



**THE EFFECT OF INFORMAL ICHILIMBA FINANCE SOCIETIES ON THE
GROWTH OF MICROBUSINESSES IN LUSAKA, ZAMBIA**

By

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DECLARATION

I, Stella Zulu-Nwankwo, declare that this thesis ‘The effect of informal iChilimba finance societies on the growth of microbusinesses in Lusaka, Zambia’ for PhD in Management degree in the Department of Management and Entrepreneurship at the University of the Western Cape is my original work and it has not been previously submitted to any other institute of higher learning. Furthermore, I confirm that all the sources consulted and quoted in the execution of this thesis were indicated in the text and acknowledged through a comprehensive list of references”.

SZ Nwankwo

Stella Zulu-Nwankwo

Date: October, 2023

The logo of the University of the Western Cape, featuring a classical building facade with a pediment and columns.

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ABSTRACT

Women are often excluded from the formal financial sector such that they turn to informal finance such as Rotating and Savings Associations (ROSCA) and Accumulated Savings and Credit Associations (ASCA). This study adopts the qualitative research approach informed by the constructivist paradigm to investigate factors influencing the use of the iChilimba informal finance society by women microbusiness owners in Lusaka, Zambia. Primary data was collected using in-depth interviews with women entrepreneurs in Lusaka, and secondary data was collected from association documents. Data analysis used ATLAS.ti 9 to conduct thematic and cross-case analyses. The main study examines factors that influence women microbusinesses into using the iChilimba informal finance society. The main findings indicate that the less stringent iChilimba finance system conditions and its dependence on social networking referrals and Ubuntu cultural values reduced the default risk as participants knew each other. Furthermore, the informal social networks provided platforms for exchanging basic financial knowledge and financial literacy, thereby generating social capital based on shared values and information on business operations. Lastly, the flexible and less stringent iChilimba informal finance society requirements enhanced financial inclusion through sustainable microbusiness ventures. The study conclusions are that the iChilimba informal finance system empowered and uplifted the socio-economic status and living standards of women otherwise unobtainable within the formal finance institutions within a dominantly patriarchal society. The social networks underpinned by the Ubuntu philosophy created social capital that enabled women to actively participate and achieve sustainable socio-economic development, uplifting personal and family standards of living within an economy with high unemployment levels and gender inequalities. The study recommendations include the need for the national government and key stakeholders to develop policies that support the sustainable economic participation of women through training on financial literacy and legislation that empower women microbusinesses, strengthen training on business value chains and sustainable finance for women microbusinesses throughout Zambia. A conceptual framework was designed to guide iChilimba in the social and financial interventions by the government and key stakeholders.

Keywords: *Accumulated savings and Credit Associations (ASCAs), iChilimba Microbusiness, Microfinance, Rotating Savings and Credit Associations (ROSCAs), Society Network, Ubuntu, Women Entrepreneurs, Village Bank.*

DEDICATION

I dedicate this doctoral thesis to my parents, Anne Chintu Mumbi and Sebastian Saizi Zulu. You taught me that nothing was impossible. You both did impossible things in your lives and set high standards. We will forever emulate you.

I also dedicate this thesis to my husband, Chikezie and my children, Hopita, Ndatasha–Lesa and Takondwa. Thank you, for encouraging me to do this and for being my biggest cheerleaders.



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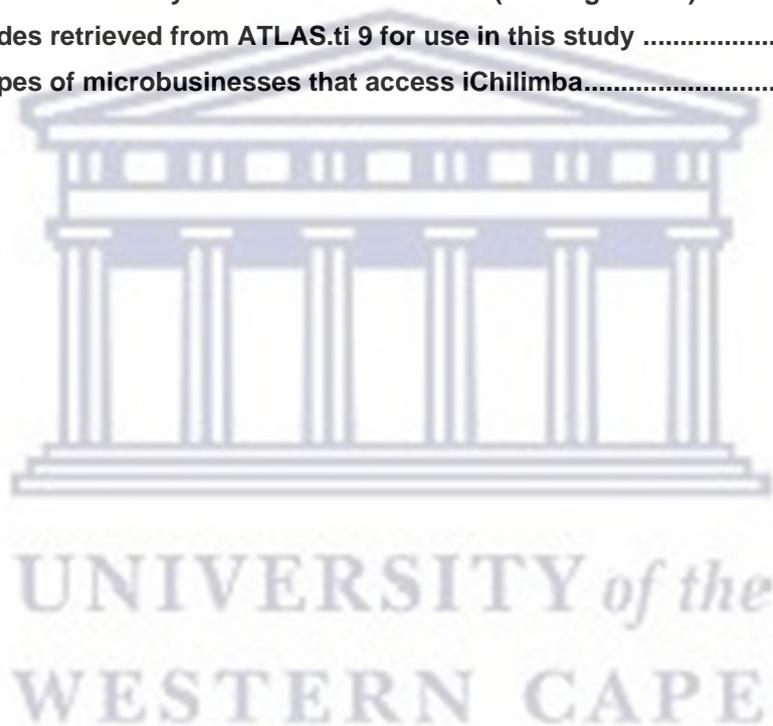
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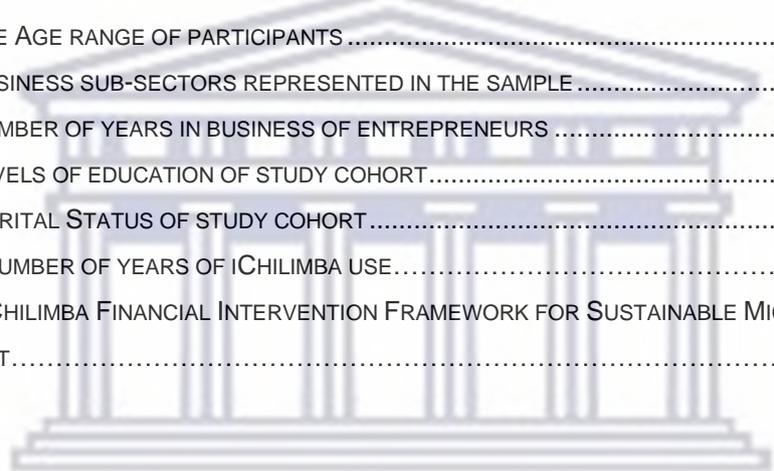
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CHAPTER ONE

INTRODUCTION AND BACKGROUND OF THE STUDY

1.1. *CHAPTER OVERVIEW*

This chapter presents the background to the study, problem statement, research aim and objectives, and the contribution to the body of knowledge. The synopsis of the structure of the dissertation, limitations and scope of the study are also outlined.

1.2. *INTRODUCTION AND BACKGROUND: MICRO, SMALL AND MEDIUM-SIZED (MSMEs) BUSINESSES*

The Zambian government considers MSMEs as having the ability to fuel economic growth because they are drivers of innovation, employment creation and the broadening of the tax base (National Assembly of Zambia, 2017). Therefore, the government has developed and enacted policies meant to support MSMEs as engines for entrepreneurship development in Zambia (MCTI, 2008). In 2006, the Zambia Development Agency (ZDA) Act was created, followed by the MSME Policy of 2009, which was enacted to create a national vision for the deliberate development of the MSME sector. The goal is to create a vibrant, dynamic sector that contributes 20% of the Gross Domestic Product (GDP) and reduce the unemployment rate to 10% by the year 2030 (MCTI, 2008; Mandawa, Sanghavi, & De Mattos, 2014). MSMEs play an important role in production, employment, and income generation, for the reason that they are labour-intensive entities, boost employment, and alleviate poverty while at the same time increasing production and enhancing competition (World Bank, 2001). They also contribute towards the expansion of the manufacturing sector, foster competitiveness and help in achieving a more equitable distribution of the benefits of economic growth (MCTI, 2008).

MSMEs fall into two categories: formal and informal. Formal MSMEs are registered, tax compliant and legally required to keep auditable financial records. The Small Enterprises Development Act (1996) classifies formal enterprises as depicted in Table 2.3. Informal refers

to unregistered MSMEs which are not held to the same standards as the registered ones. They have been described as enterprises not registered with the Registrar of Companies, with a total value of investments of up to ZMK50 million (rebased value of ZWK50, 000; equal to US\$2,344.60/ZAR44, 519.85) and less than 10 employees (MCTI, 2008). These MSMEs are allowed to practise because there is no law compelling them to register (Matfobhi & Ruffing, 2002).

Table 1.1: Official Definition of MSMEs

Enterprise	Description
Micro Enterprise	Any business enterprise with a total investment not over ZWK10,000 (US\$468.92/ZAR8,902.32), an annual turnover of less than ZWK20,000 (US\$937.84/ZAR17,802.34), and employs less than ten people (excluding land and buildings).
Small Enterprise	In the case of manufacturing and processing enterprises, ZWK50,000 (US\$2,344.60 873.56/ZAR44,519.85) in plant and machinery; and in the case of trading and service-providing enterprises, ZWK10,000 (US\$468.92/ZAR8,902.32). Whose annual turnover does not exceed ZWK80,000 (US\$3,751.36/ZAR71,221.92) and employs up to thirty people.
Medium Sized Enterprise	Although, the current Act does not provide a definition. Prior definitions stated that enterprises should have a total investment not exceeding ZWK500,000 (US\$23,446/ZAR445,198.50) and a turnover of less than ZWK800,000 (US\$37,513.60/ZAR712,219.20)

Source: (Government of Zambia, 1996)

Business activities by MSMEs largely comprise of trade, simple manufacturing, and service provision. The trading sector is concentrated in consumable products, industrial products, and agricultural inputs and produce. Manufactured products include textile, wood, light engineering and metal fabrication, food processing, leather, handicrafts and ceramics. The service sector includes restaurants, hair salons and barbershops, passenger and goods transport, simple building construction, telecommunication services, business centre services and cleaning

services (MCTI, 2008). MSMEs represent 97 per cent of all businesses and provide 88 per cent of employment (Ministry of Commerce, 2019). Forty-seven per cent of the employed are women (MCTI, 2008).

However, even though the government has recognised the vital role of entrepreneurs and MSMEs in the economy, there are still many challenges. The most critical have been identified as follows: limited access to markets, limited access to appropriate technology, machinery and equipment, limited access to suitable business financing solutions, and inadequate business infrastructure such as roads and telecommunication facilities. Other constraints encountered by MSMEs are limited technical and management skills, inadequate and unsuitable operating premises that can facilitate enterprise growth, inadequate regulatory systems and excessive competition from unregulated importation of cheap products (MCTI, 2008). Globally, micro, small and medium-sized (MSMEs) businesses face constraints in accessing finance from formal financial institutions (Schmidt, Mason, Bruwer, & Aspelung, 2017). In Zambia, the majority of MSMEs largely remain underserved by the formal financial services sector; this particularly applies to women-owned microbusinesses (PEPZ, 2020). Formal finance institutions are reluctant to lend to MSMEs because, according to the banks, they lack adequate financial records that formal institutions demand to assess their credit worthiness, a lack of collateral from potential borrowers and a higher cost of administering small loans (Kedir, Disney, & Dasgupta, 2011; Matfobhi & Ruffing, 2002; Mbizi & Gwangwava, 2013; Muriithi, 2017; Yunus, 1998).

1.3. *THE MICROFINANCE SECTOR*

Microfinance is more than banking, it is a development tool through the provision of small loans and collateral secure savings products, that serve as a catalyst for economic development by uplifting people out of poverty and improving their standard of living (Ledgerwood, 1999). While, Robinson (2001) refers to microfinance as small-scale financial services - primarily credit and savings - provided to people who farm, fish or herd; who operate small enterprises or microenterprises where goods are produced, recycled, repaired, or sold; who provide services; who work for wages or commissions; who gain income from renting out small amounts of land, vehicles, draft animals, or machinery and tools; and to other individuals and groups at the local levels of developing countries. Armendariz & Morduch (2010) state that the development of microfinance is the recognition that households can benefit from access to financial services more broadly defined (at first, the focus was mainly on savings) and not just credit for microenterprises. They further highlight that the terminology changed

the orientation toward “less poor” households and the establishment of commercially oriented, fully regulated financial entities. Seibel (2005) defines microfinance as a synonym for financial intermediation between micro savers and micro borrowers or micro investors within the financial sector. This comprises formal and informal financial institutions, small and large, that provide small-size financial services to the poorer sections of the population as well as larger-size financial services to agro-processing and other small and medium rural enterprises. Seibel (2005) further states that the term covers a wide array of Microfinance Institutions (MFIs), ranging from indigenous Rotating Savings and Credit Associations (ROSCAs) and financial cooperatives to rural banks and agricultural development banks.

The definitions portray microfinance as a developmental tool that provides small financial services that are crucial to the operations of MSMEs and small farms; these services can be formal or informal and encompass both saving and borrowing within groups. Seibel (2005) states that microfinance falls into two categories – formal and informal. Formal microfinance is the institutional provision of finance, frequently with the goal of serving clients that have been excluded from the formal banking sector. This is often for the purposes of financing self-employment activities and usually without collateral (Morduch, 1999). Some formal microfinance institutions are altruistic in nature as apart from providing credit to sustain their small businesses; they create social capital that raises customers’ living standards to empower them to save for the future and sustainable livelihoods (Armendáriz & Morduch, 2010).

1.3.1. ROTATING SAVINGS AND CREDIT ASSOCIATIONS (ROSCAs)

The ROSCA is one of the most ubiquitous ‘informal’ institutions (Bouman, 1977; Callier, 1989). They operate outside the formal finance institutions; mobilizing, allocating resources and providing an alternative financial vehicle for savings and credit. ROSCAs are ‘an association formed upon a core of participants who agree to make regular contributions to a fund which is given in whole or in part, to each contributor in rotation’ (Ardener, 1964, p. 201). They are informal financial institutions (Seibel, 2005) that provide small-size financial services to the poorer sections of the population as well as larger-size commercial entities. Table 1.1 is a presentation of the review of contemporary literature on ROSCA globally. The Table summarises the evolution and length of the existence of the ROSCAs around the world.

Table 1.2: The history and usage of the ROSCA around the world

HISTORY & USAGE OF ROSCAs	LITERATURE
Have existed for hundreds of years	Geertz, 1962; Ardener, 1964; Bouman, 1977; Dekle & Hamada, 1999
Work as a means for people to pool meagre resources to increase their access to a bigger collection of resources.	Geertz, 1962; Ardener, 2010; Ardener 2014; Bouman, 1977; Besley, 1995; Besley, Coate, & Loury, 1994
Work as a provider of informal savings and credit mechanisms.	Bouman, 1995; Aliber, 2001; Mrak, 1989; Sishumba & Mulonda, 2019
Provides a means of fiscal discipline.	O'Reilly, 1996; Aliber, 2001; Melzer, 2007
Strengthens solidarity within relationships.	Ardener, 1964; Ardener, 2014; Peterlechner, 2009; Sishumba & Mulonda, 2019
Provides a social net and mutual support in days of need, such as paying for funerals, weddings and school fees.	Bouman, 1977; Verhoef, 2001; Kedir, Disney, & Dasgupta, 2011
Usage has been attributed to mostly rural dwellers and poor people or rural dwellers.	Mrak, 1989; O'Reilly, 1996; Melzer, 2007; Laufer, Pietosi, & Rippey, 2019; Sishumba & Mulonda, 2019
Is useful to those who do not have access to formal banking facilities due to location or other reasons.	Anderson & Baland, 2000; Mrak, 1989; Dovi, 2008; Laufer, Pietosi, & Rippey, 2019
Is useful to those intimidated by the formal banking sector.	Mrak, 1989; Besley, Coate, & Loury, 1994; Laufer, Pietosi, & Rippey, 2019
Is useful where account requirements are too arduous, such as high minimum deposits, high balance requirements and proof of identification and/or residence.	Bouman, 1977; Dovi, 2008; Melzer, 2007; Bank of Zambia, 2015; UNCTAD, 2007
Is useful where the provision of banking facilities is perceived to be too costly to access.	Bank of Zambia, 2015; Dovi, 2008; Peterlechner, 2009; Ledgerwood, 2016; Laufer, Pietosi, & Rippey, 2019.
There is substantial evidence that the ROSCAs exist in many societies in Africa.	Ardener, 1964; Ardener 2010; Ardener 2014; Verhoef, 2001

Source: Researcher's construct

ROSCAs' are sometimes described as indigenous savings clubs, and they are among the oldest and most ubiquitous savings institutions in the world, playing a vital role in mobilizing savings in many developing economies (Ardener, 1964; Dekle & Hamada, 1999; Geertz, 1962; Gugerty, 2007). They are called Hui in China, Ko in Japan, Ho in Vietnam, Chiities in India, Isusu and Esusu in Nigeria, Keta in Ghana, Iqqub (Ekub) in Ethiopia, Stokvel in South Africa (Ardener, 1964; Bouman, 1977; Geertz, 1962). ROSCA operations are prescribed by contracts or agreements conducted outside the control of state authorities to exchange cash in the present for promises of cash in the future (Callier, 1989; Schreiner, 2001). Robinson (2001) argues that while formal sector microfinance institutions tend to be economically efficient, in contrast to informal finance, the latter serve multiple sectors, financing households

and enterprises in a wide range of income levels and geographic areas. The operations of informal microfinance institutions are characterised by personal relationships, individual operators, ease of access, simple procedures, rapid transactions, and flexible loan terms and amounts, making them ubiquitous. In Zambia, ROSCA is referred to as the iChilimba or Chilimba (Bank of Zambia, 2015). Female microbusiness owners have consequently resorted to alternate financial sources such as personal savings, friends and family, informal financial schemes, including ROSCAs and *stokvels* for finance (Mbizi & Gwangwava , 2013; Muriithi, 2017).

1.3.2. THE ICHILIMBA FINANCE SOCIETY

One of the more popular ROSCAs among female microbusiness owners in Zambia is the iChilimba (Mukulu & Qutieshat, 2021; Sishumba & Mulonda, 2019). The iChilimba is a rotating savings and credit association (ROSCA) comprising groups of participants who make regular contributions to a fund, which is given, in whole or in part, to each member in turn (Ardener, 1964). Members consider this a form of enforced savings that allows them to save up for big capital items (Phiri, 2018). Although the appeal of the iChilimba is the lumpsum of money given to each member periodically (Bank of Zambia, 2015; Mukulu & Qutieshat, 2021). It also provides women entrepreneurs access to finance that they have more significant input and control over within a network of people with similar values whom they trust (Sishumba & Mulonda, 2019). Ardener (1964) describes the iChilimba as a basic institution which, in its most simple form, comprises two wage - earners who agree to give part of their monthly wages to each other in turn. One person may make several such bilateral agreements, sometimes with two other people, so that a group has three members. Occasionally, 'doubling' takes place; a group member may return twice the amount of money given to him in order to improve his credit position.

The size of iChilimba range from groups of between three to five adults who meet once a period, in most cases once a month, to put their saving together and give the total savings to one member of the group in one rotation and regroup in the next period to give another member and so forth until everyone in the group has had an opportunity to receive the savings from the group (Sishumba & Mulonda, (2019). They further state that iChilimba is informal, non-regulated, easy to set up, and operated based on members' trust and moral uprightness. Similarly, Mukulu & Qutieshat (2021) describe the iChilimba as a growing Informal Saving Mechanism (ISM) in Zambia, where members agree to contribute a uniform or fixed amount of money collected on either a weekly or monthly basis and given to one member. They

highlight that the practice is common among urban people with constant weekly or monthly income but has gained popularity among middle-class, white-collar employees in the private and public sectors. The Bank of Zambia (2015) interprets the word 'iChilimba' to mean strengthening of the saving association among the group of individuals who come together to regularly pool an agreed upon amount of money, which is then paid out to members in turn. Every contribution at every sitting is given to one member, and this is done until all members have gotten a turn. The members agree on the amounts to be paid in advance and the date or period before the next deposit. The iChilimba has become a fast-growing informal saving mechanism based on trust, even amongst white-collar workers and the middle class. The study explores the significance of iChilimba finance societies as a source of capital for women entrepreneurs who have limited sources of funding in Zambia (Mwale & Phiri, 2022).

1.4. *PROBLEM STATEMENT*

One of the largest operational constraints for women-owned businesses is the lack of access to financial capital (Mandawa, 2016; Mwale & Phiri, 2022; The World Bank, 2021). Women entrepreneurs face difficulties accessing the finance they need to operate and grow from formal financial institutions. Mandawa, Sanghavi & De Matto (2014) highlight collateral requirements and high-interest rates as additional deterrents to accessing formal credit by women entrepreneurs and cumbersome procedures and application processes (Mandawa, 2016). However, women often need support for applications from male relatives for start-up loans are often given in the name of a husband or father. At the same time, securities or collateral offered by women to prospective lenders on their own are not accepted without a male guarantor (Mandawa, Sanghavi, & De Mattos, 2014; PEPZ, 2020). In instances where women are granted a loan, the terms are quite restrictive and less flexible compared to terms offered to men.

Women often engage in informal financial societies such as the iChilimba and the Village Bank to combine their resources with other likeminded and equally financially constrained entrepreneurs to overcome constraints in accessing financial capital. The main motivation behind the formation of informal financial societies by women is to access finance for projects to alleviate poverty and self-empowerment (Ledgerwood, Women and financial services, 2016; Sishumba & Mulonda, 2019; Mukulu & Qutieshat, 2021). Another reason women entrepreneurs use informal finance is a distaste for unfavourable terms from the formal financial sector, such as commercial banks or microfinance institutions (Mwale & Phiri, 2022). There is limited empirical research evidence on women-owned businesses about the subject

in developing countries (Corrêa, de Lima, da Silva Brito, Machado, & Nassif, 2022; Mandawa, 2016).

Zambian women entrepreneurs face challenges accessing start-up and operational financial capital (Mandawa, 2016; Mwale & Phiri, 2022; The World Bank, 2021). The research into Zambian women entrepreneurs and Zambian women-owned enterprises remains scarce (Mandawa, 2016; Mwale & Phiri, 2022). This study examines the significance of the iChilimba finance societies on microbusinesses in Lusaka, Zambia.

1.4.1. AIM OF THE STUDY

The study examines the effect of the iChilimba finance societies on the growth of microbusinesses in Lusaka, Zambia.

1.4.2. RESEARCH OBJECTIVES

The following study research objectives were formulated:

RO1: To examine the significance of the iChilimba in women-owned microbusinesses.

RO2: To evaluate the factors influencing the demand for iChilimba financial services.

RO3: To assess the nature and type of microbusinesses that access iChilimba financial services.

RO4: To evaluate the significance of the iChilimba finance services in women entrepreneurship in Zambia.

RO5: To develop the iChilimba Financial Intervention Framework for sustainable microbusiness development.

1.4.3. RESEARCH QUESTIONS

What is the effect of the iChilimba financial services on the growth of microbusinesses in Lusaka, Zambia?

1.4.4. RESEARCH SUB-QUESTIONS

RQ1: What is the significance of iChilimba financial services in women-owned microbusiness operations?

RQ2: What factors influence the demand for iChilimba financial services?

RQ3: What type and nature of microbusiness access iChilimba financial services?

RQ4: What is the significance of iChilimba financial services in women's entrepreneurship?

RQ5: What is the ideal iChilimba model for the sustainable growth of microbusinesses?

1.5. CONTRIBUTION OF THE STUDY

The research contributes to the body of knowledge on alternative sources of finance and working capital by women entrepreneurs and how the mechanisms enhance the contribution of women-owned businesses to the development and upliftment of their families and communities in developing countries (Mandawa, Sanghavi, & De Mattos, 2014). The findings will enhance understanding of factors that impact the growth of women microbusinesses which contribute 20% of the manufacturing sector, 19% of accommodation and food services and 16% of education services in Zambia (The World Bank, 2021). The primary findings on alternative sources of finance and working capital will contribute towards developing sustainable funding mechanisms for women-owned microbusinesses that are underserved by the formal financial services sector (Mwale & Phiri, 2022; PEPZ, 2020). Understanding the key success factors of alternative sources of finance for microbusinesses will mitigate the impact due to the reluctance to lend to women-owned enterprises that arises from a lack of adequate financial records, credit worthiness, a lack of collateral from potential borrowers and a higher cost of administering small loans by formal institutions (Kedir, Disney, & Dasgupta, 2011; Mbizi & Gwangwava, 2013; Muriithi, 2017). Women entrepreneurs have resorted to using alternate financial sources such as personal savings, friends and family, as well as informal financial schemes including the iChilimba for finance (Mbizi & Gwangwava, 2013; Muriithi, 2017). This study examined the significance of the intervention provided by the iChilimba and its role in women-owned enterprises. Thereafter, the iChilimba Financial Intervention Framework was developed.

1.6. THEORETICAL FRAMEWORK

The theoretical framework underpinning this study draws on the following theories:

Social Network Theory which explains how information and relationships develop in an atmosphere of active social groups in self-regulated communities (Hammond & Glenn, 2004). The Social Capital model which evaluates the benefits of networks of associations, activities, or relations that bind people together as a community through certain norms and psychological abilities, notably trust, which are essential for future collective action (Farr, 2004; Woolcock & Narayan, 2000). The Ubuntu philosophy of humanity underpinned by interdependence and mutual care (Khomba & Kangaude-Ulaya, 2013), trust and reciprocity (Grootaert & van Bastelaer, 2002), reciprocity, suppression of self-interest, and mutual dependence (Mangaliso, 2001) and its influence on sustaining the iChilimba financial services model.

The Social Network Theory postulates how information and relationships develop in an atmosphere of active social groups in self-regulated communities (Hammond & Glenn, 2004) and the propositions are examined within the context of the iChilimba informal finance model. The Ubuntu philosophy was used as theoretical lenses that inform the understanding of its influence within the social-cultural context of mutual care, interdependence, trust and collective action (Grootaert & van Bastelaer, 2002; Mangaliso, 2001). The cumulative effects of social networks underpinned by Ubuntu were interrogated to understand their contributions to the creation of sustainable social and financial capital.

1.7. RESEARCH METHODOLOGY

1.7.1. RESEARCH PARADIGM

The study adopted the constructivist paradigm to uncover the multiple interpretations and several layers of the phenomena to create new, richer understandings and interpretations of the social world and contexts (Saunders and Lewis, 2019). The aim was to understand the significance of iChilimba finance services on the growth or otherwise of women-owned microbusinesses. The study used data collection methods that included interviews and questionnaires, secondary documents while content and thematic analysis was used to interpret findings.

1.7.2. RESEARCH DESIGN AND APPROACH

The study adopted the case study design to explore, understand and explain the phenomenon of iChilimba financial intervention within the natural setting within which women entrepreneurs operated in Lusaka. The adoption of qualitative data helps to explicate and clarify complexity within studies (Neergaard & Ulhoi, 2007). The qualitative approach, complemented by triangulation, contributes to understanding iChilimba usage by women entrepreneurs as part of their financial strategies. To comprehend the solutions provided, the study focused on understanding the background, experiences, and processes of iChilimba society by listening to the narratives of the respondents. Critical information enhanced the in-depth understanding and in-comprehension of informal finance and the benefits for women entrepreneurs.

1.7.3. RESEARCH STRATEGY

The study adopted a case study strategy to gain a deep understanding of stakeholder views of iChilimba finance and the factors that affect its use amongst women entrepreneurs. Detailed qualitative data was collected to inform the study research with in-depth insights and obtaining richer understanding of phenomena within the defined study context.

1.7.4. SAMPLING APPROACH

The study selected participants who were deemed to have the required knowledge and understanding of the critical issues of research interest (Mertens, 2015). Purposive sampling was used to select the diverse internal, external and special interest participants from the target population (Creswell & Creswell, 2018). Purposive sampling is a form of non-probability sampling that facilitates the selection of respondents that are able to provide valuable insights into the research questions (Patton, 2015). The reason for purposively selecting the participants was to obtain information from those best placed to answer the research objectives and questions.

1.7.5. DATA COLLECTION

The primary data collection instruments comprised in-depth interviews of the members of iChilimba finance societies as well as documents sourced from the study respondents.

1.7.6. DATA COLLECTION INSTRUMENT

The study used in-depth interview guides. The instruments were pilot tested and adjusted accordingly prior to conducting the main study. Due to the COVID-19 protocols that were in place during the study, interviews were conducted on a one-on-one basis using WhatsApp. Thereafter, documents were collected from willing study respondents.

1.7.7. DATA ANALYSIS

Content and thematic analysis were used to identify key themes that emerged from the data (Braun & Clarke, 2006). The researcher coded and interrogated the various meanings discerned from the responses (Saunders, Lewis, & Thornhill, 2016) on factors influencing the use of iChilimba informal finance by women entrepreneurs and microbusiness owners.

Respondents' answers were grouped according to common themes. The thematic analysis was conducted across and between the data from the interviews and questionnaires to provide interpretations of patterns that emerged from the data. Descriptive statistics were used to analyse and present biographic information such as age group, educational background, typology and type of enterprise. ATLAS.ti Computer-Assisted Qualitative Data Analysis Software (CAQDAS) was used to thematically analyse the collected data.

1.8. ETHICAL CONSIDERATIONS

The researcher obtained ethical clearance from the University of the Western Cape under Ethics Reference Number HS20/9/66 (Appendix A). The researcher obtained verbal informed consent from participants prior to conducting interviews (Masters, Why Consider Social Media or Online (Internet Mediated) Research?, 2021). The participants were informed that the study was for academic purposes, that there was no remuneration to participate, and that their names and information, which may identify them, would remain confidential and not appear in the report.

1.9. DEFINITIONS OF CONCEPTS

iChilimba (Rotating Savings and Credit Associations-ROSCAs): A ROSCA is a group of participants who make regular contributions to a fund which is given, in whole or in part, to each member in turn (Ardener, 1964; Sishumba & Mulonda, 2019). In Zambia, the ROSCA is called iChilimba (Mukulu & Qutieshat, 2021).

Microbusiness or micro-enterprise: The Small Enterprises Development Act of Zambia (1996) defines these entities as business enterprises with a total investment not over ZWK10,000 (US\$468.92/ZAR8,902.32); an annual turnover less than ZWK20,000 (US\$937.84/ZAR17,802.34) and employ less than ten people (excluding land and buildings).

Microfinance: That financial sub-sector which comprises formal and informal financial institutions, small and large, that provide small-size financial services to the poorer sections of the population as well as larger-size financial services such as agro-processing and other small and medium rural enterprises (Seibel, 2005).

Social Capital: Is defined as the network of associations, activities, or relations that bind people together as a community through certain norms and psychological abilities, notably trust, which are essential for future collective action (Farr, 2004). Social capital thrives in social networks based on trust and reciprocity.

Social Network: These are described as 'a set of nodes (e.g., persons, organisations) linked by a set of social relationships (e.g., friendship, transfer of funds) of a specific type; that provide entrepreneurs with the opportunity to create, use, and maintain social capital' (Neumeyer, Santos, Caeton, & Kalbfleisch, 2019).

Ubuntu: This is a Bantu people's philosophy that is centred around the notion of care and respect for people. It is defined as the trust and reciprocity that sustain social capital (Grootaert & van Bastelaer, 2002). The prevailing customs of Ubuntu are reciprocity, suppression of self-interest, and the benefit of mutual dependence (Mangaliso, 2001).

1.10. ORGANISATION OF THE STUDY

This thesis follows the structure recommended by Shambare (2019) and contain six chapters inclusive of the Literature Review written in two chapter a chapter each for Methodology, Data Analysis and Conclusions. Consequently, the thesis chapters are structured as follows:

Chapter 1: Introduction and Background

This chapter provides a general overview of the study in terms of introduction, motivation, rationale and contribution of the study. In addition, it presents the research problem, research questions and research objectives, methodology and framework.

Chapter 2: Literature Review: Importance of Women's Entrepreneurship to Development

This chapter reviews women's entrepreneurship in Zambia, their history, geography, and advancement. The profile of women entrepreneurs and their areas of entrepreneurial operation are discussed, followed by a discussion on Zambian national indicators and the constraints faced by women entrepreneurs, in particular, access to finance.

Chapter 3: Literature Review: Theoretical Framework

This chapter reviews and critiques theoretical frameworks, relevant literature, and empirical research evidence underpinning the study, research gap and conceptual framework for the study.

Chapter 4: Research Methodology

This chapter discusses the research methodology used; it presents the research methodology and rationale for the research design, the underpinning ontological and epistemological philosophies, the research approach, data collection methods, analysis, credibility, trustworthiness components, and ethical considerations.

Chapter 5: Analysis and Results

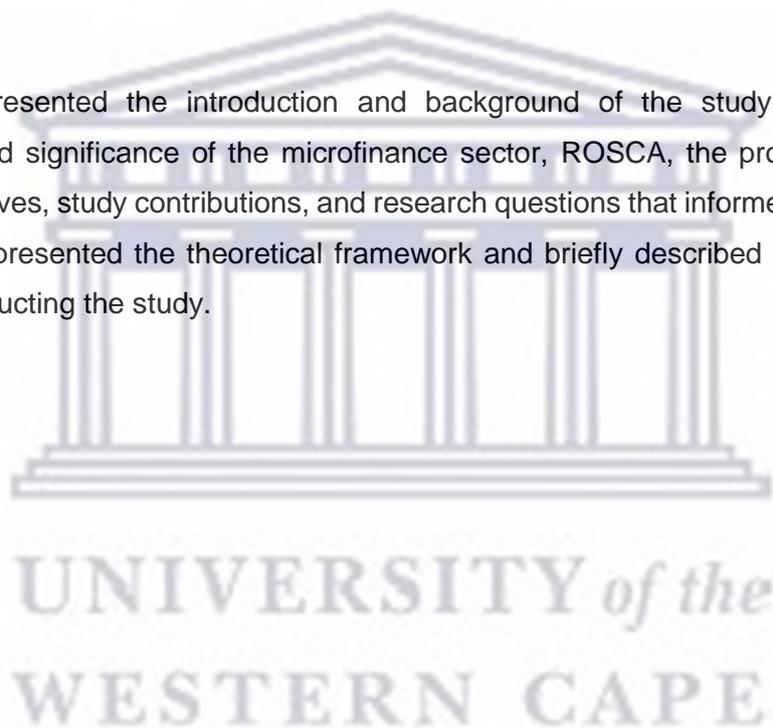
This chapter presents the research findings and discussions, interpretation, and discussion.

Chapter 6: Conclusions and Recommendations

Finally, the research ends with a discussion of the conclusions, recommendations and areas for future research.

1.11. SUMMARY

This chapter presented the introduction and background of the study. The nature of microfinance and significance of the microfinance sector, ROSCA, the problem statement, aims and objectives, study contributions, and research questions that informed the study. This chapter further presented the theoretical framework and briefly described the methodology followed in conducting the study.



CHAPTER TWO

THE ZAMBIAN CONTEXT AND WOMEN ENTREPRENEURSHIP

2.1 CHAPTER OVERVIEW

This chapter is presented under the following main headings: the entrepreneurial landscape, which covers legislation, pre- and post-independence entrepreneurship trends and liberalisation of the economy. The chapter also discusses the national economic indicators, which cover legislation and women, entrepreneurial motivation and orientation, adopts Chakuzira's C9 matrix to classify entrepreneurship ventures, and reviews evidence on the progression of women entrepreneurs in Zambia. The next section discusses constraints faced by women entrepreneurs in Zambia and concludes with suggestions on areas of further research.

2.2 THE ENTREPRENEURIAL LANDSCAPE IN ZAMBIA

The private sector is comprised of approximately 94% micro companies, which create 68% of total employment, while small, medium and large firms account for 5%, 0.4% and 0.06%, respectively (Mandawa, Sanghavi, & De Mattos, 2014). The MSME sector represents 97 per cent of all businesses and provides 88 per cent of employment (Ministry of Commerce, 2019) while 47 per cent of the employees are women (MCTI, 2008). The labour-intensive MSMEs play an important role in the production, employment creation, income generation production and enhancing competition (World Bank, 2001); expansion of the manufacturing sector and national economic growth (MCTI, 2008). The Zambian government describes MSMEs as '*a seed bed for the development of entrepreneurial talent*' and have gone to develop and enact policies that promote entrepreneurship and MSMEs in Zambia (MCTI, 2008, p. 4). In 2006, the government promulgated the Zambia Development Agency (ZDA) Act, followed by the enactment of MSME Policy of 2009 that created a proactive national vision for the development of the MSME sector. The national vision seeks to create a vibrant, dynamic MSME sector that contributes 20% of the Gross Domestic Product (GDP) and reduce the unemployment rate by 10% by the year 2030 (MCTI, 2008; Mandawa *et al.*, 2014).

MSMEs fall into two main categories namely; formal and informal. Formal MSMEs are registered, tax compliant and are legally required to keep auditable financial records. The Small Enterprises Development Act (1996) classifies formal enterprises as depicted in Table 2.3. In turn, informal MSMEs are enterprises which do not have to register with the Registrar of Companies. These MSMEs are allowed to practise because there is no law compelling them to register (Matfobhi & Ruffing, 2002). They employ less than 10 employees and have a total value of investments of up to ZMK50 million (rebased value of ZWK50, 000; equal to US\$2,344.60/ZAR44,519.85) (MCTI, 2008).

Table 2.1: Official Definition of MSMEs

ENTERPRISE	DESCRIPTION
<i>Micro Enterprise</i>	Any business enterprise with a total investment not over ZWK10,000 (US\$468.92/ZAR8,902.32), an annual turnover of less than ZWK20,000 (US\$937.84/ZAR17,802.34), and employs less than ten people (excluding land and buildings).
<i>Small Enterprise</i>	In the case of manufacturing and processing enterprises, ZWK50,000 (US\$2,344.60 873.56/ZAR44,519.85) in plant and machinery; and in the case of trading and service-providing enterprises, ZWK10,000 (US\$468.92/ZAR8,902.32). Whose annual turnover does not exceed ZWK80,000 (US\$3,751.36/ZAR71,221.92) and employs up to thirty people
<i>Medium Sized Enterprise</i>	Although, the current Act does not provide a definition. Prior definitions stated that enterprises should have a total investment not exceeding ZWK500,000 (US\$23,446/ZAR445,198.50) and a turnover of less than ZWK800,000 (US\$37,513.60/ZAR712,219.20)

Source: (Government of Zambia, 1996)

In general, MSMEs comprise enterprises involved in trade, simple manufacturing, and service provision. The trading sector is concentrated in consumable products, industrial products, and

agricultural inputs and produce. Manufactured products include textile, wood, light engineering, metal fabrication, food processing, leather, handicrafts and ceramics. The service sector includes restaurants, hair salons and barbershops, passenger and goods transport, simple building construction, telecommunication services, business centre services and cleaning services (MCTI, 2008).

