that in times of economic difficulty, the poor are the first to leave the program, lacking alternative means with which to repay the loans.<sup>15</sup> A similar point was made in later focus-group discussions about why women leave the program. In short, because the poorest households operate at the margin of survival when there is either a local or household-level crisis, they lack the necessary “cushion” or resources to remain in the *CEE* program.
- ❖ Finally, there are other women who think that *CEE* is a program open to all, participation being an individual choice influenced by many factors including the ability to engage in an income-generating activity, the self-confidence in one’s ability to repay the loan, the capacity for money management, etc. These women mentioned that the only difference would be in the amounts of loans requested. The more-well-to-do tend to ask for larger amounts while the poor ask for smaller amounts. This perception was found in the villages of Nyèsigiso as well as in villages of Kafo Jiginew (N’Golobougou, Toupourla, Finzankoro).

From these varied perspectives it seems that when the program is introduced into a community, program representatives describe it as being for the poor to

move them out of poverty. *CEE* has this rationale as part of its “ethos” or “mission.” On the other hand, some of the women who had not joined and some of those who had left felt the program said it was geared toward the better-off since they would have an easier time maintaining an income-generating activity and repaying the loan. However, those who had the most direct experience—those in the program—tended to believe it was not particularly geared to the poorest or better-off women. Instead, they observed that a variety of factors led an individual to join or not join. A difference they did note according to socioeconomic status was that the better-off tended to take larger loans while the poor took smaller loans. The findings from the wealth-ranking exercise support this third view that Credit Association members are drawn from the range of socioeconomic levels represented in a village.

### **Factors Which May Discourage Poor Women from Joining the Program**

Nonmember women gave several reasons for not joining the *CEE* program. Their reasons fell into three groups: 1) factors relating to the poor socioeconomic status of their households; 2) factors relating to poor women’s inability to simultaneously meet the demands/requirements of the *CEE* and their other family obligations (such as farming, cooking and other domestic work); and 3) factors related to the limited commercial development and activity in their community.

### ***Factors Relating to Households’ Poor Socioeconomic Status***

Nonmember women commonly explained that they had not joined the *CEE* program out of fear that they would fail to make weekly payments. The dominant reason refers to the level of “poverty” of the households (47 percent of the answers given). In the women’s descriptions, it is clearly evident that it is not easy for women in these very poor households to invest and repay their *CEE* loans (see Box 3.3, #1). When a poor woman receives loan capital, there are many demands to meet her family’s basic needs for food, clothing, healthcare, etc., that compete with investing in an income-generating activity. But by using credit to make personal purchases, they run the risk of being unable to repay

<sup>15</sup> An example of this type of “economic downturn” was the closing of the local market in one program community (Tomina in the Kafo Jiginew area) due to relatively low commercial activity.

the loan and, as a result, of creating problems with the Credit Association and their relationships in the community. Even when they do invest productively, poor women may lack the means to compete effectively with nonpoor women because the poor tend to have less working capital, take smaller loans and lack their own means of transportation (see Box 3.3, #2 and #3).

In one community (N'Golobougou), certain poor nonmembers believe that it is necessary to wear good clothes when participating in Credit Association meetings. This perception would therefore have the effect of discouraging women who lack the means to dress well and/or the self-confidence to overcome this type of social obstacle from joining the *CEE*

program. This may go further when it comes to counting on the mutual trust of the other group members to join. In fact, a few women in one community (Tomina) claimed that they could not join because the others would not support them. However, in both types of focus groups, with members and nonmembers, a specific question was posed to determine whether the relatively poor (or wealthy) were excluded from the program. The resounding response was that the poor are not prevented by others from joining although they may have hesitation themselves in joining.

Lack of business experience (know-how) emerged from the focus groups as being another factor that prevents nonmembers from joining the *CEE* program (14 percent of the responses). Indeed, certain women claim that they are either incapable of doing business in a lasting way or that they have difficulties managing a loan. Their reticence and hesitation are captured in the following quote: "If you have no business experience, you will tend to use your loan for something other than business." Other social reasons that would cause poor women not to join

would be, among others, the lack of consent of husbands and/or other women, particularly in the village of Toupourla. Some women confess that their husbands do not wish them to do business.

***Factors Associated with Poor Women's Inability to Simultaneously Meet CEE and Family Demands***

The demands or requirements of *CEE* were cited in 26 percent of the cases as discouraging poor women from joining the program (see Appendix 3.1, Table 3.4). Demands can be divided into two subgroups. The first pertains to the disparity between the type of loan and the main occupation of the women. On the one hand, *CEE* is focused on providing working capital

for income-generating activities that earn a steady income. These, of course, tend to be non-farming activities such as commerce or food processing. In these rural communities, the main occupation of the women is agriculture. During the rainy season, all active manpower is allocated to fieldwork as a priority, thus leaving little room for other activities such as commerce (see Box 3.4, #1 and #3).

The second subgroup of responses regards the requirement of weekly repayment, which is seen as too restrictive (see Box 3.4, #2). Out of fear of being unable to repay each week, some women have chosen not to join the program or have opted to watch what would happen to the first women who do join. Particularly in the villages of Tomina, Nièmina and Finzankoro, nonmember women confessed that up to the day these comments were made, they have not noticed any benefits enjoyed by the poor women who had joined (see Box 3.4, #5). Quite the opposite, they had the impression that since they had joined, women had had repayment problems. There were also examples of when the amount owed was deducted from their

**Box 3.3: Excerpts Concerning the Factors Related to Poor Socioeconomic Status**

1. "... It is very likely that we would spend the loan (to pay for food) and that we would be incapable of repaying it properly. So, that could create problems that we would rather avoid." (Woman nonmember, from Tomina)
2. "... It isn't just poor income level stopping women from participating because incomes are generally poor throughout our village. Rather, it is the ability to repay with other means at the household's disposal, because it is impossible to repay properly from the income-producing activity ...." (Woman member, village of Km26)
3. "Many women have not been able to participate in the program because of low income level. The radio announced that any person in default would see their household (husband and herself) dispossessed of their property or valuable objects. Those women whose households own nothing of value would be imprisoned because of their debt. That is why lots of poor women (or women of poor households) have not wanted to participate up to now." (Woman member, village of Km26)

incomes from cotton.<sup>16</sup> Obviously, these observations would not encourage the nonmembers who held back to join the Credit Association.

### ***Factors Linked to the Limited Commercial Development of the Community***

According to the words of nonmember women, some constraints are tied to the local socioeconomic situation being unfavorable to the development of small businesses, thus discouraging them from joining the program. These constraints are cited in about 13 percent of cases (see Appendix 3.1, Table 3.4). For more remote communities (village of Zéguéla), distance to the market is an important constraint. Also, in some villages (Tesserela and N'Golobougou) the local markets are small and only take place once a week. This low frequency of market days combined with the small size of the market do not allow women to sell their merchandise to make enough profit to repay each week. Moreover, because of the villagers' poor buying power, some women feel compelled to sell on credit, which can also undermine weekly repayment. This problem of poor economic demand was particularly serious in Tomina and Nièmina ever since the village market of Tomina closed due to the local economic crisis.

In some villages, the availability of other credit programs, as is the case in the village of Koyan Coura which is affiliated with the Network of Self-run Village Savings and Loan Funds (CVECA/CIDR), compete with the *CEE* program. Some of the nonmembers explained that they did not join *CEE* because they were already receiving loans from this other program and they did not have sufficient resources to belong to both programs at the same time.

### **POSITIVE OR NEGATIVE IMPACTS OF PARTICIPATION IN THE *CEE* PROGRAM**

Women in the focus-group discussions described both positive and negative impacts of participation in the *CEE* program. Because there was considerable similarity in the specific positive and negative impacts mentioned by both members and

#### **Box 3.4: Excerpts Concerning the Demands of the Program and the Women's Other Obligations**

1. "...The hardest time is during the rainy season. At that time, the participant (woman member) must simultaneously take care of fieldwork and manage her small business in order to meet the weekly repayment. That person is then faced with a dilemma. She can either devote herself entirely to fieldwork while running the risk of having difficulties making weekly payments or she can devote herself more to her business in order to be regular with her payments. In that case, she may not have much grain at harvest time. That's the problem during the rainy season...." (Woman nonmember, village of Zéguéla)
2. "...Particular rules likely to discourage poor women from joining the program. It's the obligation to respect the deadlines agreed upon for repayments. In case we default, the amount owed is taken out of the household's income from cotton. This can lead to disintegration in the household if there are disagreements about paying the owed amount out of joint income ...." (Woman nonmember, village of Nièmina)
3. "As for me, I would love to participate but the constraints come from not having the time to have a business during the rainy season. Within my family, no one will let me go to market when other women are working in the fields. Nonetheless, I would really like to participate... The program loan is not intended for personal expenses but for income-generating activities that we cannot take on during the rainy season. Otherwise, we really want to participate in this program but we are scared of not being able to repay." (Woman nonmember, village of Finzankoro)
4. "The main constraint is the repayments. In case we are unable to sell enough to make payments, we have to run right and left and turn to other people to put together the amount needed for the repayment...." (Woman member, Tomina village)
5. "It all depends on actual members' behavior, because they scare others away with their anguish on days their payments are due. If everything works well for them, others might come into the program....That has to do with the actual participants. Some of them spend the money instead of investing it, and scare others off." (Woman nonmember, village of Finzankoro)

<sup>16</sup> In these communities, village associations have contracted with the cotton marketing board (CMDT) to purchase cotton from all farmers. After the commercialization campaign, cotton producers are paid by CMDT via their village associations after commercialization deductions (quality grading, weighting, handling, temporary storage, etc.). It seems that when the cash payouts are made to farmers for their cotton production, the village association may retain any amount unpaid by members, then the money is transferred to the Credit Association.

nonmembers, their responses are summarized below. However, absolute scores for members and nonmembers were kept separate to distinguish between the two categories of women as needed (see Appendix 3.1, Table 3.5 and 3.6).

### **Positive Impacts Tied to Participating in the CEE Program**

Five types of positive impacts (see Appendix 3.1, Table 3.5) were mentioned by women members from their direct experience and by women nonmembers according to what they had heard from others:

- ❖ The impact that seems to be the most important (72 percent of the responses) was to have allowed women members to better meet their families' basic needs. Basic needs pertain especially to food, clothes for themselves and their children, trousseaus for daughters to prepare for their marriage and medical care (see Box 3.5, #1 and #2).
- ❖ The second impact area relates to the acquisition of agricultural and transportation equipment (plows, carts, oxen), particularly in the villages of Zéguéla and Tesserela (11 percent of the responses).
- ❖ The three other types of positive impacts that share approximately the same score (5–6 percent each) relate to 1) the improvement of women's knowledge and practice of management and identifying business opportunities; 2) the improvement of women's knowledge and practice in areas of health, feeding and nutrition of children, etc. (*animatrices* facilitate educational sessions as part and parcel of the CEE program); and 3) the improvement in women's self-respect by freeing them from informal loans in which borrowing and repayment conditions are considered less advantageous and even shameful by poor women.

