

**THE PERFORMANCE OF GROUP ENTERPRISES SUPPORTED BY TRAINING
AND CREDIT: The Case of Zambezi Development Trust Ltd. in Zambezi.**

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Declaration:

I declare that this Practical Attachment Report has not been submitted for a degree in this or any other University.

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Dedication:

I dedicate this report to my late father Mr. Edward Chibuno Hamayanda Nchemba, my mother Mrs. Ruth Michelo Nchemba, my wife Plaxedes Mama, my only son Edward and my daughters Michelo and Wanda.

Abstract

The practical attachment was conducted at Zambezi Development Trust (ZDT) in Zambezi district of North-Western Province from January to April 2003. ZDT is a Non Governmental Organisation (NGO) that works towards the improvement of living standards of the rural residents of Zambezi and Chavuma districts organized in groups. This is done through delivery of training in business management and provision of credit after training.

Despite training and credit being provided to the groups, there was no corresponding increase in the business management skills of the group members. Besides, there was no significant increase in the income of enterprises supported by training and credit. The objectives of the attachment therefore were: (i) To establish the reasons for the poor business management skills of the groups, (ii) identify problems surrounding the credit programme and (iii) strengthen communication between ZDT and the groups.

In-depth interviews using interview guides were held with samples of group members that were trained and got credit. Focus group discussions were held with group members, members of staff and Trustees of ZDT. Direct observations were made on the training delivery and credit provision systems during the attachment. The student examined different group record books. Documents at ZDT and ZAYO on credit and training were reviewed.

Findings indicated that the group members' business management skills were not improved due to low levels of literacy as well as lack of training needs assessment of groups by ZDT. The training lacked adequate feedback mechanism from groups to ZDT. The motive of group members attending training was for them to access credit from ZAYO. The credit given to groups was at a very high interest rate such that groups failed to raise the incomes of their enterprises. Further, the loan amounts were too low for groups to venture into profitable businesses and improve their livelihoods. It was also established that there was serious lack of communication strategies or plans in both ZDT and ZAYO.

On the basis of the findings, it was recommended that ZDT should without delay engage its target beneficiaries into training needs assessment. Training should be delivered on demand. ZDT should advise ZAYO to revise the credit programme for it to meet the needs of the intended beneficiaries. Both ZDT and ZAYO should develop communication plans.

Acknowledgements

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Abbreviations/Acronyms

AGM	Annual General Meeting
CUSA	Credit Union and Savings Association
DA	District Administrator
DBAs	District Business Associations
DDCC	District Development Coordinating Committee
DDCC-PSC	District Development Coordinating Committee- Planning Sub Committee
DPO	District Planning Office
DRC	Democratic Republic of Congo
EU	European Union
GPs	Group Promoters
GPS	Group Promotion Section
GRZ	Government of the Republic of Zambia
HIPC	Highly Indebted Poor Countries
HIV/AIDS	Human Immune Virus/Acquired Immune Deficiency Syndrome
HIVOS	Humanist Institution for Co-operation with Developing Nations
IMF	International Monetary Fund
IMT	Intermediate Means of Transport
MCD	Master of Communication for Development
MFIs	Micro Finance Institutions
MLGH	Ministry of Local Government and Housing
MMD	Movement for Multi- party Democracy
NAPSA	National Pensions Scheme Authority
NGO	Non Governmental Organisation
NYDC	National Youth Development Council
OOPP	Objective Oriented Programme Planning
OVC	Orphans and Vulnerable Children
PM	Programme Manager
P,M&E	Planning, Monitoring and Evaluation
SAP	Structural Adjustment Programme
SGS	Small Grants Scheme

SNV	Netherlands Development Organisation
TDAU	Technology Development and Advisory Unit
T for T	Training for social Transformation
UNZA	University of Zambia
USAID	United States Agency for International Development
YEPP	Youth Entrepreneurship Promotion Programme
ZAYO	Zambezi Youth Organization
ZCCM	Zambia Consolidated Copper Mines
ZDT	Zambezi Development Trust
Z-FIRST	Zambezi- Farm Input Revolving Supply Trust
ZIS	Zambia Information Services
ZLIS	Zambezi Local Initiative Support
ZMK	Zambian Kwacha (currency)

Table of Contents

Preliminaries

Declaration.....	ii
Dedication.....	iii
Abstract.....	iv
Acknowledgements.....	v
Abbreviations/Acronyms.....	vi

Chapter 1

Background

1.0	Introduction.....	1
1.1	Zambia's Profile.....	1
1.2	Institutional Profile.....	4
1.3	Organisational Structure.....	6
1.4	Functions of the Board of Trustees.....	7
1.5	Functions of the Annual General Meeting.....	7
1.6	Vision, Mission and Logical Frame work of ZDT.....	7
1.7	ZDT Target Group.....	9
1.8	ZDT Programme 2001-2006.....	9
	1.8.1 Establishing Link with ZAYO and Other Credit Institutions.....	9
	1.8.2 Training and Advice.....	10
	1.8.3 Organisational Development.....	13

Chapter 2

Attachment Context

2.0	Introduction.....	15
2.1	Statement of the Problem.....	15
2.2	Justification.....	15
2.3	Objectives of the Attachment.....	16
2.4	Methodology.....	16
2.5	Limitations.....	17
2.6	Literature Review.....	18

Chapter 3

Conceptual Frame Work

3.0	Introduction.....	26
3.1	Development Defined.....	26
3.2	Communication Defined.....	29
3.3	Development Communication.....	31
3.4	Participatory Communication.....	32
3.5	Group.....	33
3.6	Microcredit.....	34
3.7	Training.....	35
3.8	Small Group Communication.....	35
3.8.1	Small Group Communication Concepts.....	37

Chapter 4

Personal Experiences

4.0	Attachment Setting.....	42
4.1	Introduction into ZDT.....	43
4.2	Attachment Programme.....	44
4.3	Work Environment.....	45
4.4	Working Relationship with ZDT Staff.....	46
4.5	Working Relationship with ZAYO Staff.....	48
4.6	Hardships Experienced.....	48

Chapter 5

Challenges and problems of ZDT and attempts to solve them

5.0	Geographical Location of ZDT.....	50
5.1	Vastness of Working Area.....	51
5.2	Floods on the West Bank of Zambezi River.....	52
5.3	Inadequate Funding.....	52
5.4	Ethnic Friction.....	53
5.5	Linking Trained Groups to Credit Organisations.....	54
5.6	Donor Dependency.....	54
5.7	Incompetent Directors.....	55

5.8	Poor Communication Links.....	56
5.9	Attempts to solve the problems.....	57

Chapter 6

Student's Input

6.0	Challenges and Opportunities.....	60
6.1	Involvement in stakeholders Meetings.....	61
6.1.1	District Development Coordinating Committee (DDCC).....	61
6.1.2	Intermediate Means of Transport (IMT) Project Committee Meetings.....	62
6.2	Involvement in ZDT Annual Planning for 2003-2004.....	63
6.3	Involvement in Monthly and Quarterly Planning Sessions.....	64
6.4	Promotion of Participation of Target Group in Annual Evaluation.....	65
6.5	Move Towards Creation of Communication Policy.....	67
6.6	Involvement in the District HIV/AIDS Task Force.....	67
6.7	Promotion of Combined ZDT/ZAYO Monitoring visits to the Groups.....	68

Chapter 7

Discussions of Findings

7.0	Introduction.....	70
7.1	Entrepreneurship Training Delivery.....	71
7.1.1	Target Beneficiaries.....	71
7.1.2	Training Needs Assessment.....	73
7.1.3	Feed back from trained clients.....	74
7.1.4	Mobile Training.....	75
7.2	Microcredit Provision.....	76
7.2.1	Target Beneficiaries.....	76
7.2.2	Types of Enterprises Supported by Credit..	77
7.2.3	Loan Amounts and Conditions.....	78
7.3	Communication with Clients.....	80

7.3.1	Communication in Training.....	80
7.3.2	Communication in the Credit Programme....	81
7.4	Performance of Enterprises Supported by Training and Credit.....	82
7.4.1	Increasing Income of Enterprises.....	83
7.4.2	Record Keeping.....	83
7.4.3	Business Improvement.....	85

Chapter 8

Conclusions and Recommendations

8.0	Overview.....	87
8.1	Conclusions.....	87
8.1.1	ZDT Capacity to service target beneficiaries.	87
8.1.2	Assessment of Training Needs.....	88
8.1.3	Feed back in the Training Programme.....	88
8.1.4	Non Residential Training Arrangement.....	89
8.1.5	Target Beneficiaries for Credit.....	89
8.1.6	Enterprises funded by ZAYO Loans.....	89
8.1.7	Loan Amounts.....	89
8.1.8	Communication.....	90
8.1.9	Performance of Group Enterprises.....	90
8.2	Recommendations.....	90

References.....	93
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Appendices

Appendix A – Members of the ZDT Board of Trustees.....	96
Appendix B – ZDT Members of Staff and Group Promoters.....	97
Appendix C – Interview Guide.....	98

CHAPTER 1

Background

1.0 Introduction

This report is a result of the author's attachment to the Zambezi Development Trust Limited (ZDT) for a period of four months starting from 1st January 2003 to 30th April 2003. The attachment to ZDT was necessary as a requirement for partial fulfillment of the reward of the Master of Communication for Development (MCD) offered by the Department of Mass Communication of the University of Zambia (UNZA).

