Social Functionality of Self Help Groups in Tanzania

Deogratias B. Aikaruwa, Gerald A. Sumari, Grace N. Maleko
Moshi University College of Cooperatives and Business Studies (MUCCoBS), Tanzania

Corresponding author: Deogratias B. Aikaruwa, Moshi University College of Cooperatives and Business Studies (MUCCoBS), Tanzania

Abstract. Self Help Groups are common grassroots member – based institutions in which people join to take collective actions in addressing different issues pertaining poverty reduction and improving their socio – economic situations. This research report is an output of a case study investigation on examining the social functionality of Self Help Groups (SHGs) in two wards of Shinyanga District (i.e. Samuye and Kizumbi) in Tanzania. In this study, data, both primary and secondary was collected from the field using various data collection techniques including interview, questionnaire, focus group discussion and documentary review. The data were analyzed both qualitatively and quantitatively, Statistical Packages of Social Scientist (SPSS) being helpful in the analysis. The findings revealed that, the groups were purely informal and people joined for various motives including credit and saving, social support and technical support. These groups have been beneficial to members both socially and economically. From the findings, the report recommends that, SHGs as favourable grassroots institutions, if institutionalized, they will be effective way of mobilizing efforts and resources of poor people in the course of combating poverty.

Key words: Self Help Groups; socio – economic development; Shinyanga
1. INTRODUCTION

1.1 Background information

Self help groups (SHGs) have been common member – based institutions in many countries of the world. It has been practiced in Africa, India, America, Europe and in many countries of the world. The original of model self-help group was Alcoholics Anonymous (AA), founded in 1935 by “Bill W.” (William Griffith Wilson) and “Dr. Bob” (Robert Holbrook Smith). It is estimated that 1 million people attend more than 40,000 groups in 100 countries of the world (Bouman 1992).

SHGs are voluntary organizations normally purely informal that value personal interactions and mutual aid as means of altering or ameliorating problems perceived to be common among the members. Designed to cope with community daily problems, SHGs enjoy a long tradition in developing countries (Schreider 1997). Liheta and Uronu, (2004) also argue that in addition to solving members’ problems, the groups have also been used as vehicles for improving members’ socio-economic conditions.

In their design, SHGs are favourable and most useful organizations among the marginalized poor who are naturally excluded from the formal organizations like formal employment sector, financial and social security organizations, investment sector and formal decision making structures.

SHGs in Tanzania and other developing countries have been used as tools for organizing individuals to form networks and institutions in which members support each other. They have been used as vehicles of integrating individuals with rest of the community by ensuring them a better participation in different community activities. In addition to economic rolestheses groups have been providing social ties, enhance people’s participation in the decision making process and hence improving the quality of rural and urban life. They play a very important role in social change. In their design the groups not only change the outer form of a community or a society but also the social institutions as well as ideas of the people living in the society. In other words it also applies to change the material aspects of life as well as in the ideas, values and attitudes of the people.
1.2 Statement of the problem

SHGs have been perceived as convenient Institutions in which people especially the marginalized poor join to give social support to each other. In developing countries, Tanzania being among, mobilization of the poor people in self help groups has been regarded as one way of organizing communities to take initiatives of their own development endeavours.

In Shinyanga, these groups are also very common among rural and urban communities and have been in existence for a long past. They have been widely used by development actors including governmental and non-governmental organizations as a way of mobilizing people for the purpose of reducing poverty levels and thereby bringing development to the people both socially and economically.

Despite the volumes of literature available on the dynamics of SHGs, empirical evidence is missing pertaining the contribution of these groups in improving the socio situations of the members. In addition, it is still not certain as to what extent, the members of these groups benefit socially from their membership in the groups. This study therefore focused at drawing empirical evidence regarding the socio functionality of the groups in Tanzania and Shinyanga in particular

1.3 Objective of the study

1.3.1 General objective

The general objective is to examine the social functionality of Self Help Groups

1.3.2 Specific objectives

Specifically, the study had the following objectives:

i.) Determine the major social functions of Self Help Groups in Shinyanga;

ii.) Examine the social motives of people joining Self help Groups; and,

iii.) Investigate the socio benefits of Self Help Groups to members.

1.4 Research questions

The study was guided by the following research questions:

i.) What are the major social functions of the SHGs;
ii.) What are the social motives of people joining / forming Self Help Groups; and,

iii.) How can SHGs’ members benefit socially from their membership in a group

1.5 Significance of the study
This research is of both practical and theoretical importance to SHGs’ members, policy makers, researchers and academicians. On the practical side of it, examining the social functionality of SHGs may provide useful information and empirical evidence that guide formulation of policies and actions that are likely to improve and provide support to these organizations. Also it will help the SHGs to streamline their workings and thus making them more beneficial to members. Such information is considered a necessary step towards developing more effective community groups that are helpful to members and community at large. In addition, at the theoretical level, the study will contribute to the existing knowledge on the linkage that exists between the informal self help groups and the community’s socio advancement.

2 LITERATURE REVIEW
2.1 Theoretical literature review
2.1.1 Definition of Self – Help – Groups
Self help groups designed to cope with daily problems, enjoy a long tradition in developing countries (Liheta&Uronu 2004). Prior the era of capitalization and later modernization, living and working in social associations dominated among people (Bouman, 1992). Today, the groups still exist and more are formed. According to LokeshandChandrashekar(2009),SHGs are voluntary gatherings of persons who share needs or problems that are not being addressed by existing organizations, institutions, or other types of groups. Ordinaril according to Collins English Dictionary (2003), ‘self help’ refers to the provision of services to aid oneself. Self – help emphasizes self-reliance, self
production and self-employment by mobilizing internal resource of an individual, a
group, the community or a particular society (Silverman, 1992).
The broad goals of a SHG are to join efforts of individuals in terms of labour, assets,
financial resources, knowledge and life skills to accelerate their own development
(Koch 2011). The same idea is given by Gartner and Riessman (2003), arguing that
the groups intend to bring about personal and social – economic change for its
members and society. SHGs emphasize face to face interaction among members and
stress a set of values or ideology that enhances a member's personal sense of
identity (Katz, 1993).