Despite the government's recognition of the vital role of entrepreneurs and MSMEs in the economy, they still face many challenges. The MCTI (2008) highlights some of the following key challenges: limited access to markets, appropriate technology, machinery and equipment; business financing solutions, and inadequate business infrastructure such as roads and telecommunication facilities. Related constraints encountered by MSMEs include limited technical and management skills, inadequate and unsuitable operating premises that inhibit enterprise growth, inadequate regulatory systems and excessive competition from unregulated importation of cheap products (MCTI, 2008).

2.2.1 ENTREPRENEURSHIP IN PRE-INDEPENDENCE ZAMBIA

The post-colonial economic activity in the then Northern Rhodesia was controlled by the British colonialists and was founded on mineral extraction and production, European commercial farming, commerce, administration and industry-activities focused along the exports 'line of rail' region (Seymour, 1975). African men were paid low wages while their families remained in the rural areas where they survived on subsistence agriculture, which perpetuated female poverty (Roberts, 1976). The colonial government confiscated the most fertile lands and allocated them to migrant European farmers (Simson, 1985). The increased demand for copper after World War II led the mining companies to employ a stable male African labour force who were accommodated in segregated compounds and townships (Ferguson, 1990).

Women were excluded from the formal labour force by the colonial authorities and were supposed to stay in the rural areas (Simson, 1985). However, the emergence of squatter compounds and the married miners' accommodation gave women an opportunity to reside in urban areas (Ferguson, 1990). The migration of women to urban areas eroded the older men's cultural headship over their families, which enabled women to make and implement decisions independently (Chauncey Jr, 1981). However, few women were allowed to join the formal labour force and earn income from formal employment in the urban centres. An estimated 2.1

per cent of women were engaged in formal employment in 1953, with the number rising to 2.8 per cent by 1958 (Hansen, 1980; Hansen, 1989).

Hansen (1989) points out that by 1954, twenty per cent of all traders in the squatter compounds were women who mainly traded in basic commodities such as fruit and vegetables and prepared foods in the form of nsima (mealie pap), rice, and home-brewed traditional beer on paydays. By 1957, women, including wives of mine workers, made up twenty-two per cent of the squatter compound population, who by 1959 comprised a third of all entrepreneurs in the squatter compounds (Hansen, 1989). Therefore, women in urban areas transformed their traditional dependency on land in the rural areas to earn a living as hawkers and traders thereby changing their status to income earners within the urban household setting (Chauncey Jr, 1981). In many ways, married women gained access and control of their husband's earnings as well as their earnings and savings from hawking and trading activities (Ferguson, 1990). These developments led to the emergence of female entrepreneurship, which motivated the launching of the first bus service that transported women to different mining towns to trade their goods and wares, as well as the establishment of the first women-owned hotel in Ndola on the Copperbelt of Zambia. Similarly, women entrepreneurs of that era employed men to cultivate fields and catch fish for them to sell in urban areas (Chauncey Jr, 1981).

2.2.2 *ENTREPRENEURSHIP IN POST-INDEPENDENCE ZAMBIA*

The post-independence period from 1964 witnessed an increasing number of home-based women-run enterprises allowing them to reduce operating costs and increase household incomes (Mayoux, 2001). Therefore, numerous women-based business activities traded from their homes or on nearby streets, within reach of their homes, enabling them to take care of family responsibilities (Hansen, 1989). The key driver towards entrepreneurship by women was the need to raise income to support household needs; for some, this was the sole source of income (Heilbrunn & Davidovitch, 2011). The increased need for capital to finance entrepreneurial ventures saw the birth of women's savings groups, trade associations, and producer groups mainly involving women. Household-based agricultural production and trade remained a major source of food and income (Jiggins, 1989).

The growing trend of women's entrepreneurship led to women opening shops selling standard packaged non-perishable goods such as groceries, toys, jewellery, clothing and household

utensils (Oberschall, 1972). Operating from the stalls enabled women to deal in perishable and less profitable goods. Despite frequent raids from police and vigilantes (ruling party cadres), women entrepreneurs thrived during this era (Hansen, 1989).

2.2.3 *LIBERALISATION OF THE ECONOMY*

The World Bank and the International Monetary Fund (IMF) initiated the Structural Adjustment Programme (SAP), which led to the implementation of broad economic restructuring, liberalisation of price and exchange controls, trade liberalisation and marketing deregulation (Mudenda, 2009). Trade liberalisation introduced competition for domestic and state-owned enterprises with international producers (Rakner, 2003). The Privatisation of state-owned enterprises resulted in the retrenchment of large numbers of public sector employees. The retrenched workers were encouraged to become self-employed business owners or entrepreneurs (Hyman, Strauss, & Crayne, 1993; Matfobhi & Ruffing, 2002). In turn, 80 per cent of women who were employed in the formal sector were retrenched within the first few years of the privatisation process (International Labour Organization, 2003; Richardson, Howarth, & Finnegan, 2004). Relatedly, as the economic liberation opened up domestically; the MSME sector was exposed to competition from foreign-owned enterprises, particularly from China. The threat from Chinese enterprises was twofold: firstly, the foreign businesses were allowed to bring in their own labour force, and secondly, they started operating small and medium enterprises. These trends limited employment opportunities for local Zambians and created stiff competition for MSMEs. Nevertheless, the growth of entrepreneurship gained momentum due to the economic structural adjustment programme. Proactive government initiatives and policies promoted private-sector entrepreneurship, which led to a rise in informal sector actors (Matfobhi & Ruffing, 2002). The same period witnessed an increasing number of women venturing into entrepreneurial activities (Mandawa, Sanghavi, & De Mattos, 2014) as well as women in formal employment engaging in part-time informal ventures to supplement salaries (Richardson, Howarth, & Finnegan, 2004).

Post-the economic liberalisation period witnessed limited employment opportunities in the formal sector, thereby leading to the government developing policies that identified entrepreneurship as the most viable means of raising employment levels in Zambia (Mayiya, 2021). The overarching government policy framework supported deliberate efforts by the government to proactively promote and support entrepreneurship through departments such as the Ministry of Labour and Social Security (MLSS) and the Zambia Development Agency (ZDA). Although men remain dominant in the MSME sector, women are increasingly active

participants, particularly in low-value sectors with few barriers to entry, such as vending (Tenkir & Chileshe, 2013). However, there are myriad constraints hindered the sustainable growth of entrepreneurship at all levels of MSMEs, whilst specific constraints negatively impacted women entrepreneurship in Zambia (Manadwa et al, 2014).

2.3 ZAMBIA NATIONAL ECONOMIC INDICATORS

As of October 12th, 2023, the conversion rates of the First National Bank (Zambia) Limited of the Zambian Kwacha (ZWK) to the United States (US) Dollar (\$) was ZWK 21.33 per US\$1.00 and was ZWK 1.12 per ZAR 1.00 against the South African Rands (ZAR). (<https://www.fnbzambia.co.zm/Controller?nav=rates.forex.list.ForexRatesList>)

Table 2.2 is a synopsis of the economic indicators of Zambia.



Table 2.2: Zambia National Indicators

INDICATOR	ZAMBIA	
Provinces/Regions	Ten provinces - Luapula, Northern, Muchinga, Eastern, Central, Lusaka, Southern, Western, North Western and the Copperbelt	
Population	17,885,422	Women - 9,033,248 (50.51%) Men - 8,852,174 (49.49%)
Population - Lusaka City	3,238,430	Women - 1,710,254 (52.8%) Men - 1,528,176 (47.2%)
Levels of Literacy	Women - 68% Men - 89%	
Formal Employment	45.7%	Women - 12.2% Men - 33.5%
Levels of employment	Informal employment - 88% Formal employment - 35.1%	
Contribution of income to Family	Women - 63.5% Men - 32.5%	
Per Capita GDP	US\$ 1,291	
Exchange Rate US\$	ZWK 21.33/US\$1.00	
Exchange Rate ZAR	ZWK 1.12/ZAR 1.00	
Financial Inclusion	59%	Women 57% Men 69%
National TEA	41%	
TEA - Women	40%	
MSME GDP Contribution	70%	
MSME Employment Segment	88%	Women 91% Men 76%
MSME (%) Total Business Sector	97%	
Necessity-driven (% of TEA)	32%	
Improvement-driven opportunity (% of TEA)	46%	
Financial inclusion -formally served	61.3%	
Financially inclusion formally banked	20.7%	
Other formal (non-banked) inclusion	37.2%	
Financial inclusion - Informal	32.3%	
Financial exclusion	30.6%	

Sources: CSO, 2019; CSO, 2016; National Statistical Office, 2018; Ministry of Commerce, 2019; Danish Trade Union Development Agency, 2022; Herrington & Kelley, African Entrepreneurship Sub-Saharan African Regional Report, 2012; Herrington & Kelley, Promoting Entrepreneurs: Insights for Policy - Zambia, 2013; National Statistical Office, 2021; Ministry of Trade & Industry, 2012; Bank of Zambia, 2020; CSO, 2018; CSO, 2014; United Nations Women, 2022; Zambia Statistics Agency, 2020

2.3.1 *LEGISLATION AND WOMEN IN ZAMBIA*

Like many former African colonies, Zambia has two parallel legal systems namely; the statutory law inherited from British colonialism and customary law. The statutory law, known as the Gender Equity and Equality Act, is meant to counter discrimination against women and empower them to actively participate in all social, economic and political spheres (Parliament of Zambia, 2015). The majority of Zambian tribes are matrilineal, meaning that tribal heritage is passed on through the mother (SIDA, 2008). Before colonisation, these tribes were led by women who had the final decision-making authority; however, colonisation moved headship from women to men (Sharma, 2019).

Statutory law dominates in urban areas (SIDA, 2008). Theoretically, both men and women are treated equally, giving women increased access to land, finance and other means of production, as well as the ability to obtain title deeds in their names. In contrast, customary law is patriarchal in nature and takes precedence in rural areas. Thus, even in matrilineal societies, men are the leaders who control family and community assets, while women have subordinate positions with limited powers (SIDA, 2008). Women are further restricted from participating in the economy as they are perceived to be perpetual minors, incapable of making independent decisions (JICA, 2016). The gender prejudice results in the systematic discrimination against women and disenfranchising, thereby creating a pool of impoverished women (Epprecht, 1997).

Table 2.3 details some of the differences between statutory and customary law.

Table 2.3: Parallel Legal System

FACTOR	STATUTORY LAW	CUSTOMARY LAW
Legal standing	Men and women are equal	Women are perpetual minors
Presentation of laws	Written	Oral
Precedence	Urban Areas	Rural Areas
Inheritance	Both men and women	Men predominantly
Urban Areas Land Ownership	Women and men	Weak
Rural Area Land Ownership	Weak	Women can own land with permission from male relatives
Female Education	Girls have access up to the tertiary level; they are less likely to drop out before secondary school	Girls are more likely to drop out at the primary school level to help the family
Marital Status	Legal at 18	Generally, it is legal at first menstruation (Menarche)
Family Standing	Women's contributions are considered during family meetings	Generally, only men are allowed to contribute
Female Destiny	Self-determined	Predetermined – marry and have children
Female Employment	Diverse opportunities	Predominantly Agriculture based
Financial Status	Opportunity to earn an income	Dependent on family heads (usually male)
Family Headship	Either male or female	Male
Decision on Employment	Self-determined	As permitted by family head (usually male)
Female Income Management/usage	Mostly self-determined	As permitted by family head (usually male)

Source: Researcher's construct

Traditionally, women were relegated to subsistence food crop production, where the extra produce was sold to raise some household income (Geisler, 1992). Statistically, 63.5 per cent of women contribute to support their families compared to 32.5 per cent of men (CSO, 2018). At the same time, 20 per cent of women have no say in how their pay cheques are used as they are under the control of their husbands (United Nations, 2015). However, women in urban areas have more opportunities to engage in paid employment and self-employment (JICA,

2016) while entrepreneurship increases women's participation in economic activities and the ability to own property for their benefit.

2.3.2 *ENTREPRENEURIAL MOTIVATION AND ORIENTATION*

Entrepreneurial motivation is the driver or the reason for someone to start a business (Eijdenberg, 2016). Motivation is divided into two categories: *necessity*, also referred to as push motivation and *opportunity* entrepreneurship, which is also referred to as pull motivation (Giacomin, Janssen, Guyot, & Lohest, 2011). Opportunity motivations are associated with people who choose to start their businesses by taking advantage of an entrepreneurial opportunity (Eijdenberg, 2016; Fairlie & Fossen, 2018). Necessity motivation is associated with people who start a business because of the lack of other employment options (Eijdenberg, 2016; Fairlie & Fossen, 2018).

Research on women entrepreneurs and their motivations has been confined to Western societies (Mandawa, 2016). Herrington & Kelley (2012), reported in the Global Entrepreneurship Monitor, point out that most African women practise necessity entrepreneurship as they are pushed into entrepreneurship due to the lack of opportunities. However, it has also been noted that motivations and orientations of African women may not follow the Western model (Devine & Kiggundu, 2016; Eijdenberg, 2016). Thus, the emergence and prevalence of microenterprises in Sub-Saharan Africa, ought not to be automatically classified as 'necessity' regardless of the motivation behind their establishment. Devine & Kiggundu (2016) maintain that informal enterprises in Africa are largely necessity-driven in the initial stages because women, in particular, need to provide for their families. Therefore, they may start enterprises out of necessity, which may become opportunity-driven over time. Konayuma (2007) highlighted that although many women MSME owners engage in trading as a first step into entrepreneurship, they are likely to expand into services and manufacturing depending on their level of education.

Entrepreneurial orientation is defined as being innovative, risk-taking, recognising opportunity, competitive, aggressive and autonomy-seeking driven by the desire to expand and increase profits (Acs, 2006; Suddaby, Bruton, & Steven, 2014). Chakuzira (2018) expand the definition of entrepreneurial orientation to include the following attributes: broadminded, committed, determined, hardworking, inventive and persistent. Chakuzira (2018) further classified the types of entrepreneurs that are common in Southern Africa into the following categories:

lifepreneurs, part timer, hobbypreneurs, entre-employees, entrepreneurs, technopreneurs, carte-blanche, profeneurs, and smartpreneurs. The categories are presented in detail in Table 2.5, the Chakuzira C9 Matrix.



Table 2.4: Main characteristics of each Typology in the C9 Matrix

ENTREPRENEUR NAME	FEATURES
Lifepreneur	Refers to business persons who venture into a business with the drive of changing their own standard of living and not for the sole purpose of making profits. A lifepreneur concentrates more on the life rewards provided to people that enjoy and have a passion for what they do. There is a possibility that the business will do particularly well since lifepreneurs are usually passionate.
Part-timers	Refers to a group of business persons who usually start their business for purposes of supplementing their income. Circumstances and goals of part-timers run the gamut, but many entrepreneurs of this nature operate from home and supplement their income from other sources. Part-timers start-ups are also considered by several businesspersons as a practical alternative in conditions where the ultimate realisation of the undertaking appears uncertain.
Hobbypreneurs	Hobbypreneurs are business persons who are traditionally geared towards making a living, while leisure is spent free from obligation. Hobbypreneurs usually have no distinction or boundaries between work and play, some even actively blur the line by monetising their hobbies.
Entre -employee	An entre-employee is an individual who, rather than only working as an employee, also finds and runs a small business, assuming all the risks and rewards of the venture. Entre-employees are also commonly seen as innovators, a source of new ideas, goods, services and business/or procedures.
Empreneurs	Central to the classifications of the C9 matrix, at this point entrepreneurship becomes a full-time job which should be taken seriously. From all the previous classifications, entrepreneurship seems to be a part-time job. In contrary, empreneurs use experience gained in the corporate world to start a new venture in which the entrepreneur uses profits gained from the start-up as a source of income to support the family.
Technopreneurs	A highly technological and family supported entrepreneurial venture. The entrepreneur in this classification has vast technical expertise and knowledge but faces challenges in terms of capital acquisition. However, the study failed to pick up one entrepreneur who falls under this category
Carte-blanche	The entrepreneurial venture indeed, requires a lot of capital in its set-up. The capital should be coupled with acquisition of physical infrastructure. This is a description of many franchise businesses, hence the classification name, Carte-blanche. The study didn't interview a franchise outlet; hence no entrepreneur could be found in this category.
Profeneurs	A grouping for all specialist entrepreneurs who are involved in a lot of legislative regulations as well as considerable amounts of capital for their businesses. Entrepreneurs who fall in this classification are usually involved in huge capital tenders and classic service offering experts. The study didn't interview any entrepreneur in the category.
Smartpreneurs	A standard typology which requires huge amounts of capital requirements and at the same time big investments in technological infrastructure. The smartpreneurs are very smart in their investments and they critically analyse the markets before venturing into a business. Smartpreneurs' ideas are usually highly innovative and can uplift not only the society but may have an impact to the whole world (examples include Bill Gates).

Source: Chakuzira (2018, p. 142)

2.3.2.1 Chakuzira's C9 Matrix classification of Entrepreneurship Ventures

Chakuzira's (2018) C9 Matrix is useful in categorising ventures run by women entrepreneurs because it goes beyond the necessity or subsistence categories proposed by Eijdenberg (2016) and Herrington & Kelley (2012). Chakuzira (2018) describes entrepreneurs as those who:

Use experience gained in the corporate world to start a new venture in which the entrepreneur uses profits gained from the start-up as a source of income to support the family. (page 152).

GEM (2013) points out that Zambian women entrepreneurs were more likely to be running survivalist enterprises out of necessity. However, Devine & Kiggundu (2016) opine that although women entrepreneurs were likely to be driven to engage in entrepreneurship in order to contribute to the household economy, they become opportunity-driven over time. The ILO (2003) report states that some Zambian women entrepreneurs were driven by opportunities to venture into entrepreneurship based on their level of education, skills and experience, as well as a desire to raise their standards of living. Furthermore, Chakuzira (2018) redefines African entrepreneurship as depicted in the C9 Matrix (see Table 2.4 above) and support Kiggundu (2002), who highlights that despite many women starting enterprises with limited resources, it is not good enough to describe them as necessity entrepreneurs or survivalists as they could fall into other categories.

This study examines how African female entrepreneurs overcome financial capital deficiencies. Therefore, the study potentially contributes towards understanding the extent of financial resources required by women entrepreneurs in Zambia by type of entrepreneur and phase of the entrepreneurial venture. The study findings may reveal the similarities and differences in terms of financial deficiencies and needs among the lifepreneur, part-timers, hobbypreneurs and the entrepreneur levels (Chakuzira, 2018). Further distinctions are between the financial needs and sources of the entrepreneurs or hybrid entrepreneurs (Tenkir & Chileshe, 2013) and (Chakuzira & Shambare, 2021); Portfolio entrepreneurship (Tenkir & Chileshe, 2013; Richardson, Howarth, & Finnegan, 2004).

2.3.3 *WOMEN ENTREPRENEURS IN ZAMBIA*

The average Zambian female entrepreneur is aged between 20 and 40 years old and has dual responsibilities for family and child care, which often conflict with entrepreneurial activities (Konayuma, 2007). Although it would be edifying to profile Zambian women entrepreneurs and the informal sector, who are classified as traditional and innovative entrepreneurs, this is largely difficult to ascertain due to a lack of reliable records and statistics (CSO, 2014). According to Konayuma (2007), women engaging in entrepreneurship due to financial difficulties and hardships at home fall into the traditional category where they are more likely to engage in retail activities from home, such as running a small shop (tuck shop). Innovative women entrepreneurs are motivated by limited career progression in large firms, are more ambitious and tend to venture into services or manufacturing sectors (Konayuma, 2007). The educational background of women entrepreneurs impacts the type and size of enterprise that they engage in such that the higher the level of education attained, the more they tend to venture into large-scale and productive enterprises (Clark, Shah, Sheppard, Munro & Pearson, 2010; Konayuma, 2007). On the other hand, less educated women entrepreneurs are more likely to venture into trading or vending activities, while women with secondary and tertiary levels of education engage in services, agriculture, mining, energy, construction manufacturing, and transportation. Tenkir and Chileshe (2013) assert that the sectors mostly dominated by women are retail trading sectors, agriculture and services and manufacturing, respectively.

2.3.3.1 *Education Levels*

It is noteworthy that the educational background of women entrepreneurs impacts the type and size of enterprise they engage in. The higher the level of education attained, the more large-scale and productive the type of enterprise (Clark et al., 2010; Konayuma, 2007). Tenkir & Chileshe (2013) maintain that although men are still dominant in the MSME sector, women are active participants, particularly in low-value markets where there are few barriers to entry. This tendency has been blamed on lower levels of education amongst women, which leads them to be more likely to engage in trading or vending activities. Lower education levels are attributed to higher girl child dropout rates compared to boys, with only 41.4 per cent of female students completing grade 12 and even fewer transitioning into higher education (PEPZ, 2020). Traditional societies do not

place a high premium on girls attending school, which contributes directly to the high dropout rate, which in turn is compounded by teenage pregnancy and child marriage (PEPZ, 2020).

Businesses run by women tend to be smaller than male-owned businesses in terms of financial measures such as sales turnover, job creation and profitability (Mandawa *et al.*, 2014). Konayuma (2007) maintains that educational background impacts the type and extensivity of the enterprise venture. The higher the level of education attained, the more extensive the type of enterprise engaged in. Women with secondary and tertiary levels of education engage in services, agriculture, mining, energy, construction manufacturing, and transportation (Clark *et al.*, 2010).

An overview of the fields in which women's enterprises are likely to operate is given in Table 2.5.

Table 2.5: Types of enterprises run by Zambian women entrepreneurs.

ECONOMIC ACTIVITY	RATE (%)
Manufacturing	20
Accommodation and food service activities	19
Education	16
Wholesale and retail trade; repair of motor vehicles	9
Other service activities	8
Agriculture, forestry and fishing	7
Arts, entertainment and recreation	4
Human health and social work activities	3
Transportation and storage	3
Construction	3
Electricity, gas, steam and air conditioning supply	2
Financial and insurance activities	2

Sources: Adapted from The World Bank, Access to Finance and Capacity Building of Women-led Small and Medium Enterprises in Zambia (2021)

2.4 REVIEW OF EMPIRICAL EVIDENCE

Many developing countries have identified entrepreneurship, usually practised through micro and small enterprises, as employment creators and income generators that contribute to poverty reduction and economic prosperity (Atiase & Botchie, 2017; Mpofu & Sibindi, 2022; Quartey, Turkson, Abor, & Iddrisu, 2017).

However, it has been noted that larger and older firms are more likely to get access to finance from formal institutions because they have adequate collateral, they are able to prove worthiness, they have an adequate credit history, and have a developed bank-borrower relationship (Quartey, Turkson, Abor, & Iddrisu, 2017), in contrast, too small firms often experience challenges in accessing finance. Quartey *et al.* (2017) observes that the lack of access to affordable finance is the predominant, persistent, barrier to establishing and scaling up a small business sector in Ghana. Atiase *et al.* (2017) state that access to affordable credit remains one of the hurdles that face entrepreneurs in Africa. Mpofu & Sibindi (2022) blame the low survival rate of African businesses on the lack of external financing, stating that owner's savings are not adequate to sustain a business. Nguyen & Cahn (2022) attribute small firms' difficulties in accessing formal finance to inferior positions in trade hierarchies and the lack of records in Vietnam. Mago & Modiba (2022) attribute the lack of finances to banks which are cautious, saying the banks exclude micro and small businesses because they do not have collateral for loans and do not generate large profits. Mpofu & Sibindi (2022) assert that formal institutions are reluctant to offer financial support to small businesses because of information asymmetry, high costs of lending small amounts, high perceived risks and lack of collateral security.

To surmount the barrier to finance, micro and small businesses may utilise informal finance. Informal finance is defined as small, unsecured and short-in-maturity funding capital sourced from private moneylenders, relatives and friends, Rotating Savings and Credit Associations (ROSCAs), Accumulating Savings and Credit Associations (ASCAs), landlords, and relatives and friends (Mago & Modiba, 2022; Nguyen & Cahn, 2022). In contrast, Nguyen & Cahn (2022) argue that the use of informal finance is not always a result of the lack of options. Further stating that some entrepreneurs choose to use informal finance as it works based on social capital, has lower transaction costs, is relatively faster and has no collateral requirements. Therefore, informal finance serves as the last option for some small business owners and the first option for others.

2.5 CONSTRAINTS FACED BY WOMEN ENTREPRENEURS IN ZAMBIA

Entrepreneurs in developing countries face constraints that impact their ability to operate effectively and efficiently. Some of the constraints include intermittent electricity supply, lack of access to reliable information from governments and service providers, high taxation, excessive regulatory frameworks, poor technology, poor infrastructure and corruption (Mubita, Mulonda, Libati, Mwale, & Kanyamuna, 2017). However, some of the constraints are gender specific and derive from socio-cultural attitudes, family caregiver burdens experienced by women, limited access to an enabling environment and limited access to finance and related resources.

2.5.1 SOCIO-CULTURAL CONSTRAINTS

Women entrepreneurs operating in areas that require property ownership experience discrimination in the form of limited property rights, bureaucratic hurdles and dictates of customary law (Devine & Kiggundu, 2016). In some instances, the difficulties faced by women to operate their enterprises above subsistence levels are attributed to failure to access resources due to higher levels of poverty amongst women (Scott, 2014). Women experience further difficulties networking with male entrepreneurs and general negative perceptions about women entrepreneurs, particularly those that engage in travel or cross-border trade (Mandawa *et al.*, 2014). Devine & Kiggundu (2016) argue that female entrepreneurs need to be savvier than their male counterparts to remain competitive and penetrate economic sectors that are perceived to be 'for men'. Further to susceptibility to gender-biased business practices in areas of contracts and pricing peculiar to small scale sectors and vulnerable to financial and sexual harassment from government officials (Resnick, 2020; Richardson, Howarth, & Finnegan, 2004).

2.5.1.1 Family Care Giver Burdens

The Zambian society and culture stereotypes place the burden of care for dependent family members such as children, elders, the disabled and the ill, which is usually unpaid work on women (CSO, 2014). It is not uncommon for girls to be made to leave school before completion in order to care for family members (CSO, 2018). This also limits the flexibility by women entrepreneurs in allocating their time to accommodate family care and domestic responsibilities (Mayoux, 2001).

2.5.1.2 *Limited Access to Operating Facilities Bases*

Despite the nationwide trend indicating women-owned enterprises engaging in the informal sector, there is higher dependence on agriculture and the informal sector in rural areas compared to the urban areas (Mayiya, 2021). As a result, women may operate from home-based production sites (PEPZ, 2020) or public markets (Ministry of Commerce, 2019). It is estimated that 80% of the country's food stock is produced by women, and women farmers who are most often engaged in small-scale subsistence farming with lower access to good land, seeds and markets (SIDA, 2008).

The predominant demographic of female entrepreneurs in Lusaka primarily concentrates their business activities within the informal and small-scale sectors, often engaging in what is perceived as women-friendly, lower-tier economic endeavours (Konayuma, 2007). Consequently, they encounter specific challenges inherent to operating within small-scale sectors. In Lusaka, the management of markets is entrusted to either municipal councils or cooperative bodies, with each imposing levies based on the size of the trading stalls. However, market traders occasionally find themselves obligated to pay additional fees, such as levies extorted by political party cadres associated with the ruling party (Resnick, 2020). During the tenure of the Patriotic Front Party, which held power at the time, these cadres levied additional monthly charges in exchange for various services, including ensuring security, granting access to prime trading locations, and providing sanitation facilities—services typically expected to be furnished by the municipal councils (Siame, *et al.*, 2020). Furthermore, an annual base tax specifically targeting market traders, intended to be collected by the Zambia Revenue Authorities (ZRA), was introduced but remains unimplemented due to logistical challenges (Resnick, 2020). The cumulative effect of these levies is that traders often incur two to threefold financial burdens for identical services. This situation is particularly onerous for women who own market stalls, as they are disproportionately vulnerable to harassment compared to their male counterparts (Resnick, 2020).

2.5.1.3 *Limited Access to Finance*

Zambian female entrepreneurs face challenges with respect to accessing finance from formal financial service providers (Fowowe, 2017; Mur17; Nkosi, Bounds, Thomas, & Goldman, 2013; Wolmarans & Meintjes, 2015). Access to financial products and services helps women grow their businesses and improve their livelihoods. The Zambian government and donor agencies have

put mechanisms in place to facilitate access to finance (JICA, 2016; PEPZ, 2020). However, social and cultural constraints prevent women from fully taking advantage of these products and services, resulting in low uptake or little to no effect on their economic empowerment and labour market decisions (JICA, 2016).

The formal financial sector comprising banks, cooperatives and micro-financial institutions requires specific requirements from female entrepreneurs, such as collateral, financial records, and understanding of legal jargon as contained in bank documentation (Mandawa, et al 2014). Irene (2016) highlighted that many women begin their entrepreneurial journey with little financial resources, managerial knowledge and limited human and social resources compared to their male counterparts. Formal financial institutions continue to impose restrictive conditions for lenders, for instance, Stanbic Bank received 15 million United States Dollars from the International Finance Corporation (IFC) for lending to MSMEs on preferable credit terms however they offered punitive commercial terms to women-owned enterprises, and in some cases where women were able to access the loans it was under the auspices of a male guarantor (PEPZ, 2020). Further to restrictions resulting to the failure of female-owned enterprises to access operating credit from potential trade or service partners as they demand upfront payments, limiting the flexibility of the enterprises (PEPZ, 2020).

The failure of the formal financial sector to create solutions has left a gap in the market for disrupters such as Digital Financial Services (DFS) offering mobile banking to enter the lending market (Hughes, 2017). Whereas financial intermediary failures from the past re-emerged as strong contenders in the form of bootstrapping and informal finance in the form of the ROSCA, locally called iChilimba (Bank of Zambia, 2015). Despite some women entrepreneurs relying on bootstrapping to finance their enterprises by borrowing from family and friends to capitalise on their enterprises, others rely on informal finance (International Labour Organization, 2003). Informal finance is prevalent and may be obtained from money lenders, known as '*Kaloba*', at exorbitant interest rates (Laufer, Pietosi, & Rippey, 2019; Melzer, 2007).

Alternatively, finance options may take the form of informal credit and finance in the form of the iChilimba (Bank of Zambia, 2015). Statistics from the Bank of Zambia (2020) indicate that 61.3 per cent of the adult population is financially included, whereas 32.3 per cent participate in the

financial sector using interventions such as the iChilimba. Additional constraints, experienced by women entrepreneurs, are summarised in Table 2.6 below.

Table 2.6: Constraints that impact Zambian women entrepreneurs.

CONSTRAINTS EXPERIENCED BY WOMEN ENTREPRENEURS
Difficulty in purchasing land – in rural areas, 90 per cent of the land is under traditional authority and cannot be sold. Such land can also not be inherited by women.
Difficulty accessing legal recourse in times of trouble.
Reluctance to access formal business financing (discouraged borrowers).
An overwhelming number of businesses (81 per cent) rely on 'bootstrapping', that is, the use of personal funds, as a financing strategy.
Difficulty to engage in business in male-dominated fields such as manufacturing.
Inadequate institutional support.
Chauvinism, some men will not do business with women.
Family caregiving responsibilities.
Business finances intertwined with family needs.
Limitations in accessing finance through formal institutions.
Low levels of education.
Labour-intensive technology (Low-skilled endeavours).
Poor management skills.
Poor record keeping.
Sexual harassment.
Foreign investor (Chinese) penetration into the MSME sector.

Source: Researcher's construct

2.6 *NEED FOR FURTHER RESEARCH*

2.6.1 *ZAMBIAN WOMEN ENTREPRENEURS*

Zambian women entrepreneurs make their living running microenterprises and are often depicted as operating at subsistence levels, providing a 'barely surviving' standard of living and are non-contributory to the national economy. This study attempts to address the scarcity of research on Zambian women entrepreneurs by conducting descriptive research on entrepreneurial motivations, the range of enterprises, and the challenges they encounter and how they overcome them.

2.6.2 *THE USE OF INFORMAL FINANCE IN ZAMBIA*

Whilst there is an acknowledgement that informal finance offers a significant intervention for women in Zambia, there is not enough information on why women entrepreneurs prefer to use it or how informal finance works in practice. The Zambia Credit Monitoring Report (2019) data indicates that informal finance intervention is not being tracked. However, some entrepreneurs have admitted to being less than honest in their financial record keeping, tracking informal finance may not be representative of actual use. This study, therefore, endeavours to address the scarcity of research in the area by providing descriptive data on the use of informal finance by Zambian women entrepreneurs, their decision-making processes and motives for adopting the iChilimba and the Village Bank.

2.7 *SUMMARY*

This chapter has presented an overview of the entrepreneurship landscape, factors that influenced entrepreneurship during the pre and post-independence era, the effects of legislation on the role of women in entrepreneurship, the national economic background and profile of women entrepreneurs and challenges faced by women in accessing finance for entrepreneurial ventures. The next chapter presents the theoretical perspectives underpinning the study and the conceptual framework.

CHAPTER THREE

THEORETICAL FRAMEWORK

3.1 *INTRODUCTION*

This chapter presents the theoretical framework underpinning the study. The key theories reviewed include the social network theory, ubuntu and social capital. Further, the Rotating Saving and Credit Associations (ROSCA) and iChilimba models, Grameen bank microfinance model. The conceptual framework underpinning the study is presented.

3.2 *UBUNTU*

Ubuntu is a Bantu people's philosophy that is centred around the notion of care and respect for people. It is called by many names, for instance, Abantu in Uganda, Botho in Botswana, Ubuntu in Malawi, South Africa and Namibia (Khomba & Kangaude-Ulaya, 2013); Ubukhosi in Zimbabwe and Teranga in Senegal (Karsten & Illa, 2005); Ubuntu or Ubuntunse in Zambia (Kapolyo, 2013). Kaunda (2012) further defines Ubuntunse as humanness and Ubuntu as community. Ubuntu is based on trust, reciprocity, suppression of self-interest and mutual dependence that sustain the social capital (Grootaert & van Bastelaer, 2002; Managaliso, 2001). The customs are rooted in humanity and interdependence towards building and maintaining communities through justice and mutual caring (Khomba & Kangaude-Ulaya, 2013). They emphasise that challenges such as hunger, isolation, deprivation and poverty can be eliminated through the communities' familial-like care, cooperation and sharing (See Figure 3.1).

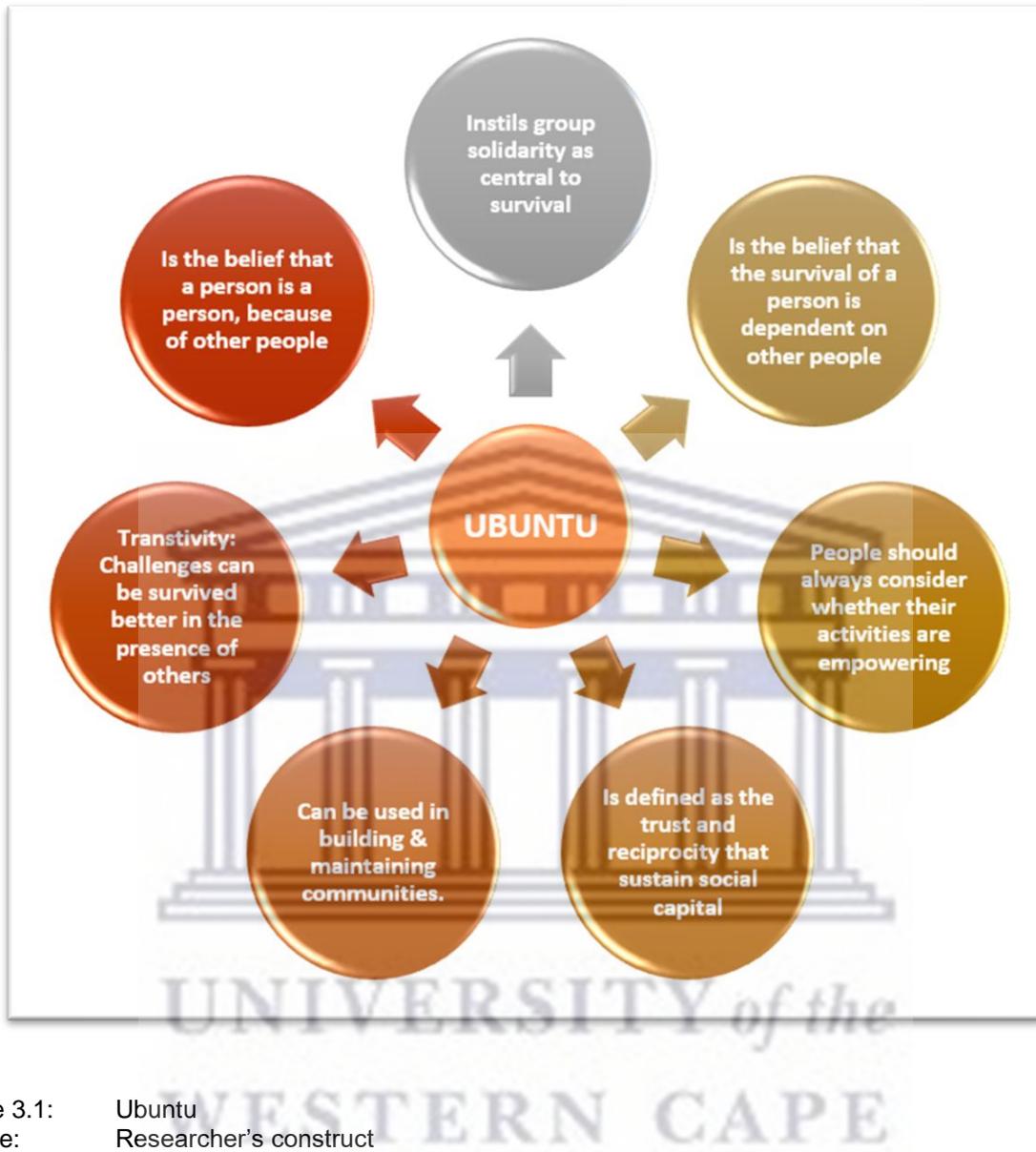


Figure 3.1: Ubuntu
 Source: Researcher's construct

Figure 3.1 is a representation of the core tenets of Ubuntu. The late Archbishop Desmond Tutu was cited to have defined Ubuntu as:

'A person is a person through other persons. None of us comes into the world fully formed. We would not know how to think, or walk, or speak, or behave as human beings unless we learned it from other human beings. We need other human beings in order to be human.' (Khomba, 2011, p. 126).