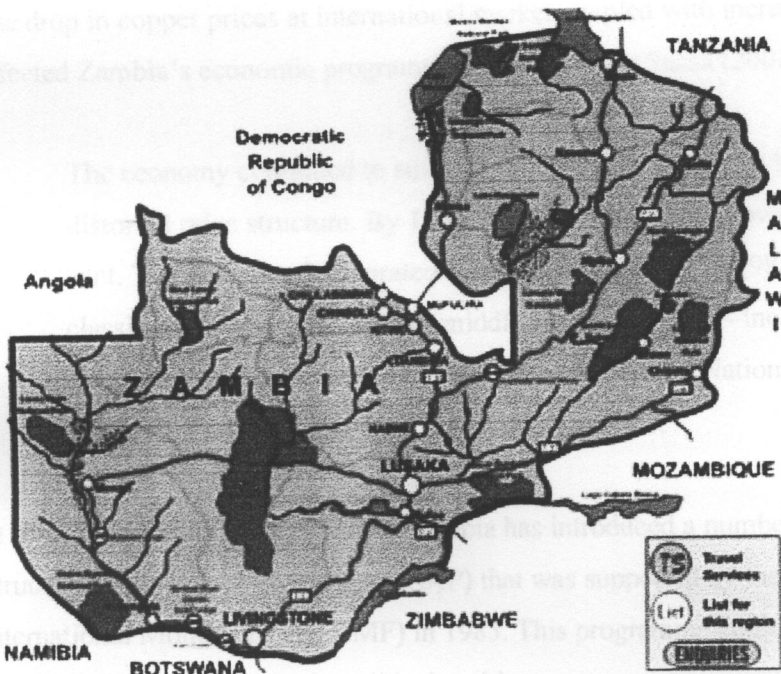
The MCD programme is a programme designed to train development communication experts who are expected to use communication processes in order to stimulate development in communities. The programme takes into consideration the participation of the intended beneficiaries in the identification, design, implementation, monitoring and evaluation of development efforts initiated internally or externally. MCD students are, at the end of course work attached to organizations in order for them to apply the knowledge and skill attained during course work.

The information contained in this report is based on the institution to which the student was attached, ZDT. The information includes historical background, attachment context, conceptual framework and personal experiences of the attachee. The report further gives information on challenges and problems faced, attachees contributions and discussion of findings. The report ends with a conclusion and recommendations.

1.1 Zambia's profile

Zambia is a landlocked country located in Southern Africa with an area of 752,614 square kilometres. It shares borders with Botswana and Zimbabwe, to the south; Mozambique and Malawi, to the east; Tanzania and the Democratic Republic of Congo (DRC), to the north; Angola to the west and Namibia to the southwest (figure 1).

Fig. 1. MAP OF ZAMBIA



Zambia has an estimated population of about 10.2 million people with an average annual growth rate of 2.9 percent (GRZ, 2001:10). Out of the total population, 49.3 percent are male while 50.7 percent are females.

Zambia got her political independence from Britain in 1964. From 1964 to the early 1970s, the country registered gains in economic growth and social welfare (Saasa, 2002:24). Zambia was then classified as one of the most prosperous countries in the Sub-Saharan region. The wealth of the country was mainly from copper exports. Zambia's failure to diversify her economy accounted for the decline in economic performance.

The drop in copper prices at international market coupled with increased oil prices has affected Zambia's economic programmes. According to Saasa (2002:24)

The economy continued to suffer from high inflation, huge budget deficits, and a distorted price structure. By 1992, the annual inflation growth rate reached 190 per cent. The situation deteriorated to such an extent that in 1985, the World Bank reclassified Zambia from a low –middle income to a low –income country. By the early 1990s, Zambia had reached a level where the United Nations General Assembly included it on the list of least developed countries.

In order to resuscitate the economy Zambia has introduced a number of programmes like the Structural Adjustment Programme (SAP) that was supported by the World Bank and the International Monetary Fund (IMF) in 1985. This programme could not assist as Zambia abandoned it due to domestic political problems.

An attempt to liberalise the economy in 1991 by the Government did not yield favourable results. Liberalisation resulted in the privatisation of parastatals like Zambia Consolidated Copper Mines (ZCCM) the major mining conglomerate and others. Companies that could not survive the liberalized status were liquidated. Liberalisation of the economy saw threw the majority of the workers into unemployment. These programmes increased the levels of poverty in the country. An attempt to successfully liberalise the economy affected most of the sectors. Sectors like agriculture, manufacturing, education, health and others have been paralysed.

Zambia's growth prospects are being hampered by the debt burden. Saasa (2002) note that Zambia has been failing to service her debts from her own resources. Instead Zambia relies on cancellations and forgiveness, grants, rescheduling and further borrowing. Zambia's failure to service her debts led to her inclusion in the group of 41 Highly Indebted Poor Countries (HIPC) Initiative launched by the IMF and the World Bank.

1.2 Institutional profile

Zambezi Development Trust (ZDT) is a Zambian registered Non- Governmental Organisation (NGO). The organization was registered in 1992 under the Republic of Zambia Companies Act (CAP686) as a limited company by guarantee. ZDT operates in Zambezi and Chavuma districts in North-Western Province of Zambia. At inception the major programme for ZDT was Training for Transformation (T for T) delivered to groups. According to ZDT (2001:4) the T for T was a programme:

1. To promote use of local resources among groups.
2. To link groups to lending institutions and service rendering organizations.
3. To encourage groups to embark on self-sustaining activities.
4. To facilitate equal participation of men and women in development.
5. To stimulate groups to take their own decision about development.

ZDT has since inception been funded by the Humanist Institute for Co-operation with Developing Countries (HIVOS) a Dutch NGO based in the Netherlands with a regional office for Southern Africa in Harare Zimbabwe. HIVOS has been providing funds to meet operational costs for training. The Netherlands Development Organisation (SNV) another Dutch NGO has been providing technical support to ZDT placing and institutional development Adviser in ZDT from inception up to the year 2000.

Evaluation findings of the T for T programme conducted in 1996 by ZDT revealed that:

1. The groups, in as much as they could appreciate, were fed up with the T for T because there were no tangible results from training.
2. The T for T was delivered to the groups as a uniform panacea to the problems of the groups regardless of uniqueness of problems faced by specific groups.

3. Groups wanted ZDT not only to train them but also to provide them with loans for them to address their problems.

As a response to the demands of the groups following the evaluation, ZDT introduced credit programmes called Zambezi Local Initiative Support (ZLIS) and Zambezi- Farm Input Revolving Supply Trust (Z- FIRST) in 1996. ZLIS and Z-FIRST credit programmes were supported by donor funds from the European Union (EU) and the Zambia Swiss Counterpart fund respectively. ZLIS was a credit programme designed for groups to obtain loans for any viable collective income generation projects. On the other hand Z-FIRST was meant to finance agricultural input related income generating initiatives. As a result of the introduction of credit programmes, ZDT had to adjust the training to that oriented towards business management. The training is aimed at supporting the credit programme.

Until 1997, ZDT had been the only active development oriented NGO in Zambezi and Chavuma districts. In 1997, the Youth Entrepreneurship Promotion Programme (YEPP) in the National Youth Development Council (NYDC) under the ministry of Youth, Sport and Child development shifted from Kabompo and Mufumbwe districts to Zambezi district. YEPP, which was, like ZDT funded by HIVOS and technically supported by SNV started implementing similar activities of training and credit in Zambezi. YEPP was transformed from a government programme into an NGO that came to be known as Zambezi Youth Organisation (ZAYO). Like ZDT, it got registered as a limited company by guarantee.

Towards the end of 1997 SNV and HIVOS started questioning the relevance of having two organizations with similar activities and same donor operating in one area. As a result of this ZDT and ZAYO were required to share functions and responsibilities concerning training and advising groups and providing credit. This rationalization process was launched in June 1999 and concluded in December 2000. Major resolutions of the rationalization process were that:

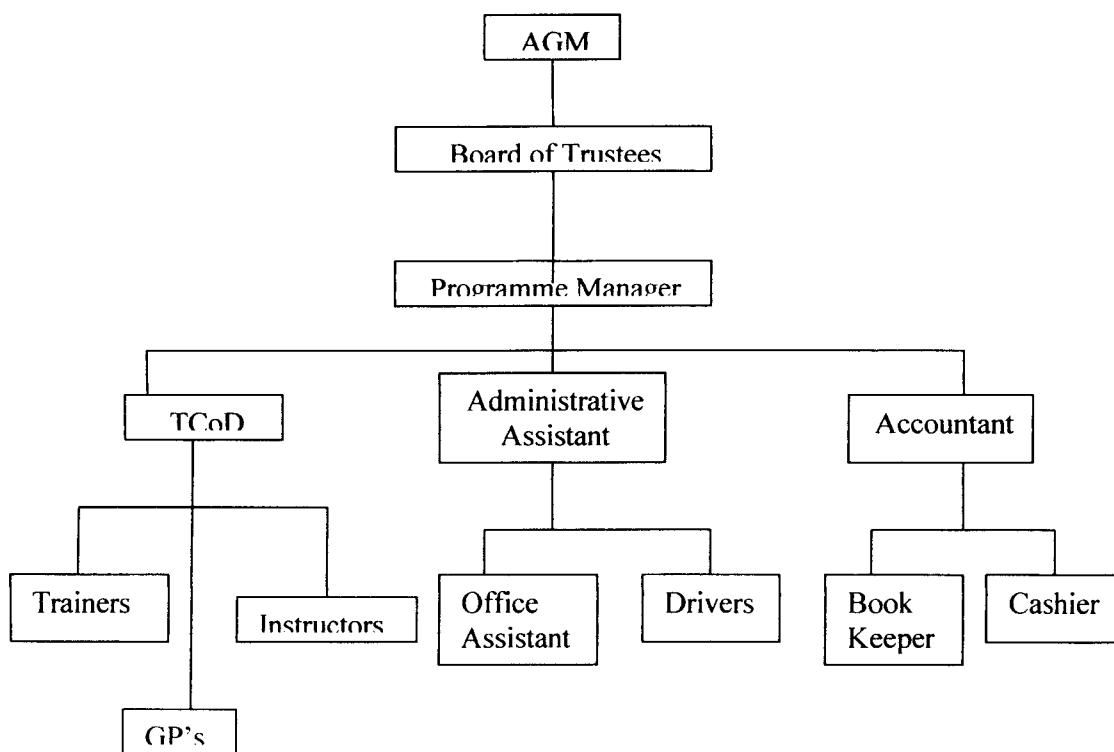
ZDT stops providing loans and specializes in the delivery of (business management) training and advisory services. The ZDT training should enable clients to access the ZAYO credit services. ZAYO stops her training activities and specializes in the provision of credit. ZAYO credit will strictly be availed to clients trained by ZDT (ZDT, 2000:1).

