

Comparative Analysis of Two Empowerment Approaches in Burundi: Village Savings and Loan Association – Self Help Groups

Vicomte Nkunda ^{1,2,3} and Diomède Manirakiza ^{2,3}

¹ Doctoral School – ² University of Burundi

³ CURDES (Centre Universitaire de Recherche en Développement Economique et Social)

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Abstract

The interest of actors in approaches to empowering the poor is increasingly evident in developing countries. In a context such as that of Burundi where there are more than six different approaches, it is necessary to enlighten practitioners in their choices as to the approach to be considered. This is a qualitative study focusing on a comparative analysis of two approaches: VSLA and SHG. Statistical processing and analysis of data collected from 35 practitioners was done using materials like Google Forms, Microsoft Excel, and IBM SPSS 25. Interviews with the heads of organizations that implement both approaches confirmed and reinforced the results obtained from these materials. Thus, the results show that the VSLA approach targets the economic empowerment of the poor in addition to other types of categories. The social aspect is considered through the social fund to assist members in case of happy or unfortunate events. This is also the case for SHGs. But the SHG approach particularly targets the poorest, and to some extent the poor. In addition to this, SHGs focus on the economic, social and leadership aspects of members. It is also interested in needs of community interest, beyond SHG groups. The results of this study pave the way for further research that should be conducted to shed more light on empowerment approaches, considered as an alternative in development practices.

Keywords: VSLA, SHG, Empowerment, Burundi

1. Introduction

The economic literature tells us that poverty in the world was only discovered after the Second World War. Before 1940 it was not a particular theme. When it appeared in the documents of the 1940s and 1950s, the authors presented it in terms of statistical measures of income per capita which was notoriously low compared to that of the USA [9]. This is what, since the 1960s, has led economists to seek to understand how the poor countries of the South could improve their situation, like those of Europe and North America [3]. Development practitioners have also tried to come up with solutions. Thus emerged the concept of empowering the poor. By considering it as an alternative in development practices, development actors such as the World Bank see in this concept an increase in the assets and capacities of poor people, with the aim of enabling them to better participate, negotiate, influence, control and empower the institutions that affect their lives [1]. To this end, since the preparation of the first poverty reduction documents, the participation of the populations benefiting from interventions from the bottom up has often been encouraged by development partners and particular emphasis has been placed on this aspect [2]. The concept of empowerment has thus been developed, adopting a poor-centered approach, considering their experiences and their role in the development process. This is made possible with especially the strengthening of local organizational capacities, by bringing people to work together, allowing them to organize and mobilize their resources to solve the problems that haunt them in a common interest [1].

It is through solidarity groups that the objective of empowerment is pursued by, for, and with the populations. These groupings come in several forms or approaches. As an indication, VSLAs have transformed marginalized communities worldwide, mobilizing local savings, which provide members with a means to cope with emergencies, help to manage household cash-flow, build a capital base and, crucially, re-build social networks, solidarity, and trust [10]. Initiated as an approach for the first time in Niger in 1991 by the American NGO CARE, this approach has gradually spread in Africa, with the main concern of improving access to basic savings, loans, and insurance services for the poorest [6]. The scale of VSLA is so great that in the world, VSLA groups are estimated at 644,874 of which 91.9% in Africa, bringing together a total of 14,407,697 members of which 93.3% are in Africa [11]. Solidarity groups in their diversity also include the SHG approach. The findings revealed this approach empowered members on social and economic aspects [4]. In addition to that, SHGs have the potential to tackle poverty and can be an important weapon for poverty alleviation [7].

In Burundi, VSLAs and SHGs exist, as do other forms of solidarity groups. Very few studies have been devoted to it, however. From one of the few analyses that was made by Charles Kabwigiri and *all* to assess the contribution of such groups, the VSLA proved to be the most extensive, with 63% of the total groups recorded throughout the country [5]. However, among the six forms of approaches that these

authors identified, they omitted the SHG approach, which is implemented in 17 out of 18 provinces.

