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HELD AT MOSHI CO-OPERATIVE UNIVERSITY
TANZANIA FROM 1st to 3rd SEPTEMBER 2021.

Theme: **CO-OPERATIVES AND INDUSTRIALISATION:
PUTTING MEMBERS AT THE CENTRE**

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SOCIAL PROTECTION IN CO-OPERATIVES: EVIDENCE FROM ARUSHA WOMEN IN BUSINESS SAVINGS AND CREDIT CO- OPERATIVE SOCIETY, TANZANIA

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Abstract

Current studies in social protection seem to have ignored the role of co-operatives in social protection. This has resulted in limited knowledge on the role played by co-operatives in enhancing social protection in communities. To fill the gap this study examined social protection provision in co-operatives using Arusha Women in Business Savings and Credit Co-operative Society (AWiB SACCOS) in Arusha, Tanzania. The study adopted the development approach to social protection. The case study research design was applied. In-depth interviews involving 6 key informants who included SACCOS Manager and SACCOS chairperson. Focus Group Discussions (FGDs) and site observations were also used in data collection. Data was analysed qualitatively and quantitatively. Findings demonstrate that disaster management funds, investment funds, group savings funds, business loans, training and radio programs have been pivotal in the provision of social protection to members. The findings imply that the products offered by the SACCOS have enhanced members' social position and self-esteem, and have helped to improve the balance of power at family and community levels. The co-operative philosophical standpoint of the founding members, together with the SACCOS' strong financial base, seems to have engineered the design and introduction of products that cater for social protection. It is concluded that co-operatives are well positioned to carry out social protection within the development framework/approach. It is recommended that, apart from traditional products and services, co-operatives should introduce appropriate products that protect members from social challenges and enhance their economic and social position.

1. Introduction

There is growing consensus that Social Protection (SP) interventions are becoming one of the important anti-poverty instruments in developing countries (FAO, 2020; Ajwad, *et al.*, 2018; Ulriksen 2016; Wanyama *et al.*, 2008). It is also generally accepted that access to basic SP services is essential to human capital for social and economic development (Bacil *et al.*, 2020; ILO, 2020). Numerous studies (UNDP, 2020; Ajwad *et al.*, 2018; Ulriksen, 2016) have also pointed to the fact that poor people in developing countries are increasingly vulnerable to various poverty shocks apart from the usual income poverty. The shocks include weather and climate change vulnerabilities, health and sickness exposures, unemployment challenges, old age disabilities, women and children's vulnerabilities. Social related development challenges such as gender inequalities and lack of opportunities also contribute immensely to these shocks (UNDP, 2021; ILO, 2020). Unlike in developed countries where SP is significantly covered by the state, SP in developing countries is highly fragmented characterised by low financing and high degree of informality with only a small portion of the population covered by the programmes (UNDP, 2021; ILO, 2017; Tulia and Masabo, 2013). The International Labour Organisation (ILO) estimates that 82 percent of the population in Sub-Saharan Africa (SSA) does not have access to SP (UNDP, 2021; ILO, 2017).

With respect to Tanzania, data indicate that the country has made significant progress in SP provision by reducing poverty and curbing vulnerabilities (UNDP, 2020; Ajwad *et al.*, 2018; Ulriksen, 2016). For instance, between 1990

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and 2019, Tanzania's Human Development Index (HDI) value increased from 0.368 to 0.529, an increase of 43.8% with the main drivers being health, education and increased incomes. Between 1990 and 2019, Tanzania's life expectancy increased by 15.3 years; the mean years of schooling increased by 2.5 years with enrolment and completion of primary school having improved. The transition to secondary school improved sharply as well. Likewise, Tanzania's GNI per capita increased by about 93.5% between 1990 and 2019 (UNDP, 2020). The 2019 female HDI value for Tanzania improved to 0.514 in contrast with 0.542 for males. This resulted in a Gender Development Index (GDI) value of 0.948, which placed Tanzania into Group 3, a group with medium equality in HDI. This is the achievement between women and men. By definition, the GDI is a ratio of the female to the male HDI. Other pointers such as improved water and medical services, ownership and use of modern devices and facilities, including mobile phones and internet services have risen while access to electricity in the rural areas has also increased tremendously (Ajwad *et al.*, 2018). By April 2020, villages with electricity had increased to 9,112 compared with only 2,018 villages in 2015, and the population accessing electricity increased from 37.7 percent to 86.6 percent in 2020 (Bungane, 2020).