2.1.2 Nature of self help groups
In traditional society, family and friends provided social support. In modern
industrial society however, family and community ties are often disrupted due to
mobility and other social changes. Thus, people often choose to join with others who
share mutual interests and concerns (Ahmad, 2012). The same has been reported by
(Sinha et al., 2006) by arguing that, in majority of SHGs there are some members
related to each other (particularly in the family based tribal communities). This is
in support of the collective action model developed Freire in 1973 which is the
contextual foundation of this study. According to him, conscientization of people’s
conscience to have self confidence assist them to attain desired goal collectively
(Freire, 1995). Indirectly, this model postulates that, collective actions are
important especially by the poor so as to attain enhanced socio-economic
development.

According to Stewart, (1990) self help support groups provide a setting in which
people who share similar experiences come together to offer practical and emotional
support in a reciprocal and mutually beneficial manner. People go to self help
support groups for many different reasons. Some simply want information and will
then move on. Others may want to make sense of what is happening to them by
sharing with those who have been through something similar (Ahmad, 2012).

Katz (1993), studied nature and involvement of the community in self help groups
in America. In this study, it is found that; in 1992, almost one in three Americans
reported involvement in a support groups. Of those not involved in a self-help group at the time, more than 10 percent reported past involvement, while another 10 percent desired future involvement. It has been estimated that there are at least 500,000 to 750,000 groups with 10 million to 15 million participants in the United States.

Other studies on SHGs for example by Koch (2011), Gartner and Riessman (2003) and Stewart (1990) propound that SHGs provide support to people who are facing some difficulties in their lives and are finding their changed circumstances difficult to cope with, for example:

a) Acute shortages of financial resources for use in families  
b) Inappropriate technology and skills in production activities  
c) Poor housing facilities  
d) Natural misfortunes like death, long illness, adverse weather conditions  
e) Lack of assets and security  
f) Society traditional segregation and discriminations

On the other hand (Judy and Myers 1998) revealed that there are those who use self help support groups as a route to change. Examples to these include:

a) To take active steps in getting well again or learning to cope in a different way.  
b) To end a negative lifestyle or habit, to put the past behind and start living in a more positive way.  
c) To get a new angle on an old problem.

2.1.3 Nature and origin of SHGs in Tanzania

SHGs in Tanzania are among the important and working civil societies where people who form them join their efforts to take collective actions for some matters of their interests. The historical background of the sound civil society in Tanzania goes back to the post International Monetary Fund (IMF) and World Bank’s Structural Adjustments Programmes (SAPs) in the mid-1980s (Ndumbaro and Kiondo, 2007). The emerging civil society organizations included different groups in form of SHGs, CBOs, financial association, farmer and producer groups, traders and lobby
associations. Among the factors that contributed to the emergence of civil organizations in the 1980s and 1990s include:

a) Following the economic liberalization by the Tanzania government, there was a need to fill the gap left by state withdrawal from social services delivery (Kiondo, 1992); civil organizations including SHGs were considered as an alternative whereby members of a particular community could collectively acquire the services at affordable costs;

b) The effects of SAPs including increasing social differentiation, and translation of environmental concerns to among top global policy agenda (Kamata, 2005);

c) The need for certain social groups including women, youth and the unemployed to organise and articulate their interests (Hartman, 1994);

d) The move by international aid agencies to encourage voluntary organizations, thereby by-passing government organizations as donors lost trust in the state (Caiden 1991); and the advent of privatization and retrenchment programs that increased the number of unemployed people who found voluntary organizations as their alternative (Ndumbaro et al. 2006).

In Tanzania and Shinyanga in particular, SHGs have been a facilitator for economic and social transformation especially in the attempt to address local problems and situations independently, with little control from the government. Politically, they are also forming an opportunity for collective action giving voice to the urban and rural poor and the marginalized. The key areas where SHGs in Tanzania have been brave includes: (i) financial services and intermediation role including savings, insurance and collateral substitute for credit; (ii) cooperative activities like production and marketing of food and cash crops; (iii) moral and financial support during life hardships and in cases of natural calamities and (iv) charity activities like home based care for the old and the people living with HIV/AIDS, orphanage services, community environmental conservation.
2.1.4 Rationale of SHGs

SHGs have emerged as popular institutions of working with communities in bringing about more development in recent years. This movement comes from the people’s desires to meet their needs and determine their own destinies through the principle “by the people, for the people and of the people” (Kumar et al, 2011).

Karmakar (1999) further argues that, SHGs change the pattern of social interaction among individuals of a given society. When such patterns change, substantial number of society members assume new status, new socio – economic change and play new roles in the community. According to Lokesh and Chandrashekar (2009), SHGs in social change imply not only the change of outer form of a community or a society but also in the social institutions as well as ideas of the people living in that society. In other words, it also applies to the changes in the material aspects of life as well as in the ideas, values and attitudes of the people.

Informal self help groups (SHGs) as member – owned and member – controlled local institutions may either be (i) financial groups, with financial intermediation as their primary purpose, such as rotating and non – rotating savings and credit associations; or (ii) non – financial groups, with financial intermediation as a secondary purpose (Seibel, 1997).

SHGs as financial intermediaries, offer financial services to their members. Here financial services are seen as a hub that makes people join and stay in groups. This has been reported by Soyibo (1996a), Temu (1994), Schreiner (2001) and Rutherford (2000). Though there are some other functions SHGs perform, this one of informal finance is being regarded by different authors to be the leading.

2.1.5 Basic self help groups models

SHGs may exist separately or as part of larger organizations (Kumar et al 2011). They may operate informally or according to a given format or program. The groups usually meet locally, in members’ homes or in community rooms, in schools, churches, or other centers. In these groups, specific modes of social support emerge. Through self-disclosure, members share ideas, stories, stresses, feelings, issues, life skills and recoveries (Bouman 1992). With these practices they learn that they are
not alone; they are not the only ones facing the problem. Two common models exist for SHGs’ operations. These are “professional expert model” and “peer participatory model”

Using the “professional expert” model, many groups have professionals who serve as leaders or provide supplementary resources (Gartner and Riessman 2003). The other model is peer participatory model where the groups do not depend much on professionals for operations. Groups, using the “peer participatory” model, do not allow professionals to attend meetings unless they share the group problem and attend as members or unless they are invited as speakers (Stewart 2001).

Comparing the self-help peer participatory model with the professional expert model, experiential knowledge is more important than objective and specialized knowledge and experience among group members matter most in the peer model. Services are free and reciprocal rather than commodities. Equality among peers, rather than provider and recipient roles, is practiced. Information and knowledge are open and shared rather than protected and controlled. In professional expert model, sharing is less important than dependence on professionals. Equality among members is not given bigger weight. The professionals are the provider of information and skills while group members are recipient with less or no discussions and sharing. Information and knowledge are protected and controlled.