This study thus makes a comparative analysis between the VSLA and SHG approaches, all of which focus on the empowerment of the poor. Such an analysis is needed to provide more insight to practitioners in their choices, given the growing number of actors using empowerment approaches in Burundi. That is the purpose of this Article.

2. Materials and methods

2.1. Participants

The data that were analyzed were collected from 35 participants in both empowerment approaches: 17 practitioners from 8 organizations responded for the VSLA approach. The remaining 18 are practitioners of the SHG approach, coming from 9 organizations that apply the approach.

2.2. Measurement

For each of the two approaches, after the identification aspects, the elements of the questionnaire based on which the analyses were carried out focused on the beneficiaries and the environments targeted by the approach, as well as the organizational aspect of the approach.

2.3. Data collection

The collection of the analytical primary data was done with two online questionnaires using *Google Forms* for the VSLA and SHG approaches. With these consultations, which were carried out using new information technologies, it was possible to collect qualitative data from a total of 35 participants, for the period from June to October 2021. In addition to this, interview sessions were done with two heads of organizations implementing these two approaches. One is the National Director of the NGO called Dutabarane, specialized in the VSLA approach since 2009. This organization comes in second place at the national level in terms of the number of VSLA groups already created. The CARE International comes in first place, but funds local NGOs that implement this approach. The second is the National Coordinator of the SHG approach in Burundi, implemented by the German NGO KNH through 13 local NGOs since 2007 funded by KNH.

2.4. Data processing and analysis

The statistical processing and analysis of the qualitative data were done using Google Forms. From Google Forms to Microsoft Excel software, it was possible to refine the analyses. Importing data from Excel to IBM SPSS (Statistical Package for Social Sciences) 25 allowed the analysis to be pushed further.

3. Results

The results obtained came from the analyses carried out by considering the practitioners interviewed on the two approaches, the beneficiaries, and the targeted

environments, as well as the aspect of how these two approaches are organized. Everything was done in a comparative way.

3.1. On practitioners interviewed on both approaches

On the one hand, respondents to the questionnaire for the VSLA approach stated that they had 100% experience in this approach. Of these, 76.5% have more than 3 years of experience. And of these, 35.3% have 7-10 years of experience, while 11.8% have more than 10 years of experience. At the same time, 29.4% said they also have experience with the SHG approach. This was when 41.2% admitted to having no knowledge of the SHG approach at all and 29.4% said they were at least aware of the existence of this approach.

On the other hand, respondents to the questionnaire for the SHG approach also stated that they had 100% experience in this approach. Of these, 88.9% have more than 3 years of experience. And of these, 16.7% have 7-10 years of experience, while 38.9% have more than 10 years of experience. At the same time, 61.1% said they also had experience with VSLAs, while 5.6% admitted to having no knowledge of this approach at all. Finally, 33.3% said they were at least aware of the existence of this approach.

At organizational level, 47.1% of VSLA respondents said that their organizations also practice the SHG approach. SHG respondents who indicated that their organizations also implement the VSLA approach make up 66.7%.

3.2. On the beneficiaries and the areas targeted by the two approaches

3.2.1. Type of beneficiaries based on income level

The results of the statistical analysis are given by these two graphs:



Based on income levels, VSLA respondents indicated at 41.2% that they target the *poor*, at 23.5% the *middle-income people*, at 5.9% the *rich* and at 29.4% that they target any type of *beneficiary*. SHG respondents revealed at 83.3% that they focus on the *poorest* and at 16.7% on the *poor*.