### **Negative Impacts Tied to Participating in the CEE Program**

Of the negative impacts of participating in the CEE program as explained by women members and nonmembers, five stood out (see Appendix 3.1, Table 3.6):

- ❖ The first negative impact (32 percent of the responses) regards the various costs pertaining

#### **Box 3.5: Excerpts on the Positive Impacts of Participating in the Program**

1. "For me, I have benefited. I'm in my third loan (third cycle). I had nothing when I joined the Credit Association, not even to eat. I had problems. Thanks to my participation, today I have enough to eat. Besides food, I was able to buy a cart and even clothes...." (Woman member, village of Zéguéla)
2. "...There are many benefits. When your child has diarrhea, or a cough, you can take him or her to the health center and buy medicine. It also allows me to buy soap. You can meet all these expenses with the profit you earn ...." (Woman member, village of Tesserela)
3. "...There are advantages because when you get the money, you can resolve certain needs, but when it is time to repay, if you cannot, the advantage becomes a constraint that discourages many ...." (Woman member, village of Toupourla)

to participation in the program. These costs relate to dues for joining, mandatory savings, interest considered too high by some women, and the fines for not attending weekly meetings. These costs force some women to use their family resources to meet their responsibilities (see Box 3.6, #1).

- ❖ The second negative impact (26 percent of the responses) regards time conflicts between participation in the program (buying and selling goods, participating in weekly meetings) and house- and fieldwork. This situation can create problems for certain women with their husbands or with the other women (the husband's other wives). The situation becomes crucial during the rainy season (see Box 3.6, #2). On the other hand, some women have no problem with the meetings, especially when an effort is made to coordinate them with local market days or not to interfere with cooking or meal times.

Also, both credit union federations fully appreciate the importance of farming during the rainy season and allow some performing Credit Associations to reduce their meeting schedule to biweekly or even monthly during this time of year. In addition, women can choose not to take a loan and still remain a member of the Credit Association as long as they save with their

group, attend the regular meetings and participate in the learning sessions. However, in some villages where the frequency of repayment was not adjusted, women claimed that *CEE* failed to respect its commitment made at the beginning of the program. These women confessed that their situation was worsening because of this lack of adjustment (see Box 3.6, #3).

- ❖ The third negative impact regards stress (22 percent of the responses). This stress is created by the fact that women must attend different markets in order to sell their goods. When they cannot, they have to either ask for their husbands' help, sell part of their belongings or borrow money informally to make payments. All these factors generate considerable stress in the lives of the poor, particularly those who had little previous experience with commerce.
- ❖ The fourth negative impact (10 percent of the responses) is linked to the fact that in case of non-payment by a member of a Solidarity Group, specifically due to illness, death or lack of profit of the income-generating activity, her fellow members must bear the debt. This can contribute to decreasing the incomes in the households of women who do repay properly as well as create discord between husbands and wives within households (see Box 3.6, #4).
- ❖ The fifth negative impact (10 percent of the responses) refers to the fact that women experience shame within their Solidarity Group and within their village when they face difficulties making payments (see Box 3.6, #5). In some villages, women who cannot or do not repay are denounced on the radio, which contributes to dishonoring them in their villages. Moreover, sometimes certain women are forced to turn to informal credit to repay their *CEE* loans which was what they were trying to avoid by joining.

### **Box 3.6: Excerpts on the Negative Impacts of Participating in the Program**

1. "In our village, no one has an income that would allow them to live without this program. The low level of incomes does not keep people from participating either. Quite the opposite, the program could allow us to increase our income. The only problem, in my opinion, is that weekly repayments force some people to use their family resources to meet their responsibilities. For poor families without other resources, that creates problems...." (Woman nonmember, village of Km26.)
2. "We are all poor. But up to now, no one has progressed because of the repayment schedule of one week. At least with one month (as a deadline) I could have gone all the way to Bamako to buy merchandise and made a profit. It becomes harder during the rainy season when we do not have the time to spend on other activities. If worse comes to worst, we can only go to the Sunday market (Niono fair) which is not enough to buy and sell goods, repay the loan and make a profit...." (Woman member, village of Km26.)
3. "In the beginning, we have been told that the program is meant for the poorest and that its objective was to extend the reimbursement time period after a few weeks. But that has not been the case. Sometimes, we had to sell our stocks of rice just to be able to reimburse every Monday. How do you want us to benefit from the program? On the contrary, we are sinking deeper and deeper (we spend more than we save)...." (Woman member, village of Km26.)
4. "...There are many parameters and unpredictable factors (deaths, illnesses...) that we cannot control. Each time the unexpected takes place, it is other members who have to assume the costs (repayments) for ill or dead people. That is an agreement we came to in each Solidarity Group. This constitutes a problem but the real difficulty comes from the weekly method of repayments...." (Woman member, Km26 village.)
5. "...When unable to repay, we create a lot of problems for ourselves and even risk being shamed when we turn to other people. Social consequences (shame) of the inability to honor our promises. What's more, instead of going forward (progressing), we go backwards when such problems arise...." (Woman nonmember, village of N'golobougou.)

## **DIFFICULTIES EXPERIENCED BY POOR WOMEN BELONGING TO THE CEE PROGRAM AND STRATEGIES DEVELOPED TO OVERCOME THEM**

Having joined the *CEE* program, poor women are confronted with various difficulties as a result of their membership. In this section, these difficulties, as well as strategies adopted by poor women to overcome them, are described. It should be noted that some of these same difficulties might be experienced by other members independent of their socioeconomic status. However, as these focus-group discussions were exclusively conducted with women from relatively poor households, it is not possible to explore here which difficulties are experienced by the poor and the nonpoor alike. In fact, the women participating in the focus groups insisted on making clear that they could give their own points of view on the difficulties and constraints that they face but could not speak for others. The difficulties explained in the paragraphs that follow, as well as the solutions to them, are therefore solely from the perspective of poor women.

### **Difficulties and Constraints Experienced by Poor Members**

The difficulties and constraints experienced by women members or those understood by nonmembers are quite varied. The main difficulties identified throughout their dialogue are described below:

- ❖ The first difficulty which seems to be of greatest concern for poor women is the ability to put together the repayment amount required (30 percent of the responses). A point mentioned again and again in the discussion groups with members was the difficulty women had making their loan repayments. Throughout the discussions, women describe struggling to make the repayments and at times even having to forego eating or other basic needs to repay (see Box 3.7). In some cases, members believed that a week was too short a time in which to generate enough profit to repay their loans without relying on other means. These difficulties to repay and to enjoy substantial profit seem more fundamental than any specific repayment period. They are rooted in the general struggles faced by these relatively poorest households and

the weak markets for women's typical loan activities. In addition, given the very small loan amounts that poor women often borrow (as little as 2,500 FCFA or US\$4) the net returns to these activities are, not surprisingly, very modest. Another factor that may worsen the repayment situation is illness. When someone falls sick, the obligation to repay weekly might become too constraining, the consequences of which are to leave the program. It seems that there is no flexibility or grace period in repaying even if you were used to repaying on time. Box 3.7 speaks to how seriously women take their obligation to repay weekly and the difficulties this can cause them.

- ❖ The second difficulty in terms of frequency mentioned is the ability to run a business during the rainy season (25 percent of responses). Indeed, during this period poor women are busy with fieldwork. The smaller size of their households, combined with the lack of agricultural equipment, makes it essential that they take advantage of this crucial time of the year to farm. If they don't take advantage of the season, they risk exposing their households to even greater food insecurity during the rest of the year.
- ❖ The third difficulty which is also related to the first point is the inability to sell goods each week (19 percent of the responses) (see Box 3.7, #2). In most of the villages, women feel compelled to sell either on credit or at very low prices in order to make their weekly repayment. Relatively better-off women may not feel this pressure to the same degree for two reasons: first, they are more likely to be able to repay from alternative sources if their weekly sales are inadequate and second, better-off women tend to take larger loans and could potentially buy more inputs at low bulk-rate prices and therefore be able to reduce their prices while still making a profit.
- ❖ The fourth difficulty is related to the fact that some poor women cannot manage to make their businesses profitable (13 percent of the responses). Several reasons could be at the root of this difficulty, including lack of experience in business management, the dilemma between spending and investing the loan, the lack of

markets for certain goods, the thinness and competition of the local markets and the distance to more dynamic markets.

- ❖ A fifth difficulty which is more a consequence of the previous four is that poor women are often forced to quit the program (11 percent of the responses). In certain villages (such as Tomina, Nièmina and Toupourla), some women are convinced that the poor quit more often than the nonpoor. (Table 2.3 regarding drop-out rate by wealth category supports this observation for Tomina and Toupourla but not Nièmina.) But in the discussion groups, some women explained that poor women were less able to take on an

income-generating activity because they have no one to help them with house- or fieldwork.

- ❖ In sixth place (3 percent of the responses) is the fact that when facing repayment problems, members are often forced to use other family resources (from the sale of rice, cotton, etc.). Because these alternative resources are very limited or even nonexistent for the poorest households, the disincentive would be clear. (See Box 3.7, #1 and #2.)

Women's responses about the difficulties they face participating in *CEE* were analyzed further in the following way. Responses were ranked according to the number of times the various response categories were mentioned. The Spearman test for rank correlation was then used to determine whether there was consensus among women in the two credit union networks (see Appendix 3.2, Table 3.10). From these statistical tests it emerges that poor women seem to have the same ranking of difficulties<sup>17</sup> in the Nyèsigiso network as in the Kafo Jiginew network (see Appendix 3.2, Table 3.12). This ranking appears to be 1) difficulties putting together the amount owed each week (or biweekly or monthly in the later loan cycles); 2) difficulties carrying on an income-generating activity during the rainy season; 3) difficulties selling goods each week; 4) discouragement following other poor women's departure from the program; 5) disappointing returns to their commercial activity; and 6) being forced to depend on outside resources to repay. This would mean that, in general, the priority for strategies to address these difficulties might be the same whether it be for the Nyèsigiso network or for the Kafo Jiginew network.