Peers can model healing for each other. By “the veteran helping the rookie,” the person who has “already ‘been there” helps the newer member (Mullan 1992). Through peer influence, the newer member is affected (Silverman 1992). Although the newer member learns that the problem can be dealt with and how, the older member who helps also benefits (Riessman 1995).

SHGs in Tanzania and specifically Shinyanga take up both models of professional expert and the peer participatory. There are groups that are formed out of pressure from the government authorities, NGOs or other community development actors. Such groups normally assume professional expert model where professional experts from the government, NGOs or whoever mobilize their formation, will take charge of the formation process, give instructions, set rules and regulations for them, and
impose ways of group operations. Members of such groups will normally follow what has been set forth by the professional experts and have limited forum of decision making.

There are also those groups in which motivation for their formation come from within the group members. When formation is purely voluntary and it is the members who take initiatives of forming the group, such groups are likely to assume the peer participatory model. Here, the members choose the leaders they want from amongst themselves, establish their own constitution, set operational rules and regulations, and establish the modes of operation by themselves. However, professional experts may be needed but on consultancy basis. In those cases that require intervention by experts, the members through their leaders will hire experts for training or technical advices. After the training the members are left to operate the groups by themselves.

2.2 Empirical literature review

2.2.1 Studies on SHGs outside Tanzania

Until recently, the activities and operations of the informal sector particularly SHGs were considered relatively marginal and confined to social matters: meeting the cost of schooling, illness and funerals (EC 2000). However, today these groups have added an important economic role of providing financial services to the members.

Chipeta and Mkandwire (1996), report that in many rural communities in developing countries, informal group finance plays an important role in meeting the credit needs of the poor such as survival needs, working capital needs of micro-businesses and unforeseen family expenditures. Similar arguments have been reported by Tilakaratna, 1996; Bouman, 1992; and Meyer, 2002.

Similar results were reported by Lokesh (2009) on his study on the role of SHGs in socio-economic change of vulnerable poor in India. This study reveals that majority of the respondents (54%) joined SHGs in order to save money and 32% of them joined for personality development. Only 10% of them joined for getting loan and very few 4% joined for recreation purpose.
Coleman (1999) also reports that, “the SHGs have the power to create a socio-economic revolution in the country.” He further argues that, “through joining SHGs people have come out of their problems and traditional bound. The groups have paved the way to bring the rural people in the main stream of social and economic progress of the society”. The socio economic benefits of such groups include economic self independence, participation in village affairs and awareness about education (Koch 2011, Kumar 2011 and Karmakar 1999).

2.2.2 Studies on SHGs in Tanzania

In Tanzania like other developing countries, SHGs as an informal sector is a common phenomenon. These groups are found in different categories basing on the purposes they are designed for, which includes saving and credit associations, burial associations, business, farming and sports/entertainment group/organizations. These groups are important community institutions that offer a variety of products and services. However, the most important services / products offered by SHGs in Tanzania are micro financial services. Several economic and sociological studies have now shown the importance of this sector in terms of the size of the public it serves and the volume of financial services (Kashuliza et al 1998, Liheta 1999).

Informal group finance plays an important role in meeting the credit needs of the poor such as survival needs, working capital needs of micro businesses and unforeseen family expenditures (Tilakaratna 1996). In some communities, such groups may be the only sources of credit available to the poor (Liheta and Uronu 2004). Similar results were reported by Temu and Hill, 1994; Liheta 1999; CC-Dodoma Wing, 1997; URT, 1997 and Kashuliza et al 1998).

On the other side, Self Help Groups are often regarded as buffering mechanisms which help reduce the fragility of economy of poor rural households and provide a measure of stability to them in the face of cries of one type or another that they have to cope with (e.g. a harvest failure, loss of employment, a death or illness in the family) (Gallup Poll.” 1992). This has also been supported by Sanga and Malunde (2005) reporting that, these associations help people resolve issues such as,
obtaining money for medical services, purchase of food, farm implements, setting up small-scale businesses, construction of improved houses, paying school fees, dowry e.t.c.

Further, Self Help Groups have significant economic role in the allocation and mobilization of resources in providing financial services to rural inhabitants and to small and micro-enterprises (SMEs) at a comparatively lower cost and risk than formal financial institutions (FFIs) (Liheta and Uronu 2004). The same were reported by Sanga and Malunde (2005) arguing that, traditional informal groups are also geared towards the promotion of economic growth and improving the standard of living among the people.

Moreover, besides the saving-credit dimension, these informal group arrangements also have an important social dimension namely solidarity, self-help and collective decision making and management (Tilakaratna, 1996). Bouman (1992), reports similar case by describing three main functions of the SHGs which include; security and insurance, economic functions and socialization which include meeting, discussing, eating, drinking, sport, singing and dancing.

In recent times, many of these informal groups have widened the scope of the services they offer to their clients. They have transformed from offering only financial services to a lot of diversity (Aryeetey and Hyuha, 1991; Chipeta and Mkandawire, 1991; Chipeta 1996 and Johnson 2002). Such other services include joint work for members and non members, house building, social insurance for medical treatment, hospital fees drugs, funerals, marriages e.t.c (Bagachwa, 1994).

Sanga and Malunde (2005) also acknowledge that traditional associations have made substantial contributions to solving credit problems in respective areas. They further insist that, through these agencies, people have been able to improve their living standard through increased agricultural production, building of better houses and construction of shallow wells and the establishment of small-scale business activities.

According to the Shinyanga Regional Commissionaire’s office report 2006, the region had a total of 591 active women groups. These women groups engaged in
various micro economic activities such as horticulture, agriculture, poultry keeping, tailoring, sewing, tie and dye, pottery, bakery food and beverages etc. In addition, there were a total of 100 active youth groups by December 2005. These numbers were in fact expected to have largely increased by today as SHGs were mushrooming each day.

This study therefore intended at narrowing the knowledge gap currently existing on the social functionality of these groups in Shinyanga. It further focused at presenting a wide range of information on the modus operandi of the informal Self Help Groups in Shinyanga Region.