Since the conclusion of the rationalization process, ZDT has been delivering training in business management and advice to groups while ZAYO has been providing trained groups with credit.

1.3 Organisational structure

There are four structures within ZDT. These include the Annual General Meeting (AGM), Board of Trustees, Executive Office and Group Promoters (GPs).

ORGONOGRAM



The Board of Trustees consists of eight individuals with professional skills relevant to the ZDT programme (appendix A). These are individuals committed to the programme document and objectives of ZDT. The Board of Trustees convenes the AGM. The ZDT target group sends delegates to the AGM. Groups and or community members in three regions of Zambezi east, Zambezi west and Chavuma elect the delegates. There are 24 delegates elected to the AGM for a period of three years. The AGM is the supreme organ of ZDT.

The Executive office is responsible for the day-to-day implementation of the ZDT training programme. The Programme Manager (PM) as the chief executive heads it. The PM reports to the Board of Trustees. Members of staff below the PM include the Training Coordinator, Trainers, Administrative Officer, Accountant, Drivers and Office Orderly (appendix B).

Group Promoters (GPs) are individuals that reside in the four local communities on the West Bank Region of ZDT's working area. The GP's train groups in business management in the four areas that cannot be accessed by vehicles during the rain season due to floods. The executive office and the groups in their respective areas agree upon the selection of GP's.

1.4 Functions of the Board of Trustees

The functions of the Board of Trustees as contained in the ZDT Articles of Association include:

1. Being custodians of the ZDT assets and funds.
2. Policy formulation
3. Employment and supervision of the executive office staff
4. Convene AGM
5. Monitor the implementation of the ZDT programme document, execution of annual plans and expenditures.
6. Giving professional advise to the executive office and the GM.

1.5 Functions of the Annual General Meeting

The Annual General Meeting has the following functions:

1. Guaranteeing participation of the target group in the decision-making concerning the design, implementation and evaluation of the ZDT programme.
2. Approve annual plans, budgets, reports and financial statements.
3. To alter the Articles of Association and the programme document.

1.6 Vision, Mission and Logical Framework of ZDT

1.6.1 Vision

ZDT believes that self-reliance, people's participation, Gender equality and empowerment are the major keys to sustainable development. The notion of sustainability has been defined in its broader sense by ZDT. Sustainable development, according to ZDT (2001:15) refers to development that is at the same time ecologically sound, economically viable, and socially just and culturally adaptable.

1.6.2 Mission

The mission of ZDT is that by 2020, ZDT wants to have a substantial number of its clients' capacities and businesses improved.

1.6.3 Logical Framework

ZDT developed a logical framework (appendix1) using the Objective Oriented Programme Planning (OOPP) methodology. The logical framework contains ZDT's objectives, activities, expected results, verifiable indicators and underlying assumptions. The Logical framework helps ZDT monitor the implementation of the training programme.

1.6.3.1 General Objective

ZDT wants its clients' capacity and businesses improved in a sustainable way.

1.6.3.2 Specific Objectives

ZDT has developed the following objectives that should lead to the achievement of the general objective:

1. ZDT wants to have link with ZAYO and other credit institutions.
2. ZDT wants to have vocational skills instilled in clients.
3. ZDT wants to have performance of clients' enterprises improved.
4. ZDT wants to have well functioning groups established.

5. ZDT wants to establish itself as a training organisation.

1.7 ZDT Target Group

ZDT's target group consists of the poorer segments of the rural population of Zambezi and Chavuma districts that make their living out of non-wage earning activities. With this description of the target group, approximately 90% of the Chavuma and Zambezi districts would qualify. ZDT acknowledges the fact it does not have the capacity to work with all of the groups. ZDT's direct assistance has therefore been limited to members of the target group organized in groups. A group has average membership of fifteen. According to ZDT (2000:1) the ZDT and ZAYO rationalization resolutions indicate that training and credit will only be given to members belonging to such groups recognized by both ZDT and ZAYO. As at December 2000 there were 153 such groups that had to be trained and given credit.

1.8 ZDT Programme 2001-2006

ZDT's programme is composed of three activities of establishing link with ZAYO and other credit institutions, training and advising of groups in business management and vocational skills and organizational development.

1.8.1 Establishing link with ZAYO and other credit institutions

Following the conclusion of the ZDT/ZAYO rationalisation ZDT has taken up training in business management and ZAYO in credit provision to the groups. It therefore has become imperative that a link has to be established in the execution of the respective functions.

1. Credit related linkages

Under the credit link, ZDT aims to promote mutual understanding and coherent dispensation of credit services to the groups. ZDT further wishes to encourage a process of consultation between itself, ZAYO and other credit institutions operating within Zambezi and Chavuma districts in relation to alteration of the credit delivery system. Among the fundamental credit related issues on which consultations have to be made include:

Lending approach (solidarity and collective group approach).

Lending conditions.

Sharing of information for appraisal of loan applications.

Assessment of applications through loan monitoring committee.

Recovery of active ZDT loans (ZDT, 2001:19).

2. Training and advisory related linkages

Apart from offering training to groups in business management, ZDT advises groups on group dynamics related issues for them to smoothly interact while operating their businesses. Groups and individual clients are equipped with skills to run businesses in a knowledgeable as well as to use credit in a more efficient way. However, for ZDT to prepare clients in such a manner, there is collaboration between ZDT on one hand and ZAYO and other credit institutions on the other hand. ZDT has opened herself to consultations with ZAYO and other credit institutions in areas of among others:

Business management skills as applied by clients

Group dynamics as observed in groups

Training approach and curriculum

Loan applications. (Ibid: 19).

1.8.2 Training and advice

ZDT and its target group have engaged in a group as well as individual-specific, participatory process of problem analysis, solution seeking, implementation, monitoring, evaluation and consolidation.

Low income is one of the major problems experienced by the target group. As such, income-generating ventures of both farming and off-farm nature figure prominently amongst the possible solutions suggested by most groups. Therefore, ZDT's intervention effort is primarily dealing with training and advising of groups and individuals in business management skills in order for them to qualify for ZAYO and other credit institutions' loans

as well as to enable them manage the loans efficiently. ZDT also trains and advises groups in issues pertaining to participation, gender, and conflict management within the groups.

Group members decide on how they want to conduct business. Some group members decide to run business enterprises collectively as a group. Other group members decide to remain operating as a group but within a group they run individual businesses in what is referred to as the Grameen approach. The Grameen approach is a method of lending promoted by the Grameen Bank of Bangladesh. The bank gives loans to groups of five people. The groups members act as collateral for the loan obtained. The group uses peer pressure to make the members pay back the loans. The group members take turns getting loans.

Depending on how the group members decide to run business, the ZDT training is organized in two ways:

1. Training for individual enterprises

Groups are trained in the operations of a solidarity group. A solidarity approach is a system where the group is organized in small five-member groups called 'tanus'. Credit is given to these tanus and not the whole group. This training is aimed at equipping individuals with knowledge on how to operate in a tanu. This training is based on the Grameen Bank type of approach popularly practiced in Bangladesh (Yunus, 1989:144). Major topics covered under this type of training include:

- a. Group organisation
- b. Group savings
- c. Group loans
- d. Group record system

The other major subject group members are trained in is Business Management. ZDT aims at equipping the members with skills to manage their businesses. Among the basic business management skills delivered include:

- a. Identification and selection of businesses

- b. Marketing
- c. Business planning
- d. Record keeping

Apart from receiving training in how to operate in a group and in business management, the group members are training in loan application writing. This training is aimed at making members in solidarity groups understand the nature and operations of the ZAYO and other credit institutions' loan schemes. Firstly clients are trained to write loan applications for ZAYO loans and secondly for any other credit institution which might come up to offer loans. For ZAYO loans, the training is delivered under the following topics:

- a. What to do in case of defaulting on a ZAYO loan
- b. Lending conditions
- c. Procedure and criteria for appraisal of loan applications
- d. Credit forms group guarantee, declaration and loan application.
- e. Writing of business loan applications

2. Training for collective enterprises

Groups that decide to run collective group enterprises are also trained in business management. ZDT aims at equipping the participants undertaking collectively managed enterprises with skills to manage group businesses. Among the basic business management topics covered include:

- a. Identification/Selection of businesses.
- b. Marketing.
- c. Business planning.
- d. Record keeping.

Groups that are undertaking collectively managed enterprises are also trained in loan application writing. This training is aimed at making participants understand the nature and operations of the ZAYO and other credit institutions' loan schemes. The groups are trained firstly to write loan applications for ZAYO loans and secondly for any other credit institution which might come up to offer. The topics offered include:

- a. Lending conditions.
- b. Procedure and criteria for appraisal of loan applications.
- c. Credit forms group guarantee declaration and loan application.
- d. Writing of business loan applications.

3. General Training

Apart from the training delivered specifically for collective as well as individual enterprises, ZDT delivers training and advice to groups in gender issues, participation and conflict management. This type of training is delivered to groups as need might arise. The training is aimed at addressing the issues that arise due to interaction between and among members in groups.

4. Training in trades

The ZDT training in trades is aimed at assisting members of the target group that wish to acquire vocational skills but cannot do so because of absence of a trades training in the district. ZDT will start by offering training in carpentry, bricklaying, metal fabrication, tailoring, typing, business studies, agricultural skills and computer skills. The training in trades though included in the ZDT programme document is not being implemented because of lack of funding.