Despite the mentioned positive developments in the country, challenges to SP in Tanzania remain substantial (UNDP, 2021; MoHCDGEC *et al.*, 2016). Nutritional deficiencies are high with 34 percent of children under 5 suffering from stunted growth, 14 percent are underweight, and 5 percent are wasting (MoHCDGEC *et al.*, 2016). Further, social assistance and health insurance which are among the SP programmes remain underfunded relative to the needs of the population, with the health insurance program covering less than 10% of the Tanzanian population (Ajwad *et al.*, 2018). Moreover, a significant percentage of the non-poor is clustered close to the poverty line and is vulnerable to fall into poverty if subjected to extreme shocks (Ajwad *et al.*, 2018; Ulriksen, 2016).

High vulnerability coupled with low government capacity to extend SP coverage to all its people call for alternative social protection actors to complement government efforts. Even though the process of developing the National Social Protection Framework (NSPF) has not been finalised, the draft framework (which was completed in 2008) supports the inclusion of non-state actors in the provision of social protection in Tanzania (Ulriksen, 2016). This implies that various institutions such as co-operatives, in their various forms, are permissible to provide SP in Tanzania. Being a form of enterprise structured to cater for both economic and social objectives, and an institution entrenched with co-operative values and principles, the co-operative framework is set to address most of the dimensions of SP (Chambo, 2016; Chambo *et al.*, 2013; Wanyama, *et al.*, 2008). Co-operatives have capabilities to generate business opportunities, enhance empowerment to the marginalised and bring about security to those who are excluded and insecure (Chambo, 2016; Anania and Towo, 2016). Moreover, the fundamental co-operative values of self-help and caring for humanity are consistent with the very purpose of SP which is to take measures that protect the poor from harsh environment by providing relief, preventing the helpless from falling into poverty traps, promoting economic activities of the exposed and transforming humanity by addressing social equity exclusion (Raniga, 2018; Kwapong and Hanisch, 2013).

Even though co-operatives appear to have the necessary potential for provision of SP, there seems to be no vibrant debate at both local and global levels on the involvement of co-operatives in SP. Recent works in developing countries, and Tanzania in particular, seem to have forgotten or rather ignored the contribution of co-operatives in this respect (see, for instance, UNDP, 2020; Ajwad *et al.*, 2018; Ulriksen, 2016; Bandara, Dehejia and Lavie-Rouse, 2015). Only a handful of studies have partly captured the influence of co-operative SP in Tanzania (see Anania and Towo, 2016; Mshiu, 2008). Non-inclusion of co-operatives is a missed opportunity to uncover the potential contribution from one of the most natural institutional frameworks for SP provision in developing countries. This study, therefore, intends to invigorate the debate on the contribution of co-operatives to SP by using empirical case evidence from a women's Savings and Credit Co-operative Society.

While previous studies in Savings and Credit Co-operative Societies (SACCOS) have focused on the role of financial services in improving economic well-being of members (see, for instance, Kumburu and Pande, 2020; Kyazze *et al.*, 2020; Ndiege *et al.*, 2016), this study extends the debate by demonstrating how economic gains from co-operative financial services can be useful in augmenting social intermediation services particularly the SP fronts. Thus, the objective of this study was to examine SP provision in co-operatives using a case of women SACCOS in Arusha, Tanzania. Findings from this study could add further inputs in updating the draft National Social Protection Framework (NSPF) given the current COVID-19 pandemic which calls for building additional SP systems to supplement the already overwhelmed government efforts. The COVID-19 pandemic has further raised the need for improving SP systems to be able to deal with the resulting health, social and economic crises, protect enterprises,

jobs and incomes, prevent poverty, reduce informality, favour macroeconomic stabilisation as well as strengthening SACCOS' business for socio-economic improvement of members' quality of life (ILO 2020; Mgema and Komba, 2020).

2. Conceptual Discussions and Contextualization of the Study

The concept of Social Protection (SP) has drawn significant attention over the recent past due to its link to poverty alleviation at both national and international level. According to Cinchon *et al.*, (2004), SP systems have three main objectives: to guarantee access to essential goods and services for all members of a society, to promote active socio-economic security, and to advance individual and social potential for poverty reduction and societal development. The necessity for SP is also enshrined in the Sustainable Development Goals (SDGs) under Target 1.3 which requires nations to implement SP systems and measures for all, thus a testimony to this attention.