3 METHODOLOGY
3.1 Study area and its justification
The study was conducted in two wards of Shinyanga District. Shinyanga is one among regions of Tanzania with active SHGs. In this region a lot has been done in terms of intervention in enhancing community development through using SHGs as grassroots’ community institutions. The interventions are for a long time being pioneered by non – governmental organizations including World vision Tanzania, OXFAM, CARE International and other local and international development programmes. Also the researcher had been familiar with this area and has also been working with the groups as external facilitator. It was from these reasons the researcher considers Kizumbi and Samuye wards of Shinyanga District to be appropriate area to obtain information for the study.

3.2 Research design
This study adopted a case study design as an appropriate method of studying one case in depth. It was more of qualitative nature than quantitative, hence designed to make some qualitative analysis on the social functionality on Self Help groups. The social functionality in this case was determined qualitatively as it involved a wide range of measurements including changing in members’ behavior, member empowerment and other variables that could only be measured qualitatively.
However, quantitative methods were also applied but limited to only those variables that could be quantitatively determined like changes in members’ income levels.

### 3.2.1 Rationale for using qualitative method

Qualitative methods are compatible with social studies in which the focus is upon analyzing, interpreting and meaning making in social contexts. For these reasons, qualitative methods were considered well suited to the purpose of this research at the time of data collection. These methods have been utilized in this study for several reasons: First, they are appropriate when attempting to study an area in which little previous research has been undertaken, which is innovative in nature, and in which relevant variables are yet to be identified (as suggested by Marshall and Rossman, 1989). Qualitative methods are also well-suited to understanding the meanings, interpretations, and subjective experiences of people (Daly, 1992). Also according to him, this method is especially useful when attempting to understand individual and shared meanings constructed by people in specific group contexts without fragmenting or reducing that experience to attitudes or behavior. Thus, qualitative methods could accommodate multiple perspectives and allowed for richer descriptions of individual and group experiences to emerge.

### 3.3 Sample and sampling procedures

#### 3.3.1 Population and Sample

Ideally one may want to study an entire population. However, usually it is impossible or unfeasible and therefore one must settle for a sample. To serve the purpose of this study and taking into account time and financial constraints of the researcher, a sample of 6 groups from Kizumbi and other 6 from Samuye was considered rational representatives of the population. In each group, 10 members were to be selected for responses hence making a total of 120 units as sample size.

#### 3.3.2 Sampling Procedures

In order the researcher to save time and cost in collection data and to meet the researcher’s requirements, simple random and purposive sampling techniques were adopted. Simple random sampling technique was used in selection of groups to be considered and members from each group, while purposive sampling targets
leaders of SHGs depending of the positions they hold. Simple random was used in order to avoid biasness in terms of group performance in selecting groups as each group had equal chance of being included.

3.4 Data collection methods and techniques

The researcher used both primary and secondary data. Secondary data served a purpose of acquiring information related to the study that has been developed by other authors. In addition, statistics and other pertinent information regarding SHGs in a particular ward were collected from ward offices. Also other information that may not be directly related to this study but could add value to this study was also collected.

Primary data was collected for a purpose of getting information of what exactly happens on the field. This was vital to this study as the researcher depended most on the primary data to acquire empirical evidences that added knowledge to the field of this study.

3.5 Data collection methods

Various methods were employed in collecting data, especially the primary data. These include;

3.5.1 Interview

The researcher asked questions generally in a face-to-face contact to the group members forming a sample. Both structured and unstructured interview were used. In structured interview, a set of pre-determined questions that due to some reasons could not be included in questionnaires were prepared. The researcher asked the questions and recorded the answers by himself. Unstructured interview involved asking questions that were not previously determined to acquire additional information from the responses. Interview served the objective of getting detailed explanation especially from the members regarding formation and functions of the SHGs. In addition, this method helped accommodating multiple responses that could be given by respondents especially on their motives of joining the groups. Unstructured interview also allowed additional or modification of questions to
enable getting relevant answers especially on open ended questions. However this was done with vigilance to ensure time saving and alliance to the study.

### 3.5.2 Questionnaires

The researcher administered a set of questions that focused on getting the required data and distributed to the sample units for responses. Most of the questions were close-ended questions and those with short answers. Open ended questions however were used to search additional information. The questionnaires were prepared in Swahili and in a very simple language so that every respondent could read and interpret. The method was appropriate in determining the socio-economic characteristics of the members forming the groups. This information was an important input in addressing the objective of determining the characteristics of SHGs. In cases where the respondent could not read and write, the researcher guided them in reading and recording the answers.

### 3.5.3 Focus group discussion

Whenever possible the researcher conducted focus group discussion with the group members. Groups of five to ten were formed informally for the discussion. In such discussions, respondents freely expressed their views and opinions regarding their membership in the groups. This was considered effective method of collecting data pertaining socio-economic benefits of the groups to members. Due to inherent limitations, one could not be able to list benefits he/she was getting from becoming a SHG member especially the indirect ones. In addressing this objective, the researcher led the discussion in a manner that allowed respondents to ear out their views and opinions freely. Leading questions that could make respondents giving inappropriate replies were avoided.

### 3.6 Data analysis techniques

Data collected were analyzed both quantitatively and qualitatively. Use of mathematical variables like ratios and percentages were used. Also mathematical figures like histograms, graphs and pie charts were used to help analyzing quantitative data. Reasoning and elucidation of relationship between variables in
addition helped analyzing the qualitative data. Further a computer package i.e. Statistical Package for Social Scientists (SPSS) was applied in the analysis.

4 FINDINGS AND DISCUSSION

This chapter presents findings and analysis of data collected from the field. Using tools and methods outlined in methodology chapter, the researcher collected data concerning SHGs and their social functionality. The chapter makes presentation and analysis of the data obtained and generated valuable information that was used in drawing conclusions and making recommendations in the next chapter.

4.1 Nature and characteristics of SHGs in Shinyanga

In Shinyanga, Self Help Groups were common institutions of the people and were mostly formed by people who belonged to the same geographical location and who shared common social, economical and other life conditions. Majority of these groups were purely informal as they operated unregistered and it was just the mutual trust among the members that brought reliance and regulated the conduct of the groups. Among the 11 groups in Samuye and Kizumbi wards, only two groups (equivalent to 18%) were registered while the other 9 were purely informal with no registration. However all the 11 groups had a simple constitution that guided the daily group’s operations. Although the groups had by laws and constitutions, trust was the most important instrument that made members and leaders accountable and enhanced more commitment to the group’s activities among the members.