3.2.2. Level of education of members of the VSLA and SHG groups

The following two graphs give the comparison based on the level of education:

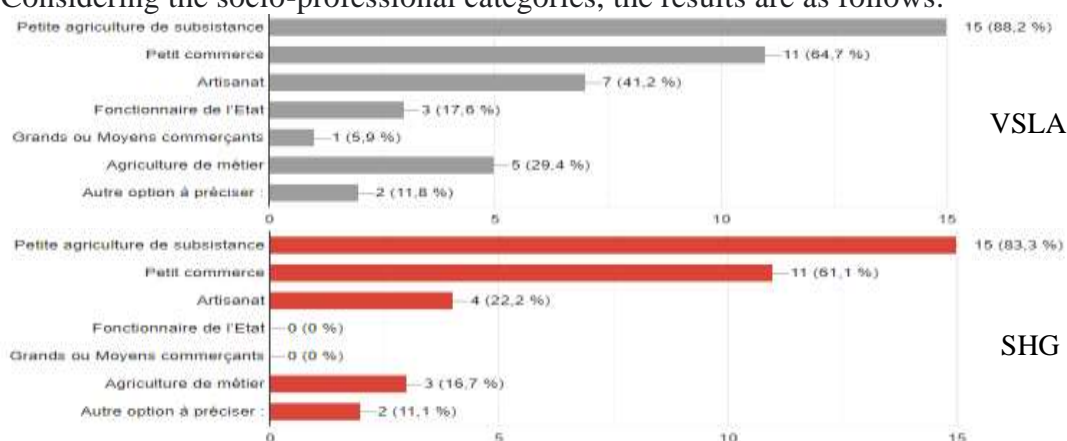


52.9% of VSLA respondents revealed that the majority of VSLA beneficiary members are illiterate, compared to 83.3% for the SHG approach. In addition, 41.2% said that VSLA members have the primary level education, compared to

11.1% of SHG respondents. Finally, 5.9% and 5.6% of VSLA and SHG respondents respectively said that the members of these groups are of secondary education.

3.2.3. Socio-professional categories targeted by VSLA and SHG approaches

Considering the socio-professional categories, the results are as follows:



Most respondents indicated that it is small-scale subsistence farming, with 88.2% and 83.3% of VSLA and SHG respondents respectively. Small business follows with 64.7% and 61.1% of VSLA and SHG respondents. Crafts come next 41.2% and 22.2%. It should be noted that for the VSLA, 17.6% and 5.9% mentioned the governmental officers and large or medium traders. However, SHG respondents omitted these two categories. Trade agriculture was considered, with 29.4% and 16.7% of VSLA and SHG respondents.

3.2.4. Targeted areas by VSLA and SHG approaches

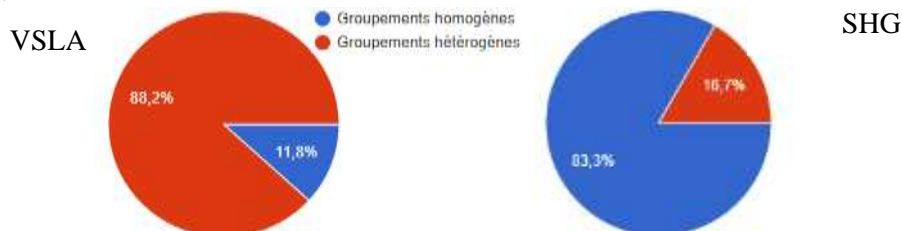
In terms of the areas targeted by both approaches, the results are revealed below:

The environments targeted by both approaches						
	VSLA			SHG		
	Rural	Semi-Urban	Urban	Rural	Semi-Urban	Urban
Valid	5,6	5,6	5,6			
Never	5,6	5,6	33,3		33,3	33,3
Sometimes	27,8	44,4	50,0		50,0	50,0
Often	61,1	44,4	11,1	33,3	16,7	16,7
Always				66,7		
Total	100,0	100,0	100,0	100,0	100,0	100,0

VSLA respondents at 61.1% revealed that this approach *often* targets rural areas. SHG respondents for their part at 66.7% said that their approach *always* targets these *rural areas*. In addition, 33.3% of respondents to both questionnaires said that these two approaches never target *urban* settings. This is when 50% said that these two approaches *sometimes* target *urban* areas. Finally, 44.4% of VSLA respondents said that this approach *often* targets *semi-urban* areas, compared to 16.7%.