By way of a partial conclusion, it emerges from the above comparisons that poor women have trouble selling enough merchandise in one week to cover their weekly repayments, given their socioeconomic situation and the relatively weak local markets. In some cases, this forces women to give up on higher profits (by selling at a discount or on credit, for example) in order to have the amount owed, or even to turn to other household resources in order to honor their commitments. Some women are forced to quit the *CEE* program, either temporarily during the rainy season or permanently. While all the women participating in the program in these communities face

**Box 3.7: Excerpts on Some of the Difficulties Experienced by Poor Women Members**

1. "...We borrow this money to do business. It is not easy (if not impossible) to sell the goods we buy in one week. That is very hard. Sometimes we have to draw on our resources or go into debt to make these weekly payments...." (Woman nonmember, village of Tesserela)
2. "Sometimes, we have to give up on some family expenses (food, other social events) in order to repay each week. Even if your husband is starving, you first have to assemble all the money needed to make the payment in order to leave the meeting place." (Woman member, village of Km26)
3. "...At the third cycle, though, when I fell seriously ill (due to pregnancy) and the medical bill came up to 25,000 FCFA, I got a loan in the amount of 70,000 FCFA. After the second reimbursement, however, I could no more keep up with those reimbursements. I therefore asked the program officials to offer me a grace period so that I could pay my debt off. But they refused, arguing that other women might do the same thing in order to escape the weekly reimbursements. When he heard about the situation, my husband managed (by any means) to find the amount remaining to be paid and then asked me not to participate anymore. He thought that the program is not meant to protect people from shame; rather the opposite." (Woman member, village of Tomina)
4. "There is also the requirement to make payments on time. Some women cry when they can't manage to come up with the amount they need for payments. It makes you ashamed and can discourage those of us who aren't already participating." (Woman ex-member, village of Finzankoro)

<sup>17</sup> Spearman correlation coefficient threshold of significance is 1 percent (bilateral test).

similar markets, the pressure of weekly repayment is most likely more acute among the relatively poorer households since they most likely have fewer alternative sources of income with which they can cover their weekly repayment than do better-off households.

### **Strategies Adopted by Some Women to Overcome These Difficulties**

Many of the difficulties described above are related to factors beyond the control of an individual woman. Some are due to the local socioeconomic circumstances, others to the profound poverty of their households, and in many cases the interaction between the two. Yet, as was seen in Section 2 from the results of the wealth-ranking exercise and from the focus-group discussions with members, many poor women do overcome these obstacles and join the program. Alleviating poverty is a process. Three years of participation in the program seem insufficient for eradicating it completely. This is why certain poor women find that program participation requires endurance and perseverance on their part (see Box 3.8, #1). However, it is also important to consider ways that the program can

better meet the needs and realities of these poorest, most food-insecure households before they are compelled to drop out.

As for the difficulties relating to the program policies and terms, three types of behaviors are demonstrated in the dialogues of women members. More than half of women quoted (56 percent) seem to argue that the best option is to permanently quit the program, while a little more than one-third (36 percent) explain that they have no alternative but to submit to the program's demands. Less than one-tenth (8 percent) of women's quotes advance a compromise strategy of temporarily leaving the program during the rainy season.

From these discussions, it seems Kafo Jiginew has been more flexible than Nyèsigiso in allowing the relatively more mature Credit Associations to move to less-frequent loan repayment installments. All Kafo Jiginew Credit Associations that participated in the focus-group discussions were in their third year of operation, so their repayment schedule was only bimonthly or monthly, while the length of payments has been extended in most cases by two months (loan cycles of six months instead of four). On the other hand, the weekly frequency of repayments was still a requirement for Nyèsigiso Credit Associations.

#### **Box 3.8: Excerpts on Strategies Adopted by the Poor to Face Difficulties with the Program**

1. "We had to be brave to stay in the program. The other Credit Association (named DANAYA or 'trust') was dislocated. Even within our Credit Association (named Benkadi or 'good harmony'), there are only a few of us who stayed. The others did everything they could to discourage us by telling us we would never even manage to buy one ox and that we were risking prosecution. But we've stayed up to now because the program really is useful. Some ex-members of DANAYA even came back to us." (Woman member, Nièmina)
2. "Generally, people leave when they can't manage the payments anymore, even with the help of our husbands. Before reaching a shameful stage (turning to other people), it's better to just leave once and for all." (Woman member, Tomina village)
3. "...Right now (during the rainy season), we have to work in the fields, cook and serve meals in the field (that may be far), every day. So it can be hard to have another activity. That's why women leave the Credit Association for a time during that period..." (Woman nonmember, village of Tesserela)

### **PROPOSED SOLUTIONS TO ATTRACT MORE POOR WOMEN INTO THE CEE PROGRAM**

In order to attract more poor women into the *CEE* program, discussion-group participants suggested several paths (see Appendix 3.1, Table 3.9). Analyzing the frequency in which these were mentioned allowed us to rank each solution offered. As in the case of the difficulties experienced by members, analysis using the Spearman rank correlation test show that, in general, there seems to be a convergence in rankings for proposed solutions (see Appendix 3.2 and Table 3.12) in both networks. This seems to be less significant (threshold of 10 percent) compared to the convergence in ranking difficulties (significant beyond a threshold of 1 percent). Thus, the solutions for attracting more people should be ranked as follows:

1. Reduce the frequency of repayments (27 percent).
2. Increase the repayment period (23 percent).

3. Provide direct material assistance (clothing, food, household equipment, agricultural equipment, pumps and taps, etc.) and financial assistance (23 percent).
4. Increase loan amounts and repayment periods from one to five years (13 percent).
5. Widen credit for agricultural production and specifically for buying equipment such as carts, oxen, mills, equipment to preserve onions and tomatoes, etc. (7 percent).
6. Reduce interest rates (4 percent).
7. Suspend repayments during the rainy season (3 percent).
8. Soften debt-recovery methods (1 percent).

These first two points pertain to the adjustments or flexing of the loan terms and repayment schedule. As mentioned earlier, the credit unions are already flexing loan terms by lengthening the loan cycle to six months and requiring biweekly or monthly repayment for relatively mature Credit Associations that are performing well. Particularly as loan sizes grow, women often require a longer loan period so that the repayment installments are somewhat smaller than they would be with the four-month cycle. Also, the less-frequent repayment allows women more time to work relatively more of their loan.

Recent work by Rutherford (1999) and others suggest that loans made to very poor households are better understood as being repaid through these households' "future savings" rather than simply through enterprise returns. Very poor households use the lump sum of a loan in a variety of ways to support their various productive strategies and consumption needs. Consequently, loan repayment is made from the "surplus" or savings generated from a household's overall productive strategies. Seen from this perspective, one can perhaps better understand why the pressure of the weekly repayment, particularly as it increases with larger loan sizes, becomes more acute over time. The implication is to base loan cycles and repayment schedules on a household's capacity to repay rather than assume clients are managing a specific enterprise that has the capacity to absorb larger amounts of working capital and generate ever increasing regular weekly returns.

Other proposed adjustments to the loan terms included larger loans and even longer loan cycles, from one year to as long as five years. It is likely that these much-longer loan periods are requested to capitalize activities that take a longer time to yield return (perhaps farming) or that require larger amounts of money (such as purchasing oxen). This idea to finance other types of investments was made more directly in item #5. Some women specifically suggested widening the credit uses to allow the purchasing of agricultural equipment or animals. Other women suggested additional training and credit for the purchase of equipment to preserve vegetables as a way of diversifying and adding value to the vegetable products they sell (see Box 3.9, #1 and #2). These poorer households need not only working capital for secondary income-generating activities but more fundamentally, working capital to access the means of production (farming equipment, land, animals) essential to farming, which is the principal livelihood strategy in these communities. Therefore, credit services to facilitate the purchase of agricultural equipment appear in the eyes of poor women as an appropriate alternative to trying to conduct a non-farm income-generating activity during the rainy season.

The third most common "solution" proposed by the women shows the extent to which these women really suffer from poverty. Even with years of experience with a non-charity institution, some women still believe that only direct material assistance can help them escape poverty. This belief is captured in quotes such as, "We need food and clothing first, then we could use a loan to do business" or "You should give us clothes and shoes to prevent us from using our capital to buy those" (see also Box 3.9, #3 and #4). Given the dire socioeconomic situation faced by poor women participating in these focus-group discussions, it is not surprising that they would propose alternative interventions that would more directly and profoundly improve their immediate material conditions. These responses may also reflect the impatience women feel at the amount of time spent before the program yields tangible impacts on poverty reduction. But it was also expressed as the point of view of some of the nonmembers who excluded themselves from the program because they were afraid they would "eat" the loan. Charitable gifts are not a sustainable option for either of the credit union networks or perhaps even for the field

**Box 3.9: Excerpts on Some Solutions Proposed by Women to Attract More Poor to CEE Program**

1. "We lack agricultural equipment. If you could allow us to get plows, oxen or fertilizers, this will help us, especially to help our husbands. If we could get plows, fertilizers, oxen, at our Credit Association, we would be pleased. ...I have forgotten to talk about the lack of a pump that constitutes the first problem in our village. We also need a mill that would facilitate our work." (Woman member, Village of Zéguéla)
2. "We grow onions and tomatoes in our garden. Since we cannot (keep) ripe fruits for a long time, we are forced to sell them at prices (400FCFA per bowl of tomatoes, and 75 to 100FCFA per kilogram of onions) that doesn't yield any benefits. If reimbursement time periods of 1, 2, 3 months are allowed, we could carry our tomatoes and onions to important markets in order to make a better profit. ...If the program could help us find the means (machines or technology) to stock or transform our tomatoes, we could benefit from that greatly. That way, we could even export to France, etc. Right now, we have to either sell them at very low prices or throw them away one week after they are harvested. Recently, we were shown a machine which dries onions and packages them after drying. This packaged onion costs 1000FCFA per kilogram in Bamako (as opposed to 75 to 100 FCFA per kilogram of raw onions here). By helping us with such machines (or techniques of conservation-transformation-packaging) we could win a lot." (Woman member, Village of Km26)
3. "In the village, we (members) are considered rejects (they only expect us to drift). So, if you help us (with money), others will regret it and they will come to us in the program. ...You could also offer us clothes, even if you don't give us any money.... Whether clothes, chairs, benches, even mats, you just need to help us. That way, the others will come....You could also help us to learn how to read and write because we are all illiterate. The dry season is best for that.... One has to help us feed our children by giving us more money and allowing longer repayment time periods. They also have to lower the interest rate." (Women members, Village of Niémina)
4. "If you give them (poor women) money, they could divide it in two. One-half would go into a commercial activity; the other would go to satisfy certain family needs....Apart from money, they should give us clothes, mats, chairs, utensils that we desperately need. If we get those things, we don't need to use the loan money to buy them and we could start progressing. ... You should give us clothes and shoes to prevent us from using our capital to buy those." (Women nonmembers, Village of Niémina)

of development work. Still, the types of financial products these extremely poor households might need (flexible savings services, consumption loans, emergency loans and insurance) might be extended through the *CEE* Credit Associations.

It is interesting to note how few women referred to reducing the interest rate as a potential "solution" for attracting additional poor women. As has been shown in many other studies, often the interest rate is not the major obstacle or even "cost" preventing the poor from joining the program. However, the pressure to repay weekly does emerge as a particular cost or burden to the women.

### CONCLUSION

The exercise intended to improve knowledge of the constraints facing poor people joining and participating in the program. The discussions revealed little to no evidence that members from "better-off" households were systematically excluding relatively poorer women from joining the *CEE* program. In fact, program representatives described the program as being intended for the "poor" to help them progress out of poverty. However, the discussions do reveal a certain amount of self-exclusion by some poor women. These women either did not have an idea or plan for how to use the loan productively or they feared the risk and social obligations of borrowing.