Or *'We are therefore I am.'* (Kapolyo, 2013, p. 8).

'Umuntue kala na bantu; uwikala ne nama akalibwa' A person lives with other people; he who lives with animals will be eaten. (Kapolyo, 2013, p. 24).

Constructs shown in Figure 3.1 and the citations indicate that Ubuntu is the foundation for basic values in Africa that manifest in the way people think or behave towards each other and everyone else they encounter (Managaliso, 2001). The African is a person who lives within a community that, through solidarity, may help them survive any hostile challenges they may encounter, such as hunger, isolation, deprivation, or poverty (Khomba, 2011). Ubuntu embraces the belief that people exist and survive because of the existence of other people, and each person is dependent on other people to survive (Managaliso, 2001). This is emphasised in the second cited statement by Kapolyo (2013), in which he reiterates that a person lives with other people and that the person who dares live outside the support of the community may be eaten or destroyed.

Subsequently, Ubuntu encourages solidarity within groupings based on trust, transitivity and reciprocity and useful in empowering people and building communities (Khomba & Kangaude-Ulaya, 2013; Managaliso, 2001). Ubuntu underlies, group solidarity which is central to the survival of African communities (Khomba, 2011). According to Lutz (2009), in collectivist communities, the individual does not pursue the common good for his or her own good; rather, the individual pursues his or her own good by pursuing the common good. That is, the individual is not asked to sacrifice their own good to promote the good of others; instead, they are asked to recognise that they can attain their good by promoting the good of others. People living in communities that embrace Ubuntu would be driven a commitment to treating others with justice and fairness because the spirit of Ubuntu emphasises respect for human dignity (Letseka, 2012). Furthermore, Ubuntu encapsulates moral norms and values such as altruism, kindness, generosity, compassion, benevolence, courtesy, and respect and concern for others (Letseka, 2012).

The main ethos is that people would not know how to think, walk, speak, or behave as human beings unless they learned from other human beings (Khomba & Kangaude-Ulaya, 2013). Respect for one's elders and respect for the community are very important, and individuals are expected to be socially responsible to their local communities and society at large (Khomba & Kangaude-Ulaya, 2013). However, discussions on Ubuntu from the perspective of women are

scarce, as is any literature on the influence of Ubuntu on women's lived experiences (van Stam, 2015). Regardless, it is acknowledged that Ubuntu facilitates and enhances women's' capacity to create harmony in communities and societies by emphasising the importance of the home and taking care of each other (Khomba & Kangaude-Ulaya, 2013). As a result, Ubuntu underlies fundamental intrinsic nature of the African society; at its core is the inference that people should always consider whether their activities are empowering to their community because Ubuntu believes is the belief that the survival of a person is dependent on other people. That is, a person is a person because of other people; none of us is born fully formed.

3.3 SOCIAL NETWORK THEORY (SNT)

The social network theory postulates how information and relationships develop within active social groups in self-regulated communities (Hammond & Glenn, 2004). Essential elements of social networks are the linkages which define the identity and activities of the network as well as the network dimensions. According to Aldrich and Zimmer (1986) and Kilduff and Tsai (2003), social networks have the following four critical dimensions: density, reachability, centrality, and balance. Each of these dimensions is briefly discussed below:

- (i) *Density* refers to the extent of the ties between the people that make up the network. This is measured by comparing the total number of ties present in a network to the potential number of ties that would occur if everyone in the network were connected (Aldrich & Zimmer, 1986).
- (ii) *Reachability of members* refers to the efficiency of the network in transmitting messages between members (Aldrich & Zimmer, 1986). Thus, high-reachability networks are more efficient as messages reach more people using the same number of intermediaries (Kilduff & Tsai, 2003). Values, ideas, and information may also diffuse rapidly to many people with low distortion in communication.
- (iii) *Centrality* refers to the degree to which networks are centralised around one or two members. This is measured in terms of the total distance from one or more central members to all other persons and the number of people the central members can reach (Kilduff & Tsai, 2003). Central members with extensive ties to different parts of a network can play key roles in entrepreneurial processes as they serve as communication channels between network members, provide brokerage services

by linking members with common interests and may use their influence to direct the behaviour of members of the network.

- (iv) *Balance* refers to the strength of relationships between network members. Kilduff and Tsai (2003) state that people prefer balanced relationships, their friendship to be reciprocated, and for their friends to be friends of each other, which indicates transitivity. They add that balance refers to these two aspects in relationships, reciprocity and transitivity. A network with a high degree of balance is one in which (a) a tie between two people tends to be reciprocated, and (b) if two people have a common tie to a third person, then the two people tend to have a direct tie to each other that is, the three actors form a transitive triad. The higher the strength of mutual regard, the higher the levels of reciprocity and transitivity. Figure 3.2 illustrates reciprocity; Person A likes Person B, and Person B likes Person A.

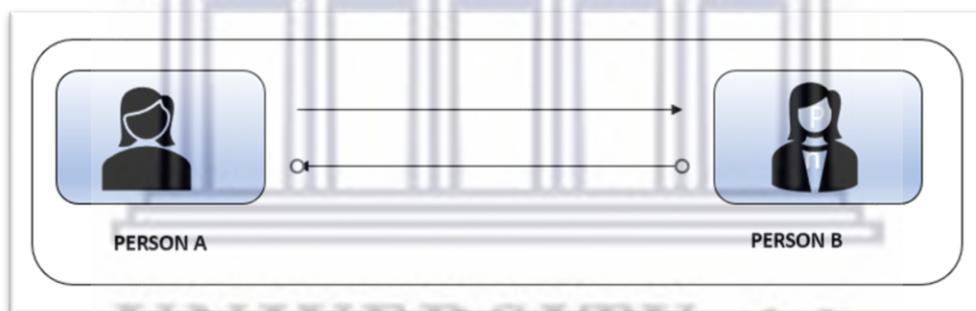


Figure 3.2: Reciprocity in social networks
Source: Adapted from Kilduff and Tsai (2003, p. 32)

Transitivity is depicted in Figure 3.3. Person A likes Person B and Person C, and Person B and Person C also like each other. High reciprocity and high transitivity between members create balanced relationships in a network in which everyone has an equal chance of benefiting because they determine the level of trust, information and benefits that can be shared within the network (Kilduff & Tsai, 2003).

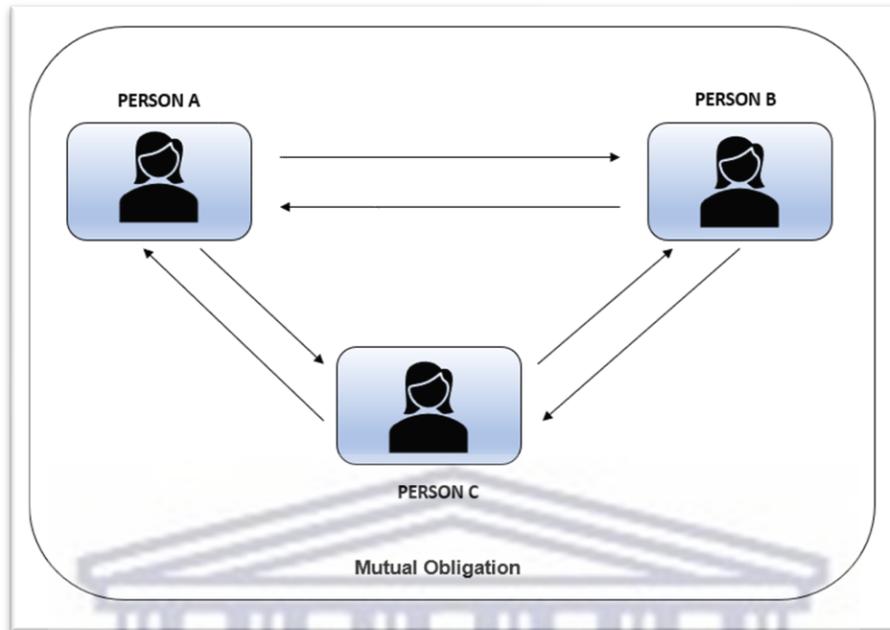


Figure 3.3: Transitivity in social networks
 Source: Adapted from Kilduff and Tsai (2003, p. 32)

Women use social networking to advance their personal (family) or entrepreneurial activities (Richardson, Howarth, & Finnegan, 2004). Cruikshank and Rolland (2012), as well as Dawa and Namatovu (2015) reported that women have always used networks to spread information, educate each other, share resources, strategise and support and motivate each other. Smets (1998) as well as Wu and Si (2018), note that women would also use the networks to hide each other's assets and resources to avoid misappropriation by male relations. Where women's networks and ability to network are limited, women's isolation as entrepreneurs may be reinforced, and their scope and opportunities for building personal and business know-how; as well as for accessing other physical and financial assets may be restricted (Richardson, Howarth, & Finnegan, 2004). Richardson et al. (2004) reported that women entrepreneurs' ability to network impacts their ability to successfully run their enterprise.

It was determined that the applicability of Social Network Theory (SNT) was pertinent to this investigation, as the research was centred on comprehending the impact of social networks on the phenomena of iChilimba and Rotating Savings and Credit Associations (ROSCA), which constitute the primary focal points of enquiry in this study.

3.3.1 SOCIAL NETWORK AND ENTREPRENEURSHIP

Kilduff and Tsai (2003) define networks as a set of nodes and the set of ties and as 'a regular, persistent pattern in the behaviour of a social system. Social networks form relationship networks through which entrepreneurs obtain resources, information and support (Aldrich & Zimmer, 1986). Thus, social networks constitute 'a set of nodes (e.g., persons, organisations) linked by a set of social relationships (e.g., friendship, transfer of funds) of a specific type and potentially provide entrepreneurs with critical social capital (Neumeyer, Santos, Caeton, & Kalbfleisch, 2019). These definitions highlight social connections as networks linking various actors directly or indirectly (see Figure 3.5 below).

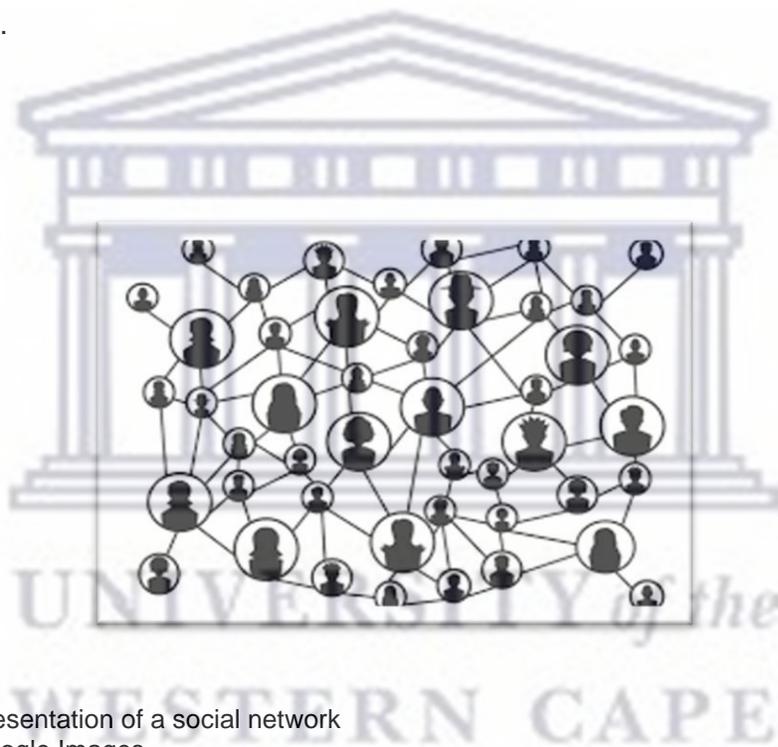


Figure 3.4: Presentation of a social network
Source: Google Images

3.3.1.1 *Impact of Social Networks in Women's Groupings*

Women perceive their reality to be like a spider's web connecting family, business, and community relationships (Gilligan, 1995). Brush (1992) highlighted that this perspective suggests that women view their businesses as an interrelated system of relationships connected to the broader network of family, friends, community and business. For most women, the main impetus is to balance work and family whilst simultaneously assisting the community (Hansen, 1975; Heilbrunn & Davidovitch, 2011; McGowan, Redeker, Cooper, & Greenan, 2012). In many ways, when a

woman starts or acquires a business, she is not creating a separate economic entity but rather 'integrating' a new network of business-related relationships into her life.

Consequently, women perceive their businesses as 'cooperative networks of relationships' (Brush, 1992). Heilbrunn & Davidovitch (2011) conjecture that family support, attitudinal, emotional or instrumental are major assets for women entrepreneurs. They further state that, in developing countries such as Zambia, women benefit from extended family support, which helps them deal with the demands of running a business whilst taking care of their families. The support of the partner, in addition to that of other family members and domestic assistants, can help reduce the work-family conflict (Mandawa, 2016; Richardson, Howarth, & Finnegan, 2004).

3.4 *SOCIAL CAPITAL*

Social capital refers to the network of associations, activities, or relations that bind people together as a community through certain norms and psychological abilities, notably trust, which are essential for future collective action (Farr, 2004). According to Widner & Mundt (1998), social capital has many components, such as levels and patterns of trust, frequency of social contact and the extent and form of perceived obligations to invest or co-operate amongst people who generate and share information. They further state that social capital thrives in social networks based on trust and reciprocity, and although the social network is the group, social capital is the foundation of the group (Knorringa & van Staveren, 2007). Social capital provides the foundation, the expectation of a partner's competence and trust, and the expectation that the partner will act in good faith or with good intentions, thus enabling network members to interact in confidence (Widner & Mundt, 1998). The benefits of social capital are often indirect and are not limited to the individual because the more social capital is used, the more it increases (Knorringa & van Staveren, 2007).

3.5 *ROTATING SAVING AND CREDIT ASSOCIATIONS (ROSCAS)*

The Rotating Saving and Credit Association (thereafter, ROSCA) is an association that is formed by a group of participants who agree to make regular contributions to a fund, which is given in whole or in part to each contributor in rotation (Ardener, 1964). Bouman (1995) defines the

ROSCA as a contract between members of an association to pool resources such as labour, goods or money. In turn, van den Brink & Chavas (1997) describes the ROSCA as an informal, indigenous savings and credit institution and that the phenomenon is widely practised in rural and urban economies around the world. ROSCAs follow two sets of procedures, that is, the bidding and the random ROSCA. In the bidding ROSCA, the funds are allocated via a bidding procedure (Besley, Coate, & Louny, 1994). The individual who requires the funds has to make a bid and pledge higher future contributions to the ROSCA or promise to make one-time side payments to other ROSCA members. Thus, in a bidding ROSCA, individuals receive the funds only once. In contrast, the random ROSCAs allocate funds randomly, with members committing to putting a fixed sum of money into a fund for each period of the ROSCA's life. The process involves the drawing of 'lots' and the funds randomly allocated to one member. In the next period, the process repeats itself, with each previous winner excluded from the draw. The process continues until each ROSCA member has received the funds once. At this point, the ROSCA is either disbanded or the process commences again. However, Ahamefule (2020) identified a third way that determines the sequence of receiving where members are allowed to receive the funds at a specific time, thereby enabling those with pressing needs to receive the funds at the time that best meets their requirements.

There is considerable variation among ROSCAs in terms of the contribution amount, the number of members, frequency of meetings (Aliber, 2001; Anderson & Baland, 2000) and frequency can vary from daily, weekly, fortnightly to monthly. The contribution amount is often related to frequency; where the daily amount is small, the run of the total process is often fast due to frequency (Aliber, 2001). The monthly amount is usually a more substantial amount, and the process of each fund sharing may take a longer period (Aliber, 2001; Verhoef, 2001). Access to informal finance has basic elements that make it appealing; that is, decreased transaction costs, supply of savings and loans, the substitution of confidence for collateral, socially enforced and/or self-enforced contracts, and successions of repeated interactions (Schreiner & Nagarajan, 1998). However, ROSCA operate under many different guises in different countries as discussed below.

3.5.1 *ROTATING SAVING AND CREDIT ASSOCIATIONS (ROSCAs) in AFRICA*

3.5.1.1 *The Esusu and Isusu of Nigeria*

Seibel (2005) conjectures that the ROSCAs practised by the Esusu of the Yoruba and the Isusu of the Igbo in Nigeria have existed for over 500 years. Seibel (2005) further speculates that they originated from rotating work groups where labour over time was a scarce commodity and was accumulated and allocated to one member at a time. The spread of business-related transactions eventually led to the use of money for contributions. Ardener (1964) and Seibel (2005) note that money payments began to be used in the form of cowries before the British currency was introduced. In turn, Yoruba enslaved people are thought to have transported the Esusu to the Caribbean islands as a form of social capital where the institution, still referred to as Esusu, continues to thrive in South America (Ardener, 1964; Seibel, 2005). The Nigerian Esusu also continues to thrive with a membership often larger than that found among most ROSCAs and comprises up to 200 members, with rotation cycles that run over four or five years. Large Esusu schemes are divided into four or more subgroups, called 'roads', which are numbered first, second, third and so on, with each 'road' having its sub-headman under the overall headman (Seibel, 2005).

Amongst the Igbo, the ROSCA is called the Isusu. Nwabughuogu (1984), notes that the Isusu existed to provide young men with the cash they needed to pay the bride price thus, young men would save their money with a trusted elder until they accumulated enough. As more young men began to save with the same elders, it evolved into ROSCAs as one of them would receive the pot of savings to get married, which the others had all contributed. The young men continued to save with the elder until all the others had also paid the bride price and married. According to Geertz (1962), the Isusu associations were even larger with the Igbo while Ardener (1953), reported the existence of an elaborate trade economy among the Igbo based on the Isusu. Further describing the workings of one Isusu that had 248 members of both sexes divided into seven (7) subgroups. The fund was disbursed to two members every two weeks, and each member received a payment once every four years and eight months. Ahamefule (2020) found that in large Nigerian ROSCAs, the risk ascribed to the long cycles is mitigated through a system of substitute members for each member, whereby each member identifies a substitute member who is able and willing to step in to take over contributions if required by the primary member. This may happen in situations where the primary member is at risk of default or if they pass away (Geertz,

1962; Ahamefule, 2020; Nwabughuogu, 1984). Ahamefule (2020) reported that the Esusu and the Isusu thrive in modern times because of their capacity to help members to collectively raise huge sums of money to tackle the needs of members, which would be more challenging to accomplish as individuals. Some of these needs are for the purchase of household goods, the building of houses, payment of debts, education of children and supplying business capital (Ahamefule, 2020; Nwabughuogu, 1984).

The disbursement of funds in the Isusu is either based on a ballot or according to who has the most pressing needs. For instance, in one Isusu, the recipient order was determined by picking a number from a bowl or basket. In another Isusu, members tendered requests on when to receive the basket, which was taken into consideration (Ahamefule, 2020). The Isusu has, consequently, created a large capitalist class amongst the Igbo, and it plays a focal role in the lives of many Igbo men and women as a means of capital accumulation. (Nwabughuogu, 1984).

3.5.1.2 *The Iqqub (Ekub) of Ethiopia*

In Ethiopia, the ROSCA is referred to as Iqqub (Ekub) (Aredo, 2004). The role of the Iqqub in resource mobilization is well recognised as Iqqub members are widespread in urban and rural areas (Kedir & Ibrahim, 2011). Iqqub membership can be homogenous, comprising women traders or employees of a given organisation. While heterogenous groups comprise men and women from all walks of life, although membership is often determined by geographical proximity, such as the same neighbourhood (Kedir & Ibrahim, 2011). Bouman (1977) estimated that Iqqub membership in the capital city of Addis Ababa was at approximately 60% of the urban population, although it could be as high as 90% among craftsmen, particularly weavers. According to Jerome (1991), Iqqub is estimated to handle savings and loans equal to or over 8% of the country's national income. Apart from being a tool for savings, the Iqqub creates opportunities for members in given locations to meet and discuss non-financial issues, such as settling social and personal problems (Kedir & Ibrahim, 2011). Kedir, Disney, & Dasgupta (2011) noted that the usage of the Iqqub is not limited to poor people; in some instances, wealthy people maintain their membership due to social pressure and as a form of self-control when handling finances.

3.5.1.3 *Stokvel (South Africa)*

In South Africa, the ROSCA is known as the stokvel (Aliber, 2001; Jones & Dallimore, 2009; Verhoef, 2001). There are other names dependent on province and tribes such as gooi gooi (Western Cape) umgalelo (Eastern Cape), and mogodiso (Gauteng) (Verhoef, 2001). For the purposes of this study, the all-encompassing name of stokvel shall be used. Verhoef (2001) conjectures that pre-independence, the stokvel thrived due to the disenfranchisement of black South Africans, particularly women from the financial sector. Before 1994, dawn of democracy, black people's access to credit was compromised by low- and irregular-income streams and a lack of collateral in the form of fixed property. Women, particularly, established stokvels to circumvent their lack of access to formal financial institutions, as a member of a stokvel provided members with financial security by availing them with a personal line of credit among trusted friends (Verhoef, 2001). Stokvels also provided moral support, resembling the closely interwoven support structures found in tribes, generating a strong sense of unity among members, taking on the functions of a provident society for those in need and for the individual member as well as for the member's family (Verhoef, 2001).

Four major categories of stokvels are namely; savings clubs, burial societies, investment groups, and high budget stokvels (Verhoef, 2001). The savings stokvels are the earliest form of stokvel in which members pool funds together to lend to one member. Burial societies developed among urban black labourers, and the stokvels were dedicated to assisting urban black people with funeral costs. The investment stokvel emerged with the growing affluence of black South Africans and facilitated funding for collective long-term investments in capital goods, property, and financial instruments. High budget stokvels consist of large memberships of a hundred (100) or more people of good standing in the community who make high contributions representing a high payout date set by the administrators. The Stokvel has been recognised as an important player in the South African financial services market. The bigger and more established Stokvels are required to be registered members of the National Stokvel Association of South Africa (NASASA), a self-regulatory organisation mandated to represent the interests of the sector (NASASA, 2020). Furthermore, banks have created savings products targeted specifically at Stokvels member remittances. Hutchison (2020) estimates that the savings are worth approximately R49.5 billion from 11.6 million participants. Table 3.1 presents a summary of ROSCA's in Africa. Specifically, the Esusu and Isusu of Nigeria, Iqub (Ekub) in Ethiopia, and the Stokvel of South Africa.

Table 3.1: Brief account of ROSCAs in Africa

NAME	HISTORY
Esusu (Yoruba)/ Isusu (Igbo)	<ul style="list-style-type: none"> Existed for over 500 years and may have originated from rotating work groups; Increase in business transactions led to the use of money in the form of cowries (Seibel, 2005) Esusu was used by the Yoruba tribe in the Southwest of Nigeria (Ardener, 1964); Isusu was used by the Igbo in the Southeast of Nigeria (Ahamefule, 2020) Isusu was meant to provide young men with money for the bride price, which they would save with a trusted elder (Nwabughuogu, 1984). Isusu may reach 248 members of both sexes divided into seven subgroups. Funds disbursed to two members every two weeks and each member received a payment once every four years and eight months (Geertz, 1962). Disbursement of funds is based on ballot or according to who has the most pressing needs (Ahamefule, 2020)
NIGERIA	<ul style="list-style-type: none"> Esusu was transported to the Caribbean islands by the Yoruba during slavery (Ardener, 1964; Seibel, 2005) Esusu may reach up to 200 members, divided into subgroups with cycles of four or five years (Seibel, 2005) A system of substitute members exists in both the Esusu and Isusu; the substitute should be willing to step in to take over payments if required by the primary member or the network in case of default (Geertz, 1962; Ahamefule, 2020; Nwabughuogu, 1984).
Iqqub (Ekub)	<ul style="list-style-type: none"> Usage widespread in urban and rural areas (Aredo, 2004). Membership may be female, male or mixed, often determined by geographical proximity (Kedir & Ibrahim, 2011). Creates opportunities to meet and discuss non-financial issues, e.g., settling social and personal problems (Kedir & Ibrahim, 2011) Wealthy people may not need to use the Iqqub, but many still maintain membership due to social pressure and self-control challenges (Kedir & Ibrahim, 2011).
ETHIOPIA	
Stokvel Gooi gooi (Western Cape) Umgalelo (Eastern Cape) Mogodiso (Gauteng)	<ul style="list-style-type: none"> Women established stokvels to circumvent the lack of access to formal financial institutions in South African independence (Verhoef, 2001). They operate as a provident fund and create a strong sense of unity amongst members (Verhoef, 2001). Four major categories of stokvels exist savings clubs, the earliest form of stokvel, and they comprise (i) the traditional ROSCA where members pool funds together to give or lend to one member; depending on group processes. (ii) In contrast, burial societies are stokvels dedicated to assisting with funeral costs; (iii) investment groups formed by affluent black South Africans facilitate collective long-term investments in capital goods, property, and financial instruments. (iv) High-budget stokvels consist of large memberships (one hundred plus) who make high contributions and expect high pay-outs on dates set by administrators (Verhoef, 2001). The bigger and more established Stokvels are required to be registered members of the National Stokvel Association of South Africa (NASASA) (Verhoef, 2001).
SOUTH AFRICA	Banks offer savings products targeted at Stokvels member remittances, estimated at R49.5 billion from 11.6 million members (Hutchison, 2020)

Source: Researcher's construct

3.5.2 *THE GRAMEEN BANK MICROFINANCE MODEL - INCREASING CAPABILITIES*

The Grameen Bank microfinance model of Bangladesh is based on group lending towards supporting the entrepreneurial activities of village women and has led to an increase in their standards of living and capabilities (Sen, 1999). Muhammad Yunus, the founder of the Grameen Bank, maintained that increasing the agency of people is more important than money. Therefore, Grameen Bank did not only provide credit to its members but directly set out to build human capital by increasing their client's capabilities and agency (Yunus, 1998; 1999). The focus on pulling people out of poverty and following the resolutions has improved their capabilities and raised the standard of living of many of the Grameen Bank clients (Morduch, 2000; Rahman, 1999; Sen, 1999; Yunus, 1999). Microcredit plays an important role in the survival of microenterprises and contributes directly to poverty reduction (Matfobhi & Ruffing, 2002). However, microfinance is credited to support the growth of MSMEs which serve people who can afford to borrow and pay back (Armendáriz & Morduch, 2010; Honohan & Beck, 2007). In contrast, Donou-Adonsoua & Sylwester (2016) reported that microfinance, unlike bank credit, had little or no impact on poverty reduction.

The Grameen Bank operations are based on the Sixteen Decisions that women users are encouraged to adhere to and uphold the tenets of Sixteen Decisions rules that women clients of the Grameen Bank promise to uphold in order to access funding from the Bank. The creation of the Sixteen Decisions illustrates the bank's focus on increasing the funding and capabilities of its clients. These Sixteen Decisions are also instrumental in discussing the impact of Grameen Bank microcredit and comparing them to the benefits of the iChilimba.

3.5.3 *THE ICHILIMBA*

The word iChilimba means 'to strengthen'; it is a term that is used to describe the different forms of informal finance by both the users and in published documentation of the practice in Zambia (Bank of Zambia, 2015). Relatedly, the term iChilimba has evolved to refer to the network of users themselves, while the types of processes used to manage the finances have different names, except for the straightforward ROSCA, which refers to the interest-free iChilimba. There is also another type of Accumulated Savings and Credit Association (ASCA) referred to as the Village

Bank. However, all forms of informal finance fall under the encompassing name of iChilimba and include the Village Banks and Investment Clubs. Although the group members of each particular network set the rules to suit themselves, it is generally acknowledged that similar principal guiding rules apply to each type of organisation. For instance, the size of the contribution is unanimously agreed on by all members and new members are added to the end of the collection rotation as a means of reducing risk to existing members (O'Reilly, 1996). What is more, the meeting, if not set up in a professional environment such as an office or marketplace, is hosted at a member's house and, the meeting rotates amongst member's homes where the hosting member can make extra money by selling food and drinks to the attending members. Attending meetings is encouraged as regular meetings build solidarity between members to the extent that failure to attend meetings without a viable reason is a chargeable offence (Laufer, Pietosi, & Rippey, 2019).

The first person to collect the funds in a round is technically borrowing from all the other members, while the last person to collect the funds receives the money they would have saved within the period of the savings run. The other members of the ROSCA are both borrowers and savers to different degrees (Ardener, 1964). The resources are shared based on the principle of balanced reciprocity, where each member draws out of the funds as much as she has put into it (Bouman, 1995). This is the simplest and most straightforward type of ROSCA, as no deductions are made to compensate the organiser, and no competitive bidding for the fund occurs (Bouman, 1977). Women starting businesses in Zambia are supported and encouraged by their spouses and children, particularly as their success contributes to the financial well-being of the family (Choongo, Eijdenberg, Chabala, Lungu, & Taylor, 2020).

3.5.4 PARALLELS BETWEEN THE GRAMEEN BANK MICROFINANCE MODEL AND ICHILIMBA

The iChilimba, like the Grameen Bank, seeks to empower women in society and foster socioeconomic development (Laufer, Pietosi, & Rippey, 2019; Sishumba & Mulonda, 2019). It liberates women who would otherwise be dependent on their partners and helps them to contribute towards the betterment of the standards of living of their families (Matfobhi & Ruffing, 2002). However, the Grameen Bank is a formal organisation compared with the informal iChilimba, which operates on the trust between members and is run by its membership (Hughes, 2017). The iChilimba enables female entrepreneurs to save and pay for necessities such as

school fees, build houses or buy cars (Bank of Zambia, 2015; Melzer, 2007; Sishumba & Mulonda, 2019). The Zambia Statistical Agency (ZSA) (2019) observed that 53 per cent (approximately half a million) of the female population in Lusaka use informal finance from the iChilimba societies as a source of enterprise funding for entrepreneurial activities.

The foundation of all ROSCA, such as the iChilimba, is dependent on strong social networks that inspire trust amongst the membership. The different types of social networks found in different parts of the world have a strong impact on existing entrepreneurial networks and are underpinned by social and cultural values such as Isusu in Nigeria and Ubuntu in Southern Africa.

3.5.5 *THE GRAMEEN BANK'S SIXTEEN DECISIONS*

The Sixteen Resolutions or Decisions are rules created by the Grameen Bank that were intended to increase the capability of the banks' clientele and improve their standard of living.

The Sixteen Decisions are as follows -

1. We respect the four principles of the Grameen Bank - disciplined, united, courageous and workers - and we apply them all our lives.
2. We wish to give our families good living standards.
3. We will not live in dilapidated houses. We repair them and work to build new ones.
4. We cultivate vegetables the whole year round and sell the surplus.
5. During the season for planting, we pick out as many seedlings as possible.
6. We intend to have small families. We shall reduce our expenses to a minimum. We take care of our health.
7. We educate our children and see that they can earn enough money to finance their training.
8. We see to it that our children and homes are clean.
9. We build latrines and use them.
10. We only drink water drawn from a well. If not, we boil the water, or we use alum.
11. We will not accept a marriage dowry for our son and we do not give one to our daughter at her marriage. Our centre is against this practice.

12. We cause no harm to anyone, and we will not tolerate that anyone should do us harm.
13. To increase our income, we make important investments in common.
14. We are always ready to help each other. When someone is in difficulty, we will give a helping hand.
15. If we learn that discipline is not respected in a centre, we help restore order.
16. We are introducing physical culture in all centres. We take part in social events.

The Sixteen Decisions came about because although the purpose of the Grameen Bank was to alleviate poverty in Bangladesh, the instigators realised that providing credit to people experiencing poverty was not enough because they often lacked the financial discipline or technical expertise to manage their enterprises well, and, in addition, they faced social challenges such as housing, nutrition and education (Hasan & Renteria-Guerrero, 1997). Therefore, the women were encouraged to aspire to improve their livelihoods by adhering to the principles within the Sixteen Decisions, a framework initially proposed by Muhammad Yunus as part of the Grameen model (Yunus, 1998). The model gained extensive recognition due to being replicated in developing countries found in Asia, South America and Africa (Machingambi, 2022), where it plays a significant role in discussions on poverty alleviation, capability creation, education, healthcare support, women's rights and MSME support (Armendáriz & Morduch, 2010; Bernstein & Seibel, 2011; Morduch, 1999; Owolabi, 2015; Sen, 1999). Furthermore, Sen (1999) underscored the profound influence of the Sixteen Decisions on the capabilities and agency of women in the developing world. At the time this study was conducted, there was no formal list of resolutions among the iChilimba society members in Zambia.

3.6 *THE CONCEPTUAL FRAMEWORK*

The study explored how Ubuntu influences social networks and their characteristics to generate and sustain social capital that transforms into financial capital, that is, iChilimba and the significance for women-owned microbusinesses within Zambia, a developing country. The conceptual framework underpinning the study is presented below (see Figure 3.6). The conceptual framework underpinning the study is presented below (see Figure 3.6)

The framework in Figure 3.6 represents the influence of Ubuntu, social capital and social networking on the iChilimba. Some Zambian women entrepreneurs do not borrow from formal financial institutions to access credit. According to the ILO (2003), over 90% of formally registered female MSME owners had sourced business capital from family or friends or used savings or terminal benefits. Others used the iChilimba (ROSCA) to source financial capital. The ROSCA operates based on Ubuntu (the community). The key terms presented in the framework are defined below.

- (i) *Ubuntu*: An ancient African philosophy meaning humanity to others and underpinned by the philosophy that 'I am what I am because of who we all are' places emphasis on reciprocity, suppression of self-interest, and mutual dependence (Managaliso, 2001); humanity and interdependence towards building and maintaining communities through justice and mutual caring (Khomba & Kangaude-Ulaya, 2013).
- (ii) *Social networks*: Ubuntu influences social networks; the social network theory postulates that information and relationships develop within active social groups in self-regulated communities (Hammond & Glenn, 2004). The linkages define the identity, activities, dimensions and implications that determine the density, reachability, centrality and balance of the social network (Aldrich & Zimmer, 1986; Kilduff & Tsai, 2003).
- (iii) *Social Capital*: Ubuntu is linked to social capital. Social capital refers to the networks of relationships among people who live and work in a particular society and provides the foundation that allows network members to interact in confidence (Widner & Mundt, 1998). Social capital thrives in social networks based on trust and reciprocity; although the term social network refers to the group, social capital is the foundation of the group (Knorringa & van Staveren, 2007).
- (iv) *iChilimba (financial capital)*: This refers to an informal Rotating Saving and Credit Association (ROSCA) formed by a group of participants who agree to make regular contributions to a fund which is given in whole or in part, to each contributor in rotation (Ardener, 1964). The operations are based on the contract between members of an association to pool resources such as labour, goods or money (Bouman, 1995). Thus, iChilimba is used to denote informal finance in Zambia (Bank of Zambia, 2015). As ROSCA, the iChilimba network generates financial capital for all members as new members are added to the end of the collection rotation as a means of reducing risk to existing members (O'Reilly, 1996). Bootstrapping refers to the creative acquisition

of business finance at little or no cost and without borrowing from formal financial institutions (Brush, Carter, Gatewood, Greene, & Hart, 2006). Hughes (2017) states that iChilimba are the favoured source of loans and savings for women across income levels in Zambia.

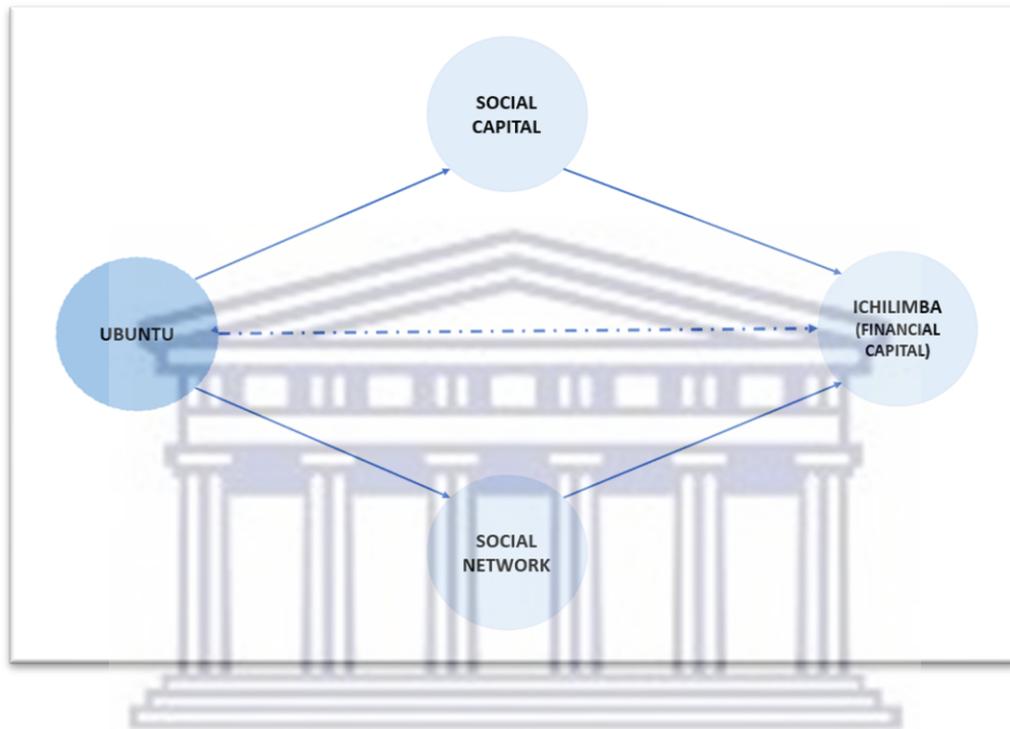


Figure 3.5: The conceptual framework
Source: Researcher's construct

3.7 SUMMARY

This chapter has reviewed and presented the theoretical perspectives underpinning the study. The relevant literature on Ubuntu philosophy, social networks, and social capital has been reviewed. As has the literature on the Zambian ROSCA, the iChilimba. Finally, the conceptual framework indicating the influence of the Ubuntu philosophy on social networks and social capital and, subsequently, the iChilimba society has been presented. The next chapter presents the study methodology.