3.2.5. Homogeneity of the members of the two approaches on the gender aspect

On the composition of the VSLA and SHG groups, the results are presented below:



VSLA groups are heterogeneous while SHG are homogeneous. Indeed, 88.2% and 83.3% of VSLA and SHG respondents respectively confirmed this.

3.3. The organizational aspect of the two approaches

3.3.1. Type of leadership in organizing VSLA and SHG groups

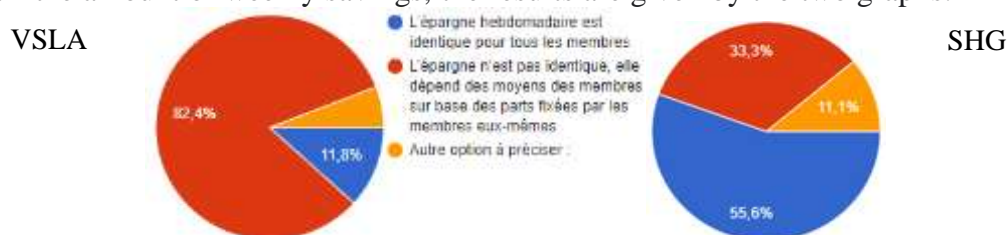
Analyses on the type of leadership lead to the results revealed below by the two graphs:



52.9% of VSLA respondents said that the members of the groups elect their own president and 23.5% revealed that the organization facilitates this election. The other 23.5% said that members choose a manager based on rotating leadership. For SHGs, 83.3% revealed that members choose a leader, and that leadership is rotating. The other 11.1% said members elect their own president.

3.3.2. Arrangements for fixing the amount of savings within the two types of approaches

On the amount of weekly savings, the results are given by the two graphs:



VSLA respondents said at 82.4% that savings is not identical, that they depend on the means of each member based on the shares set by themselves. This proportion corresponds to 33.3% for SHGs. However, 11.8% of VSLA respondents revealed that weekly savings are the same for all members. This proportion corresponds to 55.6% for SHGs.

3.3.3. Amount of weekly savings

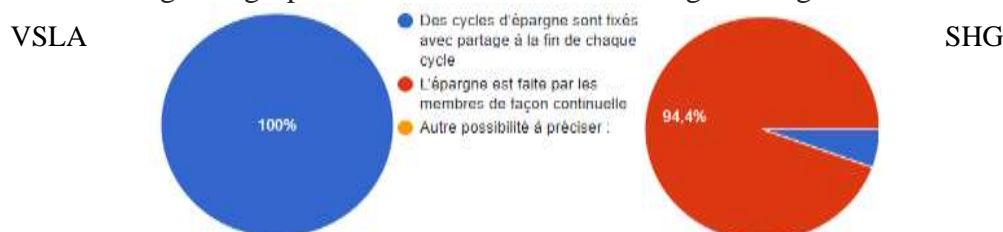
The results of the analysis on the amount of savings for both approaches are as follows:

Amount of weekly savings for both approaches (in BIF)										
	VSLA					SHG				
	50	100	200	500	1000	50	100	200	500	1000
Valid	5,6	5,6	5,6	5,6	5,6					
Never	88,9	72,2	44,4	5,6		66,7	33,3	16,7		22,2
Sometimes		16,7	33,3	11,1	38,9	27,8	55,6	50,0	33,3	55,6
Often	5,6	5,6	16,7	66,7	50,0	5,6	11,1	27,8	50,0	16,7
Always				11,1	5,6			5,6	16,7	5,6
Total	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
Exchange rate: 1\$=2009.6 BIF (average on January 21, 2022)										