Despite all this attention, there is no universally accepted definition of social protection. While the World Bank (2020) and other global donor agencies define SP as those mechanisms and systems that help the poor and the vulnerable to cope with crises and shocks (Bacil, Bilo and Silva, 2020; Ajwad *et al.*, 2018). ILO (2017) describes SP as a human right that includes a set of policies and programmes designed to reduce and prevent poverty, vulnerability and social exclusion throughout the human life cycle. For the ILO (2017), SP includes nine areas, namely; child and family benefits, maternity protection, unemployment support, employment injury benefits, sickness support, health protection, old age benefits, invalidity/disability benefit and survivors' benefits. According to the ILO (2017), the policy areas are addressed by a mix of contributory (social insurance) and non-contributory (social assistance or transfer) schemes.

Barrientos (2010) points out that these differences are explained by different views to SP, namely: Social Policy/Public Finance approach and Development approach. The Social Policy /Public Finance approach or framework views SP as government responsibility meant to curb poverty using public finance instruments. It perceives SP mainly in terms of public responses to livelihood shocks, the conventional or old style economic 'safety net' which is meant to cushion the poor against production and consumption shocks. SP programmes under the Social Policy/Public Finance framework include: i) Social assistance which are tax-financed or donor supported programmes that address poverty and deprivation, and they include disaster relief, medical and education support programmes; ii) welfare programmes to support the elderly, the sick and disabled; and iii) Passive employment related programmes to protect the rights and entitlement of workers. The three SP programmes fall under the Provisional or Protective SP category as they have a specific objective of guaranteeing relief from deprivation (Bacil, Bilo, and Silva, 2020; Sabates-Wheeler and Devereux, 2007 and Devereux and Sabates-Wheeler, 2004); iv) Social insurance which are contributory programmes that provide protection against life and work-related hazards, and they include health insurance, maternity benefits, unemployment benefits, and old age pension schemes. These programmes fall under Preventive SP because the initiatives are meant to prevent deprivation and deal directly with poverty alleviation (Sabates-Wheeler and Devereux, 2007).

SP view under the Social Policy/Public Finance framework has been criticised as being passive, old-styled, narrow and residual. This is because the beneficiaries/recipients await passively the government handouts to protect them against risks and vulnerabilities. Other critique is that there is no sufficient internal drive or effort for self-development among the beneficiaries. Even for those who socially contribute such as in social insurance programmes, they have no control over their contributions except to wait passively until when they are befallen by risk or when their contractual rights mature.

On the other hand, the SP under Development approach is viewed as an active approach to enhance individual development, and not just a tool to cope with risk, vulnerabilities and inequalities. It is a tool enabling individuals to develop their full potential either through facilitative intervention (Cruz-Martinez, 2019; Sabates-Wheeler and Devereux, 2007) or through self-help initiatives as practised in co-operatives and in other self-help groups (Anania and Towo, 2016; Chambo, 2016; Mshiu, 2010; Wanyama *et al.*, 2008). In this approach, SP is considered as a tool to promote human development and the capabilities of individuals; to promote inclusive growth; to empower marginalised sectors of the population; to improve livelihoods; and providing public services such as public education and health care (ILO, 2018; Barrientos and Hulme, 2009). This is called Promotive SP as it aims to enhance income and capabilities of the deprived (Sabates-Wheeler and Devereux, 2007) and allows individuals to take charge of his/her development rather than passively waiting to be supported (Cruz-Martinez, 2019).

Devereux and Sabates-Wheeler (2004) present the most progressive dimension of SP by introducing the concept of “transformative social protection” consistent with the Development approach. The word “transformative” here implies that, SP should no longer be focused on how to design a policy so that various groups face less risk in a given context, rather, on how to transform this context to minimise risk for a range of vulnerable groups. According to this view, there must be a positive relationship between livelihood security and enhanced autonomy or empowerment in order to achieve long term poverty reduction. Transformative SP encompasses developmental aspects of human development, democracy, governance, gender equity and social justice.