CHAPTER FOUR

RESEARCH METHODOLOGY

4.1. *CHAPTER OVERVIEW*

This chapter presents the research methodology and methods used to collect and analyse data. The first section discusses the research paradigm and justification of the research methodology. The main sections include the philosophical assumptions, research strategy, research methods, sampling techniques, unit of analysis and ethical considerations.

4.2. *INTRODUCTION*

The study adopted a qualitative research approach informed by the constructivist paradigm. A case study design was adopted while primary data was collected through interviews and secondary documents. The research was conducted amongst women entrepreneurs using the iChilimba in Lusaka, Zambia. Data was analysed using the Computer-Assisted Qualitative Data Analysis Software (CAQDAS), ATLAS.ti. The study was conducted during the COVID-19 pandemic period, and all relevant social distancing protocols were adhered to.

4.3. *THE RESEARCH METHODOLOGY*

There are three main types of research approaches; quantitative, qualitative and mixed methodologies (Creswell & Creswell, 2018). The research methodology chosen in any particular study is often determined by the following factors: (a) the researcher's belief system (b) the kind of information being sought, (c) the ability to negotiate access to data (d) the time available in which to conduct the research (e) the resources available to support the research, e.g., finances,

trained researchers, technological aids such as laptops, audio recorders and video cameras (Saunders, Lewis, & Thornhill, 2016). According to Creswell & Creswell (2018), the distinction between qualitative research and quantitative research is framed in terms of using words

(qualitative) rather than numbers (quantitative) or by using closed-ended questions and responses (quantitative hypotheses) or open-ended questions and responses (qualitative interview questions). Saunders *et al.* (2016) make a notable distinction between the two research methodologies by explaining their characteristics that: the first approach pertains to quantitative research, where the primary objective is to examine and validate a pre-established theoretical framework through the systematic collection and analysis of empirical data. In this context, quantitative research is theory-driven, employing a deductive approach whereby the researcher seeks to confirm or refute existing theoretical propositions through empirical investigation. Furthermore, quantitative research is suitable for researching scientific questions and is synonymous with large samples, statistical requirements and presenting answers in statistical format (Creswell & Creswell, 2018). According to the positivism, the underpinning quantitative research approach proffers scientific evidence quantitatively (Saunders *et al.*, 2016). Researchers who engage in this form of inquiry seek to test theories deductively and generalise and replicate the findings (Creswell & Creswell, 2018). Further, quantitative research strategies pursue generality, while qualitative approaches and designs help to clarify and explain subjective meanings and complexity (Neergaard & Ulhoi, 2007).

The mixed approach to inquiry involves multiple research methods that combine the use of quantitative and qualitative data collection techniques; analytical procedures, and research designs that draw from the two distinct philosophical assumptions and theoretical frameworks (Creswell & Creswell, 2018; Saunders, Lewis, & Thornhill, 2016). The pragmatist perspective views the exclusive adoption of one philosophical position as unhelpful and chooses instead to see these as either end of a continuum, arguing that a choice of whichever position or mixture of positions will help to undertake research through combining quantitative and qualitative research (Saunders, Lewis, & Thornhill, 2016).

Conversely, qualitative research, is characterised by the development of a theoretical explanation as the researcher collects and diligently analyses data. In qualitative research, the primary emphasis is on exploring a particular phenomenon. Thus, Qualitative research adopts an inductive approach that involves a data-driven process, where the researcher generates theoretical insights and constructs and explanations based on the observed patterns and emergent themes derived from the collected data. This study, adopts the qualitative research approach, and the justification is discussed in Section 4.3.1 below.

4.3.1. *QUALITATIVE RESEARCH*

The goal of qualitative research is to develop concepts that augment the comprehension of social phenomena in their natural settings, focusing on a deeper understanding of the subjective meanings, experiences and views of all participants (Neergaard & Ulhoi, 2007). It is characterised by small sample populations and captures the perspectives of the respondents using open-ended questions (Creswell & Poth, 2018). Thus, the qualitative approach enables the exploration of phenomena and the development and presentation of theoretical explanations of the subjective meanings and realities from the point of view of the respondents. In turn, the inductive approach is data-driven and seeks to identify the patterns of the respondent's meanings in understanding the phenomena of research interest (Saunders, Lewis, & Thornhill, 2016).

This study explores the in-depth motivations behind the use of iChilimba by women entrepreneurs in their enterprises and their personal lives. This study adopts the qualitative methodology to understand the subjective meanings and perspectives of the research phenomena from the point of view of the respondents (Creswell & Poth, 2018). The research approach enables detailed responses from a small sample (Dana & Dana, 2005) that enhance the comprehension of the perspectives of the respondents' first-hand experiences of the phenomenon under study. This would enable the researcher to develop concepts that explicate the comprehension of social phenomena within their natural settings (Neergaard & Ulhoi, 2007). The open-ended questions enable deeper understanding (Saunders, Lewis, & Thornhill, 2016) and the thoughts of women entrepreneurs in their own words (Creswell & Poth, 2018) with respect to the use of informal finance such as iChilimba and the risks involved (Mertens, 2015). Thereafter, to develop a theoretical framework that connects the philosophy of Ubuntu, informal finance (iChilimba), social networking and the generation of social capital.

The use of qualitative methods in this study contributes towards the growing body of knowledge that seeks a deeper understanding of female entrepreneurship, the role of social networks and the underpinning social and cultural influences on female entrepreneurship (Merriam & Tisdell, 2016) within a developing country context.

4.4. RESEARCH PARADIGM

Research paradigms or worldviews underpin the philosophical assumptions that guide and direct the thinking and action of participants (Mertens, 2015). They further enhance the logical coherence of the assumptions, concepts, and propositions that orient the thinking around the research and understanding of the overall perspective from which a study is designed and carried out (Krauss , 2005).

Table 4.1: Major paradigms with corresponding belief systems

BASIC BELIEFS	POST-POSITIVISM	CONSTRUCTIVISM/ INTERPRETIVISM	TRANSFORMATIVE	PRAGMATIC
Axiology (Nature of ethical behaviour)	Respect privacy, informed consent, minimize harm (beneficence); justice/equal opportunity	Balance representation of views; raise participants awareness, community rapport	Respect for cultural norms; beneficence is defined in terms of the promotion of human rights and increase in social justice and reciprocity	Gain knowledge in pursuit of desired ends as influenced by the researcher's values and politics
Ontology (Nature of reality)	One reality; knowable within a specified level of probability	Multiple socially constructed realities	Rejects cultural relativism; realizes that various versions of reality are based on social positioning; conscious recognition of consequences of privileging versions of reality	Asserts that there is a single reality and that all individuals have their own unique interpretation of reality
Epistemology (Nature of knowledge; relation between knower and would be known)	Objectivity is important; the researcher manipulates and observes in a dispassionate, objective manner	Interactive link between researcher and participants; values are made explicit, create findings	Interactive link between researcher and participants; knowledge is socially and historically situated; need to address issues of power and trust.	Relationships in research are determined by what the researcher deems as appropriate to that particular study
Methodology (Approach to systematic inquiry).	Quantitative (primarily); interventionist; decontextualized.	Qualitative (primarily); hermeneutical; dialectical; contextual factors are described.	Qualitative (dialogic); but quantitative and mixed methods can be used; contextual and historical factors are described, especially as they relate to oppression.	Match methods to specific questions and purposes of research; mixed methods can be used as a researcher works back and forth between various approaches

Source: Adapted from Mertens (2015, p. 59)

Creswell & Creswell (2018) describe paradigms as a set of beliefs held by individual researchers that inform the adoption of qualitative, quantitative, or mixed methods approaches in their research. Relatedly, Kamal (2019) points out that a paradigm is a way of seeing the world that frames a research topic and influences the way that researchers think about the topic. The main paradigms widely discussed in literature include post-positivism, constructivism, transformative, and pragmatism, as presented in Table 4.1 Above. Sobh & Perry (2006) state that the inherent outcome of paradigms is the creation of new knowledge. Firstly, the positivist paradigm draws on the philosophical stance of natural science whereby its assumptions are informed by seeking to explain observable reality and the production of generalizations on the phenomena (Alharahsheh & Pius, 2020). The positivist paradigm is widely used in research in business school and assumes implicitly or explicitly that reality can be measured by viewing it through a one-way, value-free mirror (Sobh & Perry, 2006). However, some researchers argue that positivist assumptions are inappropriate for researching social phenomena (Sobh & Perry, 2006).

In contrast, the transformative paradigm is a valuable approach to addressing political aspects within research by directly confronting instances of social oppression, regardless of their manifestation at various societal levels (Mertens, 2015). This paradigm emerged partly as a response to discontentment with prevailing research paradigms, which were perceived as having limitations when applied to the study of marginalized populations (Creswell & Creswell, 2018; Mertens, 2015). The subjects of research interest within this marginalised context encompass individuals such as women, indigenous and postcolonial groups, people with disabilities, and others who have endured experiences of discrimination and oppression. Additionally, this paradigm is also pertinent to those advocating for social justice (Mertens, 2015). The pragmatism research philosophy focuses on researching problems that contribute to practical solutions that inform future practice using mixed methods towards solving, or at least providing direction in addressing, concrete problems (Patton, 2015). Thus, pragmatists recognise the different ways of interpreting the world and undertaking research to reveal multiple realities rather than single points of view (Saunders, Lewis, & Thornhill, 2016),

Lastly, the constructivism/interpretivism philosophy adopted in this study provides an in-depth understanding and deep insights into the subjective phenomena within the context in which it occurs through the collection and interpretation of qualitative data (Alharahsheh & Pius, 2020).

4.4.1. JUSTIFICATION OF THE CONSTRUCTIVIST/INTERPRETIVIST PARADIGM

The social constructivism paradigm postulates that individuals develop varied and multiple subjective meanings of their experiences that researchers interpret for deeper meanings beyond a few categories or ideas (Creswell & Poth, 2018). Thus, the constructive paradigm argues that knowledge develops within a pre-existing social environment constantly interpreting and re-interpreting itself (Mertens, 2015). Hence, the social constructivist paradigm can be characterised as a systematic approach to addressing foundational assumptions predicated on the belief that social reality is contingent upon the individuals participating in a given context. It underscores the significance of comprehending these constructed realities and emphasises the generation of comprehensive descriptions derived from the viewpoints of the involved participants (Creswell & Poth, 2018; Lincoln & Guba, 2013). The theoretical foundation of social constructivism posits that reality is inherently subjective and contingent upon the diverse perspectives through which individuals construct their interpretations of reality. These constructions are profoundly influenced by the social relationships in which individuals are embedded (Creswell & Poth, 2018; Saunders, Lewis, & Thornhill, 2016).

Consequently, participants in this framework actively engage in the process of crafting their perceptions of reality, with these perceptions evolving as they interact within the context of social dynamics. In essence, the mind's construction of reality is intricately intertwined with the systematic relationships that individuals establish with the external world (Neergaard & Ulhoi, 2007). Thus, social constructivism posits that both the respondents' and the researcher's perspectives are indispensable to the study (Creswell & Poth, 2018). Further, the constructivist paradigm states that the researcher's background shapes their interpretation and is prone to bias due to personal, cultural and historical experiences (Creswell & Poth, 2018).

The study adopted the social constructivism paradigm and employed multiple data methods to gain a deep understanding of the socially constructed reality of the phenomena of research interest from the perspective of the participants (McGannon, Smith, Kendellen, & Gonsalves, 2021). Therefore, the social constructivist approach enabled the study to obtain a rich understanding of the diverse socially constructed perspectives on the role of the iChilimba in female-run entrepreneurial micro businesses.

4.4.2. PHILOSOPHICAL ASSUMPTIONS

The researcher brings certain philosophical assumptions and perspectives that provide direction for the study (Creswell & Poth, 2018). These philosophical assumptions are referred to as ontology, epistemology, and axiology (see Figure 4.2). Maintaining an awareness of these assumptions in the study process is critical because it enables the researcher to recognise and focus on the perspectives of the respondents in the presence of their own perceptions (Creswell & Poth, 2018).

Table 4.2: Constructivist paradigm assumptions

ONTOLOGY (NATURE OF REALITY OR BEING)	EPISTEMOLOGY (WHAT CONSTITUTES ACCEPTABLE KNOWLEDGE)	AXIOLOGY (ROLE OF VALUES)
<ul style="list-style-type: none"> • Complex, rich • Socially constructed through culture and language • Multiple meanings, realities, and interpretations, and • Flux processes, practices, experiences 	<ul style="list-style-type: none"> • Theories and concepts too simplistic • Focus on narratives, stories, perceptions, and interpretations. • New understandings and worldviews as a contribution 	<ul style="list-style-type: none"> • Value-bound research • Researchers are part of what is researched, • subjective. • Researcher interpretations key to contribution • Researcher reflective

Source: Adapted from Saunders, Lewis and Thornhill (2019, p. 145)

4.4.2.1. *Ontological Assumptions*

Ontology seeks to answer the question: *What is the nature of reality?* (Creswell & Poth, 2018; Lincoln & Guba, 2013). In social constructivism, ontology assumes reality as a socially constructed phenomenon (Mertens, 2015). The methodologies adopted are ideal for obtaining a deeper understanding of the lived experiences of the phenomena of research interest (Lincoln & Guba, 2013). In this study, each participant brought forward their perspective of their social reality in relation to the iChilimba, social networking, and Ubuntu. The researcher took the stance that the study objective was to understand the unique perspectives of experiences and the information advanced by participants during interactions. Therefore, the understanding of the role and significance of the iChilimba finance society by Zambian women entrepreneurs is understood from the subjective realities proffered by each participant in the study.

4.4.2.2. *Epistemological Assumptions*

Epistemological assumptions informing the knowledge of the phenomena of research interest are derived from the participants' subjective, multiple narratives, stories, perceptions, and interpretations (Saunders, Lewis, & Thornhill, 2019). Thus, knowledge creation in the study is constructed from the interpretations of the subjective reality of the participants. The researcher sought to understand participants' subjective experiences and perceptions of their world-views and thereafter construct meaning and new insights from the same. Thus, the development of new knowledge on the significance of iChilimba financial services for women-owned businesses derives from the interpretation of multiple perspectives on the phenomena of research interest and the discovery of new insights on the research topic (Creswell & Poth, 2018). Significantly, this study, focuses on obtaining new knowledge and insights on the relationships between social networks and Ubuntu, thereby uncovering aspects that may have been overlooked or underrepresented if considered from a single perspective (Merriam & Tisdell, 2016). In addition, data triangulation allowed the researcher to explore research questions by incorporating different data sources, such as interviews and documentation, to better understand and explain the insights from the research context (Lincoln & Guba, 2013). This led to a more nuanced understanding and discovery of new knowledge that may have been overlooked with a single approach (Yin, 2018).

4.4.2.3. *Axiological Assumptions*

Axiology refers to how researchers bring their values to research enquiry (Lincoln & Guba, 2013; Mertens, 2015). The researcher was respectful and considerate in her interactions with the respondents and how she presented them in the study (Lincoln & Guba, 2013). Although it was acknowledged that the researcher was playing a vital role in the research, she was encouraged to be reflexive and aware of her perspective at every stage so that it did not impact the study (Patton, 2015).

4.5. *RESEARCH DESIGN*

A research design refers to a 'blueprint' of the research that deals with what questions to study, what data are relevant, what data to collect, and how to analyse the results (Yin, 2018). The research design outlines the plan by which the respondents were selected, modes of data collection, generation and analysis of information (Creswell & Poth, 2018).

4.5.1. *QUALITATIVE RESEARCH DESIGNS*

The qualitative research approach refers to the overall framework and strategies employed to collect, analyse, and interpret qualitative data (Creswell & Creswell, 2018). However, there are different research designs within qualitative research that include narrative, phenomenology, grounded theory study, ethnography and case study (Creswell & Poth, 2018) (See Table 4.3 below). Some of the qualitative research designs are discussed briefly below.

The study adopted a case study design to examine the central research questions on the phenomena of research interest within its real-life context (Neergaard & Ulhøj, 2007). Data collection used interviews, observations, and analysis of documents and archival records (Yin, 2018).

Table 4.3: Five qualitative approaches

BASIC CONSIDERATIONS	NARRATIVE RESEARCH	PHENOMENOLOGY	GROUNDED THEORY	ETHNOGRAPHY	CASE STUDY
RESEARCH FOCUS OF APPROACH	Exploring the life of an individual	Understanding the essence of the experience	Developing a theory grounded in data from the field	Describing and interpreting a culture-sharing group	Developing an in-depth description and analysis of a case or multiple case
UNIT OF ANALYSIS	Studying one or more individuals	Studying several individuals who have shared the experience	Studying a process, an action, or an interaction involving many individuals	Studying a group that shares the same culture	Studying an event, a program, an activity, or more than one individual
TYPE OF RESEARCH PROBLEM BEST SUITED FOR APPROACH	Needing to tell stories of individual experiences	Needing to describe the essence of a lived phenomenon	Grounding a theory in the views of participants	Describing and interpreting the shared patterns of culture of a group	Providing an in-depth understanding of a case or cases
NATURE OF DISCIPLINARY ORIGINS	Drawing from the humanities including anthropology, literature, history, psychology, and sociology	Drawing from philosophy, psychology, and education	Drawing from sociology	Drawing from anthropology and sociology	Drawing from psychology, law, political science, and medicine

Source: Creswell & Poth (2018, pp. 163-164)

4.5.2. JUSTIFICATION OF THE CASE STUDY DESIGN

The study adopted a case study design to explore in-depth insights and gain a rich understanding of the phenomena of research interest through the use of multiple data sources (Creswell &

Creswell, 2018; Yin, 2018). Merriam & Tisdell (2016) argue that the case study strategy draws on individuals' experiences and provides an in-depth understanding of the cases. The study adopted a descriptive case study design to explore and gain an in-depth understanding and explain the phenomenon in the context in which it occurs (Yin, 2018). The main research aim was to understand the phenomenon of iChilimba from the respondents' perceptions, narratives, meanings, realities, and descriptions. Furthermore, the case study design enabled the in-depth understanding of a single or small number of social phenomena (cases) in their real-world contexts (Yin, 2018).

The case study design was used to study the financial and networking habits of women entrepreneurs through comprehensive descriptions of social phenomena (Zainal, 2007). Further, the case study design enabled answering the main research question through insights that cannot be covered by randomised controlled trials popular in quantitative studies (Yin, 2018). Yin (2018) states that in instances where research questions are descriptive and explanatory, as in this study, the question would be best answered through in-depth interviews and discussions as well as the systematic collection of data and analysis procedures. The case study approach enabled the researcher to collect the data from a small number of individuals (cases) (Zainal, 2007) in which it occurred, in this study, Lusaka Province, Zambia. Research findings are anticipated to provide a deeper understanding of the phenomena (Yin, 2018) within Southern Africa. Furthermore, the approach enabled the generation of new theories and the development of the iChilimba Empowerment Framework for Women Entrepreneurs (Suddaby, Bruton, & Steven, 2014).

4.6. *RESEARCH SETTING: THE NATION OF ZAMBIA*

Zambia is a sparsely populated, resource-rich and geographically landlocked Southern Africa country (See Figure 2.2 below). The name Zambia was adapted from the name of the Zambezi River in Southern Africa. The Zambezi originates in the north-west corner of the country and forms a long stretch of the country's southern border with Zimbabwe, flowing through the Victoria Falls, which the locals call Mosi oa Tunya, a phrase which translates as 'The Smoke that Thunders' in the Tonga language. The country is divided into ten administrative provinces, namely, Lusaka, Copperbelt, Central, Eastern, Luapula, Muchinga, Northern, North Western, Southern and Western Provinces. Lusaka is the capital city located in Lusaka Province (CSO, 2018). Although

the country is mostly on a plateau, Zambia has many rivers and lakes. The most expansive are the Luapula River and Lake Mweru wa Ntipa in Luapula Province and Luangwa River in Eastern Province. Lake Mweru is shared with Tanzania in the Northern Province, and Lake Kariba is shared with Zimbabwe in the Southern Province. Many other rivers, lakes, and waterfalls in the country cover a cumulative area of approximately 752,614 kilometres, i.e., about 2.5% of the African continent (CSO, 2018).

Zambia's neighbours include the Democratic Republic of Congo (Congo DR) to the north, Angola to the west, Botswana and Namibia to the southwest, Zimbabwe to the south, Mozambique to the southeast, Malawi to the east and Tanzania to the northeast (see Figure 1.1 below).



Figure 4.1: Map of Zambia
Source: Zambian High Commission in Canada Website (<https://zambiahighcommission.ca/wp/>)

The most developed regions of Zambia lie along the line of rail, which stretches from Livingstone in the Southern Province on the border with Zimbabwe, to Chililabombwe on the Copperbelt, close to Kasumbalesa, which is on the border with the Democratic Republic of the Congo. Livingstone is a gateway to Beit Bridge, giving cross-border business people access to South Africa. Kasumbalesa serves as one of the busiest border entry points, with commercial vehicles cleared to travel destined to and from South Africa, Tanzania, Namibia, Mozambique and other countries. Lusaka is the capital city and economic hub of Zambia.

Although Zambia has been classified as a middle-income country based on the mining and export of copper and other minerals, the country has limited opportunities for formal employment. This has led the Zambian government to identify entrepreneurship as one field that can be used to create employment and diversify the economy (MCTI, 2008). The private sector is comprised of approximately 94% micro companies, which create 68% of total employment, and small, medium and large firms account for 5%, 0.4% and 0.06%, respectively (Mandawa, Sanghavi, & De Mattos, 2014).

4.6.1. *THE CITY OF LUSAKA*

This study was conducted in Lusaka City, located in the Lusaka Province of Zambia. (See Figure 4.1 below). Zambia has a population of 17.4 million, of which an estimated 3.2 million live in Lusaka and 1.7 million are women (Ministry of Labour & Social Security, 2020). As the focal point of economic activity, Lusaka, as the Capital City, has played a historically pivotal role in engendering the prevalence of the iChilimba in Zambia.

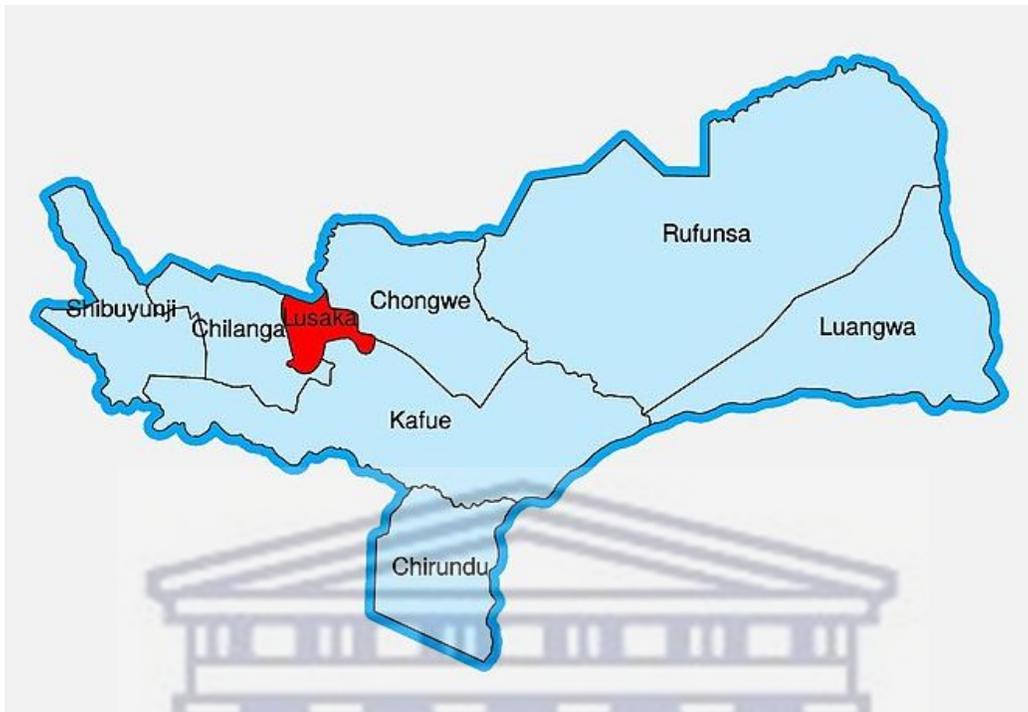


Figure 4.2: Map of Lusaka Province
Source: https://commons.wikimedia.org/wiki/File:Lusaka_District.jpg

Present day Lusaka was the site of a village named after the then-headman called Lusaka. Due to its central location in the then-Northern Rhodesia, Lusaka was expanded by European settlers in 1905 and later, in 1935 and replaced Livingstone as the capital city of the then Northern Rhodesia. When the country became independent and renamed Zambia, the city kept its name and continues to serve as the capital (McGill University, 2023).

Figure 4.2 shows the residential areas, the layout of the City, and the Central Business District, which is also called Lusaka.



Figure 4.3: Map of Lusaka City
 Source: <http://lusaka.wikimapia.org/map/>

Zambia has a population of 17.38 million (Zambia Statistics Agency, 2020), of which an estimated 3.24 million live in Lusaka, where women are estimated to be 1.7 million (Ministry of Labour & Social Security, 2020). An estimated 1,98 million (20.4%) are of working age, of which 1,06 million (53.3) are female. Lusaka, the capital city, attracts people from different provinces and thus has the highest employment rate by province, estimated at 48.1%, whilst unemployment is at 8.8% (Ministry of Labour & Social Security, 2020). The Zambia Labour Force Survey (2020) states that 53% of women living in urban centres, such as Lusaka classify themselves as self-employed. An estimated 65% of women use the iChilimba financing system (Bank of Zambia, 2015). The largest industry in Lusaka is the retail industry, followed by agriculture, forestry and fishing (see Table 4.4 below).

Table 4.4: Major industries in Lusaka Province

Industry	Percentage Share
Wholesale & retail	33.7
Agriculture, forestry & fishing	12.6
Mining & quarrying	9.2
Construction	6.0
Other service activities	5.6
Activities of households as employers	5.5
Administrative & support activities	4.8
Accommodation & food service activities	4.7
Transport & storage	4.6
Education	3.7
Miscellaneous	9.7

Source: Adapted from Ministry of Labour and Social Security (2020, p. 39)

4.7. POPULATION AND SAMPLING

4.7.1. THE POPULATION OF INTEREST

The population of the study constituted women business owners operating in the Lusaka Province of Zambia, who utilise the iChilimba as part of their financing strategy.

4.7.2. SAMPLE POPULATION

The average iChilimba user is female, of the ages of 26 to 45, with an 8th-grade education, urban-based and either employed or a business owner (The Bank of Zambia, 2015). An estimated 65% of women utilise the iChilimba whereas an estimated 53% of women dwelling in urban areas are self-employed (Bank of Zambia, 2015). Subsequently, the target population for this study were women entrepreneurs who were members of the iChilimba informal finance networks and based in Lusaka, Zambia. (See Table 4.5 below).

Table 4.5: Sample population

Estimated	Target population (Self-employed women entrepreneurs using the iChilimba)	Average user of iChilimba in Zambia	Criteria for inclusion in study
Population of Women in Lusaka - 1.7 million Population of female iChilimba users - 1.1 million	53% = 585, 000 potential respondents	1. Female 2. Aged between twenty-six and forty-five 3. Eighth grade education 4. Urban based 5. Employed or a business owner.	1. Usage of iChilimba finance society 2. Located in Lusaka 3. Female entrepreneur

Sources: Adapted from data from Bank of Zambia, 2015; Zambia Statistics Agency & Ministry of Labour and Social Security, 2020

4.7.3. SAMPLING

The research population in this study encompassed women microbusiness owners who are active members of iChilimba societies in Lusaka. The study employed purposive sampling to facilitate a selection of women respondents best placed to provide valuable insights into the research questions (Patton, 2015). The researcher used snowballing to identify microbusiness owners in Lusaka who were members of iChilimba through female associations. The researcher contacted an iChilimba entrepreneur member who then agreed to provide contact names of women involved in the iChilimba. After the initial contact interview, the entrepreneur suggested two women who might agree to be part of the research based on her recommendation. Following this initial selection, the snowball sampling method was systematically utilised to expand the study's sample by identifying individuals who were connected to those who could offer valuable insights pertinent to the research focus (Patton, 2015). The research was conducted during the challenging backdrop of the COVID-19 pandemic. In strict adherence to the social distancing regulations set forth by both the University of the Western Cape and the Zambian Government, interviews were conducted remotely, utilising the WhatsApp social media application. Prior to each interview,

verbal consent was explicitly requested from the participants and meticulously recorded in accordance with ethical research standards (Masters, 2021).

4.7.4. SAMPLE SIZE

Table 4.6: Characteristics for selecting participants.

WOMEN ENTREPRENEURS	SELECTION CRITERIA	RATIONALE
Age requirement for participants	A participant should be not less than 18 years of age	Legally an adult; no parental consent required
iChilimba client	A participant should have been a client for more than six months	Established and expected to be able to offer an informed opinion
Residency	A participant should have been a Lusaka resident for the past 18 months	Established and expected to be able to offer an informed opinion
Location of business	The business should be located in Lusaka urban	Study focused on entrepreneurs operating in similar circumstances
Age of the Business	The business should not be less than one year old	Established and able to offer an informed opinion

Source: Researcher's construct

Table 4.6 above presents the criteria used to select participants. The determination of the sample size was guided by established principles from the qualitative research literature. Creswell and Creswell (2018) posit that qualitative studies involving interviews and case studies typically involve between four and five cases until data saturation is achieved. In contrast, Mason (2010), after reviewing a comprehensive set of 560 qualitative dissertations, reported that an average sample size of ten (10) cases is customary within the research genre encompassing case studies and interviews. Contrastingly, Patton (2015) contends that qualitative research lacks rigid rules for sample size, as the size is contingent upon the study's objectives, credibility, and what can be reasonably accomplished within the constraints of available time and resources. In qualitative

inquiry, the sample size is often determined by reaching a point of saturation, where the data no longer yield new insights or information. This study reached saturation after conducting interviews with eight (8) female entrepreneurs who were active members of the iChilimba finance societies. Consequently, the chosen sample size aligns with the recommendations put forth by Creswell & Creswell (2018) and Mason (2010), taking into account the principles of qualitative inquiry and the attainment of data saturation.

4.7.4.1. Selection Criteria

For entrepreneurs to meet the requirements to participate in the study, they had to meet the criteria identified in Table 4.6. These criteria were identified as the conditions that needed to be met to interview women entrepreneurs who would be able to provide insights on the research phenomena.

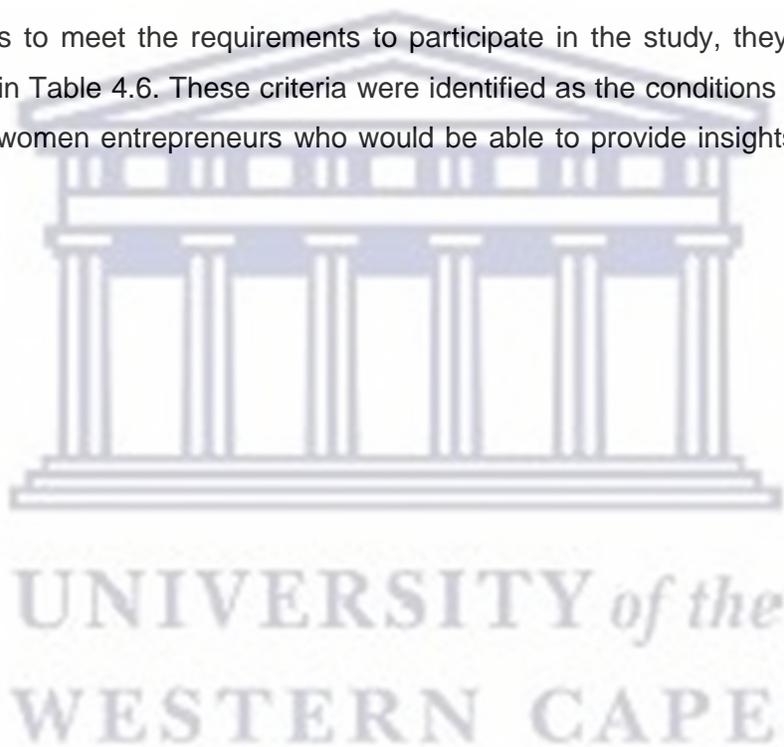


Table 4.7: Profile of participants

PARTICIPANT	AGE	BUSINESS TYPE	YEARS IN BUSINESS	NUMBER OF EMPLOYEES (INCLUDING OWNER)
Respondent 1: Dr Soko*	56	Poultry farming	20	4
Respondent 2: Mrs Chishimba*	60	Rents out an events hall and market shops; provides a secure car park for nearby residents; Supplies charcoal	23	7
Respondent 3: Mrs Kyenge*	58	Poultry farming	8	3
Respondent 4: Mrs Bwembya*	42	Clothes importer and supplier	6	1
Respondent 5: Mrs Mwaba*	58	Poultry farming	25	3
Respondent 6: Ms Olipa*	22	Producer of baked treats and snacks	3	1
Respondent 7: Mrs Ngozi*	48	Hairdressing salon and restaurant owner	15	5
Respondent 8: Ms Musonda*	36	Poultry farming Vegetable cultivation; Car Wash	8	9

Source: Researcher's construct

The sample comprised eight (8) women, as presented in Table 4.7 above. Pseudonyms were used to protect the identity of the respondents.

4.8. DATA COLLECTION METHODS

4.8.1. PRIMARY DATA

Primary data was collected directly from the study cohort. Although there are several methods of collecting data, such as interviews, focus groups and observation of field activity (Mertens, 2015), this study used one-on-one semi-structured interviews.

4.8.1.1. *Semi Structured Interviews*

Primary data was collected using an interview guide. An interview is a suitable technique in qualitative research as it provides insights into the experience of the phenomenon (Saunders, Lewis, & Thornhill, 2016). A pilot study was conducted to test out the interview guide to ensure that the questions would be understood by the target audience, and thereafter, the interview guide was refined accordingly (Mertens, 2015). The pilot study also gave the researcher some aptitude in conducting online interviews as this was a new experience.

The interview guide comprised fourteen questions divided into four sections. In line with the descriptive nature of the study, respondents were probed for elaboration and explanation of their responses, which allowed obtaining detailed information (Creswell & Creswell, 2018). Natural conversational language was used throughout the interview, and technical language was avoided, which put the respondents at ease and created an environment for them to share their knowledge freely (Lincoln & Guba, 2013; Merriam & Tisdell, 2016; Patton, 2015). The researcher was able to ask follow-up questions when the respondents' answers merited it (Patton, 2015). The interviews were conducted in the language the respondent was most comfortable with and included English, Bemba or Nyanja. Although the researcher considered herself proficient, there were some misunderstandings that had to be clarified, as the women would often refer to the same thing using different terminologies. For instance, they used the term iChilimba as an umbrella term for various forms of informal finance, such as the ROSCA, ASCA and grocery clubs. They also called the act of sharing the saved monies as share out or payout. The researcher had to probe the respondents to ascertain the true meanings of the terms and meanings of words.

The interviews were recorded on two devices, a cell phone and a Tablet, as backup in case one device developed a problem. The researcher kept a journal where she noted observations at each interview (Creswell & Creswell, 2018). Each interview lasted between 45 to 60 minutes. The interview responses were transcribed and translated by the researcher immediately after the interview to capture the nuance of each interview (Patton, 2015). At the beginning of each interview, verbal consent was obtained from all the interview participants to be interviewed, and permission was granted to record the interviews (Masters, 2021). A copy of the interview guide is included in Appendix B.

4.8.2. *SECONDARY DATA*

The second phase of the data collection process necessitated collecting secondary data in the form of documents from the participants (Mertens, 2015).

4.8.2.1. *Obtaining Documents*

Obtaining documentation from the study process was a challenging process, as a number of the respondents indicated that administrators handled copies of documents. Some respondents indicated that their documents held confidential information and could not be shared with outsiders. However, the researcher was able to acquire the documents listed in Table 4.8. Copies of these documents are included in the Appendices A to K.

Table 4.8: Documents obtained from study participants.

APPENDIX NUMBER	DOCUMENT	TYPE	SOURCE
Appendix A	Ethics Reference Number: HS20/9/66	Ethical clearance	UWC
Appendix B	Interview guide	Questionnaire	Researcher
Appendix C	MM's Village Banking Rules	Network regulations	MM Village bank
Appendix D	Constitution	Network regulations	Friendship Group Village Bank
Appendix E	Constitution of the K Village Bankers	Network regulations	K Village Bank
Appendix F	First half tabulation by treasurer (Calculations of payout in K Village Bankers)	Network records of the first half of 2021	K Village Bank
Appendix G	Sample calculations for Member Charity	From network records of the first half of 2021	K Village Bank
Appendix H	Second half tabulation by treasurer (Calculations of payout in K Village Bankers)	Network records of the second half of 2021	K Village Bank
Appendix I	Sample calculations for Member Chanda	From network records of the second half of 2021	K Village Bank
Appendix J	Sample of ATLAS.ti codes	Codes used in collating data	Researcher
Appendix K	Types of microbusinesses that access iChilimba	Network map	Research data

Source: Researcher's construct

4.9. DATA ANALYSIS AND PRESENTATION

Creswell and Creswell's (2018) logical data analysis process was adopted to analyse the study data.

Step 1: Transcription and translation of data - The researcher organised and prepared the primary data in the form of recorded interview analysis; i.e., the interviews were transcribed and, where necessary, translated.

Step 2: Familiarisation of data - The researcher uploaded all the documents, that is, transcribed interviews and the secondary documents obtained from the respondents, into the CAQDAS ATLAS.ti 23 for analysis. The researcher read through the collected data thoroughly to obtain a clear understanding and sense of the data and to attain the overall credibility of impressions.

Step 3: Systematic coding - The researcher adopted a detailed method of coding and categorised themes that involved identifying and highlighting similar patterns and meanings within the data, leading to the creation of the initial set of codes. The researcher grouped similar themes that informed the thematic analysis for systematic coding and categorising.