The amount of savings for both approaches is weekly. For saving 1000 BIF, 22.2% of SHG respondents said it is *never* considered by SHG, compared to 0% of VSLA respondents. For this same amount, 16.7% of SHG respondents revealed that this saving is *often* considered, compared to 50.0% for VSLA respondents. As for the savings of 500 BIF, 50.0% of SHG respondents say it is *often* considered, compared to 66.7% of VSLA respondents. Another result of the analysis shows that 27.8% of SHG respondents say that *sometimes* saving 50 BIF is considered by SHG, compared to 0% for VSLA. For saving 100 BIF, 55.6% of SHG respondents revealed that it is *sometimes* considered by SHG, compared to 16.7% for VSLA.

3.3.4. Savings management within both types of approaches

The following two graphs show the results for savings management:



All VSLA respondents said that savings cycles are set with sharing at the end of each cycle. The corresponding proportion for SHGs is 5.6%. For SHG respondents, 94.4% said that savings are made by members continuously.

4. Discussion of results

The results on practitioners interviewed using the VSLA and SHG approaches show that they have sufficient experience. They responded to 100% experience in these empowerment approaches. This gives reliability to the results obtained in the following.

The analysis also focused on the beneficiaries and communities targeted by both approaches. The results show that VSLAs target the *poor* much more, with 41.2% of respondents. SHGs focus on the *poorest*, with 83.3% of respondents.

Considering the level of education of the members targeted by these two approaches reinforces this assertion. Indeed, 52.9% of VSLA respondents said they targeted the illiterate. But this proportion corresponds to 83.3% for SHG respondents. In addition to this, the latter did not mention the categories of state officials and large or medium-sized traders, while VSLA respondents admitted to working with these two categories.

The results on the media targeted by both approaches further support this claim. This is confirmed by the fact that VSLA respondents admit to 61.1% that this approach *often* targets rural areas. However, 66.7% of SHG respondents indicated that they *always* target these areas. However, most vulnerable people live in rural areas.

The results on the homogeneity of the members on the gender aspect for the two approaches show a clear difference. VSLA groups are indeed heterogeneous and SHG are homogeneous. With what came out of the interviews, the VSLA approach lets women evolve with men in empowerment. On the other hand, the SHG approach prefers to suggest that women work alone, and men the same. On the one hand, it is to prevent men from dominating women, especially in taking responsibility. On the other hand, it is to facilitate the emergence of female leadership within these groups. A study in Benin showed that despite the enjoyment of financial autonomy, most women did not have the freedom to integrate or lead a village organization without the authorization of their husband [8].

The results on the type of leadership confirm this. Indeed, 52.9% of VSLA respondents revealed that members elect their own president. Meanwhile, 83.3% of SHG respondents said that members choose a leader, and that leadership is rotating. This gives all members the opportunity to exercise as leaders. The interviews highlighted this aspect, insisting that the SHG approach incites members to avoid even the use of the title "President" of the group.

By taking the analyses further on the organizational aspect of the two approaches, savings management shows another clear difference between the two approaches. VSLA respondents claimed 100% that their approach considers fixed savings cycles. A sharing of the total savings is made at the end of each cycle. In contrast, 94.4% of SHG respondents revealed the opposite. For their approach, savings are made by members on an ongoing basis. Interviews confirmed this, arguing that it is an option that allows the most vulnerable to stay and grow together. It is with the aim of achieving the objectives of empowerment that the approach is thus conceived.

One of the similarities between the two approaches is the fact that the main activity is savings and credit. However, other additional activities are also carried out within the VSLA and SHG groups. The results of the analyses show that the VSLA and SHG groups constitute at the individual level, good frameworks to stimulate their members. They are thus able to initiate small income-generating activities. In addition to this, social assistance to members in case of happy or unfortunate events is made. It is for this reason that a social fund exists beside to the main savings.