In general terms, SP under Development approach includes programmes to build capacity and increase income to the deprived such as skills development, entrepreneurship support programmes, and microfinance services to the economically active poor (Cruz-Martinez, 2019; Anania and Towo, 2016). A broader conceptualization of SP under Development approach also encompasses developmental programmes to enhance human development, empowerment, democracy, governance, gender equity, social justice and environmental issues contrary to the conventional instruments such as social assistance and social welfare programmes (Bacil, Bilo, and Silva., 2020; Cruz-Martinez, 2019).

It is within the Development approach that this study is contextualised. Savings and Credit Co-operative Societies (SACCOS) are development organisations focusing on improving the economic and social life of their members by fighting against both income and non-income poverty. This study uses Arusha Women in Business SACCOS (AWiB SACCOS), a women owned and managed Savings and Credit Co-operative Society in Arusha, Tanzania, to demonstrate that, the initially poor women members have utilised the financial and non-financial services offered by SACCOS not only to run viable businesses that generate income and employments, but also to overcome life-related risks and vulnerabilities, and enhance their social position and self-esteem at family and community levels.

3.0 Methodology

The study was carried out in Arusha city and it involved Arusha Women in Business SACCOS (AWiB SACCOS). A case study design was applied in this paper. Being a women-only SACCOS, the co-operative was considered an ideal showcase to demonstrate the capabilities of co-operatives in SP provision given that women are viewed as more vulnerable with low economic and social position relative to their male counterparts. Thus, the case study design was appropriate to allow in-depth analysis of the various services offered and their effects on members' economic and social position. The unit of analysis was the SACCOS while individual members were used as units of observation to record evidence of social protection impacts.

Data collection was carried out in June and July 2021 through interviews, observation and documentary reviews. A total of six key informants from the SACCOS, namely, two founding members, the manager, two board members and SACCOS Chairperson were purposely interviewed to get in-depth information on the history and philosophy of the SACCOS with respect to SP. In addition, nine randomly selected members were organised into Focus Group Discussions (FGDs) for the purpose of collecting general and specific information regarding financial and non-financial issues and how they impacted SP. Furthermore, the researchers physically visited nine randomly selected members' business sites to observe on-going business activities, practices and trends. The purpose was to validate information collected through interviews and FGDs. The SACCOS' strategic plans, both previous and on-going, the SACCOS' By-Laws and other documents capturing the history and the modus operandi were examined to get an insight and evidence on how governance practices and operations of the SACCOS support social protection provision to members.

The information collected includes history of the SACCOS, formation purposes, vision and mission, nature of the products and services provided and how they render social protection to members. Consequently, being a case study design, the analysis was more of a qualitative nature than quantitative. Thematic analysis was applied to analyse qualitative data whereby data collected was systematically searched to identify patterns within the data in order to provide an illuminating description of the phenomenon, assigned preliminary codes in order to identify patterns. Thereafter, patterns or themes in the codes were searched and reviewed to generate findings. Descriptive data analysis was used to examine quantitative data in order to generate meaningful interpretations.

4. Findings and Discussions

4.1 Brief History, Vision, Mission and Growth

The history of Arusha Women in Business (AWiB) SACCOS started in 2003 as an informal friendly group when ten poor founding members felt that it was imperative to come together to initiate a self-help group that will provide refuge, host and empower them to face social and economic challenges of their time. The ten women had braved hardships and low esteem associated with poverty and powerlessness. The group was officially registered as a Savings and Credit Co-operative Society (SACCOS) on 31st October 2003 under the Co-operative Societies Legislation of that time. The philosophy underlying the SACCOS was to empower poor women by enabling them to become business owners capable of managing and operating businesses profitably that can grow from microenterprises to large businesses. Since then, the SACCOS has grown from 10 members in 2003 to more than 805 members in July 2021.

The vision of the SACCOS is "to become an incubator for poor women with business ideas' ". To attain the vision, the mission of AWiB SACCOS is "to empower women with business ideas through provision of financial and social intermediation services including savings, loans and capacity building". As it will be revealed later, a significant number of women members who were initially poor and socially deprived have evolved step by step from ranks of poverty to higher positions of financial and social freedom having been able to run successful businesses, support families and gain recognition in their families and communities. Based on the philosophy of the founding members, AWiB SACCOS is guided by the values of sisterly love, unity, self-help, participation and innovation. From a small, poorly capitalised institution, AWiB SACCOS has grown into a financial intermediary of sizable capacity as of June 2021 as presented in Table I. The Table presents AWiB SACCOS' data between the year 2004 (one year after the SACCOS was initiated) and to-date, a span of about 17 years.