Step 4: Reviewing and refining themes - Since the data collected was qualitative in nature, the initial codes were quite broad. The codes were further reviewed and refined into clusters and components with similar topics, which are also referred to as focussed codes. The focused codes captured the critical aspects of respondents' perspectives that answered the investigative questions. The codes were grouped into the categorised labelling process, giving the researcher allowance to conduct a preliminary analysis.

Step 5: Defining and naming themes – Finally, the themes that had been identified were examined and further split or merged into final themes. The main themes are presented in Table 4.9.

Table 4.9: Themes identified through thematic analysis.

RESEARCH QUESTION	MAIN THEMES
What is the significance of iChilimba financial services in women-owned microbusiness operations?	<ol style="list-style-type: none"> 1. Provides start-up and working capital. 2. Business and financial management skills 3. Business expansion 4. Expansion into new business areas
What factors influence the demand for iChilimba financial services?	<ol style="list-style-type: none"> 1. High lending rates by formal sector lenders 2. Formal lenders have low interest on savings 3. Informal sector lenders 4. Flexible borrowing conditions 5. Knowledge exchange 6. Potential captive market 7. Self-help opportunities 8. Mutual assistance 9. Networking and support 10. Trustworthy leadership
What is the impact of iChilimba on personal and professional experiences?	<ol style="list-style-type: none"> 1. Empowerment and realisation of personal ambitions 2. Sustainable self-employment 3. Improved standards of living 4. Financial literacy 5. Savings discipline
What is the significance of iChilimba financial services in women's entrepreneurship?	<ol style="list-style-type: none"> 1. Access to Capital 2. Savings & Credit Facility 3. Store of value 4. Mitigation of risk

Source: Researcher's construct

Step 6: Comparison of the findings - At the end of the data analysis process, the researcher interpreted the meaning of the data through a comparison of the findings with relevant theories and literature. The data analysis process has been summarised in Figure 4.3.

Figure 4.4 is an example of a network formed as part of the data analysis process in ATLAS.ti.

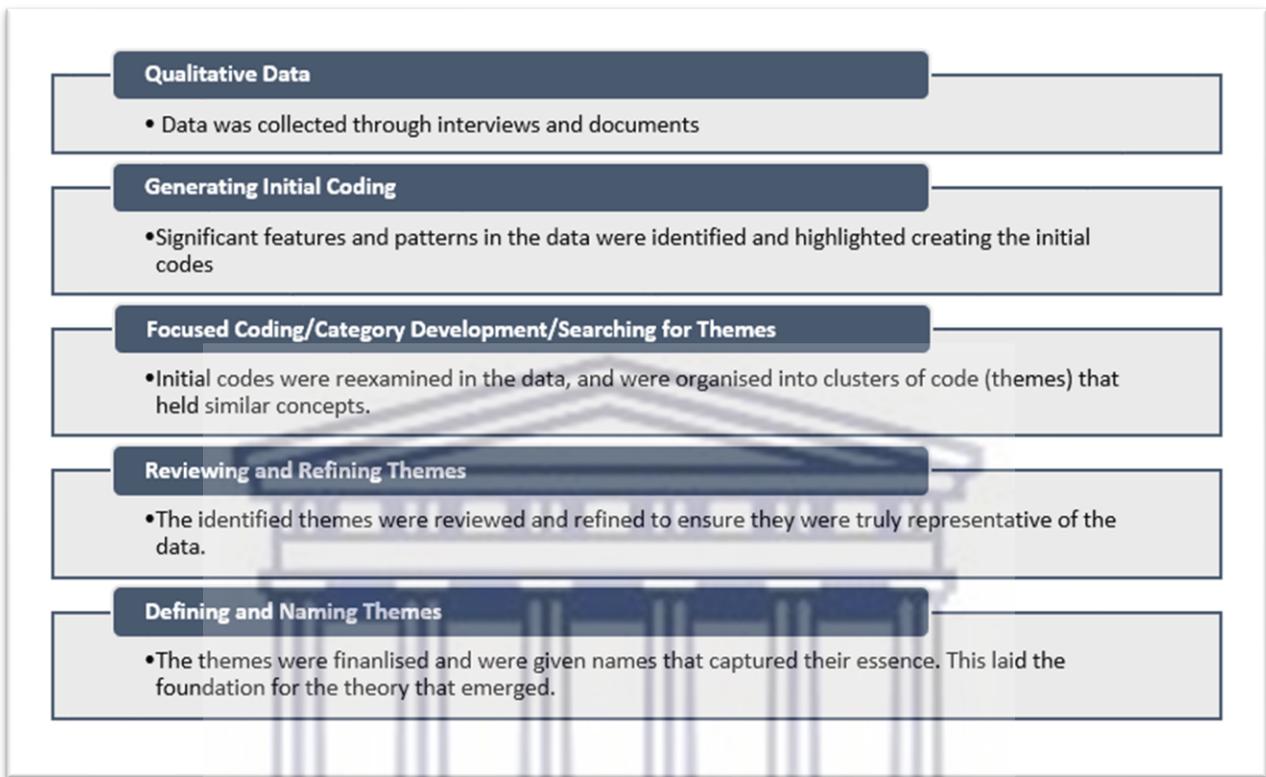


Figure 4.4: The Process of Qualitative Data Analysis
Source: Researchers Construct

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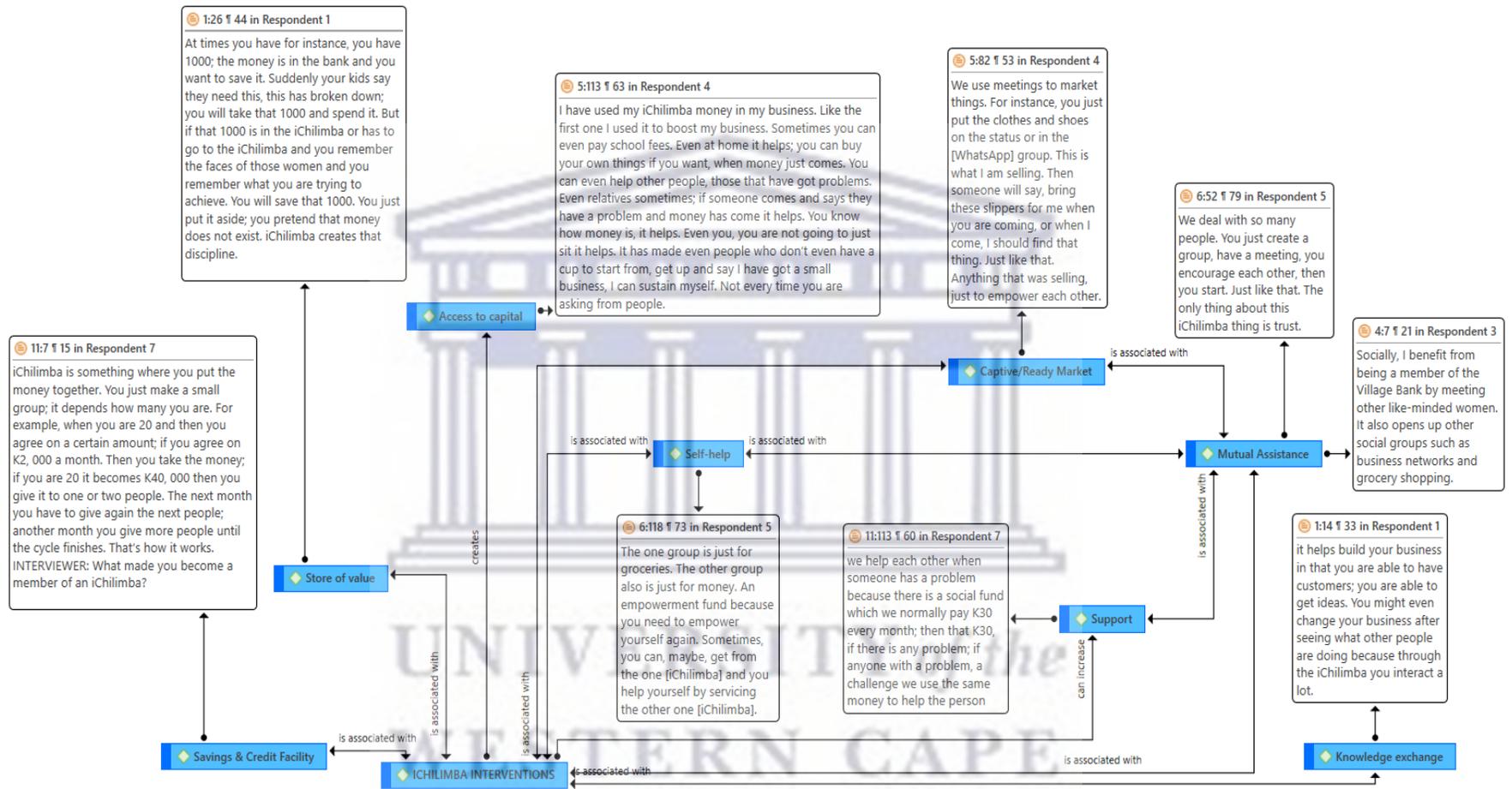


Figure 4.5: Example of Data Analysis in ATLAS.ti
Source: Research Data

4.10. *QUALITY CRITERIA IN QUALITATIVE RESEARCH/CREDIBILITY BUILDING*

The establishment of quality and trustworthiness authenticates the study in qualitative research. Although data collection and analysis are complex and challenging in qualitative research, there are ways to validate a study to ensure that it meets the quality and trustworthiness criteria (Lincoln & Guba, 2013). This researcher was careful to incorporate several ways to ensure the trustworthiness of the study and the credibility of the findings.

- i. *QUALITY SAMPLE* - The study sample was carefully selected to meet the research parameters that ensured quality data. All the respondents are women entrepreneurs who had used the iChilimba for financial and social planning and all are based in Lusaka Province in Zambia. This met the standard set by Salmons (2015) that a rich sample is critical in generating high-quality data.
- ii. *QUALITY CRITERIA* - One way to build quality in a study is to use specific criteria to assess findings. The research data was examined using the following criteria - credibility, transferability, dependability and confirmability. These criteria are defined in Table 4.10. Creswell and Poth (2018) advocate for thick, rich descriptions in the analysis as this would ensure the transferability of data between the respondents. They endorse building credibility in the study by careful record keeping and prolonged engagement in the research.

Table 4.10: Quality Criteria

CRITERIA	DEFINITION
CREDIBILITY	Refers to the issue that the researcher ensures that the respondents' views fit with the researcher's reconstruction and representation.
TRANSFERABILITY	Refers to the issue that the researcher should provide the reader with sufficient case information so she could make generalisations in terms of case-to-case transfer. It concerns the researcher's responsibility to provide readers with sufficient information on the case studied so that readers can establish the degree of similarity between the case studied and the case to which findings might be transferred.
DEPENDABILITY	Refers to the issue that the researcher should provide the reader with sufficient case information. Focuses on the research process and the researcher's responsibility for ensuring that the process is logical, traceable, and documented
CONFIRMABILITY	Refers to establishing the fact that the data and interpretations of an inquiry were not merely figments of the researcher's imagination. It calls for linking assertions, findings, and interpretations to the data themselves in readily discernible ways.

Source: Adapted from Lincoln & Guba, 2013 and Patton, 2015.

4.10.1. CREDIBILITY

Following guidelines by Lincoln and Guba (2013), techniques to build credibility in a study were identified. To foster trust with the participants, the researcher spent some time engaging with participants, developing rapport, and acknowledging their subjectivity. Further, in order to enhance data triangulation, the study employed multiple data sources in the form of interviews and documentary evidence.

4.10.2. TRANSFERABILITY

Several methods were used to build transferability into this study. First, the study used purposive sampling to recruit participants. This led to the selection of participants with diverse perspectives and experiences. Furthermore, the researcher provided detailed descriptions of the participants and the data collection method. Direct quotes from participants were included along with vivid narratives to enhance the study's ability to resonate with readers. In addition, the distinctive characteristics of the participants were outlined in order to provide sufficient information that allows readers to establish the relevance of the findings. Lastly, the researcher engaged in reflexivity, acknowledging the potential impact of the researcher's positionality.

4.10.3. DEPENDABILITY

This study adopted a systematic and transparent research process to establish consistency within the research findings. Detailed documentation was kept of the research design, the data collection methods and the analysis processes as these details would enable replication by researchers in future. Further, the use of multiple data sources in the interview, that is, the interviews and the collection of documents along with the process of analysis, also confer dependability.

4.10.4. CONFIRMABILITY

The researcher employed data triangulation and the presentation of data in the form of direct quotes to provide transparency and to support the confirmability of the study's conclusions. This ensures that the study findings are grounded in the data and that study interpretations are valid.

4.10.5. TRIANGULATION

Another way to establish credibility is by the use of triangulation, which is founded on the premise that collected data must be cross-checked. That is, multiple methods of observation must be employed to extract the different aspects of empirical reality (Patton, 2015). Its use is justified as a means of ensuring that research findings are not the product of a narrow investigation, such as a single source, a single method or investigator's output (Neergaard & Ulhoi, 2007). Triangulation may take several forms, as shown in Table 4.11.

This study utilised two forms of triangulation, specifically, triangulation of methods in which multiple methods of data collection in the form of interviews and documentation analysis were utilised. Triangulation of data sources ensures consistency in the information collected by cross-checking the information a respondent supplied and ensuring it was consistent.

Table 4.11: Forms of Triangulation

FORM OF TRIANGULATION	DEFINITION
METHODS	Uniformity in research findings generated by different data collection methods; i.e., Interviews, focus groups, documentation.
DATA SOURCES:	Uniformity of different data sources within the same method, such as comparing results of interviews to focus groups discussions; or checking if respondents are consistent in what they say at different times.
INVESTIGATOR	The use of multiple researchers to review findings.
THEORY/PERSPECTIVE	The use of multiple perspectives or theories to analyse a single data set.

Sources: Adapted from Creswell & Poth, 2018; Neergaard & Ulhoi, 2007; Patton, 2015; Yin, 2018

4.10.6. INFORMATION VERIFICATION

Lastly, individual and group member checking, as advocated by Lincoln & Guba (2013); was done at the end of the study. After concluding data analysis and producing the written report, the researcher went back to the respondents to enquire if their perspectives were justly presented in the report in order to clarify their views and correct any errors. The implementation of these principles at every phase of the research was enough to build quality into the study findings.

4.11. LIMITATIONS OF METHODOLOGY

Every study has limitations and features that threaten the quality and validity of the data (Sumerson, 2014). In the course of this study, several limitations were encountered. The first was the COVID-19 pandemic, which restricted the ability of the researcher to conduct interviews in person. Consequently, data was collected using social media technology (WhatsApp); this removed some of the personal aspects and limited the observational aspect, a key component of constructivism. The last limitation was time constraint. For the study to be completed in the time frame allocated to a doctoral degree, the research design had two essential requirements; firstly, it had to be implemented within the parameters created by COVID-19. With no cure and in light of the rapidly evolving variants that kept emerging, no one knew how long the pandemic would last. Secondly, it had to be cross-sectional in order to meet the time limit criteria defined by the period of study. These limitations applied to this research and were taken into consideration in the finding's discussions.

4.12. ETHICAL CONSIDERATIONS

This study followed the regulations and guidelines stipulated by the University of Western Cape Research Ethics Committee (2016). Ethical clearance was granted (ethics reference number: HS20/9/66). The researcher obtained informed consent from participants and explained that the study was for academic purposes and that they were free to withdraw at any time. They were assured that their names or information that identifies them will not be revealed and pseudonyms will be used. Further, participants were assured their right to anonymity and confidentiality in that the identities of respondents and their opinions were treated confidentially. Participants were not

required to provide details about their identities or any other information that could lead to their identification. The dignity and integrity of the study participants was respected; thus, they were not requested to engage in any degrading activity. Neither were deceptive practices used. Study findings were reported honestly, despite the outcome being what was not anticipated. In addition, works other than the researchers were accurately cited. Lastly, the UWC data management policy (2020) acknowledges that concerns arising from intellectual property rights and authenticity and ownership of data have emphasised the need for data storage and preservation. Thus, research data must be stored in a secure environment, with appropriate detail (metadata) and documentation. Therefore, the data that was collected in the course of the study shall be stored in a secure facility by the University of Western Cape for a minimum of five years and destroyed after that period.

4.13. SUMMARY

This chapter presented the research paradigm, philosophical assumptions, research design, research approach, justification of case study approach, population and sampling methods, data collection methods, data analysis and interpretation, validity and reliability and ethical considerations followed in the study. The next chapter presents the study findings.



CHAPTER FIVE

FINDINGS AND DISCUSSION

5.1 INTRODUCTION

This chapter presents the study findings and discussion. The findings and discussion seek to address the central research question - *'What is the effect of the iChilimba financial services on the growth of microbusinesses in Lusaka, Zambia?'* The presentation of the findings and discussion specifically focus on answering the investigative questions identified in Chapter 1 and lead to the development of the study conclusions and framework.

5.2 DEMOGRAPHICS

The names of respondents were withheld, and they were given pseudonyms to maintain confidentiality (Patton, 2015). The profile of the study respondents is shown in Table 5.1 below. The study sample comprised participants from the City of Lusaka who were deemed to have key information for answering the central research question.

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Table 5.1: Business profile of participants

PARTICIPANT	AGE	BUSINESS TYPE	YEARS IN BUSINESS	NUMBER OF EMPLOYEES (INCLUDING OWNER)
Respondent 1: Dr Soko*	56	Poultry farming	20	4
Respondent 2: Mrs Chishimba*	60	Rents out an events hall and market shops; provides a secure car park for nearby residents; Supplies charcoal	23	7
Respondent 3: Mrs Kyenge*	58	Poultry farming	8	3
Respondent 4: Mrs Bwembya*	42	Clothes importer and supplier	6	1
Respondent 5: Mrs Mwaba*	58	Poultry farming	25	3
Respondent 6: Ms Olipa*	22	Producer of baked treats and snacks	3	1
Respondent 7: Mrs Ngozi*	48	Hairdressing salon and restaurant owner	15	5
Respondent 8: Ms Musonda*	36	Poultry farming Vegetable cultivation; Car Wash	8	9

Source: Researcher's construct

5.2.1 THE AGE RANGE OF PARTICIPANTS

Table 5.2: The age range of participants

AGE RANGE	FREQUENCY	PERCENTAGE
21-30	1	12,5
31-40	1	12,5
41-50	2	25
51-60	4	50

Source: Researcher's construct

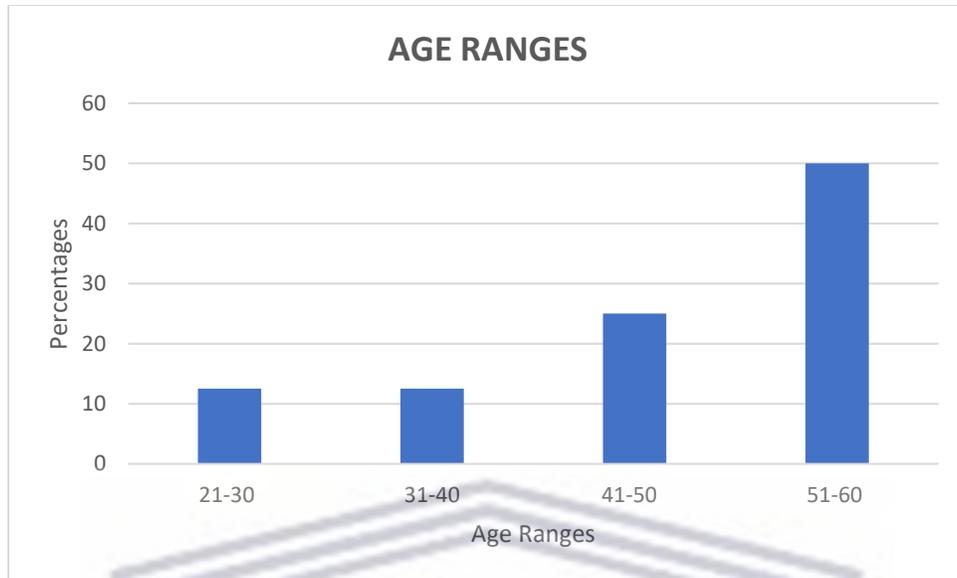


Figure 5.1: The age range of participants
Source: Researcher's construct

Table 5.2 and Figure 5.1 show the age ranges of the study participants. The majority of the respondents, that is, 50 per cent, were between 51-60 years; the age range of 41-50 was the second largest cohort with 25 per cent of the sample. The ages of 31-40 and 21-30 constituted 12.5 per cent each of the sampled cohort. Figure 5.1 above depicts the age range distribution in a bar chart. Figure 5.2 below provides a clear visual presentation of the users of the iChilimba by age in the sample.

5.2.2 BUSINESS SECTORS

Table 5.3 below shows the business sub-sectors that the participants were engaging. Although some participants were involved in only one sector, such as poultry, others were engaged in multiple sectors. Mrs Soko*, Mrs Kyenge* and Ms Olipa* are formally employed and each running one enterprise. As is Mrs Bwembya*, who is a stay-at-home parent and Mrs Mwaba*. While Mrs Chishimba*, Mrs Ngozi* and Ms Musonda* are entrepreneurs running more than one enterprise. Consequently, the study cohorts are representative of the industries that operate in the Province of Lusaka (Ministry of Labour & Social Security, 2020), as depicted in Table 4.4. A third of the participants operated within the Agriculture and Services sectors. Just under 17 per cent of the

study cohort were involved in retail and food production. The business sectors represented in this study cohort are shown in Figure 5.3. below.

Table 5.3: Business sub-sectors represented in the sample.

SUB-SECTOR	FREQUENCY	PERCENTAGE
Agriculture	4	33,33
Retail	2	16,67
Services	4	33,33
Food production	2	16,67

Source: Researcher's construct

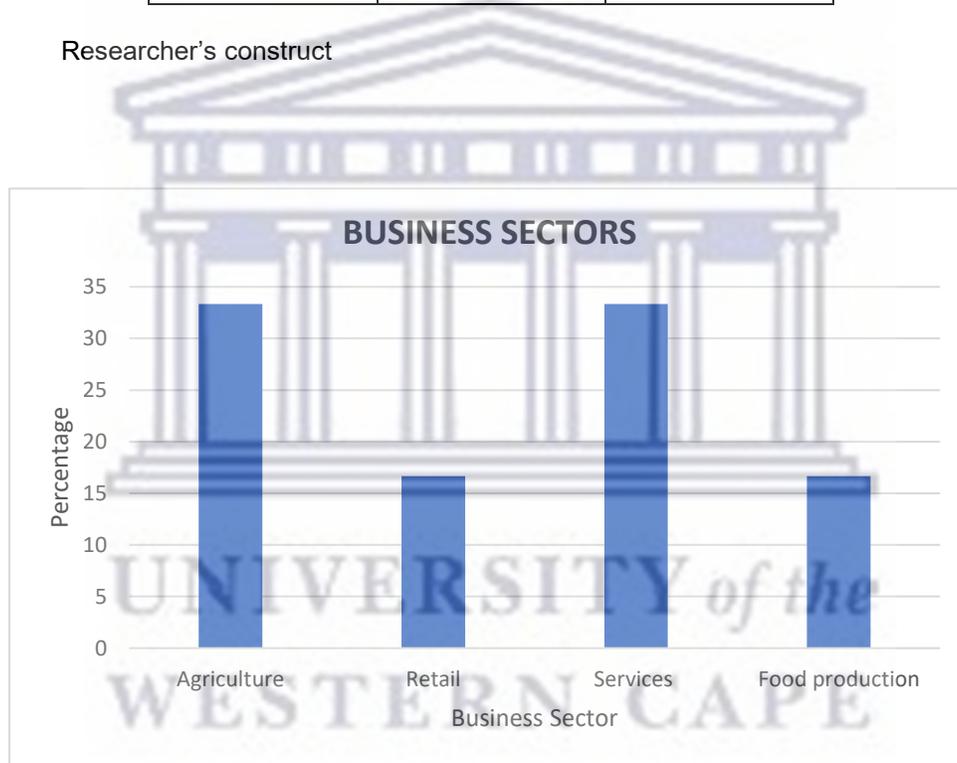


Figure 5.2: Business sub-sectors represented in the sample.

Source: Researcher's construct

5.2.3 NUMBER OF YEARS IN BUSINESS

The study cohort was comprised of businesswomen who had been involved in entrepreneurship for various periods of time. The number of years in business showed that 25% have been in business for over 20 years, whilst others have been in business for less than five years (12.5%);

three have been in business for six to ten years (37.5%). The last two entrepreneurs had been in business for between 16 to 20 years and 11 to 15 years respectively, as depicted in Table 5.4 and Figure 5.4 below.

Table 5.4: Number of years in business

YEARS IN BUSINESS	FREQUENCY	PERCENTAGE
21-25	2	25%
16-20	1	12,50%
11-15	1	12,50%
6-10	3	37,50%
0-5	1	12,50%

Source: Researcher's construct

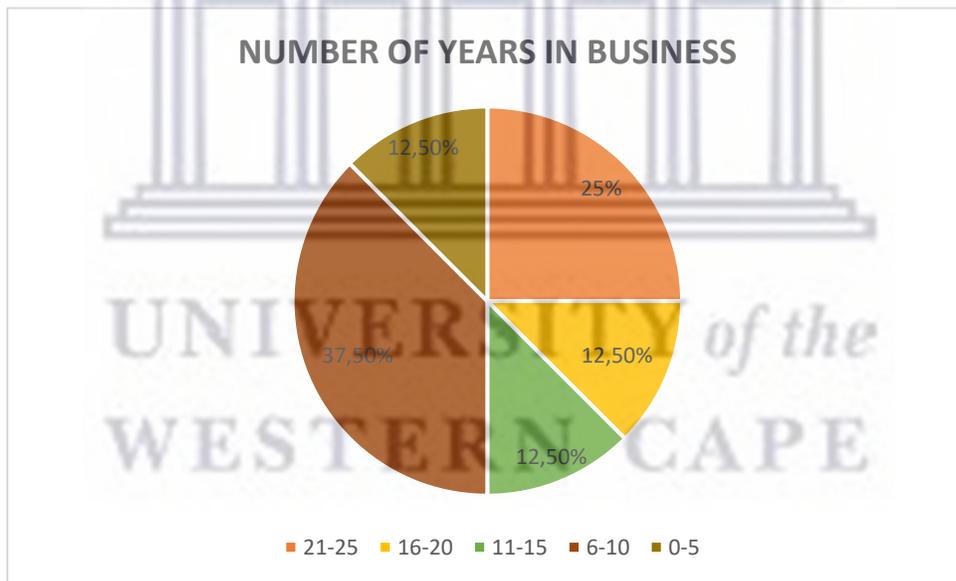


Figure 5.3: Number of years in the business of entrepreneurs
Source: Researcher's construct

5.2.4 LEVELS OF EDUCATION

Table 5.5: Levels of education of study cohort

EDUCATION LEVELS	FREQUENCY	PERCENTAGE
Primary	1	12,5
Secondary	2	25
Tertiary	5	62,5

Source: Researcher's construct

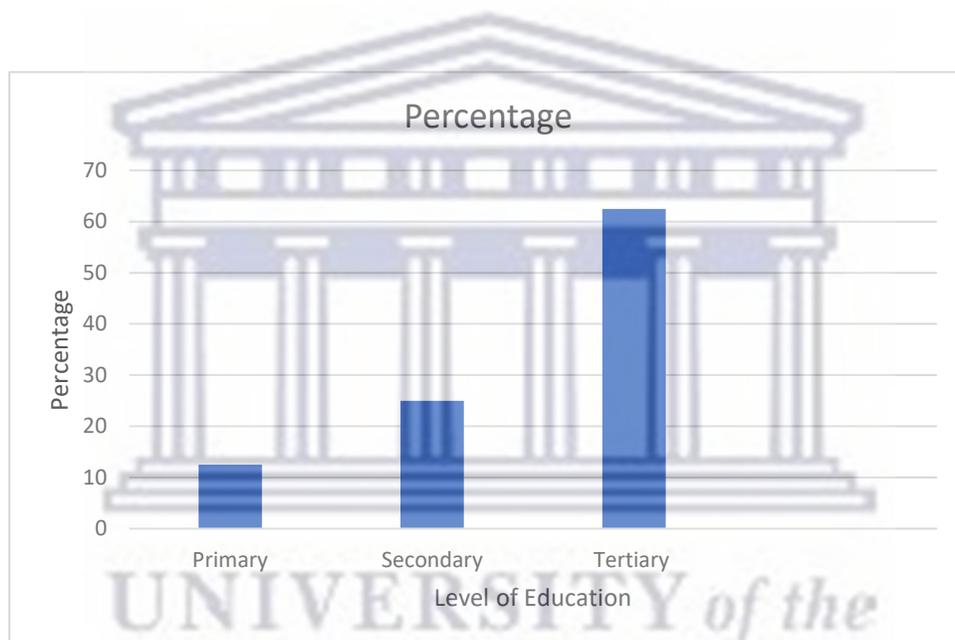


Figure 5.4: Levels of education of study cohort
Source: Researcher's construct

Table 5.5 shows the levels of education of the study cohort. The majority of the participants (5), that is, 62.5 per cent, were university or college-educated. Twenty-five per cent (2) had a secondary level education, and one respondent, that is 12.5 per cent, had a primary level education.

5.2.5 MARITAL STATUS

Table 5.6 below shows that five were married (62.5 per cent), two were single (25%), and one was divorced (12.5%).

Table 5.6: Marital status of study cohort

MARITAL STATUS	FREQUENCY	PERCENTAGE
Married	5	62,5
Divorced	1	12,5
Single	2	25

Source: Researcher's construct

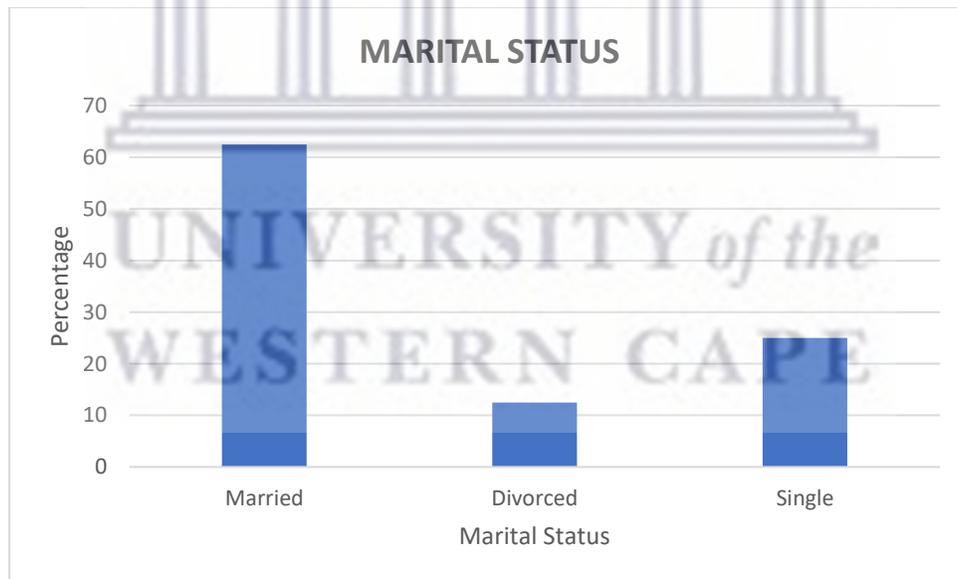


Figure 5.5: Marital status of study cohort
Source: Researcher's construct

5.3 CASE DESCRIPTION

Eight women entrepreneurs participated in this study, each of whom serves as a case study in Zambian women's entrepreneurship. The study cohort represents a range of women entrepreneurs ranging from the part-time entrepreneur, Ms Olipa*; a university graduate who makes cakes and sells sweet treats, to Mrs Chishimba*, a portfolio lifepreneur who runs a car park, an Events hall and market shops; who also procures charcoal in bulk and repackages in smaller amounts for household supply. The details of the study participants are presented in Table 5.8 below.

5.3.1 Case 1: Mrs Soko* - Poultry farmer

Mrs Soko* is between 51 and 60 years of age. She works as a medical doctor in the public sector and is classified as an entre-employee. She has been engaging in poultry farming to supplement her income for the last 20 years. Mrs* Soko is a member of both the iChilimba (ROSCA) and the Village Bank (ASCA). She has used capital accessed from these networks to finance expansion and new enterprise start-ups.

5.3.2 Case 2: Mrs Chishimba* - Real estate and charcoal supplier

Mrs Chishimba* is between 51 and 60 years of age. She is an established portfolio lifepreneur and has been engaged in entrepreneurship for over 23 years. Mrs Chishimba* owns a large property in a Lusaka compound (high residential area) where she provides a secure car park, a guarded and enclosed space for residents to park their cars 24 hours a day. On the same property, Mrs. Chishimba* has a building that she leases out to a church for its services and sometimes as an events hall for weddings and other functions. The property also holds a small mall with 16 shops that are leased out. Mrs Chishimba* ventured into entrepreneurship using finances accessed from two different iChilimba.

5.3.3 *Case 3: Mrs Kyenge* - Poultry farmer*

Mrs Kyenge* is between 51 and 60 years of age. She is an entre-employee, and works in a social welfare-focussed nongovernmental organisation as her full-time position while engaging in poultry farming on the side. She is a member of a Village Bank.

5.3.4 *Case 4: Mrs Bwembya* - Clothing importer and supplier*

Mrs Bwembya* is between 41 and 50 years of age. She is engaged in the import and sale of clothing. She has a college diploma and is married with three primary school-aged children. As the primary caretaker of her children, Mrs Bwembya* combines her responsibilities by selling clothing imported from East Africa out of her home. Mrs Bwembya* is active in the iChilimba, the Village Bank and the Grocery Club.

5.3.5 *Case 5: Mrs Mwaba* - Poultry farmer*

Mrs Mwaba* is between 51 and 60 years of age. She is an experienced lifepreneur engaged in poultry farming as her primary source of income. Mrs Mwaba* is a member of the iChilimba, the Village Bank and the Grocery Club.

5.3.6 *Case 6: Ms Olipa* – Producer of treats and snacks*

Miss Olipa* is between 21 and 30 years of age. She is a part-timer who recently graduated from university and works for a commercial bank. Ms Olipa* is an aspiring baker and snack maker who is still in the process of establishing her enterprise. She is a member of the Village Bank.

5.3.7 *Case 7: Mrs. Ngozi* – Hairstylist and restaurant owner*

Mrs Ngozi* is between 41 and 50 years of age. She is an established portfolio lifepreneur who runs a hair salon and co-owns a fast-food restaurant with her husband. Her new venture is a farm

on the outskirts of the city where they are engaging in maize cultivation and animal husbandry, specifically goats and pigs. Mrs Ngozi is a member of the iChilimba and the Village Bank networks.

5.3.8 *Case 8: Ms Musonda* – Poultry & vegetable farmer, car wash owner*

Ms Musonda* is between 31 and 40 years of age. She is a portfolio entrepreneur and has university-level education, single with one pre-school-aged child. Ms Mubanga owns a car wash and cultivates vegetables and rears poultry. Ms Musonda is a member of the Village Bank network.



Table 5.7: Summary of description of participants

PARTICIPANT	AGE RANGE	BUSINESS TYPE	YEARS IN BUSINESS	YEARS OF ICHILIMBA USE (APPROX)	EDUCATION LEVELS	MARITAL STATUS	FAMILY SIZE/ NO OF DEPENDENTS
<i>Respondent 1: Mrs Soko*</i>	51 - 60	Poultry farming	20	5	Tertiary – University degree	Married	5
<i>Respondent 2: Mrs Chishimba*</i>	51 - 60	Rents out an events hall and market shops; provides a secure car park for nearby residents; Supplies charcoal	23	18	Primary – Seventh grade	Married	4
<i>Respondent 3: Mrs Kyenge*</i>	51 – 60	Poultry farming	8	6	Tertiary – University degree	Married	5
<i>Respondent 4: Mrs Bwembya*</i>	41 - 50	Clothes importer and supplier	6	3	Tertiary – College diploma	Married	3
<i>Respondent 5: Mrs Mwaba*</i>	51 - 60	Poultry farming	25	4	Secondary – Ninth grade	Divorced	6
<i>Respondent 6: Ms Olipa*</i>	21 - 30	Producer of baked treats and snacks	3	1	Tertiary – University degree	Single	1
<i>Respondent 7: Mrs Ngozi*</i>	41 - 50	Hairdressing salon and restaurant owner	15	12	Secondary – Ninth grade	Married	4
<i>Respondent 8: Ms Musonda*</i>	31 – 40	Poultry farming; Vegetable cultivation; Car Wash	8	2	Tertiary – University degree	Single	3

Source: Researcher's construct

5.3.9 NUMBER OF YEARS OF ICHILIMBA USE

Table 5.8: Number of years of iChilimba use

YEARS IN ICHILIMBA	FREQUENCY	PERCENTAGE
1-5	4	50
6-10	2	25
11-15	1	12,5
16-20	1	12,5

Source: Researcher's construct

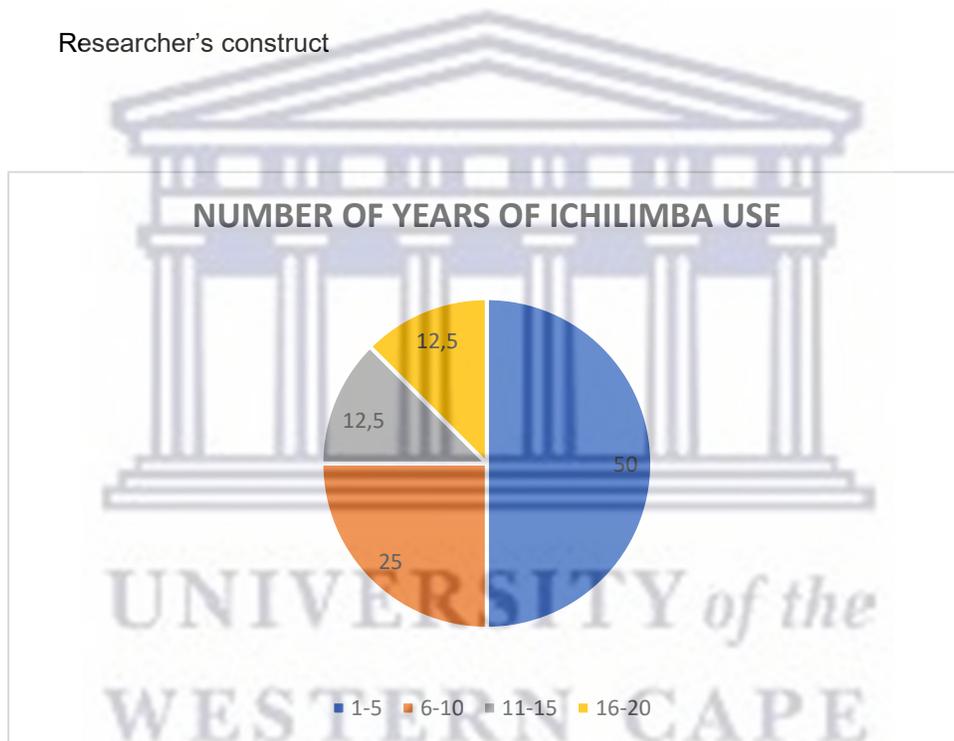


Figure 5.6: Number of years of iChilimba use.
Source: Researcher's construct

Table 5.7 Above shows that half (50 per cent) of the study cohort had used the iChilimba as part of their business strategies for less than five years. The other 50 per cent had been involved in the iChilimba for six or more years. One participant used the iChilimba for close to twenty years in their social and financial networking.