In the responses of member and nonmember women, there appears to be an interrelationship among the factors discouraging women from joining the program, the difficulties experienced by women once in the program, and the negative impacts of joining on households. These constraints result from a combination of factors but are fundamentally rooted in the dire poverty of the households whose members participated in these focus-group discussions and the relatively low commercial development of the program area.

Women from the poorest households face a variety of obstacles that undermine their ability to benefit from the *CEE* program. These factors are tied to the capacity to start an income-generating activity—either due to a lack of experience or a lack of means—fear of tainting their reputation or the trust of others when unable to repay, or the level of poverty making it difficult not to use the money for

basic need expenditures rather than investing. Many of the nonmembers who were interviewed chose not to join out of fear for their already precarious economic situations. In fact, nonmembers referred three times more often to the poverty of their household than to any other reason for not joining the program.

Poor members talk about the benefits they derive from participating in the program. Most frequently women describe being able to better meet their families' basic needs (food, clothing, medical care, and prepare for the weddings of their children). Some women also mention the benefits of being able to acquire agricultural equipment as well as improved better business and health knowledge and practice and enhanced self-respect and self-reliance. But poor members also describe the difficulties they face participating in the *CEE*: 1) the difficulty of putting together the repayment amount each week due to disappointing returns and/or poor sales for their commercial activity; 2) being forced to depend on outside resources to repay; 3) discouragement following other poor women's departure from the group; and 4) the challenge of conducting income-generating activities during the rainy season.

It may be that *CEE* members from all socioeconomic levels struggle with the requirement of weekly repayment, disappointing market demand and the difficulty of maintaining a business during the rainy season. However, it seems likely that for each of these areas, women from the poorest households will face relatively greater burdens. For example, rigid, weekly repayments are particularly difficult for poor households because of the lack of alternative means or sources of income from which they can repay. For the same reason, they are at particular risk if there is a sickness or death in the family. Added to these factors are the difficulties of weak local markets, relatively poor access to transportation and the competition from non-poor women with more means.

These focus-group interviews provide insight into the type of flexing and ancillary financial services the credit unions might offer to better reach and keep the poorest, most food-insecure clients. For example, the credit unions are already beginning to flex loan terms for the more mature Credit Associations by lengthening the loan period and reducing the meeting and repayment frequency.

Another area in which the credit unions must continue to be flexible is the provision of services in the rainy season. Given the profound seasonality of agricultural work, program policies during the rainy season should reduce meeting frequency, allow women to save only and not start new Credit Associations. Other possible courses of action suggested by these discussion groups include the following:

- ❖ Regular repayment installments are essential for good repayment performance. But considering the various damaging consequences when the poor are required to make weekly payments, the policy of repayment frequency should be set according to economic opportunities available within villages, such as the frequency and vigor of the market and poor people's real abilities to run an income-generating business in a profitable and lasting fashion. Loan repayment by poor households is perhaps better understood as being from "future savings" to their overall productive and consumption strategies rather than simply returns to a single enterprise.
- ❖ A variety of studies have indicated that the financial products that are needed by the extremely poor include the following:
  1. Good-quality savings services that are convenient, available and voluntary can attract and assist poor women who are afraid or unsure of how to use a working capital loan.
  2. Consumption loans that assist households to maintain adequate diets during the predictable "hungry season" during the rains.
  3. Emergency loans and/or insurance to help poor households weather economic shocks due to sickness or death.
- ❖ Considering that most of the poor have little or no experience running an income-generating activity when they join the program, the first educational sessions should emphasize business development in order to reassure poor women who are hesitant and to eventually stimulate new talents.
- ❖ Considering the social and cultural values of personal reputation and integrity in Malian society,

Credit Associations should consider abandoning coercive and punitive practices for debt recovery. To absorb this change, the program could develop other types of support, counseling and tracking for clients in need.

- ❖ Considering the difficulties of participating during the rainy season, it might be worthwhile to rethink the terms of participation during that time of year, including the possibility of offering other types of financial products in order to develop customer loyalty among this category of customers and to thus decrease the drop-out rate which remains very high during that time of the year. The credit unions have already reduced the meeting frequency at this time of year and allow women not to borrow but still remain members if they so choose. However, alternative credit products or longer-term products could also be offered at this time of year, allowing poor households to increase their agricultural productivity.

Strategies should be studied further to enhance these types of ancillary financial services that are already to varying degrees part of the *CEE* program.



## RÉSUMÉ ANALYTIQUE

### Introduction

Depuis 1996, les réseaux de caisses de Kafo Jiginew et de Nyèsigiso ont ajouté le *Crédit/Épargne avec Éducation* (CEE) aux produits et services qu'ils offrent à leurs clients. Pour les caisses, un des principaux attraits de la stratégie du CEE est sa capacité à mieux servir une clientèle plus démunie. Bien que le CEE n'emploie pas de mécanisme de sélection, il est estimé que des caractéristiques telles que le petit montant des prêts, la garantie mutuelle et les réunions régulières provoquent une auto-sélection des femmes les plus démunies. À l'aide d'animatrices équipées de mobylette, les caisses ont utilisé le CEE pour étendre leurs services aux communautés plus petites et plus éloignées.

L'objectif de cette étude est de déterminer si la stratégie du CEE augmente l'étendue de la portée des réseaux de caisses de Kafo Jiginew et de Nyèsigiso. Cette étude examine aussi les obstacles à l'adhésion qui peuvent décourager les personnes démunies d'adhérer. L'étude utilise diverses méthodologies qualitatives et quantitatives pour répondre à trois types de questions spécifiques :

- ❖ Une enquête sur la satisfaction des besoins essentiels a été utilisée pour répondre à la question : « Le CEE atteint-il mieux les ménages les plus démunis que les autres produits financiers des caisses ? »
- ❖ Un exercice de classement du niveau de bien-être a été réalisé dans un certain nombre de communautés du CEE pour répondre à la question : « Quelle proportion des clientes du CEE proviennent des ménages les plus démunis par rapport aux ménages les plus aisés ? »
- ❖ Des discussions avec des groupes cibles ont été réalisées avec des membres et des non membres du CEE, provenant des ménages ayant été identifiés comme étant les plus démunis de la communauté, afin de répondre aux questions suivantes : « Quels obstacles empêchent les femmes des ménages les plus démunis d'adhérer au CEE ? Pourquoi certaines femmes arrivent-elles à surmonter ces obstacles et à adhérer au CEE bien qu'elles proviennent des ménages les plus démunis ? »

### Résultats

#### *Enquête sur la satisfaction des besoins essentiels*

En appliquant la méthodologie de mesure de la satisfaction des besoins essentiels pour calculer un indice de pauvreté, les clientes du CEE constituent la catégorie de clients les plus démunies dans les deux réseaux de caisses. Cette méthode se base sur les propres perceptions des personnes puisque les personnes elles-mêmes définissent ce qui est important pour elles.

Par exemple, certaines des conditions que le plus grand nombre de personnes interrogées ont identifiées comme étant des « besoins essentiels » que tout ménage devrait avoir sont les suivantes :

- ❖ Avoir tous les enfants qui ont terminé les séries de vaccination.
- ❖ Avoir du savon à la maison pour les bains ou pour laver les habits.
- ❖ Avoir assez de nourriture dans le ménage pour donner aux enfants quand ils disent qu'ils ont faim.
- ❖ Avoir les moyens d'honorer les cérémonies de mariage de ses enfants.

Comparaison des indices de pauvreté entre les catégories de clients :

#### Clientes du CEE par rapport aux membres réguliers des caisses

Le CEE augmente la portée de Nyèsigiso et de Kafo Jiginew vers une clientèle plus démunie, par rapport aux membres réguliers de leurs caisses.

#### Clientes du CEE par rapport aux clientes des autres produits financiers pour les femmes (AFCRED)

Les clientes du CEE sont significativement plus démunies que les clientes de produits financiers tels que AFCRED qui attire une clientèle majoritairement urbaine. Des cinq produits financiers inclus dans l'échantillon de Nyèsigiso, les prêts individuels pour femmes de AFCRED ont le montant de prêt moyen le plus élevé et les ménages les plus aisés.

#### Clientes du CEE par rapport aux clients des produits financiers destinés aux agriculteurs (PACCEM et CCA)

Les clientes du CEE ne sont pas significativement plus démunies que les emprunteurs de produits

financiers tels que PACCEM et CCA qui sont conçus pour les agriculteurs. En fait, dans le réseau de Kafo Jiginew, il semble y avoir une forte superposition entre les catégories de clients du CEE et de CCA. Dans cet échantillon aléatoire, 23 % des clientes du CEE proviennent de ménages dans lesquels un autre membre est client des prêts du coton CCA de Kafo Jiginew.

Les produits qui sont fournis dans les villages atteignent une clientèle plus démunie. Le fait d'étendre la diffusion des services des caisses au-delà des villes et des grands villages dans lesquels les succursales des caisses sont habituellement situées semble être plus important que les termes de prêt, ou même que le fait de prêter préférentiellement à des femmes, pour atteindre une clientèle plus démunie.

### ***Exercice de classement du niveau de bien-être***

Dans neuf communautés de programme du CEE, des informateurs locaux ont classé tous les ménages dans des groupes de bien-être. Quatre principales catégories ont été identifiées : la catégorie I des ménages qui connaissent une sécurité alimentaire ; la catégorie II des ménages qui sont vulnérables à l'insécurité alimentaire ; la catégorie III des ménages qui éprouvent une insécurité alimentaire périodique ; et la catégorie IV des ménages qui éprouvent une insécurité alimentaire chronique.

L'exercice de classement du niveau de bien-être montre que la majorité des ménages des clientes du CEE proviennent de la clientèle cible représentée par les catégories II à IV. En fait, les deux programmes atteignent même des femmes vivant dans des ménages classés comme étant les plus démunis et les plus indigents de la communauté.

Un des résultats les plus surprenants de l'exercice de classement du niveau de bien-être est l'exactitude avec laquelle la répartition des niveaux de bien-être des membres du CEE est le reflet de la répartition des niveaux de bien-être dans les communautés de programme en général. En l'absence de mécanisme de sélection spécifique, l'exercice de classement du niveau de bien-être montre qu'un échantillon représentatif des groupes socioéconomiques de la communauté participera au programme du CEE. La répartition du bien-être des clientes sera le reflet de la répartition du bien-être dans la communauté en général. Par exemple, un nombre plus important de ménages du CEE de Nyèsigiso, par rapport aux

ménages de Kafo Jiginew, éprouvent une insécurité alimentaire chronique, en grande partie parce qu'un plus grand nombre de ménages des communautés de Nyèsigiso sont classés de cette manière.