Examination of both financial and non-financial variables in Table I indicates that there has been notable increase expressed in percentage growth (average) over the 17 years and annually. For instance, members have increased from 20 in 2004 to 805 in 2021, which is a growth rate of 3925 percent over the period, or an annual growth rate of 231%. The number of financial products has increased from two in 2004 to reach 13 in 2021 which is an increase of 550 percent over the period or an average annual increase of 32.4 percent. As it will be shown in the next part of the report, high increase in financial products implies that the SACCOS has been introducing a variety of financial products to meet increasing member needs for social protection.

Table I: Selected SACCOS data from 2004 to 2021

S/N	Financial and Non-Financial Variables	2004	2021	17 years Growth rate (%)	Annual Growth rate (%)
1.	Number of Members	20	805	3925%	231%
2.	Number of Employees	1	5	400	23.6
3.	Number of Products	2	13	550	32.4
4.	Number of savings products	1	8	700	41.2
5.	Number of loan products	1	5	400	23.5
6.	Savings balance (TZS)	0.52m	930m	178,750	10,514.4
7.	Loan balance (TZS)	1.4m	2.2b	157,042.9	9,237.8
8.	Total Loans Issued (TZS)	2.2m	22.5b.	1,022,627.3	60,154.5
9.	Total Assets (TZS)	2.4m	2.6b	108,233.3	6,366.7
10.	Core Capital (TZS)	1.3m	1.6b	122,976.9	7,233.9
11.	Institutional Capital (TZS)	0.5m	950m	189,900	11,170.6
12.	Core capital/Total assets (%)	54.2	61.5	20.2	1.2
13.	Institutional capital/Total Assets (%)	20.8	36.5	75.5	4.4

Note: TZS= Tanzanian currency in Shillings; m=million in TZS, b= billion in TZS

In terms of financial variables, outstanding savings balance (which includes both compulsory and voluntary products) has increased from an average of TZS 520,000 in 2004 to TZS 930,000,000 in 2021 which is an average annual increase of 10,514 percent, consistent with the self-help philosophy of the SACCOS. Outstanding loan balance increased from an average of TZS 1.4 million to TZS 2.2 billion over the period, an average annual increase of 9,238 percent. Total Loan issued to members increased from an average of TZS 2 million in 2004 to TZS 22.5 billion, a staggering average annual increase of 60,155 percent implying that the SACCOS has enabled members to finance their businesses and meet social demands.

Similar growth is witnessed in the SACCOS' institutional capital. Institutional capital is that part of equity set aside out of the internally generated surplus as opposed to SACCO's core capital which includes liability-based share capital. Institutional capital grew from TZS 500,000 in 2004 to TZS 950,000,000 which is an average annual growth of 11,171 percent indicating that the SACCOS has been expanding its internal capitalization to absorb any possible losses that might arise from operations or external factors. This is reflected by an increase of capitalization rate from 20.8% in 2004 to nearly 76 percent in 2021, which is well above the minimum legal requirement of 6 percent as per SACCOS Regulations 2019. While core capital ratio has grown at 1.2 percent per annum, the institutional capital ratio grew by 4.4 percent per annum implying that increase in internal reserve has surpassed the combined annual increase in members' share capital and internal reserves. Higher institutional capital ratio could also be interpreted as a positive indication that the SACCOS has been generating significant profit (surplus) from operations over the years to enable it to increase its institutional capital. This is further translated as improved capacity of the SACCOS to service its members as demonstrated by increasing financial products to meet members' social protection demands.

4.2 SACCOS' Products and Social Protection

4.2.1 Savings and deposits

The SACCOS offers a variety of savings products to enable members to build borrowing capacity and make deposits to cater for various needs ranging from covering disasters and emergencies, sicknesses, school fees, investment, and taking advantage of business opportunities in the market. Below are some of the saving products and how they work to socially protect and improve quality of life of the members:

4.2.1.1 Disaster relief fund

The fund started initially as a contributory scheme whereby each member would pay TZS 5,000 weekly to the fund. The original idea was to cover for cost or part of it arising from sicknesses or death of a member, her counterparts/child and other close relatives. A member would be paid TZS 800,000 when befallen with a tragedy. However, as the fund grew the coverage was extended to meet losses arising from business failures, theft in business and any unpredicted damages. Later, it was resolved that loan losses befalling the SACCOS if a member dies, or is unable to pay because of confirmed reasons should also be covered by the fund. Following the resolution, it became compulsory that every member who borrows should be charged 1.5 percent on the loan applied to subscribe to the fund. Apart from being used to compensate losses encountered by both members' businesses and the SACCOS, the fund is also used as an instrument to stabilise a financially troubled member by enabling the SACCOS to enter into new repayment agreements. The SACCOS can reschedule members' repayment plan in case the member is unable to repay as per the original repayment schedule. The introduction of this fund has been a relief to members especially during this time of Covid-19 when some members incurred a lot of business losses and others could not operate their business smoothly.

4.2.1.2 Microfinance group savings

This savings fund is meant to allow poor but economically active women who are yet to become full members get reliable financial services including savings and loans to finance their microenterprises. The initial idea to initiate the fund came from participatory meetings during the development of the SACCO's strategic plan in 2017. It was alleged during those meetings that poor women are unable to join AWiB SACCOS because they could not afford entrance fees and minimum share capital contribution. Another complaint lodged was that AWiB SACCOS seemed to have diverted from its original mission of uniting and helping poor women, and instead it was embracing successful and well to do women. Based on these complaints, it was proposed that the SACCOS should initiate a microfinance window to accommodate active women with business ideas but who cannot afford the basic financial contributions for joining. The idea was found to be in line with the 7th Co-operative Principle which requires that co-operatives should care for the community in which they operate. The main idea was that, once these poor but economically active women are assisted, they will eventually graduate to become full members of AWiB SACCOS. The idea was

found viable and attractive, and the microfinance window started in 2020 with 10 women who are now running their microenterprises in the Arusha main market. Members in this window are encouraged to save regularly while receiving training on financial literacy. By July 2021, the fund had reached the tune of TZS 6,700,000. The first lump sum loan amounting to TZS 1,000,000 was issued in April with each member getting a loan of TZS 100,000 repayable in 6 months at an interest rate of 1.2% per month. Members of the group receive training on business recording, budgeting and cash management, marketing and customer services. When members of this group were visited, they seemed to be very happy with the financial services and training they receive from the SACCOS:

We are glad because we are invited on board...they keep our money and we receive training on how to manage money and how to deal with customers...They also provide us loans through group lending... It is an exciting experience to be invited to such a caring co-operative (Microfinance FGD, AWiB SACCOS).

Enabling the economically active poor women to access savings services and skills training is empowerment consistent with the Development approach to social protection (SP). The kind of microfinance services and skills training offered are geared to improve the lives of poor women who have a dream of development to overcome poverty.

4.2.1.3 Investment fund

This is also a new fund which started in August 2020 with 15 members. As of now the fund has attracted a total of 23 members having contributed about TZS 24,500,000. The purpose of the fund is to enable members to save enough money to invest for old age. Apart from developing a savings culture for members, the fund is essentially a long-term strategy to initiate a retirement pension fund. All members are encouraged to subscribe to this fund for the purpose of investing in 'cash cow projects' to cater for cash flow needs during old age. Given that the members' abilities to generate sufficient cash will be exhausted during old age coupled with increasing health problems, it is imperative that SACCOS' members are well prepared to deal with these challenges. The Manager's comments on the general response of members were quoted as follows:

The idea is slowly but surely sinking in their heads...I'm optimistic it will succeed. You know human beings tend to prefer to consume now than to invest for future use...however my message that I give them is simple... you are now able to attract customers and make money because you look younger and fashionable ... Time will come when no customers will knock unto your business premises when you grow older looking unpleasant...Even your kids will not call as they are doing it now (Manager, AWiB SACCOS).

A simple message here is that members should be prepared for old age challenges because, most likely, the business situations are going to change unfavourably when they grow older. According to the SACCOS Manager, members are encouraged to initiate or buy those assets that will generate cash flows with minimum supervision or their physical presence. These include rental houses and financial assets such as government bills and bonds.

One of the advantages of being a member of this fund is that participants are trained on how to see opportunities, analyse opportunities, and invest in projects that will generate positive net values. They are also exposed to financial literacy skills. Each participant contributes to the investment fund according to her predetermined amount payable anytime within a month. Members can borrow against their savings to buy investments or any future cash generating assets. When members were asked during Focus Group Discussions (FGDs) to explain how they perceive the fund, it was reported:

It is true the fund is still new, but there is a growing enthusiasm among participants as we receive training on how to analyse projects to determine their viability...in the past we did not receive such training. We are confident to launch successful project that will generate good income to solve financial and social problems during our old age (FGD, AWiB SACCOS).