5.4 *MAIN FINDINGS*

This section presents the main findings from in-depth interviews with women entrepreneurs who utilise the iChilimba as part of their financial and social networking strategy. The main findings are based on the thematic analysis of the significance of iChilimba in women's microbusinesses in Lusaka.

5.4.1 *DIVERSE FORMS OF THE ICHILIMBA FINANCE SOCIETY*

This study set out to examine the iChilimba as it is operated by women entrepreneurs in Lusaka, and it was discovered that although businesswomen may utilise iChilimba-RoSCA in its original format, that is, collating finances collected from society members and giving the collected funds to one person until everyone has received a lump sum payment. Other forms of the iChilimba have developed, such as the Village Bank (ASCA), which operates as a small bank; the entrepreneurs save money together, lend it to each other and pay interest on it. The money is shared at the end of an agreed period between six months to eighteen months. A third form of the iChilimba is the Grocery Club (iChilimba cha grocery), which operates by collecting funds from each member, and the total amount is used to buy groceries from a wholesale supplier. The groceries could then be shared between the various club members, or given to one member at a time, depending on network policies. The cycle continues until everyone has received groceries from the Club.

Table 5.9: Breakdown of membership in informal finance network

RESPONDENT	INFORMAL FINANCE NETWORK
Respondent 1: Dr Soko*	iChilimba & Village Bank
Respondent 2: Mrs Chishimba*	iChilimba (Two societies)
Respondent 3: Mrs Kyenge*	Village Bank
Respondent 4: Mrs Bwembya*	iChilimba, Village Bank & Grocery Club
Respondent 5: Mrs Mwaba*	iChilimba, Village Bank & Grocery Club
Respondent 6: Ms Olipa*	Village Bank
Respondent 7: Mrs Ngozi*	iChilimba & Village Bank
Respondent 8: Ms Musonda*	iChilimba & Village Bank

Source: Researcher's construct

5.4.2 THE SIGNIFICANCE OF ICHILIMBA FINANCIAL SERVICES IN WOMEN-OWNED MICROBUSINESS OPERATIONS?

5.4.2.1 Start-Up and Working Capital

All the respondents cited the significance of iChilimba as a source of start-up and working capital for their micro-enterprises.

Respondent 2 indicated the purpose of the iChilimba finance that:

We [working with her husband] bought the land with a hall and some other buildings. We made the land a security car park for people with cars to park in a safe fence place with guards for their cars. We converted some of the buildings into shops (16) and that is the same place we plan to add 10 more shops. (Respondent 2; Quote 70).

Respondent 7 indicated the utilisation of the funding as follows:

I borrowed K10, 000 then I invested It into the salon business. I renovated the shop; painted, bought new fittings and furniture; and products to use. That's the loan I am paying now. (Respondent 7; Quote 48)

Mandawa *et al.*, (2014) notes that lack of access to finance represents the paramount impediment to the development and growth of MSMEs in Zambia. Furthermore, the lack of access to finance severely constrain the viability of women-owned ventures (Quinones, 2016). In turn, the high-risk profiling by formal lenders, results in lack of access to operational capital by women (Matfobhi & Ruffing, 2002). The significance of similar funding sources referred to as Village Banks, provided less stringent borrowing conditions for women entrepreneurs (Laufer, Pietosi, & Rippey, 2019; Mukulu & Qutieshat, 2021; Sishumba & Mulonda, 2019).

5.4.2.2 *Business and Financial Management Skills*

Respondents cited how the iChilimba funding approach enhanced their business and financial management skills.

Respondent 1 cited the following:

I decide, how many chickens I need to sell for cash and how many I can afford to sell on credit... By the time I am selling the chickens I should have a new set of chicks so I should have another set ready for sale the following month. That means you have to have working capital, if I can call it that. The advantage is that those who pay later, pay more. There are advantages to waiting a little longer to get your money. (Respondent 1; Quote 139)

Respondent 2 highlighted the following:

For you to be successful in an iChilimba you have to plan what you are going to achieve every year. For instance, with the weekly iChilimba, I know in advance that every year I will receive the K13,000 pot three times. Therefore, I know that before the end of the year I need to plan. If its blocks, I buy and put them aside; then I can buy building sand and stones. They do not rot so it is okay to buy in advance and put them aside... If you are getting iChilimba there should be evidence of its impact. (Respondent 2; Quote 66)

Respondent 8 noted the following with regard to self-discipline:

You have to be disciplined to run chicken runs. Sometimes when the birds are very small, I am up even at midnight; 1AM, 2AM. I have to make sure that the area in which the birds are is properly warm... this work accords me an opportunity to spend time with my daughter and I am able to manage the times that I work and the amount of work that I put in (Respondent 8; Quote 131)

Women entrepreneurs recognise the importance of having the right business skills, such as planning and discipline, which informal finance societies help to impart (International Labour Organization, 2003). The ability to organise and manage a business influences the survivability of the business (Wolmarans & Meintjes, 2015). Thus, the ability of Zambian entrepreneurs to manage their businesses in a systematic manner impacts their success, as the lack of basic management skills or discipline will result in failure (Kiggundu, 2002).

5.4.2.3 *Business Expansion*

Respondents cited the importance of iChilimba finance for business expansion and entering new business areas.

Respondent 2 expressed her plans as follows:

I received a pay-out from the second iChilimba two weeks ago... the goal is to build ten more shops. Once I have built these ten shops, I will have twenty-six shops in total. (Respondent 2; Quote 127)

Respondent 5 highlighted the following:

I am increasing the production of chickens from two thousand to three thousand birds. When you are in business, you cannot just look at the challenges of the economy. If you are not in business, how are you going to pay your iChilimba? If you are doing something, selling something, you are able to pay your loans. (Respondent 5; quote 127)

Respondent 1 explained the following that:

I joined the iChilimba to expand my business. You find that you have an income in your formal employment but with everything going on, COVID-19, the inflation rate; there is not much money to expand your business. You reach a stage

where you know that this business needs to be operating at this level. If I expand... I will increase the profit. You take that money from the iChilimba and invest it into that business without disturbing your regular income and expenses. (Respondent 1; Quote 44)

Informal finance is necessary for the expansion of existing businesses (Quinones, 2016). Access to financial capital is critical for the expansion of enterprises (Aterido, Beck, & Iacovone, 2013)

5.4.2.4 Expansion into New Business Areas

Respondent 7 cited the following:

We will soon be sharing out the money; with my previous loan I had bought a farm. When I get my money, I want to build at the farm. I want to make runs for the pig and for the chickens. (Respondent 7; Quote 27)

Respondent 1 expressed the future plans as follows:

We have a building project; two semi-detached flats that we plan to rent out. I am hoping that next year... both flats should be completed (Respondent 1; Quote 63)

Women tend to choose different routes by which to build and grow their businesses, and most prefer to start with several microenterprises rather than building a single business (Richardson, Howarth, & Finnegan, 2004). Informal finance is consequential for the expansion of small businesses (Mpofu & Sibindi, Informal Finance: A Boon or Bane for African SMEs?, 2022). While the lack of investment capital constrains entrepreneurs' business expansion thus the significance of informal funding networks by entrepreneurs. (Sishumba & Mulonda, 2019).

5.4.3 FACTORS THAT INFLUENCE THE DEMAND FOR ICHILIMBA FINANCIAL SERVICES

5.4.3.1 High Lending Rates by Formal Sector Lenders

All the respondents reported that the high lending rates by formal sector lenders pushed them to the iChilimba financial services;

Respondent 6 indicated that:

I feel borrowing from the Village Bank is better than the banks due to how high the [formal bank] interest is. It would be first on the list of reasons of why people use Village Bank because in Zambia the interest rates on loans start at around 27 percent. (Respondent 6; Quote 95)

Respondent 1 stated that:

The interest rate is extremely high on the loans the banks give. I have a bank app on my phone that allows me to see what is happening in my loan account. They keep cutting a big chunk from my salary but that amount never decreases at the same amount. It remains high. (Respondent 1; Quote 84)

Respondent 4 stated the view that:

I cannot borrow money from the bank because of the interest rate. They [the bank] will tell you that if you borrow, the interest at the month end, will be so much, and then the next month end, if you fail to pay, they double the interest. In the end the interest you pay will be more than the money you have borrowed. (Respondent 4; Quote 92).

Respondent 8 expressed the view that:

No, I have never tried to borrow from the banks, because of the fear that comes from the stories that I have heard from people. Those that have borrowed money from the bank and invested it and lost properties. So, the banks could have better terms and conditions but the stereotype associated with them in regards to borrowing, is that people lose their property because they offered it as collateral. (Respondent 8; Quote 46)

Women entrepreneurs face difficulties obtaining loans from banks due to high-interest rates (International Labour Organization, 2003). The high-interest rates charged on loans by formal banks and microfinance institutions push women into using informal finance networks in their financing strategy (Phiri, 2018). The disproportionate power of the banks may result in unilateral interest rate increases (Musonda, 2021). Informal finance is also utilised by those who want to avoid the high transaction charges from the formal financial sector (Aterido, Beck, & Iacovone, 2013). Thus, members of iChilimba are often drawn to them because other lenders offer stringent lending terms (Laufer, Pietosi, & Rippey, 2019).

5.4.3.2 *Formal Lenders' Low Interest on Savings*

Respondents highlighted the low-interest rates paid by formal lenders as one main reason for joining iChilimba.

Respondent 7 highlighted that:

The bank does not add any interest to your savings. They will just deduct the charge for the account; they take all the interest then they leave your money there. Then every month you have to pay for the account. If you don't pay for the account, they start reducing from your account. (Respondent 7; Quote 171)

Respondent 1 echoed similar sentiments that:

The interest paid on savings accounts in banks is 3.5%; it is too low. That is why, I think people, would rather even give it to the Village Bank even though the risk is higher (*Respondent 1; Quote 81*).

Respondent 8 stated their preference for the iChilimba finance system that:

I know my money is growing all the time because every month we need to pay the money we borrowed at 20 per cent [interest]. Have another person borrow it and it keeps on growing because the money is in circulation. It also helps with cashflow in our businesses because our monies are entrusted in the hands of people and it grows at a higher interest rate Respondent 8; Quote 38).

Low interest rates paid on bank accounts are not attractive to potential savers (Dovi, 2008) and interest-paying bank savings accounts provide relatively low returns (Kedir, Disney, & Dasgupta, 2011) . In turn, entrepreneurs prefer to use the Village Bank because of the higher return paid on savings (Sishumba & Mulonda, 2019).

5.4.3.3 *Informal Sector Lenders (Kaloba)*

Kaloba is defined as an informal credit mechanism provided by moneylenders that tend to be the fastest way to get credit without any contribution or savings (Mukulu & Qutieshat, 2021).

Respondent 8 was the only member of the study cohort who admitted to having personal experience with Kaloba. She recounted her experience as follows:

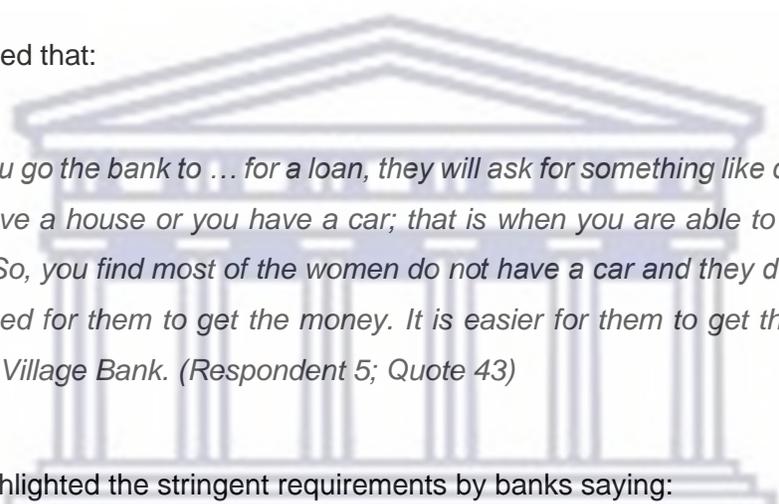
[The] money lending company [claimed] it is registered [quoted] thirty per cent [and] I asked to borrow a twenty thousand Kwacha, the formula [for calculating interest] was more than hundred per cent of the money that I borrowed. I paid back forty-seven thousand Kwacha. (Respondent 8; Quote 101)

Moneylenders are the predominant providers of informal credit and are used by 5.5 per cent of the predominantly poor adult population (Bank of Zambia, 2015). However, people are wary of dealing with informal money lenders due to high-interest rates and negative experiences (Laufer, Pietosi, & Rippey, 2019; Musonda, 2021).

5.4.3.4 Flexible Borrowing Conditions

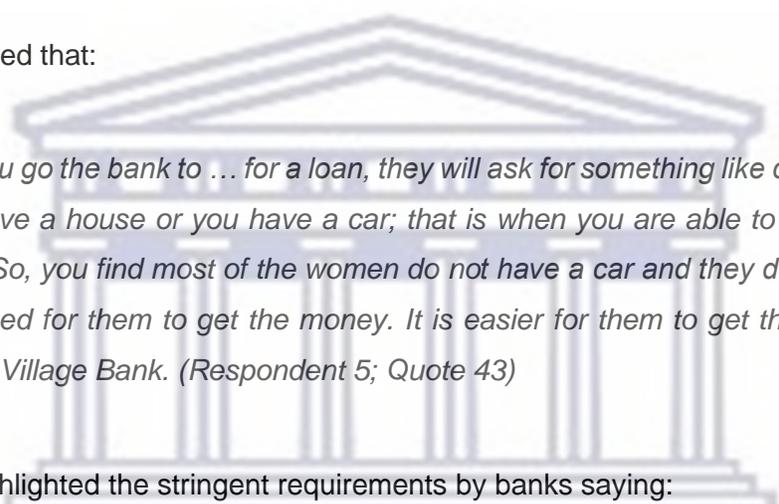
Respondents cited the flexible borrowing conditions offered by the iChilimba finance system.

Respondent 5 noted that:



When you go the bank to ... for a loan, they will ask for something like collateral; if you have a house or you have a car; that is when you are able to be given money. So, you find most of the women do not have a car and they don't have a title deed for them to get the money. It is easier for them to get the money from the Village Bank. (Respondent 5; Quote 43)

Respondent 7 highlighted the stringent requirements by banks saying:



It's really a process. They [formal sector banks] will tell you they will need a payslip; they want to see the bank statements; they want to see my salary; all those things, so you find it's a process. I am working as a hairdresser where am I going to get a payslip to go and show them? (Respondent 7; Quote 127)

Respondent 3 highlighted the flexibility offered by iChilimba during the COVID-19 pandemic:

We have had some defaulters in our Village Bank. The Covid-19 epidemic hit us badly. Members lost employment and business. We extended the period of pay out from 12 months to 18 months just to give members enough time to pay back loans. (Respondent 3; Quote 31)

Respondent 4 echoed that:

Everyone had challenges due to COVID. We had to push, because no one was working, getting money was difficult. We thought of taking a break and stopping for a while, but we reconsidered. Even if we stop, what are we going to do? It was hard. We had people say, 'Today I do not have money I will pay next week.' They made it, knowing that especially if you have already taken the money, you must bring it back... But if you have not taken; you can tell someone that 'This month end I am not going to give you a contribution [in the iChilimba (ROSCA)] ... we just had to understand each other. (Respondent 4; Quote 71)

Formal lending institutions have restrictive lending regulations and excessive institutional procedures that must be met to access credit, such as at least four documents, including an identity card or passport, recommendation letter, wage slip and proof of address (Dovi, 2008). The requirements for documents operational records, such as accounts and related financial records, to assess the creditworthiness prejudices potential MSME borrowers (Matfobhi & Ruffing, 2002). The reluctance to lend due to lack of full information (Mbizi & Gwangwava , 2013) and credit history (Aldrich & Zimmer, 1986) increases the cost of administering small loans (Muriithi, 2017). The findings support Mukulu & Qutieshat's (2021) view that entrepreneurs and members of the public are driven towards using informal finance because of the excessive regulations found in formal financial institutions. Women turn to informal finance because they are unwilling or unable to meet the demands of formal institutions (International Labour Organization, 2003; Laufer, Pietosi, & Rippey, 2019) as they do not have collateral or loan guarantors (Matfobhi & Ruffing, 2002; Shah, Nazir, Zaman, & Shabir, 2013).

5.4.3.5 *Knowledge Exchange*

Respondents cited the benefits of exchanging knowledge and business advice during social interactions with other members at iChilimba meetings.

Respondent 1 noted the following:

It helps build your business in that you are able to have customers; you are able to get ideas. You might even change your business after seeing what other people are doing because through the iChilimba you interact a lot. (Respondent 1; Quote 33)

Respondent 8 highlighted the following:

I was not successful, because the time that I went to Mozambique; the person that gave me information on engaging in the fish business [import of fish for resale] left out important details such as the need for forex. You need to exchange the money [currency] when going to trade and there is no bank where you can change money at the border. I found people changing money who come up with their own abnormal rates and they steal from you. I was left with very little money by the time I got to Mozambique. I was there for a month, I needed to eat, I needed to survive, I needed accommodation so part of that money went to that. In the end, the money that I had left to buy fish was not enough. (Respondent 8, Quote 118)

Social networks are effective in facilitating information sharing and influencing the decision to engage in entrepreneurship (Dawa & Namatovu, 2015). The availability of shared information empowers people to adapt to changes in the environment and thus sustain their existence (Hammond & Glenn, 2004). Female financial networks are useful in sharing information about business and other opportunities (Phiri, 2018). Furthermore, maintaining homogenous membership groups facilitates information sharing as other users are likely to know about business and other opportunities (Laufer, Pietosi, & Rippey, 2019). However, the depth of information provided is based on the strength of the relationship (transitivity) between network members (Kilduff & Tsai, 2003). Social networks encourage sharing information and experiences notwithstanding the inherent risks of information asymmetry (Anand, 2002) as information asymmetry leads to inadequate or biased information (Aredo, 2004).

5.4.3.6 *Potential Captive Market*

Respondents stated that the iChilimba social networks provide opportunities for marketing their own products and services and referrals for potential clients.

Respondent 4 highlighted the following:

We use meetings to market things. For instance, you just put the clothes and shoes on the status or in the [WhatsApp] group. This is what I am selling. Then someone will say, bring these slippers for me when you are coming, or when I come, I should find that thing. Just like that. Anything that was selling, just to empower each other. (Respondent 4; Quote 53)

Respondent 5 echoed similar viewpoints that:

When I am selling chickens, I advertise on the [WhatsApp] group, the other members will buy. We sell to and buy from each other. (Respondent 5; Quote 61)

Respondent 4 cited the importance of the network during the Covid-19 pandemic period:

Without personal meetings you can still sell; you advertise on your WhatsApp status; you need to mask up to protect yourself and meet somewhere. But it is not the same because when you meet in person, even if someone had no intentions to buy, once they come to the meeting, they can say, I have money I will buy once they see what you are selling. But now, it is not that easy. You just have to arrange to meet once they see your status. It has become more difficult. It is not the way it was (Respondent 4; Quote 55)

The findings support observations by Kilduff and Tsai (2003) that business is embedded in social networks, and people prefer to do business with others with whom they have ties.

5.4.3.7 Self-Help Opportunities

Respondents cited self-help opportunities afforded by iChilimba membership.

Respondent 4 highlighted the following:

I became a member about three years ago. I had a bit of a problem so we asked one, two, three people on advice on how to sustain ourselves. We heard someone say, there is iChilimba which we can do, that can help us even to boost our business. So that is how we came up. Just a few of us friends contributing a bit of money. (Respondent 4, Quote 14)

Respondent 4 further noted that:

Even iChilimba for groceries people, are doing it. Like at month end you don't have groceries, make iChilimba for grocery... You put money together and buy the basics for three months; such as mealie meal, oil, sugar, bathing soap, washing soap and rice. (Respondent 4; Quote 29)

Respondent 5 cited the following self-help opportunities:

We have one we call the empowerment fund because you need to empower yourselves. Sometimes, you can, maybe, get from the one [iChilimba] and you help yourself by servicing the other one [iChilimba]. (Respondent 5; Quote 73)

The concept of self-help assumes that an individual is not strong enough to attain their objectives in isolation (Sontakke, 2013); thus, membership in groups, such as a ROSCA, provides extra strength and identity, which are essential to fulfilling their goals. Self-help organisations are created for the purpose of enabling members to reap the benefits of mutual help and solidarity (Anand, 2002). People join informal finance networks in order to obtain access to financial and social benefits that accrue from being a member of a ROSCA (Raccanello, Anand, & Martinez,

2009). The social aspects lead to the establishment of ROSCAs and the establishment of financial support (Aredo, 2004). Furthermore, people join informal finance networks to help themselves financially because they wish to save, and saving is easier as part of a group and securing funding for household food security (Aliber, 2001).

5.4.3.7 *Mutual Assistance*

Respondents stated that they obtain and offer mutual assistance to iChilimba members.

Respondent 3 noted that:

Socially, I benefit from being a member of the Village Bank by meeting other like-minded women. It also opens up other social groups such as business networks and grocery shopping. (Respondent 3; Quote 21)

Respondent 1 highlighted the following:

Like in our Village Bank, we try to say, our relationship should not only be based on money transactions but we should bond. So, although, we do not really have a fund... we try to contribute each time someone has a problem. Usually if they lose someone close to them; a few of them have lost a mother, or a father; usually the secretary will make an announcement and post a mobile money account and people just donate whatever they feel they can, and the money is sent. (Respondent 1; Quote 145)

Respondent 6 stated that:

It is in our constitution that when someone has problems that there will be some sort of help and also no penalties if they have problems paying. That they will be exempted from the penalties. (Respondent 6; 47)

Mutual assistance between members is integral to informal financial networks and enable members to reap economic benefits out of mutual help, solidarity, and joint responsibility (Anand, 2002). Consequently, mutual assistance between members in the form of capital, credit, and information is useful in providing a base to develop small businesses (Aldrich & Zimmer, 1986). Women join social networks and benefit from mutual aid and support found in networks (Raccanello, Anand, & Martinez, 2009). Mutual support within African ROSCAs is a large draw to members as some interventions provided were based on existing Ubuntu (solidarity) within the network (Verhoef, 2001). Consequently, existing relationships between the various members are based on reciprocity and transitivity (Laufer, Pietosi, & Rippey, 2019).

5.4.3.8 *Networking and Support*

Respondents cited the networking and support provided through iChilimba membership.

Respondent 1 noted that:

It is a form of networking; you get to know what businesses other women are doing. You get to have a market for your products if you are doing business because you get to know more women; and you get to know women who have this interest or yearning to make it in life; to be successful entrepreneurs. So, I think it helps build your business in that you are able to have customers; you are able to get ideas. You might even change your business after seeing what other people are doing because through the iChilimba you interact a lot. You have a WhatsApp group where you discuss, where people advertise their products and so forth. (Respondent 1; Qoute32 – 33)

Respondent 2 stated that:

In 2003, we were 10 women, in our friendship group. That's how we started. We would all contribute a certain amount and each iChilimba run was 5 months.

*The people who would collect last in one run would be first in the next run.
(Respondent 2; Quote 18)*

Respondent 8 highlighted the following:

A colleague of mine, that I went to university with came up with a group of fifty people that are teachers. I only joined the group because of his introduction as the group is selective to teachers who are also businessmen and women because they wanted people that can be accountable for paying back the loans.... (Respondent 8; Quote 17) ... People who work together... have some knowledge and information about your financial records... How many loans do you have? What are your borrowing habits? Are you a person who pays back even as you borrow? (Respondent 8; Quote 184)

Comprehensive discussions on entrepreneurship are embedded in social networks as these often form the relationship networks through which entrepreneurs obtain resources, information and support (Aldrich & Zimmer, 1986). Networks are products of social capital based on norms and trust within the informal finance networks (Raccanello, Anand, & Martinez, 2009) and provide networking opportunities (Laufer, Pietosi, & Rippey, 2019). Networking is vital in resource-constrained environments where women rely on informal networks to fund and grow enterprises (Dawa & Namatovu, 2015). Furthermore, women tend to perceive their various businesses as interconnected relationships that include a network of family, community and business (Brush, 1992). ROSCA is organised on the basis of similarity, such as the residential neighbourhood, occupation, or economic status enhances the strengths of networks (Aredo, 2004). Thus, the probability of a person participating in such networks is higher when related to greater social acceptance and other added benefits of being a member, such as mutual assistance and self-help (Raccanello, Anand, & Martinez, 2009).

5.4.3.9 Trustworthy Leadership

Respondents cited the role of trusted leadership within the network in operating the iChilimba.

Respondent 2 stated the following that:

In the groups we have a chairperson, whom we all trust; who has been acting as the treasurer since 2003. The person receiving the money goes to her house on the due day and waits until all the contributions have been made. The procedure is to send the money using Airtel (mobile) Money, send a text to the group informing them that the deposit has been made. Once all the contributions have been made, the treasurer goes with the recipient to draw the money from the Airtel agent. (Respondent 2; Quote 49)

Respondent 5 highlighted the following:

We have a chairlady, vice chairlady; treasurer, vice treasurer; a secretary and a vice secretary to lead the group. It helps to keep everyone accountable. (Respondent 5; Quote 133) ...Sometimes you get worried, when the money becomes too much the women leaders sometimes become greedy. If you are not very careful, if you don't know how to count your monies, they take advantage of that. (Respondent 5; Quote 87).

Respondent 7 spoke of how her particular network operated:

They gave us a leader; every four people have a leader whose duty it is to make sure the monies are paid up. So, if I want to borrow, I cannot ask the big group or the treasurer; I have to apply to the group leader in Group A because I am in Group A. I can say to my group leader, I want to borrow K10, 000. When they meet as leaders and after everyone has made deposits, she will get the money and deposit in my account. (Respondent 7; Quote 77)

These findings support observations by Laufer et al. (2019) on how some group leaders abuse their authority, sometimes in favour of members from the same family, or they may take larger loans than they are not entitled to. They further found that groups that had competent and transparent leadership performed better for everyone's benefit. They also reinforce the statement by Rutherford (1999) that trust in ROSCAs comes from action and that people stay in ROSCAs because they witness, cycle after cycle, that everyone obeys the rules.

5.4.4 THE IMPACT OF ICHILIMBA ON PERSONAL AND PROFESSIONAL DEVELOPMENT

5.4.4.1 Empowerment and Realisation of Personal Ambitions

Respondents cited the impact in terms of their ability to realise personal ambitions and empowerment.

Respondent 5 echoed the following sentiments:

We actually call that one the empowerment fund. We have 15 members and every month we contribute a K1000 (R1055). That K15,000 (R15, 757) you give to one person. Its K14, 000 (R14, 707) plus his own or her own K1000 (R1055) it makes K15, 000 (R15, 757). That's an empowerment fund. Again, you start another round; you contribute another 15 thousand; if you are 20 you give a 20 thousand. (Respondent 5; Quote117).

Respondent 4 cited the following personal benefits emanating from iChilimba membership:

Do not just sit at home and say let me wait for money. Find any iChilimba, even for a K100 (R105.50) and join; people are doing it. K100 (R105.50) they are plenty even in markets, everywhere. You find every day they are doing cycles, cycles. You find someone today, the business goes down or someone is sick or the house has been burnt, they put that money together and lift that person up. (Respondent 4; Quote 90)

Respondent 4 highlighted the following:

Even iChilimba for groceries, people are doing it. Like at month end you do not have groceries, make iChilimba for grocery. Every month, maybe there are five of you. This month maybe someone gets a K2,500 (R2,637.13), you buy your grocery, you put it in your house. That's all. It makes life affordable. You put money together and buy the basics for three months, such as mealie meal, oil, sugar, bathing soap, washing soap and rice. (Respondent 4; Quote 29)

Respondent 7 expressed the outcomes of participating in iChilimba as follows:

It's just like empowerment; empowering each other. You know these days where life is so hard; life is so difficult so that it's the only way as women that we can raise money then we help each other as we are doing in the iChilimba. (Respondent 7; Quote 17)

Accessing informal finance fosters socioeconomic development and empowers women in society (Laufer, Pietosi, & Rippey, 2019; Sishumba & Mulonda, 2019). Self-help and mutual assistance advance the empowerment of women through the use of financial networks (Anand, 2002). Entrepreneurship empowers women to gain control over financial resources, better decision-making and increased influence in society (Duflo, 2012). Women entrepreneurs acknowledge the impact of the groups in boosting their businesses and diversifying sources of income as a form of empowerment (Laufer, Pietosi, & Rippey, 2019). The empowering capabilities of networks strengthen the ability of women to undertake economic and socio-cultural activities and enhance self-respect (Anand, 2002). Informal finance liberates women who would otherwise be dependent on their partners and helps them to contribute to the betterment of their families (Matfobhi & Ruffing, 2002). There is a positive correlation between mothers' education, earnings and child welfare, drawing the connecting line between women's empowerment and the development of families and communities (Duflo, 2012).

5.4.4.2 Sustainable Self-Employment

Respondents highlighted the impact of iChilimba on sustainable self-employment and related benefits.

Respondent 8 indicated that:

I was working [as a social worker] for an NGO where they were paying me K2000 per month. That amount wasn't realistic for me because I had rentals to pay and I have a baby to take care of as well as a family that is largely dependent on me. I decided to quit my job and engage in entrepreneurship after trying to seek audience with my superiors and they outrightly told me to go if I was not happy with the conditions of that company, I should go out and seek greener pastures (Respondent 8; Quote 122).

Respondent 4 highlighted that:

I import clothing and shoes from abroad [mainly Dar es Salaam] and sell in Lusaka. We have young children and my husband and I were against the idea of me working fulltime. We decided I should do business instead. I work from home; I just advertise on WhatsApp and deliver when people order. (Respondent 4; Quote 12)

Respondent 2 cited the employment creation capacity stating that:

I have two people working at the car park and two at home to help clean the house and do the yard work. I have hired an old man to sell charcoal for me. One of our relatives is also engaged in charcoal selling so she oversees that business for me, and the old man, when I am not there. In the evenings [when the market is busiest] I am available to oversee operations myself. (Respondent 2; Quote 72)

Respondent 8 echoed similar employment creation capacity that:

I have a worker who is managing both (chicken) projects; for the farm there is a woman managing the farming activities and at the car wash there are four workers. So, in total that's six workers. Plus, myself that's seven. (Respondent 8; Quote 146)

The Zambian government has acknowledged the contribution of women entrepreneurs and women-owned MSMEs towards employment creation and national development (Konayuma, 2007). Furthermore, the government identified MSMEs as a means of increasing self-employment, where growth, expands human development (The United Nations Development Programme, 2016). Small to medium businesses are the engines that drive most economies through contributions towards employment creation, accounting for 60% of employment globally (Mpofu & Sibindi, 2022). Notwithstanding the observations that women are often pushed into self-employment due to family work conflicts (Heilbrunn & Davidovitch, 2011). Women contribute to the creation of jobs for themselves, their family members and others, demonstrating the influence of women-owned enterprises in employment creation (International Labour Organization, 2003).

5.4.4.3 *Improved Standards of Living*

Respondents highlighted improved standards of living as one significant impact of iChilimba membership.

Respondent 8 noted that:

The rewards are substantial and not really only financially. It accords me an opportunity to spend time with my daughter and I am able to manage the times that I work and the amount of work that I do. Stress is a trigger of illnesses such as cancer, hypertension; so many diseases and so I think iChilimba and entrepreneurship preserve your health because they give you a better lifestyle. (Respondent 8; Quote 129)

Respondent 5 cited the following:

I have achieved a lot with the Village Bank ma'am. Sometimes, like now I am trying to renovate my kitchen, so, I know when I borrow some money, I am able to clean my kitchen and buy new pots. Sometimes if my business has gone down, I buy more chickens, I borrow, I get feed; sometimes I even pay school fees for my grandchildren. (Respondent 5; Quote 47)

Respondent 2 highlighted that:

The iChilimba helped in building our family home, helped educate the younger children; the girl at university and the other two dependants that are still to go. The iChilimba payouts also contributed to the construction of some of the market shops. (Respondent 2; Quote 23)

Entrepreneurship supported by informal finance opens up opportunities for microentrepreneurs (Honohan & Beck, 2007) and Zambian women saw opportunities in entrepreneurship to improve their own standard of living (International Labour Organization, 2003). Access to financial networks plays a pivotal role in the development of the economic lives of women as well as their households (Sishumba & Mulonda, 2019). Financial networks are instrumental in improving the lives of members by helping them accomplish life goals (Laufer, Pietosi, & Rippey, 2019). The familial well-being is strongly correlated with women's income, as women consistently devote a higher proportion of their income to family needs (Anderson & Baland, 2000). Social networks enable members to invest in business ventures and use profits to educate children, construct homes and afford good living standards (Sishumba & Mulonda, 2019).

5.4.4.4 Financial Literacy

Respondents highlighted financial literacy as one of the significant benefits of participating in iChilimba.

Respondent 1 stated that:

Village Banks are better than running to financial institutions where you are paying 35% or 30% interest [on loans]. And the kind of interest where they might call it compound interest. But you find you can join a Village Bank and you pay simple interest. I even learnt what simple interest is belonging to a Village Bank because you discuss [the] kinds of interest? Then you have some people from financial background who will say: Is it simple interest? Is it compound? Then we'll ask; What is compound interest? Then they explain, then we'll say No, no, no; we'll go for simple interest. (Respondent 1; Quote 52)

Respondent 4 noted that:

I cannot borrow money from the bank, because of the interest charged. They will tell you that if you borrow this month end, the interest will be so much, and then from that month end, if you do not pay, they double the interest. That will start affecting you. The interest you do not pay back in time, will be double the money you borrow. (Respondent 4; Quote 92)

Small business owners often lack financial management skills due to low financial literacy levels (Mpofu & Sibindi, 2022). Limited knowledge and limited literacy impact women's ability to interact with the bank (Quinones, 2016). Women are often subjected to more stringent conditions than men based on what is perceived to be limited financial know-how (Aterido, Beck, & Iacovone, 2013). Some women business owners are still being marginalised and perceived to be incapable of engaging in a contract on their own without a male guardian (PEPZ, 2020).

5.4.4.5 *Savings Discipline*

Respondents highlighted that participating in IChilimba and related associations has engendered discipline and improved their saving culture.

Respondent 6 noted that:

It's definitely a good way of almost forcing yourself to save; even more like making you have the discipline to save and be able to meet your goals (Respondent 6; Quote 24)

Respondent 1 echoed similar sentiments that:

Here is an opportunity to save money in a way that will not depend on your discipline; you will be forced to save the money because of the commitment. That's it. It's the best way of saving money, that's what I would say. (Respondent 1; Quote 108)

The savings discipline of ROSCAs is valued highly by participants (Bouman, 1979), and enables individuals to achieve their goals as well as encourages women to join informal financial networks because of the inherent discipline to save (Ahamefule, 2020). The ROSCA imposes self-discipline on users to save which cannot do not on their own (Aredo, 2004). Savings discipline substitutes or compensates for the self-discipline one would need to save (Aliber, 2001).

5.4.5 *THE SIGNIFICANCE OF ICHILIMBA FINANCIAL SERVICES IN WOMEN'S ENTREPRENEURSHIP?*

5.4.5.1 *Access to Capital*

Respondents highlighted the significance of iChilimba financial services in the development of women entrepreneurship in a number of ways.

Respondent 3 stated the following:

I have been able to start a business rearing broiler chickens because of my membership in the Village Bank. This has greatly supplemented my income. (Respondent 3; Quote 39)

Respondent 8 cited the following:

It has offered me a platform, whereby, I can now branch off from a small-scale farmer into becoming a bigger farmer. You do not want to fail to supply something because you do not have the capital. The Village Bank accords me that opportunity to have proper capital that can help me make supplies and be able to compete with bigger farmers (Respondent 8; Quote 166)

Access to finance is the most important constraint hindering the operations and growth of SMEs (Muriithi, 2017). Conversely, insufficient finance is a severe obstacle to enterprise growth as small enterprises encounter challenges in obtaining finance compared to larger enterprises (Fowowe, 2017). The lack of access to finance in Africa is characterised as being more risky than other regions, and MSMEs are rated as being more risky than large enterprises (Quartey, Turkson , Abor, & Iddrisu, 2017). Furthermore, African women are subject to gender gaps when accessing financial services as the financial sector is dominated by men (Aterido, Beck, & Iacovone, 2013). Women have higher barriers to accessing financial services (PEPZ, 2020). Furthermore, Zambian women entrepreneurs sometimes need a male guarantor to access finance from the formal financial sector.

5.4.5.2 Savings and Credit Facility

Respondents cited the respective impact of the iChilimba and the Village Bank with respect to affording them savings and credit facilities.