1.8.3 Organizational Development.

In order to strengthen the functioning capacity of the organization, structures and programmes have been put in place. The ZDT AGM and the board of Trustees have developed Articles of Association and a programme document that guides the functioning of ZDT organs and the implementation of the ZDT programmes. ZDT provides demand driven capacity building trainings to the trustees and members of the executive office in various relevant topics aimed at enhancing performance.

ZDT has in place various management systems among which are:

- a. Planning, Monitoring and Evaluation (P, M&E) Policy
- b. Financial management policy
- d. Human resource management policy
- e. Transport policy
- f. Training policy
- g. Annual workplan
- h. Annual budget.

CHAPTER 2

Attachment context

2.0 Introduction

Having given background information about the attachment in chapter one, this chapter gives information on the statement of the problem, rationale for the attachment, the terms of reference and the methodology employed. The chapter further gives a review of literature on credit and entrepreneurship training.

2.1 Statement of the problem

Annual evaluation reports of ZDT on the effect of the ZDT intervention (training and credit) on the groups indicate that despite training and advice being delivered to groups, there is no significant corresponding increase in the business management skills of group members. On the part of credit, the loans were intended to boost the working capital and increase income generation of groups. Annual evaluation reports however reveal that despite receiving credit, there is decrease in working capital of groups and there is no increase in incomes of group members.

What is it therefore that despite training and credit, the businesses of groups are failing?

2.2 Justification

ZDT has through its annual evaluations been able to point out that training of groups in business management and provision of loans to increase working capital of groups have been unable to perform as expected. The reports however do not precisely mention why the training and credit systems perform so poorly. This attachment will therefore contribute to the identification of the underlying factors towards the poor performance of the training and credit systems in ZDT.

In as much as the reports do indicate that the training and credit systems are performing poorly, they do not indicate what should be done to improve the performance. This attachment will contribute to the determining of practical solutions towards the improvement of the training and credit systems within ZDT.

Micro-finance and training in entrepreneurship in Zambia has become the common practice among Non- Governmental Organisations, Government, Community Based Organisations and International Donor Agencies. The findings to be derived from the attachment will considerably contribute to the existing body of knowledge. The findings shall provide significant learning experience to those organisations that have started or are to start provision of credit and training to entrepreneurs.

2.3 Objectives of the attachment

Given the above problem, the objectives of the attachment therefore were:

1. to find out what is wrong with the delivery of training and provision of credit in ZDT;
2. to find out what should be done to improve the training and credit system;
3. to contribute towards the strengthening of communication between ZDT and its clients.

2.4 Methodology

In addressing objective number one of the attachment, information was collected from the groups that participated in the training as well as those groups that obtained credit. The information was collected using an interview guide (appendix C) during focus group discussion.

Apart from focus group discussion and interviews with groups, an examination of the groups' records (minutes books, cash books, group registers, stock cards, loan repayment sheets and purchases books) was conducted in order to check how skills acquired through training were being applied.

In-depth interviews with members of ZDT Board of Trustees were conducted. Management and staff for both ZDT and ZAYO were also interviewed.

In addressing objective number two, focus group interviews were conducted with those groups that attended training and received credit. Because of costs involved only a sample of groups was interviewed.

In order to address objective number three, the student was a participant observer. The student participated at two levels of the organisation; in management as well as in the training section. When operating at either of the levels, the student contributed to the designing and delivery of messages from the organisation to the groups. Knowledge acquired for participatory message making for development communication will be applied.

Secondary data was gathered by reading the organisation's quarterly and annual reports, programme document and other documents that were relevant for the attachment.

For the purpose of focus group discussions and in-depth interviews, a sample of 30 groups was drawn from the total population of 314 groups that had received training and credit. Simple random sampling technique was used to pick every tenth group from the list.

2.5 Limitations

Shortcomings arising from this report could be attributed to the following reasons:

1. the author undertook attachment in an organization which he was the manager ;
2. the attachment took place at a time when the organization did not have enough funds to conduct trainings in the field at full scale. As a result there was limited time for the author to participate effectively;
3. at the time of the attachment, the author was full time performing his function of Manager while at the same time performing his attachment function; and,
4. it was not possible to organize a workshop for the members of staff, group representatives and Board of Trustees because of lack of funds.

2.6 Literature review

While entrepreneurship training has been going on in Zambia for some time now, the provision of credit to groups for their collective small-scale enterprises is still a new practice.

There is limited literature available that addresses the performance of those enterprises that are supported by entrepreneurship skills training and credit.

In recent years, entrepreneurship development programmes have attracted attention among countries of the south, especially Africa. These programmes are seen as promising routes to increasing the number of small-scale enterprises as well as a way of addressing issues of unemployment, low income and poverty. However, it has been observed that most of these enterprises are disorganised. The lack of organised small entrepreneurs is as a result of the historical practice that discouraged indigenous entrepreneurship to national economic policies and government regulations that discriminated against small business. The performance of small enterprises has been unsuccessful as a result of this bias towards big businesses (Leila, 1991).

The use of micro credit or microfinance to promote entrepreneurship starts as far back as the 1980s. At this time microfinance arose as a response to doubts about the capacity of the state to deliver subsidized or cheap credit to poor farmers. The SNV guide on microfinance (2001) states that in the 1970s, governments provided subsidized credit mainly to low-income households in rural areas. At this time the governments and many donors thought the poor required cheap credit as a way of promoting agricultural production. In addition to providing cheap credit the donors encouraged the formation of credit unions in rural areas. The focus of these credit unions was to teach farmers on how to mobilize savings (SNV, 2001:7).

SNV further points out that this approach steadily received criticism because most programmes accumulated huge loan losses and required frequent recapitalisation to continue operating. This according to SNV, lead to a new approach that considered microfinance as an integral part of the

whole financial system. Thus emphasis shifted from rapid disbursement of subsidised loans to target populations towards the building up of local, sustainable institutions to serve the poor. In Zambia today there are a number of Microfinance Institutions (MFIs) managed by Government, Donors and Non Governmental Organisations.

There are a number of reasons why microfinance is growing. Some reasons cited by SNV (2001) are:

1. The promise of reaching the poor. The belief is that microfinance can support income generation for enterprises operated by low-income households.
2. The promise of financial sustainability. Microfinance can help to build financially self-sufficient, subsidy-free, often locally managed institutions.
3. The potential to build on traditional systems. Very often it has been observed that MFIs have built their methodologies on traditional mechanisms that are well known by the clients.
4. The growing number of success stories. There are an increasing number of well-documented success stories of innovative microfinance schemes in setting as diverse as rural Bangladesh, urban Bolivia, and rural Mali. This according to SNV is in great contrast to the records of state-run specialized financial institutions, which have received huge sums of funding over the past decades but have failed in terms of both financial sustainability and outreach to the poor.

Jonathan and Andy (1997) on the other hand do not subscribe to the belief in sustainability of MFIs. The duo argue that time has come to re-examine the importance we attach to financial and developmental sustainability. They argue that:

there should be a shift in the analysis of microcredit programmes from the bankers' perspective (did they repay the loan) to emphasise on the development perspective(did they need the loan?, did it help them?. (Jonathan and Andy, 1997:47).

The two further state that the process of credit needs to be viewed further in that adherence to strict criteria of institutional sustainability will rule out many types of services that could

stimulate the development of small producers. The poor who are from the markets will lose most.

An evaluation of the Grameen Bank report in Bangladesh supports the view that economic policies do discriminate against the small businesses. The poor who have no capital to inject in their businesses run the small enterprises. The poor in most cases do not qualify for credit from the formal sector. According to Mahabub (1988) credit is rarely available to the poor at reasonable rates of interest. He says commercial banks fail to cater for the credit needs of the poor for three reasons:

First these banks require collateral, which the poor find difficult to provide; second their procedures for filling application forms and completing other formalities for obtaining loans are too cumbersome for the illiterate poor and third they prefer handling large loans rather than the petty loans that the poor need (Mahabub, 1988:20-21).

The Grameen Bank is based on the voluntary formation of small groups of five people to provide mutual, morally binding group guarantees in lieu of collateral required by conventional banks. At first only two members of a group are allowed to apply for a loan. Depending on their performance to repay the loans, the next two borrowers are allowed to apply and subsequently the rest of the members. Available literature on this approach to credit indicate that:

The assumption is that if individual borrowers are given access to credit, they will be able to identify and engage in viable income-generating activities- simple processing such as paddy husking, lime-making, manufacturing such as pottery, weaving, and garment sewing, storage and marketing and transport services. Women were initially given equal access to the scheme and, proved not only reliable borrowers but also astute entrepreneurs. As a result they have raised their status, lessened their

dependency on their husbands and improved their homes and the nutritional standards of their children. (<http://www.grameen-info.org/bank/bcycle.html>).

Harper (1989) supports the notion that providing credit to the poor is the way people can improve their lot. However he emphasizes that the people should be allowed to use the money as they see fit if it has to benefit them. Harper (1989:184) says the most successful enterprises are not those that are heavily supported by training and supervision and which demand extensive feasibility studies, which often deprive the borrowers of the flexibility, that is one of their main advantage. He says such type of credit is usually expensive and counterproductive. He concludes by stating that many entrepreneurs do need credit with few strings attached as possible and that technical assistance has a very limited role to play in these credit programmes.

Carvajal (1989) when presenting practical lessons learnt on microenterprise from the Columbia experience states that it is very easy to get an impression that the greatest need of entrepreneurs is that of access to credit. Carvajal however disagrees with this because according to him experience has shown that while credit is often necessary, it should come at a later stage after which the microenterprise owners are first trained to manage their businesses properly.