The implications arising from the discussion are that the fund is perceived as another avenue for members to expand their capabilities in dealing with old age challenges by investing in well thought projects that generate income to cushion life cycle risks and vulnerabilities.

4.2.1.4 Caring for the Community Fund

The fund is used to donate to the orphan centres and helping widows and vulnerable families in Arusha suburbs. The fund contributes TZS 5,000,000 each year to health centres and dispensaries in the city of Arusha. The health centres and hospitals that have benefited include Levorosi and Ngarenaro health centres and Mount Meru Hospital. During an interview with the SACCOS manager on the performance of the fund, it was revealed that the fund is part of the manifestation of the seventh co-operative principle on caring for the community. It was also revealed that this effort has helped to create a positive image of co-operatives and people are now realising that co-operatives are positive contributors to the community wellbeing and may supplement government efforts in provision of social security.

4.2.2 Microfinance business loans and social protection

Members run various small businesses including Grocery stores, make-up shops, timber selling yards, fashion shops, chick hatching, fish vending, just to mention a few. Originally, these business women would look for loans from private lenders because the SACCOS was unable to provide sufficient loan funds to satisfy business financing requirements. However, it was found that loans from private lenders and banks were hard to acquire given the thorny strings attached to them. Some of the women were unable to qualify for bank loans as they did not possess official collaterals. It was also reported that there were cases where some women would "steal" titles deeds from their families and submit to banks in order to qualify for bank loans, something which caused misunderstanding with their husbands. Other inconveniences included unnecessary loan delays, discriminatory policies and even outright loan refusals from banks simply because some banks officers would not trust that women can make proper use of the loans and make loan repayments.

These inconveniences were resolved by initiating a special loan to cater for financing women's businesses. The loan size ranges from a minimum of TZS 500,000 to a maximum of TZS 100,000,000 at interest of 1.3% per month with loan term of 24 months even though most borrowers finish their repayments in less than 18 months. The introduction of business loans has enabled many women to venture into import businesses whereby they now travel to Kenya, Uganda and even to China to buy merchandise. This would not be possible during the past before introducing this loan type. Further, the loan size ranges indicate that women of various business capabilities can benefit from the loan facility. When FGDs were asked how it was possible for most borrowers to finish up their repayments in just 18 months instead of the maximum 24 months they replied that the kind of businesses they run involve fast moving items and are profitable to be able to generate cash for short term repayments. Another reason presented was that faster repayment would result in a lesser interest amount compared to longer term repayment. This indicates that borrowing women had acquired higher financial literacy consistent with risk management efforts inculcated among women.

During the FGDs, participants lauded this product as it has enabled their businesses to graduate from smaller sizes employing a single family member to a relatively large business employing five to ten workers and serving many beneficiaries. Further evidence showed that beneficiaries were using the profit generated to increase family assets, educating children to university level and even supporting their family members resulting in earning the lost self-esteem. One story from the FGDs which relates to how loans from microfinance provide social protection consistent with Development approach proceeded as follows:

I was employed in an Indian garment factory here in Arusha. One evening before I received a letter written in English. I could not understand the meaning but my hunches informed me that I have probably been promoted. So, next morning I went to work with eagerness and enthusiasm, only to be stopped at the main gate that I was not allowed to enter the factory because I had been fired. It was a very painful experience given that I was a single parent with kids to feed and pay fees for them (Interview, AWIB SACCOS).

The interviewee further elaborated:

I avowed that my kids should never be subjected to such humiliating experiences of not understanding English. I used the small amount of money saved so far to join the SACCOS. I used my first loan to start a fish selling business. My main customers were street walkers in the dusty streets. Later on, I got a selling table in the main Market. This business has grown to the extent that it has enabled me to sustain a good standard of living, educating my kids to the level of doctor of medicine, and three houses that generate monthly rental income. I accredit all these success to AWIB SACCOS (Interview, AWIB SACCOS).