Respondent 7 noted that:

iChilimba is something where you put the money together. You just make a small group; it depends how many you are. For example, when you are 20 and then you agree on a certain amount; if you agree on K2, 000 (R 2,109) a month. Then you take the money; if you are 20 it becomes K40, 000 (R41,524) then you give it to one or two people. The next month you have to give again the next people; another month you give more people until the cycle finishes. (Respondent 7; Quote 15)

Respondent 2 highlighted that:

We have twelve members and we now contribute a monthly amount of K2, 000 each. So, if you have more than one number you can make more contributions and get a bigger pay out. For instance, I have four numbers so I contribute ZWK8000 every month and as such I get ZWK96,000 every year. (Respondent 2; Quote 21)

Respondent 5 explained the Village Bank approach as follows:

We have a fixed amount of money we contribute every month. At times we'll say we will be contributing a K2000 (R2,109) a month or a K1000 (R1,055) a month. When we put that money together, we ourselves will borrow it. Let's say we are 30, we put in the K2000s (R2,109) and maybe some women, those whose businesses are down, are interested in borrowing. They borrow money to empower themselves through their businesses. When we meet again, they will pay that money back. For instance, if you borrow a 2 pin (R2,109) you have to top up with a K500 (R527). That interest that is charged is the profit and it grows. (Respondent 5; Quote 11)

Respondent 6 echoed similar sentiments that:

Technically, you are borrowing your own money, so even though you are borrowing money, you are paying interest on your money and you gain something in the end. So even though you are paying your interest rate you are still gaining from the whole borrowing and saving mechanism. (Respondent 6; Quote 93)

Respondent 7 cited the following:

Its better I borrow from the Village Bank where I will pay interest but that interest will come to me. If I borrow from someone it means that interest will go to the owner of the money. This means you are making a loss. So, it's better to just engage in the Village Bank because the same money you make in interest is shared among all of you. (Respondent 7; Quote 172)

The iChilimba and the Village Bank mechanisms have brought savings and credit together for the benefit of their respective networks (Smets, 1998). Women belong to multiple groups as this enables them to have to save as much as possible and benefit from multiple payouts (Laufer, Pietosi, & Rippey, 2019). Savings facilities provided by informal finance organisations are assisting women towards saving lump sums for investments (Anderson & Baland, 2000). People in Sub-Saharan Africa are more likely to save or obtain credit from the informal sector (Zins & Weill, 2016). The system is based on the trust between members, providing them with a platform to save and obtain financial capital from what they perceive to be a safe network (Laufer, Pietosi, & Rippey, 2019).

5.4.5.3 *Store of Value*

Respondents cited the significance of informal finance societies with respect to preserving the value of their money.

Respondent 1 noted the following:

For instance, you have K1000 (R1055); the money is in the bank and you want to save it. Suddenly your kids say they need something for school or that something in the house has broken down. You will take that K1000 (R1055) and spend it. But if that K1000 (R1055) is in the iChilimba or has to go to the iChilimba and you remember the faces of those women and you remember what you are trying to achieve. You will save that money... I had gone for years without even saving 500 (ZAR527), half the money, even a quarter of the money that goes to the iChilimba I was failing to save it in better economic times. But with the iChilimba, you know you have to; you've made a commitment, you have to save the money. It's very, very, effective. (Respondent 1; Quote 44)

Respondent 7 emphasised that:

iChilimba is good for saving your money. When you get your money, you have to use it wisely. You have to make plans; you do not get that money and buy a TV. It will be difficult for you to return it. You need to invest it. Then you take your profit and pay the next person in the iChilimba cycle; because remember the money you have taken is not yours; it belongs to other people. You need to pay it back (Respondent 7; Quote 45).

Women use the iChilimba as a means of saving lump sums for use for capital investments (Anderson & Baland, 2000). Jerome (1991) observed that once funds were accumulated, they are used for productive investments such as the purchase of fertilizers, farm improvements, and establishment of cottage industries.

5.4.5.4 Mitigation of Risk

Respondents were of the view that participating in the informal finance societies mitigated risks they would have otherwise experienced dealing with formal finance organisations.

Respondent 1 stated the following:

When drawing up a schedule to receive funds, the group leaders would examine the members and decide who would receive funds and when. If they are well known members with no issues, they could use some kind of raffle to decide who gets money first and so forth. Or if people in the group know each other well, they will just bring up a list. If you have new people, they will probably be the last to get a payout; if they are committed, they should not have an issue with that act unless they are up to no good. Why should they get first when they came last? (Respondent 1; Quote 46).

Respondent 4 noted following:

When members want to introduce people to the group; as long as they know that person... they will act as guarantors. For instance, I have a neighbour who is a member. This neighbour said I have two people who want to join. Our response was that those people who have said they want to join, are under you because we know you. That neighbour is now responsible for those people. When it comes to contributing money, that neighbour is supposed to ensure the people submit payments [and] check that they have paid because their names will be listed in the group chat. If they have not, you can tell based on that list that so and so has not paid. Then the guarantor can follow up in private. Usually the person will say, tomorrow or give me a day. By the 30th (last day of current month) or the 1st first day of next month] everyone is meant to have paid and the money will be given to the recipient. (Respondent 4; Quote 45).

Respondent 2 emphasised that:

Before we allow anyone to join our iChilimba we interview them. What kind of business do you do? How much do you get in a day? In a month? We see who is genuine. We do not just choose people to become members; we carefully assess who can be allowed to join. (Respondent 2; Quote 39)

Respondent 8 highlighted the characteristics of the Village Bank as follows:

Someone to vouch for you is extremely important, because people do not want you to join their Village Bank unless they know they can trust you with their money. You have to be very careful who you vouch for because you have to stand as their guarantor. As for the person that introduced me to the Village Bank, he is my guarantor. If I default, he has to pay all the money that I am owing. (Respondent 8; Quote 69)

Respondent 3 echoed the same sentiments with the Village Bank network processes stating that:

Before members take out a loan, they sign an undertaking of an asset i.e., a car that they will use as collateral should they default. But also, because it is a referral system, we come in as friends and try to come up with other solutions of how a defaulter can pay back. For instance, members can only borrow three times what they have saved to reduce risks. (Respondent 3; Quote 33)

Respondent 8 highlighted the implications of collateral and risk mitigation that:

Measures have been put in place, for instance, we have a constitution that legally binds you what to the group stands for. If a person defaults, if they are a first-time offender, they get charged 10 per cent [of money owed]. At other times they [the network] may ask for you to provide something of equal value or more to the money that you borrow [as collateral]. in the event that you default (Respondent 8; Quote 20)

One aspect that draws women towards using the iChilimba is the mitigation of risk (Amuah, 1999). The ROSCA's risk mitigation includes requirements for members who enjoy lower trust to get their turn in the ROSCA cycle last in order to reduce the uncertainty associated with the possible opportunistic behaviour of new members (Raccanello, Anand, & Martinez, 2009). Moreover, stating that the process allows for the assessment and establishment of bonds of trust over time through the accumulation of information and the formation of coherent expectations about future

behaviour. In the event of a member defaulting, the member who invited the defaulter has to act as a guarantor and would be asked to repay the loan on her behalf (Laufer, Pietosi, & Rippey, 2019). Women groups introduced character references and household goods as collateral in the case of default by members (Amuah, 1999). Lastly, some women belong to multiple informal finance networks, which enable them to have many payouts, thereby mitigating the risk of defaulting on payments (Laufer, Pietosi, & Rippey, 2019).

5.4.6 TYPES OF MICROBUSINESSES THAT ACCESS THE ICHILIMBA

This study presents an overview of the diverse microbusiness subsectors in which the participants were actively involved within the Province of Lusaka. Notably, a subset of the study participants, including Mrs. Chishimba*, Mrs. Ngozi*, and Ms. Musonda*, exhibit entrepreneurial engagement in multiple enterprises, indicating a portfolio approach to their business endeavours. Conversely, some entrepreneurs, namely Mrs. Soko*, Mrs. Kyenge*, and Ms. Olipa*, are concurrently engaged in formal employment while managing a single enterprise. Additionally, the study encompasses participants with varying roles, including Mrs. Bwembya*, a stay-at-home parent, and Mrs. Mwaba*, who conducts her business operations from home.

In terms of sectoral distribution, approximately one-third of the study participants were situated within the Agriculture and Services sectors, while just under 17 per cent of the cohort were active in the retail and food production sectors. Consequently, the business sectors under consideration in this study encompass agriculture, retail, services, and food production, as depicted in Figure 5:10 below.

Table 5.10: Business sub-sectors represented in the study cohort.

SUBSECTOR	FREQUENCY	PERCENTAGE
Agriculture	4	33,33
Retail	2	16,67
Services	4	33,33
Food production	2	16,67

Source: Researcher's construct

5.5 DISCUSSION – INTERPRETATION OF FINDINGS

This section presents the discussion and interpretation of the findings on the impact of the iChilimba finance society on women-owned microbusinesses in Lusaka, Zambia.

5.5.1 THE SIGNIFICANCE OF ICHILIMBA FINANCIAL SERVICES IN WOMEN-OWNED MICROBUSINESSES

Mandawa *et al.*, (2014) identifies the lack of finance as the paramount impediment to the development and growth of MSMEs in Zambia. Sishumba & Mulonda (2019) posit that informal banking services have become a common source of start-up capital. Informal finance networks also act as a store of value as savings enable members to accumulate lumpsum savings (Anderson & Baland, 2000). Laufer *et al.* (2019) highlight that women borrow from informal finance networks such as iChilimba and Village Banks to boost business activities. Women entrepreneurs often balance family financial obligations with income from entrepreneurial activities (Quinones, 2016). Richardson, Howarth & Finnegan's (2004) noted that women entrepreneurs tend to operate multiple small enterprises rather than building a single business. They further add that women seem to recognise opportunities and act on them whilst at the same time diversifying risk by running several small enterprises. Some women belong to multiple informal finance groups, which enable them to mitigate risks and leverage payouts (Laufer, Pietosi, & Rippey, 2019). The lack of finance creates impediments that hinder the operations and growth of MSMEs in Africa (Muriithi, 2017), particularly amongst women (Madichie & Nkamnebe, 2010)

iChilimba empowers women by granting them means to engage in self-help, mutual assistance and control over their financial resources through the social network (Anand, 2002). The ILO (2003) reported that Zambian women contributed to the creation of jobs for themselves, their families and others. Women's participation in informal financial societies enhanced their financial literacy, financial inclusion and sense of discipline in handling money (Quinones, 2016).

5.5.2 *FACTORS THAT INFLUENCE THE DEMAND FOR ICHILIMBA FINANCIAL SERVICE*

Aldrich and Zimmer (1986) argue that any discussions on entrepreneurship should involve its embeddedness in social networks as these often form the relationship networks through which entrepreneurs obtain resources, information and support. The availability of shared information empowers people to adapt to environmental changes and thus sustains their existence (Hammond & Glenn, 2004). Anand (2002) highlight that social networks are instrumental in facilitating social interventions in the form of self-help and mutual assistance due to the solidarity found in networks. Formal sector bank savings accounts provide relatively low yields (Kedir, Disney, & Dasgupta, 2011). Informal finance is often utilised by those who want to avoid the high transaction charges from the formal banking sector (Aterido, Beck, & Iacovone, 2013). Dovi (2008) report that formal sector lending institutions such as banks and microfinance institutions often have restrictive lending regulations and excessive institutional procedures that must be met to access credit, such as at least four documents, including an identity card or passport, recommendation letter, wage slip and proof of address.

5.5.3 *THE IMPACT OF THE ICHILIMBA ON PERSONAL AND PROFESSIONAL EXPERIENCES*

The study's findings reveal that the interventions facilitated by the iChilimba finance networks can be categorised into two distinct dimensions: personal returns and professional or business development. Table 5.11 provides a breakdown of the influence of the iChilimba on respondents' personal and business aspects. The observations indicate that the iChilimba empowers women by affording them the mechanism to engage in self-help initiatives and mutual assistance and bestows a degree of control over their financial resources through the social network (Anand, 2002).

Moreover, the informal finance networks provide women with the capacity to partake in entrepreneurial activities, consequently establishing sustainable employment opportunities for themselves and others under their employ. The study findings support the International the observations by the International Labour Organization (2003), which identified that Zambian

women contributed to job creation for themselves, their families, and other people in the wider community.

Furthermore, access to financial resources correlates with the enhancement of livelihoods and living standards. The study's participants indicated improvements in several areas, including the ability to control the number of hours worked, the flexibility to determine their work schedules, investments in home renovation or construction, education for their children or grandchildren, and the capacity to acquire the necessary finances for reinvesting in their businesses. This corroborates the findings by Anderson & Baland (2000), who highlighted the link between women's income and the overall well-being of their families, as well as the assertions of Mulonda & Sishumba (2019) who emphasised the pivotal role of financial access in the economic development of women and their households.



Table 5.11: Impact of iChilimba on personal and business lives

IMPACT IN PERSONAL LIVES	IMPACT IN BUSINESS LIVES
Financial literacy	Operational discipline
Financial discipline	Access to start-up or operating capital
Empowerment	Recognition of opportunities
Household food security	Operation of enterprises
Family education	Social media marketing
Sustaining families	Expansion into new business interests or the expansion of an existing business
Increased standard of living	Income generation
Strategic planning	Job creation

Source: Researcher's construct

Furthermore, participation in these financial networks contributes to financial literacy and fosters a sense of financial discipline among women. This finding aligns with research by Quinones (2016), which highlights that limited financial knowledge and literacy can hinder women's interactions with banks, potentially resulting in financial exclusion. Consequently, women have turned to financial networking as an alternative and have come to appreciate the positive impact of these networks on their lives, motivating them to adopt the requisite financial discipline necessary for effective savings practices.

5.5.4 *THE SIGNIFICANCE OF ICHILIMBA FINANCIAL SERVICES IN WOMEN'S ENTREPRENEURSHIP*

The challenges of accessing financial resources presents significant barriers that impede the operations and expansion of MSMEs within the African context (Muriithi, 2017). Within this

context, the iChilimba financial network emerges as a pivotal resource, offering entrepreneurs access to the necessary capital for establishing or investing in the growth of their enterprises. The iChilimba furnishes women with savings and credit facilities, affording them the autonomy to decide how to allocate their savings. In the case of the iChilimba (ROSCAs), members collectively determine the sequence in which the pooled funds are disbursed, while the Village Bank (ASCAs) enable participants to save and borrow with the expectation of generating returns through lending. Consequently, some women opt to join multiple groups, a phenomenon attributed to their desire for multiple payouts and a commitment to accumulate savings (Laufer, Pietosi, & Rippey, 2019).

In addition, the iChilimba financial societies extend savings and credit facilities to women microbusinesses thereby affording them the autonomy to determine their savings and investment options. Depending on whether the informal financial facility adopts the iChilimba (ROSCA) or Village Bank (ASCA) model, either way participants collectively allocate funds in a predetermined sequence or save and borrow in anticipation of future returns generated by lending out these financial resources. This flexibility has led some women to join multiple groups, a phenomenon attributed by Laufer *et al.* (2019) to their desire for diversified payouts and to maximize their savings potential.

Nonetheless, participants acknowledge the inherent risk of potential defaulters jeopardizing the security of their investments. Consequently, these women have implemented a range of risk mitigation strategies within their respective networks. These strategies encompass the following measures: with respect to ROSCAs; prospective members undergo an interview process before being granted membership and new members are positioned to receive the payout at the conclusion of the rotation schedule. For ASCAs, many groups have established constitutions to regulate member behaviour; new members must be referred by an existing member and the group's leadership evaluates and assesses new member suitability and lastly borrowers must identify collateral and pledge to relinquish it in case of loan default.

At an individual level, several women have disclosed their membership in diverse informal finance networks; that is, the iChilimba and the Village Bank, enabling them to access multiple payouts and mitigate the risk associated with consolidating all their financial resources into a single entity.

Some of the respondents also used the Grocery Club as a means of stocking up on perishable and non-perishable groceries with ease.

5.6 *DEVELOPING THE ICHILIMBA FINANCIAL INTERVENTION FRAMEWORK FOR SUSTAINABLE MICROBUSINESS DEVELOPMENT*

The iChilimba Financial Framework for Sustainable Microbusiness Development is based on building social networks grounded in the Ubuntu philosophy and the subsequent building-up of social capital for the financial empowerment of the participants. The financial and social interventions delivered through the iChilimba enable women to meet a range of needs without being beholden to a formal institution. The iChilimba also facilitates the entrepreneurs' access to network members' social connections, giving them increased potential in their operations. The iChilimba is a source of empowerment for women because it gives them access to finance and a support system from their iChilimba financial society. The cyclical nature of the iChilimba also serves to provide ongoing solutions as long as the businesswoman remains in good standing with the rest of the network.

The iChilimba Financial Intervention Framework for Sustainable Microbusiness Development provides a basis for developing a nationwide inclusive model that enhances sustainable economic development, employment and wealth creation among all different social categories in urban and rural areas.

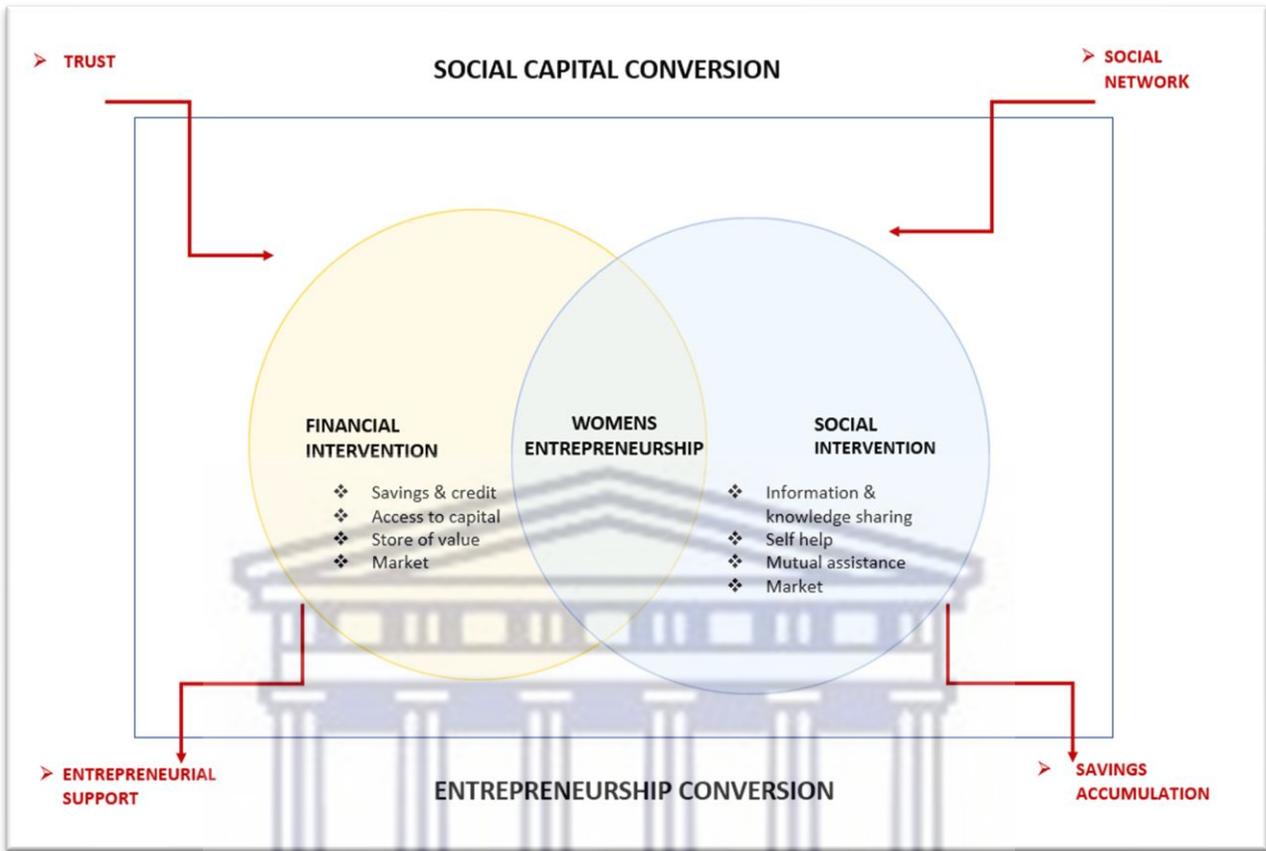


Figure 5.7: iChilimba Financial Intervention Framework for Sustainable Microbusiness Development
 Source: Researcher's construct

The researcher created this model based on findings from the research, which found that the strength of the iChilimba was in the social networks from which it originated.

The proposed framework shows that the iChilimba leverages upon the Ubuntu - sense of togetherness that exists in the societal network and the social capital therein to provide social and financial interventions to its members. The research shows that iChilimba informal finance societies grant women more than access to finance, as they also give them self-help, autonomy, and support from other members. The iChilimba also provides a market for goods and services, a source of information that can help each member in personal or business matters, as well as encouragement to develop their families and businesses. The respondents disclosed that they preferred the iChilimba informal finance society to the formal sector institutions or the private money lenders known as Kaloba. The alternative financial providers were perceived to be

encumbered by red tape and regulatory frameworks deemed to be cumbersome and financially burdensome. Likewise, although the informal moneylenders providing Kaloba were recognized as a prospective avenue for financial assistance, the participants expressed the view that Kaloba was not only costly but also detrimental; rendering it an impractical choice for accessing continuous and affordable funding. Consequently, this study focused on the interventions that the women entrepreneurs identified as being most advantageous; that is, iChilimba informal finance.

Generally, although the respondents value the iChilimba informal finance sector for what it is currently doing, they also revealed that they also value the iChilimba for the future benefits; that is, what they anticipated the iChilimba would help them achieve in future. The members trust each other because of the relationship they have with each other (reciprocity); or they trust other members of the network with whom they do not share a close relationship, based on their relationship with other network members (transitivity). The denser the ties that connect the members of a network, the stronger the network is.

When a network has disciplined and committed members that are trustworthy, the iChilimba networks achieve continuous capital accumulation, thus providing members with financial and social support for their entrepreneurial endeavours. The process of converting financial and social interventions into savings (capital) accumulation and entrepreneurial support is called entrepreneurial conversion. Consequently, the long-term and continuous access to financial and social interventions facilitated by the iChilimba establishes a basis for women's entrepreneurship to thrive. Research findings revealed that women entrepreneurs tend to incorporate both their family and business in their strategies, as they do not separate them when discussing their plans. This was in accordance with Mayoux (2001), who maintains that the solution of many woman entrepreneurs is to plan their personal and business lives around working from home. Membership in the informal financial societies also enabled the entrepreneurs to see opportunities in their environments that they could exploit, adding credence to Devine & Kiggundu's (2016) argument that although African women entrepreneurs may start as necessity entrepreneurs, they generally grow to become opportunists. However, the study found contrary to Matfobhi & Ruffing's (2002) statement that although microcredit plays an important role in the survival of microenterprises and contributes directly to poverty alleviation, microcredit does not promote the growth of MSMEs. The study participants used regular injections of small amounts of money (microcredit) and combining them over time to run big projects such as the construction of homes

and business premises, the financing of new businesses and the expansion of businesses. This implies that microcredit does not only play an important role in the survival of enterprises, but it also helps alleviate poverty. This was verified by the majority of the study respondents, who indicated that their businesses had grown over time. However, the data gleaned from the study not only led to the creation of the iChilimba Empowerment Framework for Women Entrepreneurs, but it also provided guidance in devising the following principles that direct the formation and operations of informal finance societies by women entrepreneurs.

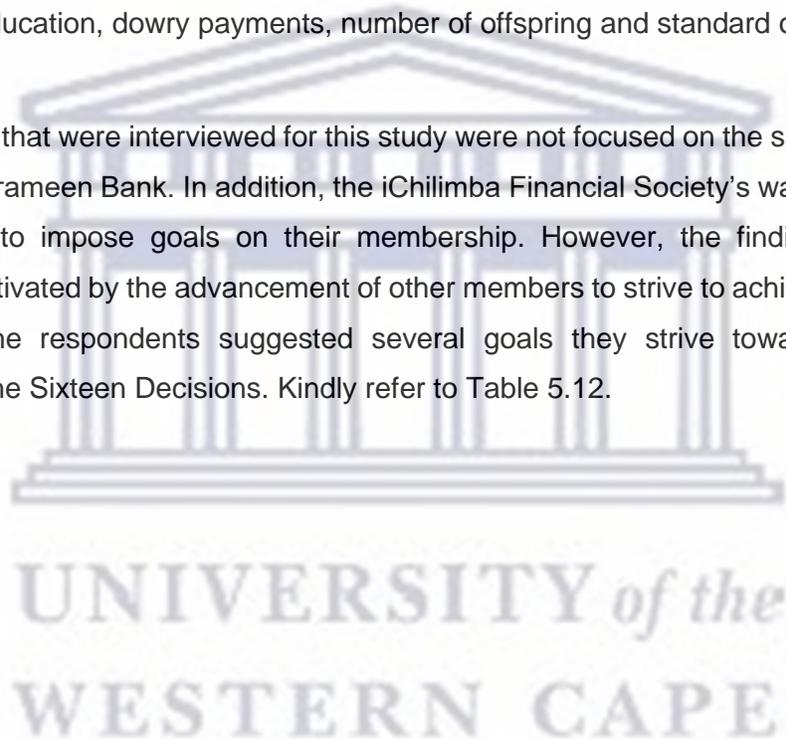
5.6.1 THE TWELVE TENETS OF INFORMAL ICHILIMBA SOCIETIES THAT EMERGED FROM THE STUDY

1. To collate financial resources.
2. To provide a mechanism for saving and borrowing.
3. To have uncomplicated membership requirements.
4. To enforce fiscal discipline amongst members through regular contributions.
5. To attend meetings to forge stronger relationships.
6. To source start-up or operating financial capital for businesses.
7. To share information at the meetings that could improve personal lives or business ventures.
8. To give each other support in social matters.
9. To have a straightforward membership referral system.
10. To permit repayment flexibility when needed by a member.
11. To support family development through paying fees and providing employment.
12. To provide a market for each other's goods and services.

5.6.2 *CONTRASTING THE STUDY RESULTS TO THE SIXTEEN DECISIONS OF THE GRAMEEN BANK*

The Sixteen Decisions were introduced in Chapter 3 because they have long been perceived as evidence of increased capabilities laid out as goals by the Grameen Bank of Bangladesh. The Grameen Bank was established as a way of utilising group financing to uplift and empower women. As a part of the research into informal finance, the activities and principles of the iChilimba were compared and contrasted to the Grameen Bank as a way of establishing its impact on women-run enterprises. The decisions talk about the basic capability factors such as health, running water, education, dowry payments, number of offspring and standard of living.

The respondents that were interviewed for this study were not focused on the same issues as the clientele of the Grameen Bank. In addition, the iChilimba Financial Society's way of operating did not guide them to impose goals on their membership. However, the findings indicate that members are motivated by the advancement of other members to strive to achieve greater goals. Consequently, the respondents suggested several goals they strive towards that can be contrasted with the Sixteen Decisions. Kindly refer to Table 5.12.



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Table 5.12: Comparison of Sixteen Decisions and the Twelve Tenets of the iChilimba

	SIXTEEN DECISIONS (GRAMEEN BANK)	TWELVE TENETS OF THE ICHILIMBA
1	We respect the four principles of the Grameen Bank - we are disciplined, united, courageous and workers - and we apply them to all our lives.	To collate financial resources.
2	We wish to give our families good living standards.	To provide a moderate mechanism for saving and borrowing.
3	We will not live in dilapidated houses. We repair them and work to build new ones.	To have uncomplicated membership requirements.
4	We cultivate vegetables the whole year round and sell the surplus.	To enforce fiscal discipline amongst members through regular contributions.
5	During the season for planting, we pick out as many seedlings as possible.	To attend meetings to forge stronger relationships.
6	We intend to have small families. We shall reduce our expenses to a minimum. We take care of our health.	To source start-up or operating financial capital for businesses.
7	We educate our children and see that they can earn enough money to finance their training.	To share information at the meetings that could improve personal lives or business ventures.
8	We see to it that our children and homes are clean.	To give each other support in social matters.
9	We build latrines and use them	To have a straightforward membership referral system.
10	We only drink water drawn from a well. If not, we boil the water, or we use alum.	To permit repayment flexibility when needed by a member
11	We will not accept a marriage dowry for our son, and we do not give one to our daughter at her marriage. Our centre is against this practice.	To support family development through paying fees and providing employment.
12	We cause no harm to no one, and we will not tolerate that anyone should do us harm.	To provide a market for each other's goods and services.
13	To increase our income, we make important investments in common.	
14	We are always ready to help each other. When someone is in difficulty, we will give a helping hand.	
15	If we learn that discipline is not respected in a centre, we go along to help and restore order.	
16	We are introducing physical culture in all centres. We take part in social events.	

Source: Researcher's construct

Therefore, it can be deduced that discernible differences and similarities exist between the Sixteen Decisions of the Grameen Bank and the Twelve Tenets of the iChilimba Finance Society. The primary difference lies in the formalized institutional nature of the Grameen Bank, in which, as part of its corporate identity, it advocates for the societal development and autonomy of its predominantly female clientele. Conversely, the iChilimba Finance Society comprises a network of informal organizations that operate autonomously and are self-administered by members for the purpose of self-empowerment.

Shared characteristics are evident in the prescribed guidelines provided to the clientele of the Grameen Bank, condensed in the list of the Sixteen Decisions, intended to be adhered to as a mechanism for bank clients to enhance their capabilities. Likewise, within the iChilimba context, fundamental tenets have manifested, that guide network operations and the ensuing benefits. In the context of this study, these are referred to as the Twelve Tenets of informal iChilimba societies.

The study further revealed that the iChilimba informal finance societies have the following core characteristics -

1. They provide a financial system that works outside the formal system
2. They take diverse forms based on the operational structure; the three forms utilised by respondents in this study were the Zero Percent iChilimba (ROSCA), the Village Bank (ASCA) and the Grocery Club.
3. They are perceived to be solution providers and are highly esteemed by members
4. They are informal, working in social networks grounded on Ubuntu social capital.
5. They range in size from small to large in membership and from small to large contributions
6. They are highly effective in channelling finances to members from members
7. They contribute substantially to the advancement of business (entrepreneurial) and personal (familial) objectives of members

5.7 SUMMARY

The chapter presented the research findings and analysis, the analysis and interpretation of findings on the impact of the iChilimba on the women-owned microenterprises based in Lusaka, Zambia. The next chapter presents the study's conclusions and recommendations.



CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.1 INTRODUCTION

This chapter presents the conclusions and recommendations of the study. The study examined 'the effect of the iChilimba financial services on the growth of women-owned microbusinesses in Lusaka, Zambia'.

6.2 CONCLUSIONS

The study identified several factors influencing iChilimba finance services by microbusinesses in Zambia.

6.2.1 CONCLUSION OF RESEARCH OBJECTIVE ONE

RO1: TO EXAMINE THE SIGNIFICANCE OF THE ICHILIMBA ON THE GROWTH OF MICROBUSINESSES IN LUSAKA.

The iChilimba plays a critical role in bridging the gap between those who normally struggle to access finance from the formal sector and those who require financing for setting up or running small enterprises. The iChilimba and the Village Bank provide a mechanism for accessing finance as the challenges of accessing finance impede the establishment and growth of MSMEs in Zambia (Mandawa *et al.*, 2014). Consequently, the informal financial networks provide an alternative source of support and funding distinct from the formal financial sector, which is controlled by the members and is for the benefit of members on terms determined by members. This grants the society members self-autonomy in that they are able to determine how much to access, how often they can obtain funding and how they should use the money they obtain. The iChilimba enables the development of

entrepreneurship skills, financial management skills and a savings culture among women who often struggle to achieve the same due to negative societal and gender stereotypes.

6.2.2 CONCLUSION OF RESEARCH OBJECTIVE TWO

RO2: TO EVALUATE THE FACTORS INFLUENCING THE DEMAND FOR THE ICHILIMBA FINANCIAL SERVICES.

The factors influencing the demand for the iChilimba informal societies (which includes the Village Bank (ASCA) and the Grocery Club) are that the iChilimba provides social and financial interventions to a network of like-minded individuals who are already socially connected. The iChilimba is embedded in social networks that have at their core a sense of Ubuntu, that is, a sense of togetherness that builds up the social capital through interaction over time that the women rely on when engaging in iChilimba activities with each other. As members of the social network, they trust each other, and come together to provide solutions to problems commonly experienced by women small business owners and by women with family responsibilities. Being part of the iChilimba, the Village Bank (ASCA) and the Grocery Club embeds one in a social network, which comes in handy when one needs a support structure for mutual assistance, which may come in the form of contributions from other members or advice. The network members provide a ready market for each other's goods and services, and they share information on a range of matters. Membership enhances commitment and obligations to be honest and work together in a network to access social and financial interventions that women entrepreneurs depend on for continued life improvements.

RO3: TO ASSESS THE NATURE AND TYPE OF MICROBUSINESSES THAT ACCESS ICHILIMBA FINANCIAL SERVICES.

The nature and types of microbusinesses that access iChilimba (ROSCA) and Village Bank (ASCA) in Lusaka were identified as follows; agriculture (poultry, horticulture), services (hairdressing, car park), retail (clothes, charcoal) and hospitality (food preparation). Some respondents were active in multiple sectors, operating multiple micro-enterprises. These are also the industries that the Ministry of Labour & Social Security (2020) identified as being most impactful in the Lusaka economy. This study found that the majority of the respondents had a tertiary-level education and that they ran micro, unregistered enterprises which were not required by law to be tax-compliant. These businesswomen rely on microloans from the iChilimba to keep running. The enterprises fill in the gap by providing services and goods to a market that may be overlooked by larger enterprises. For instance, the poultry farmers would market chickens on credit; that is, the buyers would receive the chickens but pay at a slightly higher rate at a later date. The agripreneurs noted that their clientele was going through a hard time economically; thus, the provision of flexible terms was a marketing ploy to attract a constant clientele. As was the provision of car park security services in a high-density area. The clothing imported and sold from home was supplied at more affordable rates and could be purchased on staggered terms, undercutting the boutiques.

Although the literature suggests that women-owned microbusinesses focus on marketing to low-income earners in informal markets (Quinones, 2016). This study found that just as the users of iChilimba were not poor in this study but tended to be middle class, this study also found that the businesswomen had clients from all sections of society based on social interactions in their everyday lives. Subsequently, these women are advertising in ways that circumvent larger businesses in marketing products and services.

6.2.4 CONCLUSION OF RESEARCH OBJECTIVE FOUR

RO4: TO EVALUATE THE SIGNIFICANCE OF THE ICHILIMBA FINANCE SERVICES IN WOMEN ENTREPRENEURSHIP IN ZAMBIA.

The iChilimba (ROSCA) and the Village Bank (ASCA) provide short-term financial liquidity with less stringent requirements for women entrepreneurs and empowers them to be financially independent and self-employed. This has empowered them and granted them the means to generate income and achieve financial independence. Economic empowerment has not only bolstered the women's individual well-being, it has also contributed to household food security, and the development of children; as the iChilimba has been used in the payment of school fees and university fees and the purchase and supply of groceries, including foodstuffs; it has financed the purchase of other necessities for children in their daily lives leading to increases in family levels of income. One of the main impetuses for women to engage in entrepreneurship is that it gives them control and helps them balance their work and family lives whilst contributing to the community (McGowan, Redeker, Cooper, & Greenan, 2012). Further enhancing family and social cohesion, the iChilimba contributes to the reduction of unemployment and development of downstream sub-sectors, thus contributing to poverty alleviation in the broader community. Beyond financial security, the iChilimba also provides a social security support system for the women amongst their peers through whom they access support for each other. The self-regulation and enforcement of iChilimba rules enhance discipline and business acumen as members do not want to be ostracised due to defaulting, nor do they want to lose their investments to untrustworthy peers. The processes reinforce social capital and networking, social security that goes beyond the iChilimba in the development of entrepreneurship skills and micro-enterprise development. Thus, collectively impacting the family and the greater community cohesion by providing household food security and raising the family's standard of living whilst providing employment in the community.

6.2.5 CONCLUSION OF RESEARCH OBJECTIVE FIVE

RO5: TO DEVELOP THE ICHILIMBA FINANCIAL INTERVENTION FRAMEWORK FOR SUSTAINABLE MICROBUSINESS DEVELOPMENT

The iChilimba Financial Framework for Sustainable Microbusiness Development was devised building on existing social networks that are imbued with the principles of the Ubuntu philosophy. This in turn led to the accrual of social capital that furthered the financial empowerment of participants. The financial and social interventions delivered through the iChilimba enable women to meet a range of needs without being beholden to conventional (banks) or unconventional (Kaloba) lending institutions. Furthermore, iChilimba facilitates entrepreneurs' access to the social connections of network members thereby enhancing operational potential through expanded market reach and information exchange. Consequently, by functioning as both a financial resource and a support system, the iChilimba serves as a vehicle for women's empowerment. In addition, the cyclical nature of the iChilimba avails sustained solutions for women entrepreneurs contingent upon their continued good standing within the network.

The iChilimba Financial Intervention Framework for Sustainable Microbusiness Development, as illustrated in Figure 5.8, serves as a foundational model for the establishment of a comprehensive nationwide approach that enhances sustainable economic growth, employment generation, and wealth creation across diverse social strata in urban and rural settings.

The framework elucidates how iChilimba harnesses the principles of Ubuntu, emphasizing communal solidarity within Zambian social networks and leveraging the embedded social capital to deliver social and financial interventions to the members. The study further discerned that, beyond financial assistance, iChilimba informal finance societies equip women with self-sufficiency skills, autonomy, and peer support, while also providing a marketplace for their products and services.

The research findings indicated that study participants utilised regular infusions of microcredit, progressively accumulating resources over time to undertake substantial endeavours such as uplifting livelihoods, home and business construction, businesses establishment, and business expansion. The majority of the respondents reported that their enterprises experienced growth over time due to financial injections from the social networks.

Moreover, the study data informed the formulation of the Twelve Tenets, which emerged as guiding principles governing the establishment and operation of these iChilimba informal financial networks.

6.2.5.1 *THE TWELVE TENETS OF INFORMAL ICHILIMBA SOCIETIES*

1. To collate financial resources.
2. To provide a mechanism for saving and borrowing.
3. To render uncomplicated membership requirements.
4. To enforce fiscal discipline amongst members through regular contributions.
5. To attend meetings and forge stronger relationships.
6. To source start-up or operating financial capital for businesses.
7. To share information at meetings that improve personal lives and business ventures.
8. To give each other support on social matters.
9. To have a straightforward membership referral system.
10. To permit repayment flexibility when needed by a member.
11. To support family development through sustainable self-employment
12. To provide a market for each other's goods and services.