4.2 Inspiration for joining SHGs

Group formation was purely voluntary as members joined freely and were also free to quit membership provided they abided to the conditions of leaving. Sensitization and encouragement to join these groups were normally informal and were done by the members themselves, friends, neighbours, spouses and in some cases government leaders at village and ward level. The following table presents information about the inspiration of the members to join SHGs.
Table 4.1: Distribution of the inspiration sources for members to join SHGs

<table>
<thead>
<tr>
<th>Inspiration source</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spouse</td>
<td>3</td>
<td>3.3</td>
</tr>
<tr>
<td>Relative</td>
<td>1</td>
<td>1.1</td>
</tr>
<tr>
<td>Friend</td>
<td>43</td>
<td>47.3</td>
</tr>
<tr>
<td>Neighbour</td>
<td>18</td>
<td>19.8</td>
</tr>
<tr>
<td>Government leader</td>
<td>24</td>
<td>26.4</td>
</tr>
<tr>
<td>Self initiative</td>
<td>2</td>
<td>2.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>91</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Field survey, 2012

From the above frequency table, 43 respondents showed that they obtained information and were mobilized to join SHG by their friends. This equals to 47.3% of the total respondents. The number is followed by those who were mobilized by the government leaders who include village and ward leaders which equals to 26.4%. Further, 18 respondents which is equivalent to 19.8%, obtained group information and were mobilized by their neighbours. It was apparent that the neighbours in one way or another were also part of friends. However, only 1.1%, 2.2% and 3.3% were mobilized by relatives, oneself and spouses respectively. In this regard sensitization and mobilization activities worked to a great extent using friends and neighbours and the local government leaders.

This signifies that, the sensitization and mobilization process were purely informal, and mostly the groups were formed by people of the same locality and who were likely to be known to each other in terms of social behavior and economic status. As it has been reported by (Sinha et al., 2006), friendship among the members was a significant character of these groups and was likely to be what enforced trust among them. When friendship and trust prevail in a group, commitment and accountability is enhanced and therefore sustainability is much ensured compared to those groups formed by people from varying localities, backgrounds and who are not familiar to each other.

However, the table also shows that there were groups that were formed due to the mobilization by the government leaders. They are 24 in number, equivalent to 26.4.
Studies of SHGs like those of Lokesh et al., (2009); and Satish, (2000) emphasize that SHGs are voluntary associations formed out of the freewill of the members themselves. However, findings from this study reveal that, there members joining SHGs that were formed out of the pressure from the government leaders. In this case, the members might have joined the groups in fear of the government authority. This imply involuntary formation. Involuntary formation is an obvious case when people are mobilized from the external forces and the joining motivation is not from within the members themselves. The implication here is that, the groups’ sustainability is impaired as there is likely to have little commitment by the members to their institutions (groups).

4.3 Composition of SHGs in Shinyanga

4.3.1 Social composition

The groups were greatly mixed in terms of age and sex specificity. There was only one group (equivalent to 9%) which belonged to only youth while two (equivalent to 18%) belonged to only women. The remaining eight were mixed groups in terms of age and sex which is equivalent to 72.7%. There was no group belonging to only men. The distribution of age and sex specificity among the group is presented in the following figure:

**Figure 1: Sex specification of Self Help Groups**

![Sex specification of Self Help Groups](image)

*Source:* Field Survey, 2012
The SHGs specificity in terms of age and sex in Shinyanga showed that the majority of the groups were vastly mixed. Studies on SHGs in different countries like India, for example by Kumar, 2011; and Sitaram 2007; showed that SHGs are mostly formed by women. Shinyanga region presented a different case where, majority (72.7%) was mixed groups with those of only women constituting only 18%. This implies that SHGs in Shinyanga allowed great sharing of knowledge, skills and experience from people of different competences, sex and ages. Although being specific to a distinct section of the community like women or youth has an advantage of common bond, interest and common goals and objectives, having mixed groups enhance a more sharing of skills, knowledge, information and experience which in turn enhances togetherness in addressing socio issues facing a particular community.

4.3.2 Age composition

The distribution of age among the members varied greatly from those below 18 years to those above 50 years of age. The age distribution among the members of the groups is as shown on the following table:

**Table 4.2: Distribution of ages among the members of SHGs**

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 18</td>
<td>4</td>
<td>4.4</td>
</tr>
<tr>
<td>19-30</td>
<td>23</td>
<td>25.3</td>
</tr>
<tr>
<td>31-45</td>
<td>26</td>
<td>28.6</td>
</tr>
<tr>
<td>46-50</td>
<td>14</td>
<td>15.4</td>
</tr>
<tr>
<td>Greater than 50</td>
<td>24</td>
<td>26.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>91</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Field survey, 2012

From the table, majority of the members (26) equivalent to 28.6% belonged to the age of between 31 to 45 years. This was followed by those who were above 50 years of age (26.4%) while those who were below 18 years of age were very few (only 4) equivalent to 4.4%. However the variations between their ages were minimal. Most of the members generally belonged to the age of between 19 and above.
Although SHGs in Shinyanga presented a mixed scenario in terms of age and sex, majority of the members belonged to the age which is generally considered as mature age in Tanzania (i.e 18 years and above). The findings revealed that, the majority were in between 31 to 45 years of age in which in Tanzania, this is considered an economic active (working) segment of the population. However, members of SHGs with the age above 50 years also presented a significant number (i.e 24 equivalents to 26.4%). This is generally considered as old aged section of the population. In this population segment, some might still being involving themselves in some income generating activities while others might be too old to perform such activities. For those who are unable to engage themselves in some economic activities, they join SHGs for socialization, moral support during changing circumstances in life and for security purposes in unforeseen events. This is in support to what has been reported by Tilakaratna 1996; and Bouman 1992 where they argue that in addition to economic functions, SHGs perform other functions of security, insurance, socialization and collective decision making.

**4.3.3 Economic composition**

These groups were to large extent formed by people with indigenous economic activities that range from subsistence farming, livestock keeping and petty businesses. Mostly the groups were formed by those people performing similar economic activities. With such economic activities, the members of these groups were perhaps considered low and moderate income earners. This in turn indicates that, the groups were normally formed by poor people as it had been shown by many authors like Satish (2000) and Sinhaet.al, (2006).