In another episode, one Celina narrated that she was employed in a private business earning less than TZS 300,000 (equivalent to less than USD 150) per month. The income was insufficient to feed the family and she was looked down by her in-laws and her husband because she could not support them adequately:

I felt I was not receiving the deserved respect from both my husband and in-laws purportedly because I was not contributing sufficiently to the family coffers. I left my earlier job, initiated a small timber business after receiving TZS 5,000,000 loan from AWiB SACCOS. The business has grown as I can borrow up to TZS 70,000,000 and repay it back within one year. The ageing in-laws are respecting me as I can support them. My husband also respects me because I now contribute immensely to the family. I'm no longer feeling insecure as before. There is a big difference (Interview, AWiB SACCOS).

Three messages are clear from these quotes: first, SACCOS loans have enabled members' businesses to grow; second, business growth has enabled the previously insecure client/members to become more secure, confident and with self-esteem; third, the once disrespected women are now respected by their in-laws and husbands. While these are a few recorded examples among many, these stories reveal how financial services from the SACCOS have enabled vulnerable and low esteem women to transform their social position at family and community level consistent with transformative social justice as advocated by Devereux and Sabates-Wheeler (2004). When asked to comment on the allegations that when women improve their social position they tend to become "big headed" and look down on their husbands, the FGD had the following response:

We know that there are some women who think that they should take revenge for what was done to them in the past...they want to show their husbands that they are powerful and can fire back... some may misbehave out of their acquired wealth. However, such misbehaviour cannot be generalised to all women. We know many women in this SACCOS who have become rich but they have registered their acquired assets in their husbands' names instead of theirs...and family ties are much stronger than before" (FGD, AWiB SACCOS)

The quotation implies that most of the women continue to respect their husbands even when they acquire wealth. Furthermore, family ties become stronger because of increased collaboration in running the businesses and managing the wealth. This was evidenced during one of the in-depth interviews with one key informant who is now a supplier of plant chemicals and fertilisers in a number of regions in the country.

I joined AWiB SACCOS in 2004 with absolutely nothing. I now run a fleet of five Canter trucks which move throughout the country to deliver pesticides and fertilisers. I also own 3 SUVs and many other small cars. My business is doing very well, but my respect to my husband is not questionable. We share a lot and he is my best business advisor/ Actually this business has strengthened our family bond because we work together as a team (Interview, AWiB SACCOS).

The account implies that families are better off when women acquire wealth as sensible men find that they are relieved from a heavy burden of supporting the family alone.

4.2.3 Financial literacy training and radio programme

The purpose of such programmes has been to expose members to business literate skills such as customer service, financial literacy, marketing and entrepreneurship skills. Inadequate co-operative education has also contributed to low honesty and poor perception of self-help among members. To deal with this situation, AWiB SACCOS has been monitoring performance by making follow up on-site visits to identify ailing business and provide remedial actions. Based on the type of gaps identified, problematic members would be grouped and given appropriate training offered by successful members and hired professionals. Areas that are given emphasis include maintaining financial records, merchandise arrangements in shops, customer services, business oversight, management, budgeting and business counselling. To help members get markets, AWiB SACCOS has bought radio airtime from one of the local radios in Arusha to allow members advertise their business to get the customers informed of the product they offer and get new customers. These measures have been helpful to improve ailing businesses by injecting new knowledge and skills. On the radio advertisement, members of the FGD admitted that the radio programmes have made their businesses known to more potential customers in Arusha and other parts of the country which has significantly improved their sales especially during this time of Covid-19 pandemic when the economy is in the recession.

4. Conclusion and Recommendations

The findings imply that co-operatives can be efficient vehicles to help the marginalised individuals to realise self-development through provision of financial and non-financial products. The findings further imply that the products offered by the financial co-operatives can help to improve the balance of power in the family and increase women's economic empowerment and self-esteem, which are fundamental elements of SP as per the Development approach. There is also evidence that by supporting women in business, the SACCOS has strengthened collaboration and partnership between and among spouses, thus contributing to strengthening family ties and increasing women's self-esteem. Both financial and social intermediation services provided by the co-operative have enabled women's contribution to be visible both at family and community levels. The practices and lessons drawn could also be applied to other co-operatives. It is recommended that other co-operatives should introduce social protection enhancing products such as disaster funds, pension related funds, and business training to protect members from social challenges and enhance their economic social esteem. Further studies should also be extended to other types of co-operatives including Agricultural Marketing Co-operatives (AMCOS) and Housing Co-operatives to explore their potential for social protection.

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