Malgré les termes du programme, un certain nombre de femmes des ménages les plus aisés adhèrent au CEE. Par ailleurs, malgré leur extrême pauvreté, un nombre surprenant de femmes des ménages les plus démunis, éprouvant une insécurité alimentaire chronique, adhèrent aussi au CEE. Pour Kafo Jiginew, un biais est visible dans les adhésions au CEE en faveur de la catégorie des ménages connaissant une sécurité alimentaire et en défaveur des deux catégories de ménages les plus démunis. Pourtant, ce biais est relativement mineur et la répartition de chaque catégorie de bien-être au sein des ménages du CEE n'est jamais inférieure ou supérieure à 10 % de ce qu'elle est dans la population en général.

### ***Discussions avec des groupes cibles de femmes provenant des ménages les plus démunis***

Des femmes, provenant des ménages ayant été identifiés dans l'exercice de classement du niveau de bien-être comme faisant partie du tiers le plus démunie de la communauté, ont été interrogées de façon plus approfondie. Des discussions séparées ont été réalisées avec des femmes démunies qui n'ont jamais adhéré au programme du CEE, avec des femmes qui sont actuellement membres et avec des ex-membres. Les discussions ont révélé peu ou aucune évidence que les femmes les plus démunies étaient systématiquement exclues soit par des membres plus riches soit par les représentants du programme.

Les femmes de la majorité des groupes cibles estiment que le programme est destiné aux femmes démunies. À plusieurs reprises, des femmes ont évoqué les présentations dans les communautés réalisées par les animatrices du CEE qui décrivent le programme comme étant destiné aux femmes démunies pour les sortir de la pauvreté.

Cependant, certaines femmes démunies se sont exclues d'elles-mêmes et ont choisi de ne pas adhérer à cause de leur situation économique déjà précaire. En fait, les femmes non membres ont évoqué trois fois plus la pauvreté de leur ménage que toute autre raison pour ne pas adhérer au programme. Elles ont aussi évoqué l'absence d'expérience et ou moyen pour commencer une activité génératrice de reve-

nus, la peur d'entacher leur réputation ou la confiance des autres en cas d'incapacité à rembourser, la tentation d'utiliser l'argent du prêt pour satisfaire des besoins de consommation immédiats tels que l'achat de nourriture et de vêtements, ainsi que d'autres responsabilités de travail, en particulier pendant l'hivernage.

Les femmes démunies qui adhèrent au programme ont parlé de la façon dont leur participation les a aidées à satisfaire les besoins essentiels de leur famille en nourriture, vêtements, dépenses médicales et préparations pour le mariage des enfants. Certaines ont aussi décrit avoir pu acquérir du matériel agricole, apprendre de nouvelles pratiques sanitaires/commerciales et faire l'expérience d'une plus grande autosuffisance et respect. Mais, elles ont aussi parlé de leurs difficultés à effectuer les remboursements et quelques unes ont décrit une réelle amélioration de leur statut économique. Les villages dans lesquels l'exercice de classement du niveau de bien-être a été réalisé ont tous des marchés locaux peu actifs. Le défi de convertir un prêt de fonds de roulement en une augmentation des revenus est plus important pour les femmes plus démunies qui, par rapport aux femmes plus aisées, ont moins tendance à posséder leur propre moyen de transport (mobylette, bicyclette, etc.) pour aller au marché et qui ont aussi moins de ressources propres pour investir dans leur activité d'entreprise. Les remboursements hebdomadaires sont aussi plus difficiles pour les ménages démunis parce qu'ils n'ont pas d'autre source de revenus avec laquelle ils peuvent rembourser les prêts du CEE. Pour la même raison, les membres les plus démunis sont particulièrement vulnérables si une maladie ou un décès survient dans leur famille.

Les entretiens avec des groupes cibles ont permis d'avoir un aperçu des types de services financiers, flexibles et annexes, que les caisses pourraient offrir pour mieux atteindre et garder les clientes les plus démunies, éprouvant une plus grande insécurité alimentaire ; par exemple : tester l'allongement de la période de prêt et réduire la fréquence des réunions et des remboursements. Idéalement, la fréquence des remboursements doit correspondre au cycle des revenus des femmes et à leur capacité à rembourser. La fréquence des remboursements doit aussi être établie en fonction des opportunités économiques disponibles dans les villages, telles que la fréquence et le dynamisme du marché. Étant donné que la

majorité des personnes démunies n'ont pas, ou peu, d'expérience pour mener une activité génératrice de revenus avant d'adhérer au programme, les premières séances d'apprentissage doivent mettre l'accent sur le développement de l'entreprise afin de rassurer les femmes démunies qui sont hésitantes et, finalement, stimuler de nouveaux talents.

Le remboursement du prêt par les ménages démunis est peut-être mieux compris comme provenant des « épargnes futures » faisant partie de l'ensemble de leurs stratégies productrices et consommatrices au lieu de penser que ce sont simplement les revenus de leur seule entreprise (Rutherford 1999). D'après cette perspective, le montant absolu du versement pour le remboursement est très important et potentiellement limité.

Étant donné que la majorité des personnes démunies n'ont pas, ou peu, d'expérience pour mener une activité génératrice de revenus, les premières séances d'apprentissage doivent mettre l'accent sur le développement de l'entreprise afin d'améliorer leurs connaissances et confiance. Des services d'épargne de bonne qualité peuvent attirer et aider les femmes démunies qui ont peur ou ne sont pas sûres de la manière d'utiliser un prêt de fonds de roulement. La fréquence des réunions doit être réduite pendant l'hivernage, si ce n'est pas déjà le cas, et de nouvelles Associations de Crédit ne doivent pas être inaugurées pendant cette période. Les caisses permettent déjà aux femmes d'épargner sans emprunter si elles le souhaitent. De plus, d'autres produits de crédit ou des produits à plus long terme pourraient être proposés à cette période de l'année. Diverses études ont montré que les produits financiers dont les personnes extrêmement démunies ont besoin sont :

- ❖ Des services d'épargne de bonne qualité qui sont pratiques, disponibles et volontaires.
- ❖ Des prêts de consommation qui permettent aux ménages de maintenir une alimentation suffisante pendant le « saison de soudure » prévisible durant les pluies.
- ❖ Des prêts d'urgence ou des assurances pour aider les ménages démunis à survivre aux chocs économiques causés par une maladie ou un décès.

Des stratégies pour augmenter ces types de services financiers annexes, qui font déjà partie à divers degrés du programme du CEE, doivent être étudiées de façon plus approfondie.

## RESUMEN EJECUTIVO

### Introducción

Desde 1996, las redes de cooperativas de ahorro y crédito Kafo Jiginew y Nyèsigiso agregaron *Crédito y Ahorros con Educación (CAE)* a la gama de productos y servicios que ofrecen a sus clientes. Para las cooperativas de ahorro y crédito, uno de los mayores atractivos de la estrategia de CAE ha sido su potencial de mejor servir a una clientela relativamente pobre. Aunque CAE no emplea mecanismos específicos de selección, se considera que los elementos como montos pequeños de préstamos, la garantía mutua y las reuniones regulares resultan en la auto selección de mujeres relativamente más pobres. Con un equipo de promotoras provistas de motocicletas, las cooperativas de ahorro y crédito han usado CAE para extender los servicios a comunidades más pequeñas y remotas.

El presente estudio tiene como objeto determinar si la estrategia de *Crédito y Ahorros con Educación* mejora la profundidad del alcance de las redes de cooperativas de ahorro y crédito de Kafo Jiginew y Nyèsigiso. La investigación también estudiará los obstáculos a la afiliación que puedan impedir la participación de los pobres. El estudio empleó una variedad de metodologías cuantitativas y cualitativas para contestar tres tipos de preguntas específicas.

- ❖ La metodología de una encuesta de necesidades básicas fue empleada para contestar la pregunta: *¿Es mejor CAE en el alcance a hogares relativamente más pobres que los otros productos financieros de la cooperativa de ahorro y crédito?*
- ❖ Se hizo una clasificación de riqueza en varias comunidades del programa de CAE para contestar la pregunta: *¿Qué porción de las clientes de CAE provienen de los hogares relativamente más pobres en comparación con los hogares relativamente mejores económicamente?*
- ❖ Hubo discusiones en grupos de enfoque con socias y no socias de CAE, todas de hogares identificados como los más pobres de la comunidad, para contestar las siguientes preguntas: *¿Cuáles obstáculos impiden a las mujeres de los hogares relativamente más*

*pobres unirse a CAE? ¿Por qué algunas mujeres pueden superar estos obstáculos y unirse a CAE a pesar de que provienen de los hogares relativamente más pobres?*

### Resultados

#### *Encuesta de necesidades básicas*

En la aplicación de la metodología de necesidades básicas para desarrollar un índice de pobreza, las clientes de CAE representaban la categoría de clientes relativamente más pobres en ambas redes de cooperativas de ahorro y crédito. Este método se basa en las percepciones de la población, como las entrevistadas mismas definen lo que tiene más importancia para ellas. Por ejemplo, el mayor número de entrevistadas identificaron las siguientes condiciones como “necesidades básicas” de las cuales ningún hogar debería tener que privarse:

- ❖ Que todos los niños cumplen con la serie completa de vacunas.
- ❖ Que tienen jabón en la casa para bañarse y para lavar ropa.
- ❖ Que tienen suficiente comida en la casa para darle de comer a un niño que tiene hambre.
- ❖ Que tienen los medios para celebrar las bodas de los hijos.

Comparaciones de niveles de pobreza entre las categorías de clientes:

Clientes de CAE en comparación con los socios regulares de cooperativas de ahorro y crédito  
CAE mejora el alcance de Nyèsigiso y Kafo Jiginew a una clientela significativamente más pobre en comparación con sus socios regulares de cooperativas de ahorro y crédito.

Clientes de CAE en comparación con clientes de otros productos financieros para mujeres (AFCRED)

Las clientes de CAE eran significativamente más pobres que las clientes de productos financieros como AFCRED que sirven a una clientela que es en su mayor parte urbana. De los cinco productos financieros incluidos en la muestra de Nyèsigiso, los préstamos individuales de AFCRED para mujeres tuvieron el más alto monto promedio de préstamo y los hogares de clientes eran relativamente mejores económicamente.

### Las clientes de CAE en comparación con los clientes de préstamos agrícolas (préstamos para cereal de PACCEM y préstamos para algodón de CCA)

Las clientes de CAE no eran significativamente más pobres que los prestatarios de productos financieros como PACCEM y CCA que están diseñados para los agricultores. En realidad, se evidenció una considerable coincidencia entre las categorías de clientes de CAE y CCA, dentro de la red de Kafo Jiginew. En esta muestra aleatoria, el 23 por ciento de las clientes de CAE provinieron de hogares en el cual otro miembro también era cliente de los préstamos para algodón de CCA de Kafo Jiginew.