The common economic activities performed by the members of these groups are presented here under:
Table 4.3: Distribution of economic activities among the members of SHGs

<table>
<thead>
<tr>
<th>Economic activity</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farming</td>
<td>39</td>
<td>42.9</td>
</tr>
<tr>
<td>Livestock keeping</td>
<td>27</td>
<td>29.7</td>
</tr>
<tr>
<td>Petty business</td>
<td>18</td>
<td>19.7</td>
</tr>
<tr>
<td>Other economic activities</td>
<td>7</td>
<td>7.7</td>
</tr>
<tr>
<td>Total</td>
<td>91</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2012

From the table above, 39 respondents reported to have been engaged in farming which was equivalent to 42.9% of the total respondents. This was followed by those who keep livestock who were 27 in number which was equivalent to 29.7%, then 18 people who practiced petty business whose number was equivalent to 19.7%. 7 people equivalent to 7.7% engaged in other economic activities other than farming, livestock keeping and petty business. Among those belonged to other economic activities, some were employed in formal sector while others did not perform any significant economic activity due to old age and different disabilities and they depended on donations and grants.

4.4 Motives of people in joining Self help Groups

From questionnaire and focus group discussions members were investigated on their motive of joining their groups. The following table revel the responses given by the members about what motivated them to join SHGs. Almost every respondent had presented multiple motivation factors. The distribution of the motivation factors was as follows:

Table 4.4: Distribution of motivation factors for members to join SHGs

<table>
<thead>
<tr>
<th>Motivation</th>
<th>Respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit facility</td>
<td>44</td>
<td>32.4%</td>
</tr>
<tr>
<td>Saving</td>
<td>24</td>
<td>17.6%</td>
</tr>
<tr>
<td>Social support</td>
<td>38</td>
<td>27.9%</td>
</tr>
<tr>
<td>Technical support</td>
<td>30</td>
<td>22.1%</td>
</tr>
<tr>
<td>Total</td>
<td>136</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Field survey, 2012
People joined the SHGs for different purposes and motives. Credit facility had been the leading motivation factor where out of the 77 cases (respondents who replied the question), 44 people equivalent to 32.4% were motivated by credit. This was followed by social support motive with a total of 38 responses which was equivalent to 27.9%. The other motives were technical support which had 30 responses equivalent to 22.1% and the least motivating factor was saving with a total of 24 equivalents to 17.6%. In this regard financial service particularly credits appeared to be a common problem to many of the members of SHGs. As it was postulated by different writers of SHGs like Lihelea and Uronu, (2004); Soyibo, (1996a); Temu, (1994); Schreiner, 2001 and Malunde and Sanga, (2005) SHGs have made substantial contributions to solving credit problems to their members. The groups were therefore considered as important Institutions that can serve for financial need of the people who due to their economic and social situations were naturally excluded by the other formal and semi – formal financial institutions.

Most of formal financial institutions are reluctant of giving financial services to those people performing indigenous economic activities like subsistence farming and livestock keeping and petty business which are common economic activities among the members of SHGs. It was therefore rational to community members to join the groups for motive of securing credit to be used in their economic and social needs. This revealed different observation from those shown by Schreiner, (2001); and Lokesh and Chandrashekar, (2009) whereby saving was considered among the major reason for people joining informal institutions like SHGs.

Social support especially during times of life difficulties was also a critical factor that made people join in groups that they can help each other. In this regard, the groups were considered as ‘shock – absorber’ instruments where, members offered reciprocal and mutual help to each other when one was in need. Members were motivated by group social protection facility which was of importance to them especially when they found changed circumstances difficult to cope with like acute need of financial help, natural misfortunes such as death and long illness and even traditional segregation and discriminations. This was in support to what had been
disclosed by Stewart (1990) where he argued that people join SHGs to get a forum of sharing experiences and offering practical and emotional support in a reciprocal and mutually beneficial manner. Due to inability of accessing formal education and technical training, people joined SHGs to acquire technical skills that will enable them performing their daily economic and domestic activities. As it had been reported by Koch, (2011); Kumar, (2011); and Karmakar, (1999), that education is among the benefits of SHGs to their members, this study revealed that, those people especially the youth who were misfortune to acquire education and training from the formal training institutions run to SHGs so as to get technical and skills beneficial in helping them increasing efficiency in performing their daily activities.

17.6% of the population indicated that they were motivated by saving. This was shown as the least motivating factor. Although it could not be a need to people joining SHGs, little financial capabilities could be a responsible factor, where people were not capable of producing and earning incomes sufficient for consumption and saving. SHGs are among the member based institutions. As it is being shown by different literature like those of Karmakar, (1999); and Liheta, (1999), member – based institutions emphasize on saving before credit. However, this study showed that although members might be saving in their group, saving was not a significant motivating factor. The implication is that, members of SHGs save in some other forms like saving at home or saving in – kind form like assets, livestock and possibly others could be saving in other financial institutions. As saving was not a noteworthy motivating factor willingness to save in these institutions was obviously minimal. In this case, otherwise they get external financial support; the groups were likely to face financial constraints as the members were not willing to raise finance from their own.

4.5 Functions of SHGs in Shinyanga

The SHGs in Shinyanga were mostly economic groups with few which were non economic (social groups) while others were of both social and economic nature. The economic groups were primarily established for economic purposes while the non-
economic (social) groups were established for social assistance of the members. Those which were of both social and economic nature were designed to assist the members in both social and economic matters. The economic groups had products and services designed to increase and strengthen the production capacity of members so as to increase their individual and household income.

The social groups had products and services designed to combat the social problems commonly facing the members and the community at large. In essence, social groups were mostly designed to offer moral, financial and technical assistance to members during times of life difficulties. Some social groups also had services designed to assist the members in times of critical need of finance like during the marriage and other ceremonies, need for children school fees and the like. The social – economic designed groups had varying products and services that save the economic needs of people while in addition they give support to members when they face life difficulties like death, illness and natural disasters. The distribution of the groups in terms of their specialization is as follows.