According to Carvajal (1989):

Owners of microenterprises generally know their trade, but know nothing about running business. As soon as they set up an accounting system, more than half realize that they had been heading for bankruptcy. Certain owners convinced of their need for credit get on without it after completing their training. (Carvajal, 1989:204).

Even where credit facilities are made available by governments, the rural entrepreneurs often miss access to these formal credit schemes. The credit services offered by the formal sector do poorly respond to the diverse needs of rural entrepreneurs for financial services. The rural

entrepreneurs do need financial support for a variety of enterprises. Because of lack of access to credit for diverse businesses, most of the rural enterprises do not perform well. This view is supported by findings of the study on sources and terms of credit for rural poor in the Gambia which revealed that most of the financial programmes introduced were too focused on serving financial needs of farm enterprises, sometimes even restricted to particular crops such as groundnuts (Zeller, et.al, 1994).

With regard to impact of credit at the level of enterprises in the formal sector, available evidence suggests that even when micro-credit is pumped into small enterprises, it does not result in significant enterprise growth. According to Ledgerhood (1999):

We can state that there is as yet no solid evidence of business growth and transformation as the result of micro- enterprise credit, but that there is evidence of credit enabling enterprises to survive (remain in business) in crises (Ledgerhood, 1999:48).

In Zambia, ZDT, an NGO involved in provision of micro-credit to entrepreneurs confirmed Ledgerhood's conclusion. In an evaluation of the impact of the ZDT's credit intervention on group enterprises, ZDT (2000) evaluation results indicated that despite credit being given to groups to support their enterprises, the majority of group members do not experience any significant effect of the group enterprise on the living standards of their members.

There is supporting evidence in India that the poor have derived little benefit from minimalist credit programmes and that even in some cases these credit programmes have disadvantaged the poor. Jonathan and Andy (1997:6) when analyzing credit and poverty reduction in India observed that the poorer the borrower, the less was the increase in income from a small loan. They two further noted that at the bottom end of the scale, some poorest borrowers became worse off as a result of receiving loans. The evaluation of a credit programme for women in India revealed that the women were maintaining good repayment rates, but the small profits they made were used to pay the interest due on loans.

In Bangladesh where micro-credit has been organised under the Grameen Bank, micro- credit has been successful in improving growth of micro-enterprises as well as yielding desirable benefits to the entrepreneurs. Bangladesh is a unique case in terms of the positive impact of micro-credit on borrowers. According to Wig (1997) the Grameen Bank borrowers in general have improved their economic well-being. Because of successful enterprises, the Grameen Bank reports very high repayments.

In ZDT, micro- credit is expected to boost the working capital of group enterprises. However, the evaluation results indicated that the majority (33% in the sample) of the group enterprises that received credit were worse off one year later. According to the report:

main causes for the apparent failure to increase the working capital of groups in a durable manner include the non viability of enterprises selected for financial support and the range of constraints inherent to collective management of enterprises (ZDT, 2000:24).

Because of the problems inherent in small businesses, small entrepreneurs in the entire range of management concerns need guidance and assistance. Many micro enterprises perform poorly due to poor management. Studies show that the most common management problems met by small entrepreneurs include:

poor records management; inadequate system of internal administration (i.e., production planning and control, cost control, etc.); inefficient production system; lack of marketing knowledge; and lack of financing (Abainza, 1981:20).

In its programme document ZDT observed that business management skills of its target group were insufficiently developed. The target group lacks basic skills such as the writing up of a business proposal when they need a loan. According to ZDT:

Even when a loan is secured, skills of record-keeping and general management of relatively large amounts of working capital are insufficient. Lack of these skills often leads to unsuccessful business ventures, consequently pushing them into situations of adverse poverty (ZDT, 1999: 7).

ZDT introduced a business management-training programme in order to improve the performance of the group enterprises. During the annual evaluation of the training programme, results indicated that the vast majority of groups were not implementing their enterprises as by plan. The findings further indicated that the groups were failing to meet the targets set in their plans (ZDT, 2000:26). The failure according to ZDT were due to the following reasons:

1. The group does not carry out a reliable feasibility study, but rather operates on trial and error basis;
2. The group engages in an enterprise they have no experience with and turns out to be too complex;
3. The group starts experiencing problems of misuse of group funds;
4. The group deliberately submitted unrealistic business plan; their motive was not income generation. Instead they were doing it for prestige.

Similar experiences have been cited by Harper (1989). In an analysis of the performance of the microenterprises that receive training and technical assistance, Harper wrote that data revealed that shop owners that kept records were in many cases earning a significantly lower rate of return on total capital employed than those who had not been keeping records. The explanation according to Harper was that:

Business owners who had been to courses, where they had been taught to keep records, had often achieved the goal for which they went to the course, namely, to get the loan. The management ability had been in no way improved by the course, and their profits had therefore remained static; the rate of return of the investment was therefore reduced (Harper, 1989:179).

Harper further observes that actually the entrepreneurs that attend courses do so because they are attracted by the stipends paid out by the organizers. Some attend in the hope of receiving loans or other associated assistance or by the belief that the courses can actually help them.

However, experience according to Harper (1989) has been that:

After the courses, it may be possible for participants to obtain a loan to buy a sewing machine or a loom but they often discover that it is almost impossible to purchase raw materials or to sell their products from their villages. Some give up and fail to repay their loans. A few of the more enterprising trainees use their new skills to escape from rural poverty and go to the city, usually to find a job (Ibid. 180).

The migration of the skilled entrepreneurs to the city might be discovered to be an unsatisfactory outcome of the training, but it is quite different from the initial intentions of training the entrepreneurs.

CHAPTER 3

Conceptual Framework

3.0 Introduction

The purpose of the attachment to the ZDT was for the student to monitor how communication and its processes are employed in development oriented organizations. The attachment offered an opportunity for the student to carry out a communication audit.

In the process of linking the experiences from the field as well as the observations and findings by the student, it is worth closely examining some major concepts in the field of communication for development as well as those frequently employed in ZDT. This chapter therefore will attempt to discuss the relationship between and among development, communication, training, participation, group and credit. The basic belief is that for any meaningful development to take place, there should be communication between the change agencies/agents and the target audience.

3.1 Development defined.

Development as a concept is relative. Because of this relativity, different scholars have defined it differently. Rogers defined development as:

a widely participatory process of social change in a society intended to bring about both social and material advancement (including greater equality, freedom, and other valued qualities) for the majority of people through their gaining greater control over their environment (Rogers, 1995:127).

The definition by Rogers puts emphasis on participation of the majority of people and the gaining of control over their environment as development that is meaningful. Development according to Rogers is a process.

Dag Hammarskjold Institute, quoted by Reid (1995) when defining development stated that:

development is a whole: it is an integral, value-loaded, cultural process; it encompasses the natural environment, social relations, education, production, consumption and well-being. The plurality of roads to development answers to the specificity of cultural or natural situations; no universal formula exists. Development is endogenous; it springs from the heart of each society, which relies first on its own strength and resources and defines in sovereignty the vision of its future, co-operating with societies sharing its problems and aspirations (Dag Hammarskjold Institute, 1975:7).

Reid (1995) pointed out that development should be one that meets a wide range of human needs. It should be able to bring about self-reliance, endogenous ideas and harmony with the environment. The definition does not place much emphasis on economic growth (Reid, 1995:71-72).

Ngugi (1995) quoted Mercado's definitions which states that development is:

A process of providing disadvantaged people the opportunities to realize and improve their knowledge, attitude, and skill to utilize, sustain, and improve their productivity of available resources within their environment in order to improve the quality of their life and the society where they belong (Mercado, 1992:14).

Ngugi goes further by observing that the implication of the definition is the fact that development is a type of "social change" intended to promote social and material advancement (Ngugi, 1995:6).

Moemeka (1987) quoted Inayatullha who defined the concept of development as referring to:

change toward patterns of society that allows better realization of human values, that allow a society greater power over its environment and over its political

destiny, and that enables its individuals to gain increased control over themselves (Inayatullah, 1967:101).

In analyzing this definition, Moemeka (1987) acknowledges the notion that though development can be seen from different perspectives, what is important is that it should address change in human related aspects of politics, culture, and the environment.

Kasoma (1994) quoted several scholars that have attempted to define the concept of development. Schramm and Winfield (1967) defined development as:

the economic and social changes taking place in a nation as it moves from a traditional to a modernized pattern of society, these changes are associated with division of labour, growth of industry, urbanization, and incomes, and the preparation of citizens- by literacy, education of citizens, and information-to participate broadly in national affairs (cited in Kasoma,1994:401).

According to Kasoma, this definition is biased towards economic and social aspects of the human environment. He says it leaves out other aspects of human life such as the cultural, religious and psychological.

Rodney (1976) viewed development as a double faceted phenomenon with a personal and societal element. At personal level, he sees development as a process that has many sides. It includes increased skill and capacity, greater freedom, creativity, self-discipline, responsibility and material well-being. At the level of the society, development implies economic advancement (cited in Kasoma, 1994:401).

Mwosa (1987) sees development as 'all things to all men and women'. He says the definition of the concept of development depends on which community the person defining belongs to. For instance an urban dweller may see development as meaning more job opportunities, more buildings, and better facilities. For a villager in a rural community, development may mean

increased farming land, access to water and primary health care. This definition implies that there is no universal definition of the concept of development. It can be defined differently depending on the environment one is.

Kasoma (1994) based on observations of other scholars' work defined development as:

the improvement in the human life condition at individual and societal levels which is achieved through desirable but fluctuating changes or adjustments in the environment. Environment by this definition means the sum total of all which goes into making the human life situation. It includes physical as well as psychological vicissitudes of the human condition (Ibid: 403).