Los productos que llegaron a los pueblos alcanzaron a una clientela relativamente más pobre. La extensión de los servicios de las cooperativas de ahorro y crédito más allá de las ciudades y los pueblos grandes en los cuales las sucursales típicamente se ubican, parece ser más importante que los términos de préstamo, y hasta más importante que la preferencia por mujeres en la extensión de crédito, para alcanzar a una clientela relativamente más pobre.

### ***La clasificación de riqueza***

En nueve de las comunidades del programa de CAE, las entrevistadas locales clasificaron a todos los hogares en grupos de riqueza relativa. Aparecieron cuatro categorías comunes: Categoría I: Hogares con seguridad alimentaria; Categoría II: Hogares vulnerables a la inseguridad alimentaria; Categoría III: Hogares que experimentan inseguridad alimentaria periódica; y Categoría IV: Hogares con inseguridad alimentaria crónica.

La clasificación de riqueza demostró que la mayoría de hogares con clientes de CAE en ambas redes provinieron de la clientela objetiva representada por las categorías II-IV. De hecho, ambos programas alcanzaron hasta a las mujeres que vivían en hogares clasificados como parte del grupo más pobre y más indigente de la comunidad.

Uno de los hallazgos más impresionantes de la clasificación de riqueza fue que la distribución de riqueza entre las socias de CAE refleja casi idénticamente la distribución de riqueza global en las comunidades en general.

La clasificación de riqueza demostró que sin mecanismos específicos de selección, una sección representativa de los grupos socioeconómicos

participarán en el programa de CAE. La riqueza relativa de las clientes reflejará estrechamente la distribución de riqueza en la comunidad en general. Por ejemplo, más de los hogares de CAE de Nyèsigiso experimentaban inseguridad alimentaria crónica que los hogares de CAE de Kafo Jiginew, principalmente porque más de los hogares en las comunidades de Nyèsigiso en general se clasificaron como tal.

A pesar de los términos del programa, cierto número de mujeres de los hogares que están mejores económicamente se unirán a CAE. Y, a pesar de su extrema pobreza, un número sorprendente de mujeres de los hogares más pobres y con mayor inseguridad alimentaria también se unirán. Para Kafo Jiginew, cierta propensión es evidente entre las socias de CAE hacia la categoría de seguridad alimentaria y no hacia las dos categorías más pobres. Sin embargo, esta propensión es relativamente menor y la representación de cada categoría de riqueza entre los hogares de CAE nunca varía por más del 10 por ciento más o menos de lo que existe en la población en general.

### ***Discusiones en grupos de enfoque con mujeres de los hogares más pobres***

Las mujeres de hogares identificados por la clasificación de riqueza como parte del tercio más pobre de la comunidad recibieron una entrevista adicional. Se sostuvieron discusiones especiales entre las mujeres pobres que nunca se habían unido al programa de CAE, las mujeres pobres que actualmente son socias y mujeres que antes eran socias. Las discusiones revelaron poca o ninguna evidencia de que las mujeres más pobres hayan sido sistemáticamente excluidas por socias que gozan de mejores condiciones económicas o por representantes del programa.

Las mujeres de la mayoría de los grupos de enfoque creían que el programa estuvo diseñado para los pobres. En varias ocasiones, las mujeres hicieron referencia a la orientación de la comunidad proporcionada por una promotora de CAE, que describió el programa como destinado a las mujeres pobres para sacarlas de la pobreza.

Sin embargo, algunas mujeres pobres excluían a sí mismas y decidieron no unirse por el miedo, debido a sus situaciones económicas que ya eran precarias. De hecho, las no socias fueron tres veces más

propensas a hacer referencia a la pobreza de sus hogares que cualquier otra razón por no unirse al programa. También hicieron referencia a una falta de experiencia o falta de medios para emprender una actividad generadora de ingresos, el miedo de tachar su reputación o perder la confianza de las demás si no son capaces de reembolsar un crédito, y la presión de usar el dinero del préstamo para satisfacer necesidades inmediatas de consumo como alimentos y ropa, y otras responsabilidades de trabajo, especialmente durante la temporada de lluvias.

Las mujeres pobres que se habían unido al programa explicaron que su participación les había ayudado a satisfacer las necesidades básicas de su familia como alimentos, ropa, y gastos médicos, y prepararse para las bodas de sus hijos. Algunas también describieron una capacidad de adquirir equipo agrícola, aprender nuevas prácticas de salud/negocios y experimentar una mayor autonomía y respeto. Pero también hablaron de lo mucho que lucharon por hacer sus reembolsos y pocas describieron un verdadero avance en su estado socioeconómico. Todos los pueblos donde se llevó a cabo la clasificación de riqueza tenían mercados locales relativamente débiles. El reto de convertir un préstamo para capital de trabajo en un mayor ingreso es más difícil para las mujeres relativamente más pobres que, en comparación con mujeres que están mejores económicamente, tienen menos probabilidad de contar con su propio medio de transporte (motocicleta, bicicleta, etc.) para llegar al mercado y tienen menos de sus propios recursos para invertir en su actividad empresarial. El programa de reembolsos semanales es también más difícil para los hogares pobres porque no tienen los medios o fuentes alternativas de ingresos para pagar su préstamo de CAE. Por esta misma razón, las socias más pobres también corren un riesgo particular si hay una enfermedad o fallecimiento en la familia.

Las entrevistas en grupos de enfoque proporcionan una perspectiva sobre el tipo de flexibilidad y servicios financieros auxiliares que las cooperativas de ahorro y crédito podrían ofrecer para mejor alcanzar y mantener a las clientes más pobres y con un mayor índice de inseguridad alimentaria; por ejemplo, experimentar con extender el período del préstamo y reducir la frecuencia de reuniones y reembolsos. Lo ideal es que el programa de reembolsos coincide con los ciclos de ganancias de

las mujeres y su capacidad de pagar. La frecuencia de reembolsos también debe vincularse con las oportunidades económicas disponibles dentro de los pueblos, como la frecuencia y fuerza del mercado.

Se entiende mejor el reembolso de préstamos por los hogares pobres como un pago hecho de “ahorros futuros” de sus estrategias globales de producción y consumo, en vez de simplemente pagos hechos con los réditos de una sola empresa (Rutherford 1999). Desde esta perspectiva, el monto absoluto de la cuota de reembolso es muy importante y potencialmente limitado.

Dado el hecho de que la mayoría de los pobres cuenta con poca o ninguna experiencia previa con la operación de una actividad generadora de ingresos, las primeras sesiones educativas deben hacer énfasis en el desarrollo del negocio para aumentar sus habilidades y confianza.

Los servicios de ahorros de buena calidad pueden atraer y ayudar a las mujeres pobres que tienen miedo o que no están seguras de cómo usar un préstamo para capital de trabajo.

Si ya no se cuenta con esta política, la frecuencia de reuniones debe ser reducida durante la temporada de lluvias y no deben inaugurar nuevos Bancos Comunales durante esta temporada. Las cooperativas de ahorro y crédito ya permiten a las mujeres ahorrar sin pedir prestado si desean. Además, se podría ofrecer productos alternativos o a plazos más largos durante esta temporada. Varios estudios han indicado que los productos financieros necesitados por los que viven en la extrema pobreza incluyen los siguientes:

- ❖ Servicios de ahorros de buena calidad que sean convenientes, disponibles y voluntarios.
- ❖ Préstamos de consumo que ayudan a los hogares a mantener dietas adecuadas durante la “época de hambre,” previsible durante las lluvias.
- ❖ Préstamos de emergencia y/o seguros para ayudar a los hogares pobres a sobrevivir los golpes económicos causados por la enfermedad o muerte.

Se deben estudiar más las estrategias para expandir estos tipos de servicios financieros auxiliares que ya forman parte del programa de CAE en grados variables.

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# APPENDICES



Appendix 1  
Survey of the Level of Satisfaction of Basic Needs:  
Nyèsigiso and Kafo Jiginew



**APPENDIX 1**

Reviewed by (team leader name): \_\_\_\_\_

Survey ID#: [\_\_\_\_\_]

**Survey of the Level of Satisfaction of Basic Needs: Nyèsigiso and Kafo Jiginew**

(FINAL VERSION – MARCH 15, 2000)

Name of interviewer: \_\_\_\_\_ Date of interview: \_\_\_\_\_

CU Name: \_\_\_\_\_ Community: \_\_\_\_\_

Category of member: (Account number \_\_\_\_\_) [ ] Rural [ ] Urban

**Nyèsigiso**

- [ ] 1. Individual member (Saver only) [ ] 4. AFCRED group member
- [ ] 2. Individual member (Borrower) [ ] 5. AFCRED individual member
- [ ] CWE member (name of CA) \_\_\_\_\_ [ ] 6. PACCEM member

**Kafo Jiginew**

- [ ] 7. Individual member (saver only) [ ] 9. CCA village association
- [ ] 8. CWE member (name of CA) \_\_\_\_\_ [ ] 10. CCA individual borrower

Name of interviewee: \_\_\_\_\_ Sex of Interviewee: [ ] 1 Female [ ] 2 Male

*Introduce self and explain the purpose of the interview. Ask respondent if willing to participate.*

**Credit Union Experience**

*I'd like to start out by asking a few questions about your experience with Nyèsigiso or Kafo Jiginew.*

1. For how long have you (or your association) been a member of the CU of (name of the CU)?  
 [ ] Number of years and/or [ ] Number of months [ ] 99 Don't know

2. Did you ever get a loan from the Credit Association of (name of Credit Association) since you became a member?  
 [ ] 1 Yes [ ] 0 No

3. *(If yes to #2),*

Types of Loans (read across 3a-3d by row)	3a. Did you ever take a 1=Yes 0=No 99=Don't know	3b. How many times did you take this type of loan?	3c. Do you currently have this type of loan? 1=Yes 0=No	3d. What is (was) the amount of your current or last loan of this type (in FCFA)?
<b>Either Nyèsigiso or Kafo</b>				
1. CEE (Credit and Savings with Education) Credit Association loan				
<b>Nyèsigiso only</b>				
2. AFCRED loan for individuals				
3. AFCRED loan for groups				
4. PACCEM loan				

## APPENDIX 1

Types of Loans (read across 3a-3d by row)	3a. Did you ever take a 1=Yes 0=No 99=Don't know	3b. How many times did you take this type of loan?	3c. Do you currently have this type of loan? 1=Yes 0=No	3d. What is (was) the amount of your current or last loan of this type (in FCFA)?
5. A loan directly from the credit union				
<b>Kafo Jiginew only</b>				
6. CCA cotton campaign credit				
7. CCO short-term credit				
8. CEQ equipment credit				
9. Other (specify) _____				

### Household Information

*I'd like to continue by asking some questions about you and the members of your household.*

4. How old are you? [\_\_\_\_\_] In years [\_\_\_\_\_] 99. Don't know
5. If someone sent you a letter, could you read it?  
[\_\_\_\_\_] 0. No [\_\_\_\_\_] 1. Yes [\_\_\_\_\_] 99. Don't know
6. How many years of school did you successfully complete?  
[\_\_\_\_\_] Number of years (French school) [\_\_\_\_\_] Number of years (Koran school)
7. Currently, are you ...? (Read answers. Check only one.)  
[\_\_\_\_\_] 1. Married - monogamous [\_\_\_\_\_] 4. Widowed  
[\_\_\_\_\_] 2. Married - polygamous [\_\_\_\_\_] 5. Single/Never Married  
[\_\_\_\_\_] 3. Separated or Divorced
8. Including you, how many persons in your household (those who live together/eat a meal together at least once a day) are (Read answers and mark the number in appropriate box):  
a. adults (18 years or older)? [\_\_\_\_\_] number of adults  
b. school-age children (7-17 years old)? [\_\_\_\_\_] number of school-age children  
c. young children (0-6 years old)? [\_\_\_\_\_] number of young children
9. How many of these adults (18 years and older) in your household are actively working?  
[\_\_\_\_\_] number of adults
10. How many persons in your household can read? [\_\_\_\_\_] number of persons
11. What school grade was completed by the most educated person in your household?  
(Original Question: How many years did the most educated person in your household attend formal school?) [\_\_\_\_\_] number of school years completed
12. In your household, do you have any member who has a job that earns a regular salary?  
[\_\_\_\_\_] 1. Yes [\_\_\_\_\_] 0. No [\_\_\_\_\_] 99. Don't know

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13. Is there someone who works outside the community/neighborhood who regularly sends your household cash?