Interviews with the leaders of organizations that implement the VSLA approach revealed that this approach is a major asset for empowerment. It makes it possible to pool human and financial resources to boost the capacities of individuals. In addition to the financial aspects at the individual level, the VSLA approach has the potential to drive participatory community development by towing other community members to community work of common interest. One of the leading organizations in the VSLA approach has already begun to exploit this potential. It is the NGO Dutabarane, which also began the grouping of VSLA into Federations.

For the SHG approach, interviews with those responsible for implementing this approach revealed that their SHG seeks to meet the socio-economic needs of members as individuals. These are for example the increase of incomes, children's schooling, health care and basic needs in general. Similarly, once it has reached the level of cluster-level associations, the approach focuses on solving the problems faced by SHG groups. The example of the illiteracy of members within group is to be given here. In addition, the approach seeks to solve community problems. Gaps in pre-primary education are an example of this. Finally, the SHG approach also does advocacy, on a broader scale once the SHG groups have organized themselves into federations.

In addition to comments made on their approach, respondents were asked to provide opinions on the alternative approach. The following observations were received: On the one hand, VSLA respondents testify that they have found that this approach contributes to the economic recovery of the poor. Therefore, it is appreciated by beneficiaries, especially those who are excluded from the traditional banking system. They have the possibility of taking out small loans to make small investments or meet various needs to improve their living conditions. These same respondents speaking about the SHG approach, at least those who know it admit that it focuses on one category of the population: the poorest. The constraint here is that it therefore does not become profitable to other categories, it is exclusive.

On the other hand, SHG respondents insist that this is an approach primarily for the poorest, those who are often ignored by other interventions. According to them, the clear distinction of the three levels is a major asset for the SHG approach. These are SHG groups, cluster level associations and federations. The SHG approach is thus not limited to the financial aspects of individuals alone. It reduces socio-economic inequalities. This makes SHG an integral approach.

Speaking about the VSLA approach, SHG respondents acknowledge that it is also a good approach. However, they note the fact that it focuses more on the financial aspects of individuals. It is therefore much more appropriate for those who have a certain savings capacity, who thus can boost their livelihoods.

In addition, in their vulnerability, SHG members sometimes work for each other in a very small workforce compared to market prices. It is here an internal organization that is adopted given the level of income poverty. This allows them to start putting resources together to improve their living conditions.

Conclusion and further research

The objective of this study was to make a comparative analysis of two empowerment approaches in Burundi: VSLA and SHG. With the results of the statistical analyses, the two approaches have been compared. Several aspects of comparison were considered. The methodology adopted has made it possible to achieve this. Thus, the VSLA approach targets the poor. It also targets middle-income people, just as it is interested in any other type of beneficiary. This is not the case for the SHG approach. It focuses on two types of beneficiaries. It is primarily the poorest, and to some extent the poor. Analysis of the level of education of the members targeted by the two approaches confirms these results. The majority of SHG members are illiterate compared to those of the VSLA. In addition, the results of the analysis of the socio-professional categories and targeted areas by the two approaches show the same trend: the SHG approach is designed to target the most vulnerable as a priority. The analysis of the amounts of weekly savings confirms.

At the end of this study, several research perspectives emerge. Analyses should extend to other empowerment approaches as well, in their diversity. The present study considered only VSLAs and SHGs. Also, it would be interesting to analyze the results of respondents who implement both approaches. In addition to this, an analysis on the success factors in implementing empowerment approaches within organizations should also be done. In addition, with the interest in the economic aspect within solidarity groups, another separate study should be done to identify on aspects like financial inclusion. It is only the aspect of fixing the amount of weekly savings that has been analyzed. Finally, given that the SHG approach clearly targets the poorest, another more in-depth study should be conducted specifically on this approach to see its real impact on target populations. It would be necessary to conduct an evaluative study to verify the effectiveness of SHGs in improving the living conditions of the poorest. The data could thus be collected from the final beneficiaries of the approach, not from practitioners.

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