It can be concluded from this definition that development means:

1. improvement in the human life condition determined by an individual or society;
2. that it must be something desired by the people;
3. that it does not take a straight line but rather fluctuates
4. an adjustment to the environment

From the definitions above, development can be described as a futuristic oriented participatory process which involves the majority of society to bring about desired social, economic, political, and cultural changes for the betterment of the lives of a larger segment of society. Development is an equitable people driven process rationally harmonises the relationship between society and the environment.

3.2 Communication defined

For any meaningful human development to take place, there is need that those concerned do participate in the process. The Development process starting from problem identification,

solution seeking, design, implementation, monitoring and evaluation requires that those concerned share information. This sharing of information is referred to as communication.

3.2.1 Communication.

Communication as a concept has been defined differently. For the purpose of this report the following definitions will apply:

1. the simultaneous sharing and creating of meaning through human symbolic action-as the process by which verbal and nonverbal symbols are sent, received, and given meaning (Seiler,1996:32).
2. the transfer of ideas of knowledge in ways that enable the recipient to understand, react to, and act upon the information received (Oliveira 1993:103).

According to Ngugi, effective communication is predicated on four elements: a source who initiates the communication process; a message that contains information that the source is transmitting; a channel or medium which facilitates the transmission of the message; and a receiver who acknowledges receipt of the message and acts upon it (Ngugi, 1995:5).

3.2.2 Types of communication

Communication does not occur in a vacuum. It is rather contextual. The context is the circumstances or situations in which communication occurs. Communication occurs in informal and formal settings. Some common context in which communication takes place is business, professional organizations, homes, schools, government agencies, health organizations, local clubs, markets and many others. The context influences what we say and how we say it. It also determines the type of communication we use (Seiler, 1996:28).

The commonly considered contexts are:

1. Intrapersonal communication - this is communication that takes place within an individual. It is a process of understanding information within oneself;
2. Interpersonal communication- this is the informal exchange of information between two or more people. Within interpersonal communication there are two subcomponents. The first subcomponent is referred to as dyadic communication. This is the exchange of information between two people. The second subcomponent is known as small group communication. This is communication that involves a relatively small number of persons who happen to share a common purpose;
3. Public communication- this is the transmission of message from one person who speaks to a large number of individuals;
4. Mass communication- this is communication mediated by electronic or print media; the communication is not between two people but between mass medium organization and a scattered, undefined audience;
5. Organizational communication- this is communication that takes place between organizations; and,
6. Inter-cultural communication- communication between people of different cultures.

3.3 Development communication

Development communication as defined by Mercado (1992) is:

a subsystem of the larger system of communication, which deals with the planned use of communication resources to gain multi- sectoral support in attaining national development goals. It is distinguished by the fact that it is purposive and has clear, well-defined objectives such as to change people's attitudes, skills or behaviour (cited in Ngugi, 1995:7).

According to Moemeka development communication is:

the application of the processes of communication to the development process. It is the use of the principles and practices of the exchange of ideas to achieve development objectives (Moemeka, 1987:12).

Nair and White (1987) projected a definition of communication for development, which reflects the need for development. The duo refers to it as participatory development. This is a two-way, continuous and dynamic process between 'grassroots' receivers and the information source. The interaction is mediated by development communicators, which facilitate participation of the target group in the development process. In the development process, the role of the development communicator in a participatory development communication model has been that of a catalyst, initiator, facilitator, negotiator or mediator. The idea has been that of blending the knowledge inputs of message source and recipients. There is direct contact of source and recipient in a transactional model (Nair and White, 1994:346 -347).

Ahuja and Chhabra see development communication as:

involving communication of information that will promote the optimum functioning of individuals and assist them in the performance of important social roles that would encourage and support self-help efforts and formal and informal community networks(Ahuja and Chhabra , 1992:22).

3.4 Participatory communication

Practitioners and policy makers in different countries and communities have translated participation as an approach in development differently. Participation, to some, has meant inviting villagers to come to a meeting addressed by a governmental official. To others participation has come to be synonymous with villagers molding blocks for a rural health center as community contribution towards the cost of the project.

According to Berrigan, (1979) participation implies:

a higher level of public involvement in communication systems. It includes the involvement of the public in the production process and also in the management and planning of communication systems (cited in Servaes, 1996:18).

Agrawal defined participatory communication as:

an alliance between communicator and the receiver in which mass media can mirror the problems of the poor. Such alliances are visible and can be described more emphatically about people and places who in a variety of ways are interlinked by birth, marriage, physical proximity, professional association, political ideologies, religious beliefs, and a sense of national and international brotherhood/sisterhood (Agrawal, 1994:389).

The basic premise of participatory communication is that people must be considered to be serious regardless of how humble they might appear. It should always be assumed that people are not completely blank when introducing any developmental project. People always have knowledge, which can guide them to make reasonable choices. There should be confidence in their ability to decide what kind of change they want and why they consider it to be necessary.

3.5 Group

Seiler defined a group as:

a collection of individuals who influence one another, derive mutual satisfaction from one another, have a common purpose, take on roles, are interdependent, and interact face-to-face (Seiler, 1996:429).

From the given definition, a group is not just a collection of individuals who happen to be in the same place. To qualify as a group the individuals, must be related in six ways:

1. Perception- members should make impressions on one another;
2. Motivation – there must be rewards for being a group member;
3. Goals – members should have a common goal that brings them together;
4. Organisation – each member should play a role or perform a task;
5. Interdependency – members should depend on each others efforts for their efforts to be successful; and,
6. Interaction – the number of individuals should be small in order for members to communicate on a face-to-face basis.

3.6 Microcredit

The definition of microcredit differs from country to country and from organization to organization. Some of the defining criteria used include size (loans are micro or very small), size of target users (microentrepreneurs and low income households) and utilization (use of funds for income generation and enterprise development).

Microcredit has been described as the extension of small loan to entrepreneurs too poor to qualify for traditional bank loans (<http://www.grameen-info.org/mcredit/index.html>).

Another definition given by the grameen bank is that:

microcredit refers to programmes that extend small loans to very poor people for self-employment projects that generate income, allowing them to care for themselves and their families (<http://www.grameen-info.org/mcredit/definit.html>).

Other institutions that are involved in microcredit have referred to it as microfinance. Micro finance according to the SNV microfinance reference guide has evolved as an economic development approach sector and intended to benefit low-income women and men. A definition of microfinance by SNV states that:

Microfinance is mainly oriented towards making financial services more accessible to the self-employed, who conduct most of their economic activities in the informal sector (SNV, 2000:6).

Microcredit can be given to the target users as individuals, families or individuals organized in groups. The target users obtain microcredit from different MFIs and engage in a variety of enterprises aimed at generating income. Apart from financial mediation, many MFIs social mediation services such as group formation, development of self-confidence, literacy training, health care, skills training and marketing. Training in financial literacy and management capabilities are some of the basic services offered by the MFIs.

3.7 Training

The Webster's Third New Dictionary defined training as:

development of a particular skill or group of skills; instruction in an art, profession or occupation (Webster's Third New Dictionary of the English Language Unabridged, 1976:2424).

Training as used in this report is similar to the above definition. Training refers to the training of groups in entrepreneurship skills. In relation to ZDT where the student was attached, training refers to imparting of knowledge to groups in business management skills. Business management skills include identification or selection of businesses, marketing, business planning, record keeping and business proposal writing. Apart from this type of training, ZDT offers training and advice in issues of gender, participation, and conflict management.

3.8 Small Group Communication

Differences in communication between two individuals and the communication among several people necessitate identifying interpersonal and small group communication. Small group

communication refers to communication in gatherings, which vary in size ranging from three to about fifteen persons. Only when members are able to switch roles from receiver to source with ease can a group be considered to be small.

Individuals come together, as a group for a certain purpose. A group's purpose probably provides the clearest way of differentiating one type of a group from the other. Based on their purposes, Infante et al. (1997:292) identified four types of groups:

1. Task oriented groups - These are groups whose purpose is to do a job. Within this type of groups there are three types of task-oriented groups. The first one is the problem-solving group, which tries to work out a solution to a problem by analyzing it. The second division of the task group is the decision-making groups. Decision making groups apart from being involved in problem solving, they perform a function of deciding what solution to implement, when to implement, how to monitor progress and any changes in solution. The third type of group is the idea-generation group. Its purpose is to discover approaches, perspectives, consequences and drawbacks for any topic introduced in the group.
2. Therapy group is the second type of group. Its purpose is to solve individual group members' personal problems. There are many such groups in communities. Some tend to be conducted by professionals like clinical psychologists which assist individuals overcome some problems. For example groups that help individuals quit smoking or abandon consuming alcoholic drinks are therapy groups.
3. Consciousness- raising group is the third type of groups. These exist in order to increase members' awareness of shared characteristics or concerns. These commonly shared characteristics could be gender, nationality or religion. The purpose of these groups is to have members realize whom they are, to be proud of what makes them different from others and enable members change their behaviour inline with what they are.
4. Learning groups is the fourth type. The purpose is for individuals and the group to acquire

more information and understanding of a topic in a group. This type of group is used in educational settings such as in adult literacy centers, high schools and colleges.

3.8 .1 Small group communication concepts

Infante et al. (1997) identified a number of concepts associated with small group communication:

1. Roles – The concept of roles has been described as a very basic one in the study of group communication. Some communicative behaviour in groups is intended to achieve certain goals like releasing tension in group members. Someone performing such a purpose is said to be playing or taking a role. In 1948 Benne and Sheats gave an analysis of roles, which have influenced most scholars. According to Benne and Sheats, there are three main categories of roles enacted by group members. The first category is group task roles. These are group roles aimed at selecting, defining and solving problems. The second category or roles is termed group building and maintenance. These roles are concerned with the socioemotional climate in the group. The third category is referred to as individual roles. These roles are played when individuals try to satisfy their individual needs, which may be completely irrelevant to the group's tasks (Infante et al. 1997:294-295).
2. Leadership – This is important in a group because without it groups cannot be formed. Since this discussion is about small group communication, leadership will be confined to problem solving groups and decision –making groups. The communication field according to Infante et al (1997) has taken four approaches to leadership namely trait, functional, style and situational. A trait approach to leadership rests on the premise that leaders have certain traits, which differentiates them from followers. A functional approach to leadership in a group does not focus on the individual. Instead the focus is on the leadership's behaviours which are needed to accomplish group goals. White & Lippett (1968) did identify three major types in the style approach to leadership. Authoritarian style of leadership involves the leader being very directive in striving to achieve group goals. Group members do not feel free to argue with the leader. The democratic style views all group issues to be matters that have to be discussed by the

group. The decisions are arrive at in three ways; by majority in form of voting, by consensus or by a participative decision. The laissez-faire style of leadership means the leader has minimal involvement in group activity(cited in Infante et al. 1997:298).