1. Yes       0. No       99. Don't know

14a. Is anyone else in your household also a member of a Nyèsigiso/Kafo Credit Union or a member of a Nyèsigiso/Kafo Credit Association?

1. Yes       0. No       99. Don't know

14b. (If yes to 14a), Did any other member of your household get a loan from a Nyèsigiso/Kafo Credit Union or from a Nyèsigiso/Kafo Credit Association?

1. Yes       0. No

14c. (If yes to #14b), In the last 12 months, what type of loan did other member(s) of your household get from a Nyèsigiso/Kafo Credit Union or from a Nyèsigiso/Kafo Credit Association? (Read the answers and check the appropriate box)

**Nyèsigiso Loan Products**

- 1. CWE loan – Caisse villageoise
- 2. AFCRED loan for individuals
- 3. AFCRED loan for groups
- 4. PACCEM loan for individuals
- 5. individual loan from CU
- 6. know took a loan but not what kind
- 7. other \_\_\_\_\_
- 99. don't know

**Kafo Loan Products**

- 1. CWE loan – Credit Association
- 2. CCA loan for individuals
- 3. CCA loan for groups
- 4. short-term credit
- 5. equipment credit
- 6. know took a loan but not what kind
- 7. other \_\_\_\_\_
- 99. don't know

**Household Basic Needs Satisfaction**

*I would like to ask you a series of questions that will help us to understand what are basic necessities and also about the situation of your particular household.*

	15a. Which of the conditions that I am going to read to you do you think are basic necessities which every household should have and which no household should have to go without? 1=thinks it is a basic necessity 0=thinks it is not a basic nec.	15b. Which of these conditions on the following list does your household have now? 1- has the item 0- doesn't have 99- Doesn't know 98- Not applicable
<b>Satisfaction of nutritional needs</b>		
1. At least 3 meals a day throughout the year even during the hungry season.		
2. A meal with meat or fish at least once a week.		
3. To have enough food so that when a child in the household says he or she is hungry and asks for food there is something to give him or her.		
<b>Satisfaction of food production needs</b>		
4. To grow enough cereal so it is not necessary to buy more during the year.		

## APPENDIX 1

	15a. Which of the conditions that I am going to read to you do you think are basic necessities which every household should have and which no household should have to go without? 1=thinks it is a basic necessity 0=thinks it is not a basic nec.	15b. Which of these conditions on the following list does your household have now? 1- has the item 0- doesn't have 99- Doesn't know 98- Not applicable
6. At least one cart and an animal to pull it.		
7. At least ten head of cattle.		
8. A fruit plantation (Kafo only).		
9. At least one multicultivator and one sower (Kafo only).		
<b>Satisfaction of health needs</b>		
10. To have adequate money to pay for medical consultations and to buy medicines when member of household falls sick or is injured.		
11. Soap at home for bathing and for washing clothes.		
12. All children in the household complete vaccination series.		
<b>Satisfaction of education needs</b>		
13. All children in the household are enrolled or have completed primary school.		
14. Enough money to pay school fees and buy school supplies and uniforms needed to attend school regularly.		
<b>Satisfaction of housing needs</b>		
15. A house with a roof made with durable material such as corrugated iron.		
16. A house with walls made with durable material such as baked bricks or cement bricks.		
17. Access to potable water either from a pump, a tap or a covered and maintained well.		
18. A latrine.		
19. Electricity in the house.		
<b>Satisfaction of clothing needs</b>		
20. A new set of clothes for either Tabaski or Ramadan for each member of the household.		
21. Good shoes for all the children in the household.		
<b>Satisfaction of social needs</b>		
22. Adequate means to honor the engagement and wedding ceremonies for all of your children willing to get married (something more specific).		

**APPENDIX 1**

	15a. Which of the conditions that I am going to read to you do you think are basic necessities which every household should have and which no household should have to go without? 1=thinks it is a basic necessity 0=thinks it is not a basic nec.	15b. Which of these conditions on the following list does your household have now? 1- has the item 0- doesn't have 99- Doesn't know 98- Not applicable
23. Friend or friends who can help financially and/or materially in an extreme emergency.		
<b>Satisfaction of material needs</b>		
24. A bed with a mattress.		
25. A radio.		
26. A bicycle in good working condition.		
27. A moped or motorcycle.		
28. A car or truck.		
?29. To have an attic that can be fumigated.		
30. To have plastic basins or metallic buckets.		

**Community-level Information (Information that should be collected by the interviewer from a reliable source in the community).**

16. What type of health services are available in this community/neighborhood? (Multiple responses are possible.)

- 1. None
- 2. District Health Post
- 3. Community Health Center (CSCOM)
- 4. Regional Health Center
- 5. Private clinic
- 6. Hospital
- 7. Other (Be specific) \_\_\_\_\_

17. What is the approximate distance in kilometers to the nearest government health center, private clinic or hospital?

[ \_\_\_\_\_ ] Distance in kilometers

18. What type of schools are available in this community/district? (Multiple responses are possible.)

- 1. No school
- 2. Koran school/French Arabic
- 3. Literacy Center
- 4. Primary school incomplete
- 5. Primary school complete
- 6. Second Fundamental Cycle
- 7. Technical or trade school
- 8. Secondary school

19. What is the approximate distance in kilometers to the nearest primary school (all primary grades)?

[ \_\_\_\_\_ ] Distance in kilometers

20. Does this community have a potable source of water—either a pump, taps or covered and maintained well?

- 1. Yes
- 0. No
- 99. Don't know

21. Does this community have any electricity?

- 1. Yes
- 0. No
- 99. Don't know



Appendix 2  
Description of Villages That Participated in the Ranking by Wealth



## APPENDIX 2

### DESCRIPTION OF VILLAGES THAT PARTICIPATED IN THE RANKING BY WEALTH

#### Description of the villages of Nyèsigiso:

The villages covered in the study in the Nyèsigiso network are of two kinds. The villages affiliated with the Médine credit union (Zéguéla and Tesserela) are hemmed in and have no access to dynamic markets. The only dynamic market is located 35 km away in the town of Ségou, while the second and less dynamic market is that of Tesserela. The other two villages affiliated with the Koyan N'Golobala credit union (Km26 and Koyan Coura) distinguish themselves from the others by being located in the irrigated zone and by being close to the market in the town of Niono (the capital of the Niono circle is located more than 100 km from the town of Ségou).

1. Located 35 km from the Médine credit union, the **village of Zéguéla** is at the far edge of the Médine credit union's coverage area. This village is very remote and hemmed in, accessible only with difficulty during the rainy season. The trails leading to the village are almost exclusively used by carts carrying goods from this village to the town of Ségou or to other neighboring villages. No social infrastructure exists in this village, except for one source of potable water. There is neither a primary school, nor a literacy center, a health center, or electricity. Moreover, since the village has no market, villagers attend the one in Ségou (35 km away), or the one in Tesserela (10 km).
2. The **village of Tesserela** is a little further away than the village of Zéguéla. However, the former has the advantage of having access to its own local market as well as to a beaten-earth trail that is used from time to time. It is a large village made up of three sections. It is dotted with some social services including the community health center and a primary school offering an incomplete curriculum. It will be the headquarters of the future rural community of Tesserela. It is also equipped with solar energy to power the CESCO and the communal office.
3. The **village of Koyan Coura** is a relatively medium-sized village located about 8 km from the town of Niono. It is accessible by a busy secondary road. Located in a rice cultivation area developed by the *Office du Niger*, it benefits from irrigation for rice farming. The availability of water also allows farmers to practice market agriculture (onions, vegetables) for dry-season crops. It has access to other financial services, namely those offered by the network of self-managed village credit unions and equipment loans from the *Office du Niger*. Social services are limited to a primary school offering an incomplete curriculum. There is no electricity, but most households have access to potable water. A few signs of wealth that may separate it from the first two villages are quite evident, such as vehicles, motorcycles, mills and corrugated iron houses.
4. **Km26** is a village attached to the town of Niono in such a way that an uninformed person might think it a neighborhood of Niono. But inhabitants of this village distance themselves from Niono by their sense of belonging to their village and by agriculture, which constitutes the main source of income. In addition to taking advantage of the farming opportunities favored by irrigation (rice farming and market agriculture), inhabitants fully benefit from the opportunities offered by the nearby dynamic market of Niono. Basic social services there are well developed compared to the other villages of Nyèsigiso. The village has two primary schools (a French school and an Islamic school) as well as a health center. Signs of wealth can also be observed, such as mills, vehicles, motorcycles, commerce. But the village does not have electricity.

## APPENDIX 2

### Description of the villages of Kafo Jiginew:

Villages are characterized by a lack of good roads linking them, large distances between villages, and a lack of dynamic markets. Besides the Koutiala market located in a 35- to 45-km radius from the area of interest, no other important market exists in the area. From one village to the next, small weekly markets are often found that are flooded with consumer products: cereals, used clothing, agricultural products. The weak demand for these products combined with the lack of means of transportation to facilitate exchange considerably limit the development of income-generating activities in these villages.