6.2.6 *OVERALL STUDY CONCLUSIONS*

The findings revealed that the respondents were able to access finance with less stringent requirements that enabled them to invest in the development and growth of their micro-enterprises. The iChilimba system is embedded in social networks that epitomise a sense of Ubuntu philosophy of caring for each other, togetherness and the building of social capital, which

uplifts the social and economic status of women. The diverse micro-enterprises provided essential services and products for low-income urban residents, thus alleviating food insecurity, family and social challenges associated with urbanisation. Thus, affordable loans, tenure, and socially anchored compliance mechanisms contributed to the sustainability of women-owned micro-enterprises. Access to short-term finance with less stringent requirements enhanced the growth of women-owned micro-enterprises. The self-regulation and enforcement of iChilimba rules enhance self-discipline, financial management skills and business acumen, thereby reinforcing social capital and networking and the development of entrepreneurship skills and micro-enterprise development. The economic empowerment bolstered the women's individual well-being, self-worth and positive contribution towards family income, household food security, family and social cohesion, reduction of unemployment and development of downstream sub-sectors within an urban context.

The study revealed that the influence of the iChilimba (ROSCA), Village Bank (ASCA) and the Grocery Club extended beyond the provision of financial capital. More significantly, the iChilimba provides three categories of intervention first, a social support system that provides women with social interventions besides the financial aspects, such as knowledge exchange, support, and mutual assistance. Second, the networks provide social interventions with a financial aspect, such as instilling operational discipline in women in running their enterprises, disseminating financial literacy, non-restrictive borrowing conditions, captive market, self-help, empowerment, improved standards of living and sustainable self-employment. Lastly, the iChilimba provides financial interventions in extending access to finance, store of value, savings discipline and a credit and savings facility.

6.3 RECOMMENDATIONS

6.3.1 *iChilimba members should arrange seminars to disseminate business and financial information*

The iChilimba financial networks have been functioning as informal channels employed by women micro business owners to expand their social circles and to facilitate knowledge sharing pertaining to financial literacy. To optimise the utility of these gatherings, it is recommended that the women

leverage the iChilimba for the purpose of enhancing the dissemination of business knowledge. This would be achieved through the organisation of seminars dedicated to the provision of structured education about financial literacy and other pertinent business-related topics, such as how to interact with the formal financial sector, how credit works, money management, record keeping, and the advantages of being a registered business once the enterprise starts to grow. Guest speakers conversant in these areas would be invited to educate the businesswomen, enabling them to access reservoirs of knowledge and increase their comprehension of the complexities of financial literacy. The training materials should be in vernacular languages common amongst the members of the iChilimba in a region to build inclusivity into the programme. In Lusaka, for instance, the languages used would be English and Nyanja. Consequently, the iChilimba plays a pivotal role in bridging the information gap, particularly with respect to knowledge that may not be readily accessible or financially viable through formal institutional channels.

6.3.2 *The arrangement of specialised training for each business subsector*

The women micro business owners participating in the iChilimba financial networks collectively represent diverse subsectors, encompassing poultry farming, import-export operations, food preparations, provision of services and real estate ventures, each confronting distinct challenges related to their respective industries. The study recommends that the iChilimba be utilised to facilitate the organisation of the businesswomen into specific subsectors. This could be done by a government department like the Zambia Development Agency (ZDA), which has a mandate to support women's entrepreneurship. Alternatively, by Non-Governmental Organisations (NGOs) that also work to support micro businesses. Whereby an environment that is conducive to the enrichment of knowledge concerning their respective markets is cultivated. This stratification has the potential to refine the women's comprehension of market dynamics, product characteristics, and seasonal variations. Since it offers sector-specific information, including but not limited to regulatory frameworks, best practise processes, and health and safety considerations. Such knowledge dissemination addresses critical information gaps that microbusiness owners encounter and are not well versed in handling. In effect, the iChilimba would act as a channel for the dissemination of sector-specific knowledge, offering microbusiness women the opportunity to gain insights into aspects of their industries that they might not typically encounter in their day-to-day operations.

6.3.3 *Municipalities should use iChilimba networks to communicate business related by-laws and legislation*

Local municipalities are recommended to utilise iChilimba financial networks as effective platforms for disseminating critical information pertaining to various informal businesses within their jurisdictions. This information may encompass regulatory matters, such as municipal bylaws and food safety standards. The iChilimba should be leveraged to coordinate sessions dedicated to the distribution of educational materials regarding these bylaws. Notably, many microentrepreneurs may not possess prior knowledge of these regulatory requirements; for instance, the businesswomen may not be aware that there are restrictions on the placement of chicken coops and that regulations governing waste disposal, food preparation and safety exist. In essence, municipal administrations can harness these iChilimba as a valuable conduit through which they can proactively share pertinent information relevant to business operations. This proactive engagement on the part of municipalities can contribute to the greater awareness and compliance of women microbusiness with local regulations, thereby fostering a more informed and legally compliant business community.

6.3.4 *Provision of support by government and nongovernmental organisations (NGOs)*

While women microbusiness owners have been able to grow their businesses to an extent, it is imperative for government departments, such as the ZDA and related NGO's to recognise and engage with the iChilimba as an avenue through which they can formulate policies aimed at facilitating the expansion of women-owned enterprises beyond the microbusiness stage. It is, therefore, recommended that the government and NGO's leverage the accrued social capital within the iChilimba networks and institute policies and support mechanisms tailored to foster the growth of microbusinesses. Recognising that their current status as microbusinesses is not a sustainable long-term trajectory. The utilisation of the iChilimba presents a unique opportunity for the government to harness the accumulated social capital within the networks. This, in turn, can serve as a platform for the development and implementation of policies that foster the growth of microbusinesses, empowering them to transition into more sustainable and impactful entities.

6.3.5 *Large suppliers should leverage the iChilimba membership supply chain*

The majority of female microentrepreneurs engage in procurement from major suppliers, where their purchasing capacity does not enable them to qualify for substantial bulk purchase discounts due to their lack of formal recognition as significant customers. This pattern is observed across the various product categories, such as chicken feed, fertilisers, and groceries that pertain to the study cohort. Furthermore, these women entrepreneurs encounter obstacles in accessing extended trade credit terms, typically offered by suppliers to larger enterprises, spanning periods of 30, 60, or even 90 days.

Large-scale suppliers are encouraged to customise their pricing structures by tailoring discounts and extending trade credit provisions to accommodate the unique circumstances of these microbusinesses. These suppliers can unlock new market segments, secure a loyal clientele base, and foster mutual growth alongside the microenterprises they serve. This strategic alignment between large suppliers and microbusinesses has the potential to be mutually beneficial and catalytic for economic development.

6.3.6 *Training and development of women entrepreneurship*

The government and key stakeholders should enhance training programmes to increase the participation of women and complement the knowledge and skills gained through social networks. The materials should be in all vernacular languages for inclusivity. Women-centred NGOs should support the continued empowerment of women by devising training material that would teach women entrepreneurs how to interact with the formal financial sector, how credit works, money management, record keeping, and the advantages of being a registered business in the long run. This material should also be in all vernacular languages.

6.3.7 *Development of databases on microbusinesses utilising iChilimba*

Although the ZDA engages with microbusinesses on many levels, it does not yet leverage iChilimba membership. Consequently, ZDA, in collaboration with key stakeholders, need to

promote the registration of iChilimba networks, both ROSCA and ASCA, into comprehensive databases. By so doing, the ZDA can ensure the inclusion of such entities in their information dissemination efforts, particularly concerning updates on financial matters and business-related information tailored to women-owned enterprises and the enhancement of financial inclusivity. This includes informing them about changes in official policies and elucidating the potential benefits these policies may confer upon micro, small, and Medium-Sized Enterprises (MSMEs).

6.3.8 *Offering microbusiness related iChilimba that has been established for a significant period small group loans on attractive terms*

As part of their efforts to grow and establish microbusinesses, government policymakers should consider enacting policies that leverage upon long-established iChilimba network existence as longevity indicates consistency. These initiatives are prompted by the demonstrated ability of women to achieve notable progress through the provision of modest, short-term loans within their social networks. Consequently, the government is recommended to institute a revolving fund accessible to well-established iChilimba networks. This fund would augment the capital available for entrepreneurial loans extended within these networks.

6.4 *FUTURE RESEARCH*

Future research should consider extending the study to the rest of Zambia and the SADC region to determine the similarities and collective insights based on geographic and demographic differences. The use of mixed and quantitative approaches would allow for larger numbers of participants to be interviewed. Whereas, the use of random sampling would minimise bias and increase the likelihood of a representative sample whilst enhancing the generalisability of findings. Furthermore, data collection was limited to online communications media and document analysis data due to restrictions caused by the COVID-19 pandemic; therefore, future research could incorporate participant observation and focus groups.

6.5 *LIMITATIONS OF THE STUDY*

This case study design was limited to a single location, the City of Lusaka, in Zambia, thus circumscribing the findings to a single case study. The study was also limited by the small sample size and the convenience of the selected study population, as the research was conducted in the context of women entrepreneurs in Lusaka, using snowball sampling techniques. The research was conducted during the COVID-19 pandemic, which limited the research methodologies that could be utilised due to social distancing and lockdown regulations. Furthermore, the researcher was constrained by limited resources and time.

6.6 *SUMMARY*

The study showed that the iChilimba finance networks provide society-based solutions to women business owners in Lusaka. There are three categories of iChilimba that were identified in this study, the iChilimba (ROSCA), the Village Bank (ASCA) and the Grocery Club. Each of them provides three types of solutions for women: social interventions without a financial aspect, social interventions with a financial aspect and financial interventions. When used together, these interventions have proven to be useful for women in establishing and operating businesses, improving the operations of their enterprises, creating employment and improving the quality of life within families and communities.

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APPENDIX A: Ethical Clearance



UNIVERSITY of the
WESTERN CAPE



15 June 2021

Ms S Zulu-Nwankwo
School of Business and Finance
Faculty of Economic and Management Science

HSSREC Reference Number: HS20/9/66

Project Title: The effects of iChilimba schemes on the growth of microbusinesses in Lusaka, Zambia.

Approval Period: 11 June 2021 – 11 June 2024

I hereby certify that the Humanities and Social Science Research Ethics Committee of the University of the Western Cape approved the methodology and ethics of the above mentioned research project.

Any amendments, extension or other modifications to the protocol must be submitted to the Ethics Committee for approval.

Please remember to submit a progress report by 30 November each year for the duration of the project.

The permission to conduct the study must be submitted to HSSREC for record keeping purposes.

The Committee must be informed of any serious adverse events and/or termination of the study.

*Ms Patricia Josias
Research Ethics Committee Officer
University of the Western Cape*

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FROM HOPE TO ACTION THROUGH KNOWLEDGE.

APPENDIX B: Interview Guide

UNIVERSITY OF THE WESTERN CAPE

INTERVIEW GUIDE FOR ZAMBIAN WOMEN ENTREPRENEUR ICHILIMBA MEMBERS

APPENDIX A: INTERVIEW GUIDE

for the PhD Thesis entitled:

THE EFFECT OF ICHILIMBA FINANCE SOCIETIES ON THE GROWTH OF
MICROBUSINESSES IN LUSAKA, ZAMBIA

PhD in Business Management

COMPILED BY: Stella Mumbi Zulu-Nwankwo

Dear Participant,

My name is Stella Mumbi Zulu Nwankwo. I am a student pursuing my PhD (Business Management) at the University of Western Cape.

In order to complete my thesis, I am inviting you to participate in research titled:

“The Effect of iChilimba finance societies on the growth of microbusinesses in Lusaka, Zambia.”

The research questions formulated for the study are:

RQ1: What is the significance of iChilimba financial services in women owned microbusiness operations?

RQ2: What factors influence the demand for iChilimba financial services?

RQ3: What type and nature of microbusiness access iChilimba financial services?

RQ4: What is the significance of iChilimba financial services in women’s entrepreneurship?

RQ5: What is the ideal iChilimba model for the sustainable growth of microbusinesses?

Be assured that all the information gathered from you will remain confidential.

Thank you for taking the time to participate.

Yours sincerely

Stella Mumbi Zulu-Nwankwo

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Cell phone number: +1 709 567 2038

SECTION A: WHAT IS THE APPEAL OF THE ICHILIMBA

1. How did you become part of this iChilimba?
2. What made you become a member?
3. How long have you been a member?

SECTION B: INTERVENTIONS PROVIDED BY THE ICHILIMBA

4. What do you benefit from being a member of the iChilimba, financially?
5. What do you benefit from being a member of the iChilimba, socially?

SECTION C: OBJECTIVES OF JOINING THE ICHILIMBA

6. Have you achieved any goals from being a member of the iChilimba?
7. Why do you use the iChilimba for loans and finance?
8. What goals do you have for the future?
9. How much time do you have set to achieve these goals?

SECTION D: IMPACT OF THE ICHILIMBA - PERSONAL AND BUSINESS

10. How many iChilimba do you belong to?
11. How has the iChilimba impacted your business?
12. How has iChilimba impacted your personal life?
13. What would you say are the advantages and disadvantages of iChilimba?
14. What would you advise someone who is hearing about iChilimba for the first time?

APPENDIX C: MM Village Bank Constitution

MM'S VILLAGE BANKING RULES

This document shall have the legal effect of a contract; legal remedy may be sought against a defaulting member for any matters incidental to the functioning of the group.

Below are the rules by which the group shall be guided and bound throughout the existence of the group.

There shall be appointed:

1. One chairperson who shall oversee all the functioning of the group.
2. Three individuals who shall be responsible for receiving and distributing all group funds. (Fund committee)
3. Two secretaries who shall keep all records of the group (including meetings, money saved, borrowed, spent, returned, interest earned, etc.)

RULES:

- 1) Saving period shall run from 1st December 2020 to 1st December 2021 (exactly one year). Once saving period commences no member is allowed to drop out of the group.
- 2) Subscription of k220 (inclusive of social fun) shall be saved at the beginning of every saving period and any amount not less than k100 thereafter. In addition to this a k20 social fund (meaning a minimum of k120 is to be saved every month).
- 3) Money shall be saved on the first day of every month by 7pm. Failure to save on time shall attract a penalty of k15. No money shall be accepted after. Member's that do not save will incur a charge of k50, which will be paid in the next month (which shall accumulate for every month not saved)
- 4) If a member does not save for 3 consecutive months, they will be banned from borrowing for 3 months (but will be expected to save and pay the k50 that accumulates for months not saved).

Money should always be in circulation. Members shall borrow all the money on the very day of saving. Once willing members have borrowed and there is excess money, it shall be mandatory for every member to

borrow what is left. If no one wants to borrow it shall be split equally amongst the remaining members (to the exception of those owing more than k3, 000).

6) Members are not allowed to stay for more than 2 months without borrowing

7) Meetings shall be held online at 7pm on the date of saving, members not in attendance shall incur a charge of k10 (inclusive of those that did not save as they have no business at the meeting on that particular day)

8) A member that does not save shall not be allowed to borrow.

9) Members can only borrow up to thrice the amount they have saved in total. (if you save k500 in total, in the month you intend to borrow, you can only

borrow up to k1,500)

10) Members with highest savings will be given borrowing priority

11) Breakdown of timeframe to return borrowed funds shall be:

- i) K1000 or less shall be returned in a month's time
- ii) K1,100- k3,500 shall be returned in 2 months
- iii) K3,600- k5,500 shall be returned in 3 months
- iv) K5,600-k8,500 shall be returned in 4 months
- v) K8,600-k10,000 shall be paid in 5 months
- vi) Any amounts above can only be borrowed up to mid-year so as to be returned within 6 months

All money shall be returned as and when it is due. No money owed shall go beyond due date, penalty of k100 shall be incurred and accumulate for failure to pay on time.

- 12) There shall be no borrowing in the last two months of the year; as they shall be solely for returning borrowed funds and saving.
- 13) Interest of 10% shall be charged on all money borrowed below k5, 600 and 5% on k5, 600 and above.
- 14) One who intends to pay the borrowed money in instalments shall pay back an extra 5% (15% on amounts less than k5, 600 and 10% on those exceeding k5, 600)
- 15) All amounts saved individually shall be returned in full to the owner inclusive of profit gained on interest accumulated.
- 16) Interest shall be gained as a percentage of the total savings of the individual.
- 17) A member who decides to drop out before end of saving period shall forfeit all their servings.
- 18) In the event of death or any other circumstances that incapacitate a member to perform, their savings shall accrue to their designated next of kin for the purpose they decide it is used.
- 19) Special and compelling reasons as to why a member has defaulted to fulfil obligations **may** allow for the member to be excused from such obligations (e.g. sickness, funeral, serious financial hardship and anything the team deems as fit)
- 20) Decisions shall be made by way of majority vote
- 21) Emergency meetings to reevaluate any matters pertaining to group may be held at any point in saving year.
- 22) Any adjustments that are necessary for the betterment of the group's objectives may be made as and when necessary.

This document shall have the legal effect of a contract; as such legal remedy may be sought against a defaulting member.

APPENDIX D: Friendship Group Village Bank Constitution

FRIENDSHIP GROUP CONSTITUTION

a) Background

The group was formed on 8th January 2022 whose objectives are to:

- i. To provide its members a platform to save money.
- ii. To provide an opportunity for members to borrow from their savings with minimal interest which they still get back at the end of the cycle.

b) Preamble

We the members of this group do hereby adopt this as our constitution which shall be our supreme guide to all our activities.

c) Membership

- i. The group membership is drawn from individuals who are either in full employment or doing gainful businesses and are capable to save and pay back loans when borrowing.
- ii. The members must be financially disciplined, and trustworthy and must be able to abide by the group's constitution.

d) Records

All members are required to record all the activities done by the group for transparency. The register of the full details of members shall be kept by the executive committee, details which will include full names, residential addresses, contact numbers, and next of kin contact.

e) Resignation

Any member wishing to resign from the group on their own accord shall give a minimum notice of three months in writing to the executive.

The group will then calculate her savings dues as follows:

- i. Total shares saved shall be given back at the end of every year/circle.
- ii. Under no circumstance will interest be given.
- iii. Failure to give three months' notice to the member to forfeit half of her savings to the group. Approved payments to such a member shall be done during the next group sitting.

f) The executive committee

The executive committee shall comprise the following positions:

- i. Chairperson
- ii. Secretary
- iii. Treasurer

g) Liquidation

Members shall be required to liquidate their loans or any money unpaid by the end of the cycle from their shares and the following shall apply.

h) Expulsion from the group

A member shall be expelled from the group under the following circumstances.

- i. Failure to make savings for two consecutive months without any proper written reasons.
- ii. Failure to pay back the loans for two consecutive months after the stipulated period.
- iii. Her conduct is likely to cause disrespect to the group after being fined three (3) times.
- iv. A member who fails to make a savings will be fined 10% of her savings.
- v. If a member is expelled from the group due to non-payment of a loan the group will calculate how much they must be paid using the following principle.

Total savings made minus loan amount owing and a 10% deduction from her total.

i) Monthly general meetings

- ✓ The group shall meet every first Saturday of the month at 14 hours.
- ✓ The executive committee shall communicate the venue of the meeting prior to the day through WhatsApp.
- ✓ The monthly meetings shall without fail be convened to enable members to save and pay back the loans.
- ✓ Once the chairperson declares the meeting open, any member who comes into the meeting thereafter shall be deemed late and will be liable to penalties.
- ✓ The dividend due to such a member shall be calculated on the balance amount (shares) that remains after offsetting the loan or any money the member owes the group. In the event of a liability, the cost has to be spread across the group members.

j) Group fund

The group shall raise its funds from membership fees, savings, lending out interest groceries, and penalties. These funds shall be deemed group funds and shall not be regarded as funds of its members individually.

k) Annual membership fees

The annual membership fees shall be revised and agreed upon by the members.

l) Savings

Each member is required to save a minimum of K500.00 and no maximum limit at each meeting and members are supposed to record all money activities in their personal accounts books for transparency.

m) Lending

Every member is mandated to borrow and contribute to the growth of the group through interest. The maximum amount that any member can borrow is defined by the following:

Two to three times of the member's savings depending on availability of funds and the number of people borrowing. The maximum length of loan term returns is as follows:

K100 – K1000(one month)

K1100 – K2000(two month)

K2100 – K5000(three months)

K5000 above (five months)

The rate of interest shall be charged at 20% of the money borrowed.

A loan that is not repaid for the stipulated period will attract a penalty interest of 20% for each month accumulated.

A member is not allowed to borrow before repaying the previous loan and its interest. Members intending to borrow shall notify the treasurer at least five working days before the meeting and names will be posted on the WhatsApp group to consider the principle of first come first serve.

A contract form will be signed by members indicating how group members can get back the loan in case of failure to pay back the loan. Collateral will be issued in writing by the members who have borrowed the money especially money above K50,000.

n) Sharing of interest

Sharing of interest means concerning any member the percentage determined by dividing such member's committed savings at the time of determination by the aggregate committed savings of all members's time of determination.

Interest shall be shared as a proportional of each member's savings made by reference to the overall savings of all the members.

o) Fines

Offence	Fine/Amount
Failure to attend the meeting	K20
Late for the meeting i.e., minutes after the start of the meeting	K20
Failure to make monthly deposits	10% of savings
Failure to repay the loan as per the stipulated period	20% of the amount owing

APPENDIX E: K Village Bank Constitution

CONSTITUTION OF THE K VILLAGE BANKERS

1. BASIC INFORMATION

- 1.1. Name of the village bank is **K Village bank**.
- 1.2. Date Formation: 1st July, 2019 also referred to the first cycle which run until 31st December 2019. The commencement saving was 14th July 2019 and the first payout being on 11th January 2020.
- 1.3. A cycle will run for six months.
- 1.4. The commencement saving being the second Saturday of January or July of each calendar year.
- 1.5. The payout being on the second Saturday of January or July of the following calendar year.

2. OBJECTIVES

- 2.1. To be a profitable provider of financial services to the members.
- 2.2. To provide a platform for its members to save.
- 2.3. To provide an opportunity for members to access finances for projects.
- 2.4. To promote team building and business networking.
- 2.5. To provide a return and interest earned on member's savings at the end of the cycle.

3. MEMBERSHIP CRITERIA

- 3.1. Membership is open to any person above the age of 21, of good character and standing in society, committed and trust worthy.
- 3.2. Any member of the savings group may recommend a new member to join the group at the beginning of the cycle. However if this recommendation is made midway of the cycle the recommended must make good on any due back payments.
- 3.3. Members shall be required to submit a scanned copy of their national identity card to the secretary.
- 3.4. If a member wishes to leave the group on their own accord during or before the end of the cycle

- 3.4.1. The member will be required to notice.
- 3.4.2. The treasurer will calculate what the person leaving must be paid using the following principle:
 - 3.4.3. Total amount saved.
 - 3.4.4. Less interest accrued up to the date of notice of leave.
 - 3.4.5. As the date of notice any outstanding loan must have been paid in full or recovered from the savings made.
 - 3.4.6. The member then be paid the total amount saved minus the interest accrued less any outstanding loan balance their dues at the end of the cycle,
 - 3.4.7. The payment will **ONLY** be made at the end of the cycle

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4. EXECUTIVE COMMITTEE

- 4.1. The executive committee shall comprise the following positions, which will be voted into office by the members at the beginning of each cycle:-
 - 4.1.1. Chairperson
 - 4.1.2. Vice chairperson
 - 4.1.3. Secretary
 - 4.1.4. Treasurer
 - 4.1.5. Loans officer
 - 4.1.6. Two executive members
- 4.2. Responsibilities of the executive committee members
- 4.3. **Chairperson**- call for meetings, agenda setting, contact/communication point, directing of meeting and the group
- 4.4. **Vice chairperson**- deputize in the absence of the chairperson
- 4.5. **Secretary**- record keeper, taking down of minutes, distribute minutes within 7 days of meeting
- 4.6. **Treasurer**- review the bank statements and loan records, follow up on the same; receiver of loan requests, works closely/coordinate with loan officer.
- 4.7. **Loan officer**- keeper of loan records, posting of reminders/follow-up for loan repayments, update the interest, provide a loan report to the group.
- 4.8. **NOTE:** Until such a time that the account signatories are changes or either leave Mutinta and Idah will continue to operate the account as per written direction of the loan officer.
- 4.9. **Executive members**-to monitor and evaluate records of the group at any given time.
- 4.10. The tenure of office for executive committee members will be determined on case to case basis
- 4.11. Voting out the executive committee member can only be in a meeting where two thirds the group members are present.

5. DISCIPLINARY COMMITTEE

5.1. This committee shall comprise three elected members who will oversee disciplinary issues.

6. MEETINGS

6.1. The group shall meet monthly on the second Saturday via Zoom

6.2. On or the week preceding the agreed payout Saturday the group shall discuss the payout.

6.3. Communication to call for meetings shall primarily be via WhatsApp. Otherwise, email and/or text message could be used too.

6.4. A member who will not be able to attend a meeting must give 7 (seven) days' notice.

7. SAVINGS

7.1. Members must save K1,000 (**One thousand Kwacha only**) at every meeting.

7.2. Member are permitted to invest up to K5000 which is separate from the mandatory savings.

7.3. The savings and loan repayments shall be remitted by the date of each meeting.

7.4. When a member fails to make a monthly savings, the amount will attract a fine of K500.

7.5. Savings will attract a 5% interest per month to be paid out to the saver prior to calculation of profit payouts at the end of the cycle.

8. BORROWING

8.1. All loan requests will be done **strictly** a week (**7 days**) prior to the day of borrowing/meeting.

8.2. The interest rate on a loan will be 10% per month

8.3. Repayment period

Amount	Period
K0 - K2000	1 month
K2001-K5000	2 months
K5001 and above	3 months

8.4 Failure to make monthly loan payment by the meeting date attracts an interest of 10%.

8.5 Early full payment of a loan i.e. not according to the bank schedule will attract a charge of **K500.**

8.6 If a member would like to borrow more they must first pay both the principle or outstanding loan amount prior to requesting for a new amount.

8.7 There will be no emergency loan request allowed in the middle of the month.

8.8 Failure to make a loan payment by the end of the cycle will mean automatic loss of any interest due or/and even any savings made.

9. FINES

9.1. These fines will be triggered immediately after the meeting date.

Offence	Amount
9.1.1. Failure to attend a meeting	K50
9.1.2. Failure to make monthly savings deposit by the meeting date	K500
9.1.3. Failure to make loan repayment by the end of the repayment period.	K1000
9.1.4. Late to a meeting	K10
9.1.5. Answering calls/texting during meeting	K10

9.2. This fine will be supersede 9.1.2 when a member pays the within 7 days of the meeting. However the 10% on the loan will stand

9.2.1. Delay to make monthly payment /loan payment on meeting date i.e. paying within 7 days after	K200
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10. SOCIAL FUND

10.1 The Social Fund is for grants only. No loans will be made from this money however at the end of the cycle the accumulated total will be put on the table for sharing

10.2 The contribution to the Social Fund is K50 per meeting per member

10.3 The Social fund will be used as follows

10.4 K500 will be given to the hosting member to assist with provision of refreshments for the meeting

10.5 Any balance from a particular meeting will be used in any one of the following situation or administrative use such as buying stationary and other sundry

10.6 Given to a member whose has had a bereavement of a member of their nuclear family, this being spouse, child, mother or father during the month preceding the meeting.

10.7 Added to the funds to be given as a loans to members.

11. EXPULSION FROM THE GROUP

11.1. Member can be expelled from the group for failing to make regular savings or failure to repay a loan following a written notice.

11.2. If the need to expel a member arises two-thirds of the total number of group should be agreement.

11.3. The treasurer will then calculate how much the expelled member must be paid using the following principle:

11.4. Total amount saved

11.5. Any outstanding loans the expelled member owes.

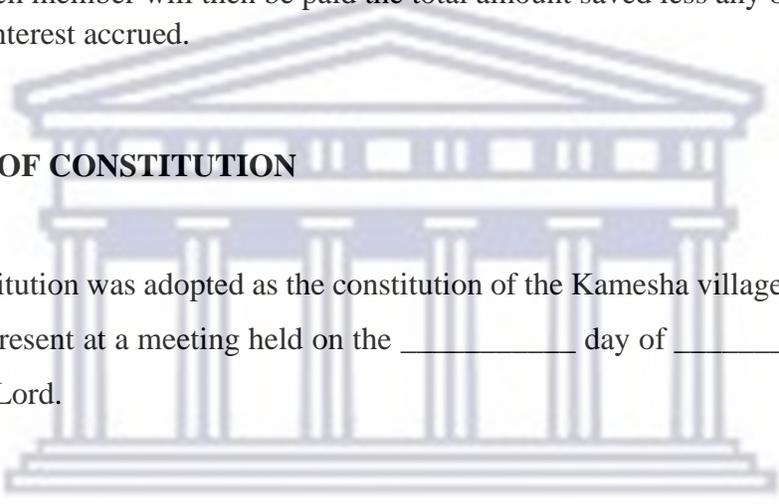
11.6. The member will then be paid the total amount saved plus the interest accrued less any loan balance outstanding and a 10% expulsion charge from the balance will be made.

12. DISSOLUTION OF THE GROUP

- 12.1. The group can be dissolved if two-thirds of the total number of group are in agreement.
- 12.2. The treasurer and loan officer will then calculate how much each member must be paid using the following principle:
- 12.3. The total outstanding loan balance each member owes and tabulate.
- 12.4. Total amount saved by each member less any outstanding loan.
- 12.5. Interest accrued as at the date of dissolution.
- 12.6. Each member will then be paid the total amount saved less any outstanding loan plus the interest accrued.

13. ADOPTION OF CONSTITUTION

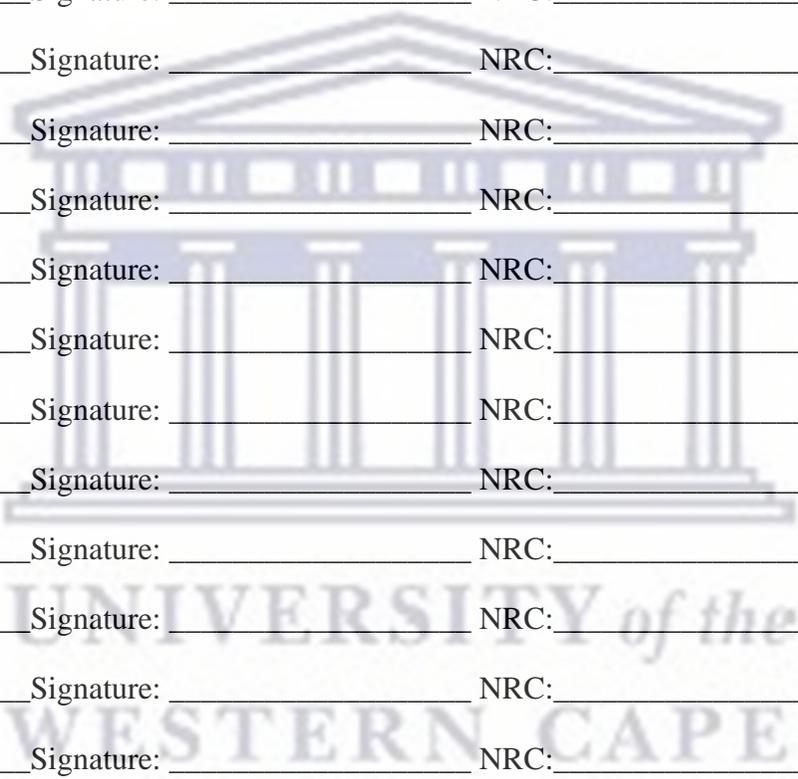
- 13.1 This constitution was adopted as the constitution of the Kamesha village bank constitution by the members present at a meeting held on the _____ day of _____ in the 2021 year of the Lord.



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14. MEMBERS SIGNATURE:-

Name: _____	Signature: _____	NRC: _____	Date: _____
Name: _____	Signature: _____	NRC: _____	Date: _____
Name: _____	Signature: _____	NRC: _____	Date: _____
Name: _____	Signature: _____	NRC: _____	Date: _____
Name: _____	Signature: _____	NRC: _____	Date: _____
Name: _____	Signature: _____	NRC: _____	Date: _____
Name: _____	Signature: _____	NRC: _____	Date: _____
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Name: _____	Signature: _____	NRC: _____	Date: _____
Name: _____	Signature: _____	NRC: _____	Date: _____
Name: _____	Signature: _____	NRC: _____	Date: _____
Name: _____	Signature: _____	NRC: _____	Date: _____
Name: _____	Signature: _____	NRC: _____	Date: _____
Name: _____	Signature: _____	NRC: _____	Date: _____



APPENDIX F: Payout Calculations of First half of 2021

Inputs		Outputs	
Interest rate	10%	Total Interest	K 27 132,00
		Total Savings	K 97 580,00
		Total Savings and Interest	K 124 712,00
		Bibian is currently owing hence not considered for payout (7500)	
		Bibian savings plus interest	K 7 500,00
		Total Savings and interest less Bibian's savings and interest	K 117 212,00
		Current Bank Balance	K 123 094,49
		Less Reserve bank balance	K 194,49
		Availiable Balance	K 122 900,00
		Free Balance after deducting savings and interest of 13 members	K 5 688,00
		Share of free balance per member (13 members)	K 437,54
		Member	Payout
		Charity	K 7 937,54
		Judy	K 15 037,54
		Mulenga	K 7 937,54
		Anne-Marie	r
		Carole	K 7 937,54
		Rosalina	K 7 937,54
		Veronica	K -
		Vivian	K 7 937,54
		Antoinette	K 10 837,54
		Musonda	K 8 749,54
		Shumba	K 9 437,54
		Patricia	K 7 937,54
		Kasongo	K 7 937,54
		Edith	K 7 937,54
		Total	K 107 562,46

APPENDIX G: Calculation of Payout for Member Charity (K Village Bank)

Month	Saving	Interest					Total interest	
		period 1	period 2	period 3	period 4	period 5		
jan	1000	100	100	100	100	100	500	
feb	1000	0	100	100	100	100	400	
mar	1000	0	0	100	100	100	300	
apr	1000	0	0	0	100	100	200	
may	1000	0	0	0	0	100	100	
jun	1000	0	0	0	0	0	0	
	6000						1500	7500
								437,54
							Total pay out	7937,54

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APPENDIX H: Payout Calculation of Second half of 2021

Inputs		Outputs	
		Total Admin fees	K 720,00
Interest rate	5%	Total Interest paid on Savings	K 12 950,00
		Total Savings	K 92 000,00
		Total Savings and Interest	K 104 950,00
		Total Fines	K 1,800,00
		Total Admin fees, Interest on savings, Savings & Fines	K 107,470,00
		Total Interest on Loans	K 18,849,00
		Current Bank Balance	K 126 544,40
		Reserve bank bal (+ K100 Pat, Grace K2, Idah K12.85, Julia K0.15, Chansa K5, Mwiza K1.5)	K 225,40
		Available Balance	K 126 319,00
		Free Balance after deducting savings and interest of 12 members	K 21 369,00
		Share of free balance per member (12 members)	K 1 780,75
		Member	Payout
		Chanda	K 12 130,75
		Judy	K 15 880,75
		Mutinta	K 15 730,75
		Mary	K 9 680,75
		Idah	K 8 530,75
		Samantha	K 8 530,75
		Florence	K 9 680,75
		Leonora	K 9 730,75
		Mwitwa	K 8 530,75
		Veronica	K 8 530,75
		Patricia	K 10 830,75
		Gracious	K 8 530,75
		Total	K 126 319,00

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APPENDIX I: Calculation of Payout for Member Chanda (K Village Bank)

Month	Saving	Interest					Total interest	
		period 1	period 2	period 3	period 4	period 5		
jan	2000	100	100	100	100	100	500	
feb	2000	0	100	100	100	100	400	
mar	2000	0	0	100	100	100	300	
apr	1000	0	0	0	50	50	100	
may	1000	0	0	0	0	50	50	
jun	1000	0	0	0	0	0	0	
	9000						1350	10350
								1780,75
							Total pay out	12130,75



APPENDIX J: Codes retrieved from ATLAS.ti 9 for use in this study

Name	Grounded	Density
●◇ SD Access to capital	9	5
●◇ SD Awareness of the iChilimba	1	6
●◇ SD Banks charge high interest rates on loans	14	3
●◇ SD Banks pay low interest rates on savings	6	3
●◇ SD Captive/Ready Market	7	3
●◇ SD Construction	8	2
●◇ SD Education	13	2
●◇ SD Employment generation	4	2
●◇ SD Empowerment	21	2
●◇ SD Excessive regulation from formal financial sector	7	4
●◇ SD Expansion into new business interests	10	2
●◇ SD Expansion of existing business	7	2
●◇ SD Household food security	13	2
●◇ SD Income generation	7	2
●◇ SD Increase network range	6	3
●◇ SD INTERVENTIONS IN THE BUSINESS LIVES OF ENTREPRENEURS	0	9
●◇ SD INTERVENTIONS IN THE PERSONAL LIVES OF ENTREPRENEURS	0	5
●◇ SD Knowledge exchange	4	5
●◇ SD Leads to improved quality of life	8	2
●◇ SD Memberships in multiple networks	9	6
●◇ SD Mitigation of risk	17	3
●◇ SD Mutual Assistance	15	6
●◇ SD Nature of Networks - Trust	31	3
●◇ SD Nature of Networks' - Negative Trust	18	2
●◇ SD Negative experiences with other providers	7	3
●◇ SD Networking within professions	1	1
●◇ SD Operate within Social Networks	17	7
●◇ SD Operation of MSME & operations discipline	16	1
●◇ SD Operations & start-up capital	23	1
●◇ SD Recognition of opportunities	9	2
●◇ SD Savings & Credit Facility	41	1
●◇ SD Self-help	20	5
●◇ SD Social Network - Church	2	3
●◇ SD Social Network - Family and friends	15	2
●◇ SD Store of value	2	1
●◇ SD Strategic nature of business	8	2
●◇ SD Support	6	2
●◇ SD Support from family	9	2
●◇ SD Type of venture	13	2
●◇ SD Word of Mouth	6	4

APPENDIX K: Types of microbusinesses that access iChilimba