3. Conflict- The term conflict has unfavourable connotations for some people. Conflict is said to be existing in a small group if members themselves realize that there are different positions among group members on a given issue and the proponents of the positions are motivated to defend their positions (Infante et al. 1997:298). When discussing conflict in small groups Fisher (1970) posits that:

problem –solving and decision making groups typically go through four stages; orientation to the task, conflict over what the group should do, the emergence of a group position, and group reinforcement of the decision. The conflict stage is especially important in determining what will be the final group product (cited in Infante et al. 1997:299).

Conflict in small groups that takes a form of an argument seem to hold considerable promise in terms of quality of decisions taken. This is when argument involves several group members taking positions on an issue. Argument can be destructive if it occurs at the level of two individuals in a group as this tends to be personalized.

4. Conformity- In communication conformity has been described as a product of good group communication. Kiesler and Kiesler (1969) defined conformity as:

a change in behaviour or belief toward a group as a result of real or imagined group pressure (cited in Infante et.al. 1997:300).

Kiesler and Kiesler have identified two types of conformity. The first type is referred to as public compliance. This type of conformity is where an individual tries to behave in the way the group desires only when other group members are observing him or her. This is when the person being observed does not really believe in the group behaviour. Private acceptance is a second type of

conformity. In this type, an individual behaves as desired by the group as a result of a group producing change on the part of the person's beliefs and attitudes (cited in Infante et al. 1997:300).

Scholars have developed some theories after studying group communication. One such theory is the functional theory of group decision quality by Hirokawa cited in Infante et.al (1997).

According to Hirokawa, in studying problem solving groups, the major concern is to establish whether the decision reached is good or bad. The functional theory focuses on group decision quality. The theory is guided by principles. According to the principals guiding this theory, there are some communication characteristics, which lead to quality decisions in a group. These principles state that if a group does A, B, and C it is likely that a group will make a quality decision.

A study by Hirokawa and Pace (1983) came up with the initial ideas of the functional theory. According to Infante et al. (1997:302), the study revealed that there are four communication characteristics, which distinguished, effective from ineffective groups in terms of making quality decisions:

1. effective groups vigorously evaluated the validity of opinions and assumptions made by individual members in-groups. On the other hand ineffective groups overlook the evaluation procedure and accept all opinions and assumptions given by members as facts without critically analyzing them;
2. effective groups studied possible solutions thoroughly with special attention given to the consequences if that decision was adopted. The ineffective groups on the other hand simply stated that a given decision did or did not meet criteria for a good decision. These groups however, did not argue as to why they gave such reasons;
3. effective groups based their decisions on bases which were reasonable while ineffective groups based their decisions on very inaccurate and highly suspicious premises; and,

4. the leaders that emerged in the effective group promoted constructive argumentation by introducing new ideas, issues and even challenging the reasoning of other members. The leaders in ineffective groups allowed group members make poor quality decisions by influencing the group to accept faulty ideas.

Hirokawa's functional theory states that there are four critical functions which a group needs to fulfil in order to reach an effective and high quality decision:

1. having a thorough understanding of the problem which requires a decision
2. discovering a range of realistic and acceptable possible solutions
3. identifying the criteria for an effective, high quality solution
4. assessing the positive and negative consequences of each possible solution in order to select the solution with the most desirable configuration of consequences (cited in Infante et al. 1997:303).

A study conducted by Hirokawa (1985) to examine the communication behaviour of groups found out that the more the four functions above were satisfied, the higher the quality of the groups decision. The study further revealed that the groups that better understood the problem and recognized the possible consequences of each potential solution had a better chance of making a quality decision than the groups that did not (Infante et al. 1997:303).

Hirokawa and Scheerhorn (1986) identified factors, which contribute to a group arriving at a faulty decision. The five factors are:

1. inadequate assessment of the problem (failing to recognize signs of the problem, its full extent, seriousness, not identifying the causes of the problem)
2. inappropriate goals and objectives for dealing with the problem (not identifying objectives which will correct the problem, selecting unnecessary objectives which in effect burden the group)

3. improper assessment of consequences (ignoring or underestimating the positive and/or negative consequences of a possible solution, overestimating the positive and/or negative consequences)
4. establishment of an inadequate information base (flawed information, group rejecting valid information, group collecting too little or too much information)
5. invalid reasoning from the information base (making mistakes in reasoning, using only the information which supports a preferred but flawed choice) (cited in Infante et al. 1997:303-304).

The five sources of faulty decision are as a result of communication by group members. A group member contributes to faulty decisions by social influence. The group members do also stop such faulty decisions from being made by correcting wrong conclusions by another group member. All this happens in the process of communication that goes on in a small group.

CHAPTER 4

Personal experiences

4.0 Attachment setting

This chapter is designed to discuss the personal experiences of the student during the attachment period at ZDT. The chapter shall address issues relating to the arrangements for the attachment, induction into ZDT, working environment, relationship with staff and Board of Trustees, interaction with ZAYO staff members and the groups. The views and opinions expressed in this chapter are from the student's personal and subjective understanding of the situation.

The attachment was undertaken at ZDT in Zambezi and Chavuma District. ZDT is a NGO established in 1992 and operates in the two districts of Zambezi and Chavuma. The ZDT offices are located in Zambezi District. The student initiated the attachment arrangements. At the time of writing the attachment proposal, the student requested that he picks on a topic that could be conducted at his work of employment. The reason was that the student was given study leave only to cover the time for course work. During attachment, the study leave should have ended and the student should have reported back for work. With this explanation the course Coordinator agreed to the proposal. The student informed his employers about this development. On January 17, 2002 the course coordinator the late Professor Kasoma wrote to ZDT informing them of my attachment to the organization sometime in November 2003.

The attachment started on 1st January and ended on 30th April 2003. The student was attached to the Group Promotion Section (GPS) of ZDT. The GPS is responsible for group formation, organization and training and advising. While the student had to spend much time with the GPS, he was at the same time working as the Programme Manager of the entire ZDT. To make the attachment meaningful, the student delegated most of his managerial functions to the Training Coordinator of ZDT such that he could only attend to administrative functions when requested by the Training Coordinator.

4.2 Induction into ZDT

The student reported to the Acting Programme Manager Mr Samuel Chanda on 1st April 2003. He presented his introductory letter from the new course coordinator Mr. Billy Nkunika of the University of Zambia (UNZA), department of mass communication. The introductory letter contained the terms of reference for the student. The members of staff were informed about the capacity in which the student had reported back in office by the acting Programme Manager.

Since the student was already aware of the organization structure and knew all the members of staff, there were no introductions as such. The student met the Chairperson of the ZDT Board of Trustees Mr. Rodney Mbundu to explain to him that he was back in the office as a manager as well as a student on attachment. The student explained that this was like this because the student's study leave had expired and was required back for work. The chairperson welcomed the student and encouraged him to endure the attachment period as ZDT had no other option but to have the student back at work.

The starting point was for the student to get back into the system and understand what had happened while he was away for course work at UNZA. The Acting Programme Manager provided the student with the revised ZDT Programme Document 2001-2006, the annual report 2001-2002, Annual workplan 2002-2003. The student was introduced to group files in the GPS. This exercise was intended to let the student understand the mission, vision, objectives, activities and expected results of the organization. Apart from the above documents made available to the student, he was also introduced to the ZDT archives. This was a mini library for the organization where all ZDT reports and documents from outside institutions were kept.

The student introduced himself to a ZDT sister organization ZAYO. He briefed the General Manager of ZAYO Mr. Clement Chinyundu that he would be occasionally visiting ZAYO to request for information on groups, Apart from the General Manager the student also had briefed the two Credit Officers Mr. Joseph Kazanga and Mr. Kelly Saviye.

4.3 Attachment Programme

The student, the Training Coordinator, the Trainers and the Accountant, drew the workprogramme for the student during a ZDT monthly planning meeting attended. The process was very participatory as all those present were free to contribute to the drafting of the work programme.

During the month of July, 2003 the student was working closely with the Training Coordinator, Trainers and Group Promoters to conduct an evaluation of the impact of the ZDT programme during the 2002 –2003 year. During this time ZDT had to analyse information from the groups and thereafter give a feed back to the groups.

The student spent two weeks training Group Promoters in how to conduct interviews with groups. Three weeks were spent supervising the Group Promoters collect data from the groups. This was the most hectic part of the attachment as it involved travelling. The Zambezi and Chavuma districts are so vast and situated in sandy terrains, which make movement by vehicle difficulty. The student had no budget of his own to conduct field interviews. Instead he took advantage of the group training and advising visits undertaken by Trainers. This arrangement worked on quite well as planned at the beginning.

The student received groups and individuals from groups in the office in Zambezi district to discuss the ZDT training programme. This activity was taking place through out the attachment period. Apart from meetings with groups, the student had two meetings with the ZDT board of Trustees where ZDT progress with group activities is reviewed.

The student spent two weeks in the office reading ZDT reports produced during the period he was out for school as well as those produced before he left. The office orderly Mrs. Enicker Chikenge was very helpful by making photocopies of the documents requested by the student.