5. **Nièmina** is a very remote village located 9 km from the main roadway. Several corrugated iron houses seem to indicate a certain level of household well-being, thanks to income from cotton farming. But the absence of a primary school, a community health center or a village market shows the extent to which this village remains underdeveloped. The closest market is 9 km away in the village of Finzankoro.
6. **Tomina** is practically the same as Nièmina. It differs from it in that it has a primary school with an incomplete curriculum and a small village pharmacy affiliated with the Konséguéla CSCOM. There is no electricity, but potable water is available. Corrugated iron houses seem to indicate that the village draws significant income from cotton farming. However, the lack of a local market has limited the development of income-generating activities. To do business, villagers must turn to the weekly market of Finzankoro, located 8 km away, or even the Konséguéla market located 20 km away.
7. **Toupourla** is a relatively average-sized village located about 10 km from the busiest roadway. It is practically inaccessible, even difficult to reach during the dry season, because the trail is used only by carts and motorcycles. The village has no vehicles, but motorcycles can be found. The village has no electricity or health center but it does have potable water and a primary school with an incomplete curriculum. There is also a small village market, but principal trading is done at the Konséguéla market located 14 km from their village.
8. **N'Golobougou** is a relatively medium-sized village and is apparently more developed, as evidenced by several corrugated iron houses, motorcycles and vehicles. Its strategic location offers more economic opportunities compared to the first three villages of Kafo Jiginew. It is located along a busy roadway and 4 km from the development zone of Konséguéla which has the most dynamic market of the survey area. It is equipped with a primary school with an incomplete curriculum, and with potable water, but no electricity.
9. **Finzankoro** is a relatively average-sized village located along a busy roadway. It has a dynamic market that attracts residents of several neighboring villages, including those of Nièmina and Tomina. It offers several social services including a primary school with an incomplete curriculum, a community health center, and potable water. However, the village does not have electricity. It has its own market visited by the inhabitants of nearby villages. It can be considered the village with the most economic opportunities of all the participating Kafo Jiginew villages. It is at a crossroads on the way to Nièmina, Tomina and Konséguéla. It is accessible year-round.

## Appendix 3

Appendix 3.1: Relative Importance Given to Various Response Categories

Appendix 3.2: Spearman Rank Correlation Analysis Results

Appendix 3.3: Calculating the Spearman Rank Order Correlation Coefficient



## APPENDIX 3.1

### RELATIVE IMPORTANCE GIVEN TO VARIOUS RESPONSE CATEGORIES

Table 3.1: Sources by which members initially learned about the *CEE* program

Source of information	By village										Total	Perc.
	Zeg	Tes	KM	Koy	Nie	N go	Tom	Toup	Finz			
1. Relatives and friends	5	2	4	2	0	3	3	2	1	26	70%	
2. Field Agent	0	1	0	3	2	0	1	1	0	8	22%	
3. Radio	0	0	3	0	0	0	0	0	0	3	8%	

Table 3.2: Level of awareness of the *CEE* program among nonmember women

Level of awareness	By village										Total	Perc.
	Zeg	Tes	KM	Koy	Nie	N go	Tom	Toup	Finz			
1. No awareness or very limited awareness of programs operations and services	7	9	2	3	2	3	1	5	3	35	69%	
2. Some awareness	4	2	0	4	2	0	1	1	2	16	31%	

Table 3.3: Reason for joining the program among member women

Reason	By village										Total	Perc.
	Zeg	Tes	KM	Koy	Nie	N go	Tom	Toup	Finz			
Ease of access to credit	6	3	5	2	1	1	0	0	0	0	18	

Table 3.4: Reasons for not joining among nonmember women

Reasons	By village										Total	Perc.
	Zeg	Tes	KM	Koy	Nie	N go	Tom	Toup	Finz			
1. Unfavorable socioeconomic status in the household	8	3	16	1	4	10	14	19	0	75	47%	
2. Lack of business experience	5	6	2	1	4	0	1	3	0	22	14%	
3. Restrictive terms of repayment		5	1	3	6	3	1	2	3	29	18%	
4. Unfavorable local socioeconomic situation	5	4	2	0	3	2	1	2	2	21	13%	
5. Mismatch between loan goals and main activity of the women	0	0	0	0	8	0	0	1	3	12	8%	

## APPENDIX 3.1

Table 3.5: Positive impacts from program participation stated by members and nonmembers

Positive Impacts	By village										Total	Perc.
	Zeg	Tes	KM	Koy	Nie	N go	Tom	Toup	Finz			
1. Contribution to satisfying the consumer needs of the family	5	10	3 (1)	7	9 (1)	6 (1)	1	2 (1)	0	47	72%	
2. Contribution to the investment needs of the family	4	3	0	0	0	0	0	0	0	7	11%	
3. Knowledge in areas of interest (child care, maternity, etc.)	0	0	1	2	1	0	0	0	0	4	6%	
4. Decrease in shame	2	1	0	1	0	0	0	0	0	4	6%	
5. Increase in small business know-how	0	1	0	2	0	0	0	0	0	3	5%	

Note: Numbers in parentheses refer to women nonmembers.

Table 3.6: Negative impacts from program participation stated by members and nonmembers

Negative Impacts	By village										Total	Perc.
	Zeg	Tes	KM	Koy	Nie	N go	Tom	Toup	Finz			
1. Related cost payments (interest, dues for joining)	1	1 (4)	6	1	0	2	0	0	1	16	32%	
2. Decrease in time available for housework	0	3	4	0	1 (1)	0	0	2	2	13	26%	
3. Increase in stress	1(2)	0	0	0	3	0	0	1	1 (3)	11	22%	
4. Increase in shame when having problems making payments	0	0	3	0	0	0	0	1	1	5	10%	
5. Payments for other members in default	0	0	2	0	0	1	1	0	1	5	10%	

Note: Numbers in parentheses refer to women nonmembers.

### APPENDIX 3.1

Table 3.7: Difficulties experienced by members or heard of by nonmembers

Difficulties	By village										Total	Perc.
	Zeg	Tes	KM	Koy	Nie	N go	Tom	Toup	Finz			
1. Collecting the amount owed weekly	2 (1)	2 (3)	4 (1)	2	4 (1)	1 (4)	2	1	1 (2)	31	30%	
2. Trading, meeting and making payments during the rainy season	0 (2)	2	4	0	3 (2)	3	1	1	3 (4)	25	25%	
3. Selling the goods each week	0	0 (2)	3	2 (1)	2	0 (2)	5	2	1	20	19%	
4. Insecurity in business profitability	0	2	3	0	3 (2)	0	1	0	(3)	13	13%	
5. Withdrawal from the program by some poor women	0 (1)	6	0	0	2	1	1	0	0	11	11%	
6. Need to turn to other resources in order to make payments	0	0	1	1	1	0	0	0	0	3	3%	

Note: Numbers in parentheses refer to women nonmembers.

Table 3.8: Strategies adopted by member women to face the *CEE* program's requirements

Strategies	By village										Total	Perc.
	Zeg	Tes	KM	Koy	Nie	N go	Tom	Toup	Finz			
1. Permanent leave	0	10	3	1	1	0	1	0	4	20	56%	
2. Submission	1	1	1	1	1	3	3	2	0	13	36%	
3. Temporary leave during the rainy season	0	0	0	0	0	1	1	1	0	3	8%	

### APPENDIX 3.1

Table 3.9: Solutions proposed by members and nonmembers to attract more poor women

Solutions	By village										
	Zeg	Tes	KM	Koy	Nie	N go	Tom	Toup	Finz	Total	Perc.
1. Decrease in payment frequency (maximum of monthly)	2 (2)	5 (3)	3 (1)	0 (1)	0 (2)	4	3	1	0	27	27%
2. Increase in repayment period (six months)	0	0 (6)	3	0	3	2	7 (1)	0	0 (1)	23	23%
3. Material or financial assistance (household equipment, pumps)	4 (4)	2	0	0	3 (3)	0 (1)	0	3 (3)	0	23	23%
4. Increase in loan amount and repayment period	0 (1)	0	0 (1)	1	0	1 (5)	0 (1)	0	3	13	13%
5. Expanding credit for agricultural equipment (plows and oxen), equipment for preserving onions and tomatoes, mills, etc.	4	0	1	1	0	0	0 (1)	0	0	7	7%
6. Decrease in interest rates	0	0 (1)	0	0	1 (1)	0	1	0	0	4	4%
7. Suspending repayments during the rainy season	0	1	0	0	0	0	0	0	0 (2)	3	3%
8. Softening debt-recovery methods	0	0	0	0	1	0	0	0	0	1	1%

Note: Numbers in parentheses refer to women nonmembers.

## APPENDIX 3.2

### SPEARMAN RANK CORRELATION ANALYSIS RESULTS

Table 3.10: Ranking in difficulties by network

Difficulties	NyIsigiso Network		Kafo Jiginew Network	
	Score	Rank	Score	Rank
1. Collecting the amount owed each week	16	1	16	2
2. Trading, meeting and making payments during the rainy season	8	2	17	1
3. Selling of the goods within each week	8	2	12	3
4. Insecurity in business profitability	5	5	8	5
5. Withdrawal from the program by some poor women	7	4	4	5
6. Need to turn to other resources in order to make payments	2	6	1	6

Table 3.11: Ranking of proposed solutions by network

Solutions	NyIsigiso Network		Kafo Jiginew Network	
	Score	Ranking	Score	Ranking
1. Decrease in payment frequency (maximum of monthly)	17	1	10	3
2. Increase in repayment period (six months)	9	3	14	1
3. Material or financial assistance (household equipment, pumps)	10	2	13	2
4. Increase in loan amount and repayment period	3	5	10	3
5. Widening of credit towards agricultural equipment (plows and oxen), equipment for preserving onions and tomatoes, mills, etc.	6	4	1	7
6. Decrease in interest rates	1	6	3	5
7. Suspending repayments during the rainy season	1	6	2	6
8. Softening debt-recovery methods	0	8	1	7

Table 3.12: Spearman rank correlation coefficients for proposed solutions, between networks

	Correlation coefficients
Proposed Solutions	0.70 *
Difficulties	0.91 **

\* Spearman correlation coefficient significant past a threshold of 10% (bilateral test)

\*\*Spearman correlation coefficient significant past a threshold of 1% (bilateral test)



### APPENDIX 3.3

#### CALCULATING THE SPEARMAN RANK ORDER CORRELATION COEFFICIENT

$$r_s = \frac{SS_{uv}}{\sqrt{SS_{uu}SS_{vv}}}$$

where

$$SS_{uv} = \sum (u_i - \bar{u})(v_i - \bar{v}) = \sum u_i v_i - \frac{(\sum u_i)(\sum v_i)}{n}$$

$$SS_{uu} = \sum (u_i - \bar{u})^2 = \sum u_i^2 - \frac{(\sum u_i)^2}{n}$$

$$SS_{vv} = \sum (v_i - \bar{v})^2 = \sum v_i^2 - \frac{(\sum v_i)^2}{n}$$

$r_s$  = Spearman rank order correlation coefficient

$u_i$  = rank of the  $i$ th measure (answer category) from sample 1 (NyŁsigiso)

$v_i$  = rank of the  $i$ th measure from sample 2 (Kafo Jiginew)

$n$  = number of measured pairs

The critical values for a bilateral test are given in the following table:

Number of measured pairs	10% P-value	5% P-value	1% P-value
6	0.829	0.886	-
8	0.643	0.738	0.881



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