**Table 4.5: Distribution of groups’ specialization**

<table>
<thead>
<tr>
<th>Group specialization</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>6</td>
<td>54.6</td>
</tr>
<tr>
<td>Non-economic (social)</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Both (socio-economic)</td>
<td>4</td>
<td>36.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

**Source:** Field survey, 2012

From the above table it is seen that, most of the self help groups were economic groups. This accounted to 6 groups out of 11 studied which was equivalent to 54.6%. It was followed by socio – economic groups which were 4 in number equivalent to 36.4% of the total groups studied. However, the remaining percentage which was 9% equivalent to one group was purely social group. This gives an implication that people do form SHGs or join the groups for economic motive than other motives. In addition to the economic purposes, social matters were also aspects the members of SHGs give a significant weight when designing products and services of their groups. The percentage of the groups that were purely social was almost negligible.
implying that members of SHGs aspire for economic benefits in joining the groups compared to social benefits. This concurs with what has been postulated in the (EC, 2000) report, that the activities and operations of the informal sector particularly SHGs were until recently confined to social matters while at current, these groups have added important economic roles to their members.

4.5.1 Social functionality of SHGs

In addition to economic products and services of SHGs to their members, social services were other significant services to the members. As shown in Table 4.7, 4 groups out of 11 studied which was equivalent to 36.4% were social-economic groups offering both social and economic services. In addition one group equivalent to 9% was purely social group. These social functions focused at improving the living situations of the members through improving household incomes and other services in form of assets and implements for supporting household activities. The following figure presents the distribution of economic and social products and services to members.

**Figure 2: Distribution of services SHGs offer to their members**

*Source: Field survey, 2012*
The figure above shows that the groups provided multiple services to their members. Following the number of responses at least every member got multiple services from the group. Credit facility was the leading with a total number of 52 equivalents to 57.8% followed by technical support, farming, ideas exchange, livestock keeping support, community and social support and the last was petty business support. All these were helpful to the members in both economic and social terms.

In addition to the credit facility used in economic and social uses, the groups have designed services of members perform individual works collectively on rotational basis. This was both of economic and social benefit as it facilitated skills sharing and quick accomplishment of the individual activities that could otherwise be hardly done individually.

4.6 Other social benefits of SHGs to members

4.6.1 Credit for domestic use and construction of modern houses

In addition to the economic and social functions of the SHGs to their members, there were services both directly and indirectly, that the groups offered to the members that contributed to improving individual’s and household living conditions of the members. Credit facilities, social and moral support by the groups were the leading social support to the members. Among the uses of credit by members was for supporting household activities including domestic use, building houses and supporting children’s school fees. The following table presents the distribution of credit uses among the members who have obtained credit from their groups.

**Table 4.2: Distribution of members of SHGs by credit use**

<table>
<thead>
<tr>
<th>Credit use</th>
<th>Respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Responses</td>
<td></td>
</tr>
<tr>
<td>Petty business</td>
<td>19</td>
<td>22.9%</td>
</tr>
<tr>
<td>Support farming activities</td>
<td>11</td>
<td>13.3%</td>
</tr>
<tr>
<td>Domestic use</td>
<td>16</td>
<td>19.3%</td>
</tr>
<tr>
<td>Purchase of livestock</td>
<td>9</td>
<td>10.8%</td>
</tr>
<tr>
<td>Building houses</td>
<td>8</td>
<td>9.6%</td>
</tr>
<tr>
<td>support children school fees</td>
<td>20</td>
<td>24.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>83</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

**Source:** Field survey, 2012
From the table, members of SHGs who obtained credit of different forms from their groups, most of them presented multiple use of the credit obtained. Out of 83 responses, 20 equivalents to 24.1% had been using the loans for supporting their children’s school fees. In this regard, children’s school fee was perceived to be among the major challenges facing members of SHGs. By joining SHGs therefore some members got access of money to pay for the fees. In addition, together with support to petty business, there were a considerable number of SHGs’ members who acquired credit for domestic use, such domestic use included buying household items like furniture, cooking utensil, cloths and food. From the table, 16 members who had obtained credit from their groups have been using for household consumptions. This was equivalent to 19.3%. Others were using the credit for building modern houses. 8 members equivalent to 9.6% had been building modern houses following the support from their groups.

Box 1: Entrepreneurship development

“What you see here is my vegetable garden and besides is my own house I am trying to build. I started my garden after joining Amani group. We were sensitized by the “principal” (not the principal but the campus coordinator) of MUCCoBS – Kizumbi Campus). We started the group, then we acquired entrepreneurship training from the college. Having understood the essence of entrepreneurship, I started my garden using a little cash I obtained as credit from my group. Using entrepreneurship skills I have obtained from my group I am able to sell the vegetables to get money to return the loan, for household use and now I have started building my house.” One member of Amani

Source: Field survey, 2012
Photo 1: Outcome of membership in SHG

Source: Field survey, 2012

A member of Amani group at Nhelegani Village – Kizumbi ward is able to build modern house using money he generates from his vegetable garden he established following technical and financial support from the group

Following constrained and multiple demands for money, some groups had designed a unique product where members were directly given houses’ construction facilities. As indicated in table 4.6, some members received credit in from of assets/implements. In addition to such assets as livestock and household items, cements and iron sheet were given to members in Imalamakoye group for house construction purposes. The group had a motto of “Modern house for every group member”. In this regard the group is therefore dedicated of improving the living standards of its members through improving their housing conditions.
Photo 2: Provision of construction implements to members of SHGs

Source: Field survey, 2012

Members of Imalamakoye group receiving bags of cement and iron sheets at a ceremony distributing dividends as group service to its members

Box 2: Improving living standards through SHGs

“Imalamakoye has been of good help to me. As the name of the group notify ‘malizamatatizo’ (means getting rid of problems). Today I am receiving bags of cement. Slowly I will be able to build a modern house like others and getting out of the slum I am used to.” A member of Imalamakoye group notified

Source: Field survey, 2012

4.6.2 Support during social hardships

As it was reported by Stewart, 1990; Self help support groups provided a setting in which people who shared similar experiences came together to offer practical and emotional support in a reciprocal and mutually beneficial manner. The groups had been used as shock absorbers when members experienced difficulties in life that were distressing and were difficult to cope with or combat as an individual or as a family. In addition some members facing such life transitions may want to make sense of what is happening to them by sharing with those who have been through something similar. Members of SHGs in Shinyanga and in particular Samuye and Kizumbi wards had also been assisted by their groups in such circumstances. The
following table presents distribution of members of SHGs who have been helped by their groups in different circumstances.

**Table 4.7: Distribution of circumstances in which SHGs assist their members**

<table>
<thead>
<tr>
<th>Circumstance of support</th>
<th>Responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistance in case of illness</td>
<td>47</td>
<td>23</td>
</tr>
<tr>
<td>Assistance in case of death</td>
<td>52</td>
<td>26</td>
</tr>
<tr>
<td>Assistance in marriage ceremonies</td>
<td>29</td>
<td>18</td>
</tr>
<tr>
<td>Assistance in other ceremonies</td>
<td>33</td>
<td>16</td>
</tr>
<tr>
<td>Assistance in children school fees</td>
<td>19</td>
<td>9</td>
</tr>
<tr>
<td>Assistance during disasters</td>
<td>16</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>196</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Field survey, 2012

As from table 4.7, 52 members equivalent to 24.0% of all responses, had received support during times of death of their partners and/or family members. This support was in terms of financial, moral support, courage and labour support. During these times the members gave a high level of cooperation to facilitate mutual assistance to the fellow member who faces the difficulties. In addition, 47 members equivalent to 75.8% of all responses, were assisted in long illness of themselves and/or members of their families. Other mutual help to each other among the SHGs members included assistance during times of marriages (29 members equivalent to 14.8%), Assistance in other ceremonies (14.8%), and assistance during natural disasters like famine, fire outbreak and the like (8.2%).

**4.7 Other in-kind benefits**

**4.7.1 Exchange of ideas**

From the table 4.10, 32 members equivalent to 35.5% of the cases showed that they acquired a benefit of exchanging ideas with the fellow community members. SHGs provided a forum in which members could exchange ideas, hence got exposed to new knowledge and experience in life. In addition to the knowledge and skills they
acquired from trainings in their groups, indigenous technical knowledge and skills about circumstances that were particular to a certain locality was essential. Such knowledge was shared among the people in informal organizations like SHGs. In addition, it was also through these Institutions where the elders (senior members in a community) advised and imparted different life skills to the juniors in the community.

4.7.2 Increased self confidence

SHGs had an in-kind benefit of gradual uplifting individual self confidence of the members. The groups were more frequently referred to as support groups where dialogue, self-disclosure and encouragement among group members were promoted. They offered an avenue where individual persons could express their view and the views been heard at the community and village level. Through interview and focus group discussion, 36 members who were interviewed and involved in FGD, all agreed that they have acquired more confidence after joining the groups than before. Such confidence was felt as they were capable of expressing what they have and feel before fellow members and even before other members of the community. Through the group leaders, members can give different suggestions and opinions to the community and village leaders of what they think should happen regarding some affairs of the community, sub – village and village level. Some groups could also advocated for some changes at even ward level.

4.7.3 Increased networking and socialization

SHGs provided a platform for members to know, socialize and get familiar to each other which were very important in creating networking among them. FGD conducted that involved 36 members, all agreed that they had been creating more networking through their institutions. Members admitted that, they have been linked with some governmental officials, NGOs, Institutions and even individual people. Such networking was at group and individual levels. This interaction helped them to articulate their problems and improved their self-confidence. Further, socialization amongst the members was helpful to them as at brought about a sense of community belonging.
"We'll move together, we'll live together in good times or bad" (said one member of Mshikamano group). While moving together, each member should feel a responsibility for every other member of society. Those who were unable to move must be carried so that the rhythm of the collective movement remains unbroken. Conversely there were those who used self help support groups as a route to change, for example: To take active steps in getting well again or learning to cope in a different way and to end a negative lifestyle or habit, to put the past behind and start living in a more positive way in a community.

4.7.4 Increased recognition and respect in community
Informal institutions like SHGs brought about recognition in a family and within the society at large. Through improved individual and household income, confidence and social networks, members have witnessed that after joining the SHG they had improved their status in family, become helpful in family finance and sometimes helped others too. Out of the members of the groups studied, all agreed that their status and recognition in the family and the community at large had improved after joining the groups.

5 SUMMARY, CONCLUSION AND RECOMMENDATIONS
5.1 Summary and Conclusion
SHGs are institutions that suit the life situations of many people who are generally poor and are vulnerable to different socio-economic difficulties that are common amongst themselves. They perform different functions for their members including support to individual economic activities in terms of financial assistance, imparting knowledge and technical skills; assist individual investments both in financial and human capital; help in asset creation thus improving the living standards of the members and create social networks and thus building social capital amongst the members. The groups have the power to create a socio revolution in a particular community, village and the country at large. When observing the whole findings, people have used their groups in trying to come out of their problems and traditional bound. Self help groups have paved the way to bring the rural people in
the main stream of social progress of the society. The SHG can contribute to changes in social status, decision making and improves members in outdoor activities.

5.2 Recommendations

- SHGs are the best designed institutions to save the majority who may otherwise be difficult to be accommodated by other formal institutions being financial or otherwise. It is thus recommended that the rural poor need to be encouraged to join Self Help Groups. In addition, formalizing Self Help Groups may create useful institutions where more vulnerable poor are mainstreamed to the socio – economic development efforts.

- With adequate capacity building and proper institutional linkages with the services delivery institutions and governmental and non – governmental organizations, the SHGs can play a very major role in making some of these services and programmes accessible to the rural poor. It is thus recommended to institutionalize these groups as a way of mobilizing the rural people. The development actors working with the grassroots communities need to strengthen and institutionalize these groups so that they become burly institutions to mainstream the marginalized in the development endeavours.

- In addition, the groups have also been building up the productive capacities of the individuals in terms of material and financial capital as well as building the human capital. This is a good point to start with when addressing socio – economic livelihood of the poor people. It is hence recommended to prioritize the improvement of living conditions and the welfare of vulnerable groups in society, starting by building on what they already possess in terms of material and human resources. This can become reality by developing an inclusive approach to economic planning to prevent the marginalization of any group, especially women and other vulnerable groups.

- The groups promote social harmony among the members of the particular community. As group members from different ethnic group realize they are
all aiming for the social and economic betterment of themselves and their families, they may be encouraged to overlook their differences. However, the informal nature of the groups fails to guarantee total gender and ethnic equality, because certain sub-groups may still be able to dominate minorities. While establishing SHGs it is recommended therefore to create favourable policy environment that is responsive to gender and other structural and social differences of the community.

Reference


[47] URT (1997). Demand for Rural / Microfinance Services in Tanzania, Kenya Rural Enterprise Programme (K-Rep) and Bank of Tanzania (BoT)