The student was involved in four monthly planning meetings and one quarterly planning meeting. During these meetings, ZDT staff review progress in the implementation of the planned

activities and also plans for the next month or quarter. The student contributed in a participatory manner in this process.

4.4 Work environment

ZDT offices are located in the National Pensions Scheme Authority (NAPSA) building situated along Chavuma road in Zambezi district. ZDT occupies four offices. The Programme Manager, the Accountant and the Office Orderly occupy an office while the Training Coordinator and the two Trainers occupy one office. The office of the Office Orderly served as the phone room, photocopying, duplicating, reception as well as Drivers' resting room. The doors to these offices bear the ZDT logo in order to distinguish them from other offices.

The student occupied two offices. The office had a computer with electronic mail (e-mail) facility. Other office equipment in ZDT included a telephone, fax, photocopier, duplicating machine and printers all of which the student had access to. The student occupied a table in the Group promotion section as well as the entire office in the Programme Manager's office. The student had to alternate roles as a student as well as a manager. At times it was not easy. Since he had delegated most of administrative functions to the Training Coordinator, the student could only handle those issues, which the Training Coordinator was not conversant with.

ZAYO, a sister organisation to ZDT has its offices in the same NAPSA building. This made the students work easier as he was always in contact with ZAYO staff and could consult them on issues relating to group loans. ZAYO like ZDT occupied four rooms in the NAPSA building. Other organization that had offices in the NAPSA building apart from ZAYO and ZDT included NAPSA itself, Immigration department, Zambia Information Services (ZIS), Movement for Multi-party Democracy (MMD) and the Nazerene Church.

The NAPSA office complex was designed to accommodate a small number of people. It has toilet facilities for both male and females. The problem with the toilets was that there was no water most of the times. The toilets were also dirty because the NAPSA employee who should have been cleaning them was sick most of the time. The fact that NAPSA building houses other

institutions apart from ZDT, it was difficult to maintain the toilets clean because clients for the other organizations had to use the same toilets.

The official working hours at ZDT are from 08:00 hours to 17:00 hours from Monday to Friday. Between 13:00 hours and 14:00 hours it is lunch break. The student observed that while there is tea and coffee served in the ZDT offices, there is no specific time designated for it. The workers contribute one percent of their salaries per month towards purchase of tea/coffee, milk and sugar. ZDT adds up some funds towards the purchase of the same. Each worker is given a tin of milk and coffee and a packet of sugar. So any time one feels like making tea or coffee then that is teatime. As a small rural town, most of the homes for the ZDT employees are within walking distance from the offices. The student was privileged to drive for lunch when a vehicle was available. When vehicles had gone out for fieldwork, the student walked home for lunch.

While the official working hours are as stated above, ZDT staff work extra hours at no pay at all. The student found himself working for longer hours than expected. As a student he had to extend working up to 21:00 hours in most cases. In order to complete his work as a manager, the student had to work over the week-ends. This switch of roles was initially very difficult but as the attachment progressed it became manageable.

ZDT works with groups. The groups are situated in far away places. Since most of them are situated in areas where you cannot come back the same day, the student had to camp together with the Trainers. During such field visits, ZDT provided transport, food, a cook, blankets and mattresses. Instead of carrying tents, the student and trainers had to sleep in primary school classrooms after making arrangements with the head teachers of respective schools.

4.5 Working relationship with ZDT staff

The student was not a new person to ZDT staff. As an employee who had returned from study leave, staff accorded the student the cooperation in his capacity of Programme Manager. It was somehow not easy for the staff to accept the programme manager as a student on attachment. For

the student to create easiness when dealing with staff, he at a meeting made it clear that he was back in the office as a student as well as the programme manager. After that meeting, each time the student wanted to discuss with a member of staff, he would state in what capacity he was speaking. This strategy assisted the student very much because staff were free to give information depending on the situation.

One issue that almost frustrated the student was comments from some members of staff in the group promotion section who saw the student as pursuing the attachment for his personal benefit. What such members of staff forgot was that the student went to UNZA after the Board of Trustees realized that the training he was to attend was going to benefit ZDT. The student however realized that such sentiments were from an individual who was frustrated. Other negative statements from some members of staff concerned transport for the student to conduct interviews with groups. Someone thought the student should hire a ZDT vehicle because that was his personal information. Again it took the student effort to explain that when someone is sponsored for training such costs should be borne by the sponsor. Additionally, the student explained that he was not making his own trip into the field but was combining with what the organization had already planned. The student learnt that not everyone was actually happy with going for training. But this is understood in organizations with people of different backgrounds.

At the time the student reported for attachment, it was the period when ZDT's donor HIVOS visited Zambezi on one of the routine visits. This meeting created a lot of anxiety because HIVOS announced that it would not fund ZDT beyond March 2004. This pronouncement aroused a lot of gossip among the staff. Others felt that they were already targeted to have their services terminated immediately. The relationship with the student was viewed with suspicion. The student in his capacity of manager wrote a memorandum to all staff explaining exactly what was happening and what would happen in future. It was through this memo that the relationship came back to normal.

4.7 Working relationship with ZAYO staff

The student had very fruitful relationship with ZAYO staff. Having introduced himself and the purpose of his attachment, the General Manager Mr. Clement Chinyundu was very helpful. The student was able to borrow books on microfinance as well as get data on the loan portfolio of ZAYO. The Credit Officers made available the information on groups that had benefited from the credit programme as well as the performance of the business enterprises of those groups. The student was so impressed with the reception because he never expected it in the first place. The student attended the ZDT and ZAYO information sharing meetings concerning training and credit programmes. The student was privileged to preside over these meetings.

4.8 Hardships experienced

It is not an easy thing to be a student and at the same time be a worker. Worse so when the student is the chief executive of an NGO with programmes that have targets to be achieved. This taxed the student a lot such that he had to put in more extra hours to do both functions. While the student had to prove to his employers that he was the same manager that could perform, he also had to prove that he was worth an MCD student to implement the terms of reference for the attachment. The student was at the same time a husband and father. He had to find time for the family. So time was a constraint on the part of the student.

The organisation to which the student was attached did not have equipment that the student needed in order to make his attachment exiting. In as much as the student had access to a computer, printer and copier, the student very much needed a scanner, digital camera and a desk publishing software. The student wanted to demonstrate the desktop publishing skill he learnt at UNZA.

ZDT operates in Chavuma and Zambezi districts. The districts are vast. The people reside in far away areas from each other. This means that the groups are scattered. The sandy terrain especially on the west bank of the Zambezi River makes mobility very difficult. Because of this, it required more time for the student to undertake fieldwork. This meant spending more time required for other activities on filed work.

Communication outside the district is very difficult. The post office only delivered mail once a week on Saturdays. The telephone lines were erratically operating. This meant that equally fax and e-mail facilities were affected. The student could not communicate with the supervisor at times when he needed to consult. The road leading to Zambezi from Solwezi, the provincial headquarter of north western province was in bad state. This made traveling a nightmare. Zambia National Broadcasting Corporation Television does not show in Zambezi. Radio reception is very poor. The easily listened to radio is radio Luanda in Angola which broadcasts in Portuguese and local languages which the student could not understand. Newspapers are not available on daily basis. The student had to chance a copy from friends that had travelled from Solwezi, copperbelt or Lusaka.

Language as a mode of communication did present a hardship for the student. The Lunda and Luvale speaking people dominantly occupy Zambezi and Chavuma districts. The student was able to understand and fairly speak the two languages after having had stayed for seven years in the area. The problem was not the language itself. The problem was some individuals who took offence when unknowingly the student spoke to them in one of the local languages to which they did not belong. Such individuals immediately pointed out that the student was speaking a certain language because he supported the other tribal grouping.

CHAPTER 5

Challenges and Problems of ZDT and attempts to solve them

5.0 Geographical location of ZDT

ZDT is in Zambezi district of North western province. Zambezi district is situated about 1,021 kilometers from the capital Lusaka. Zambezi is connected to the provincial capital Solwezi by a dust road stretching 517 kilometers. Zambezi is located 85 kilometers away from the Zambia/Angola border. ZDT therefore is located in the remote rural district of Zambia. Because of its geographical location, there are not many organized NGOs that offer services to the local population. ZDT being the first organized NGO faces pressure from the local population to provide services beyond its mandate.

Remoteness of the location puts ZDT at a disadvantage in the sense that there are not many service rendering institutions in the area. North- Western Province is one of the poor provinces in Zambia. Zambezi has been classified as one of the drought prone districts in North -Western Province. Poverty is very rife in the area. Operating in an area where the majority of the population is poor has been a big challenge on the part of ZDT in terms of service provision.

Because of its remoteness, Zambezi is not connected to the national electricity grid. Engines generate electricity. The engines are old and have out lived their lifespan. They are more often being repaired than generating power. When they are running, the immediate problem is that diesel runs out. It takes time for diesel to be transported from copperbelt town of Ndola to Zambezi. As for ZDT this is a big challenge. When there is no electricity, the computers, fax machines, photocopier, e-mail facility and any other office equipment that depend on electricity come to a stand still. ZDT cannot even go out in the field to visit groups because if there is no electricity, the only filling station cannot pump out fuel for sale since the fuel pumps are operated using electricity.

Because of remoteness of the area where ZDT operates from, it is difficult to promote entrepreneurial training due to limited economic activity. The rural economy of the area depends mainly on fishing (seasonal), cattle rearing, maize farming and general trading. Apart from fish and cattle, which are transported to Solwezi and the copperbelt towns, the rest of the products find local market only. The general complaint among the population is that they cannot find market for their produce. The transport costs to places like copperbelt and Solwezi are high such that it does not make any economic sense to take produce to these areas.

5.1 Vastness of working area

ZDT operates in two districts of Chavuma and Zambezi. The two districts have population scattered in small pockets of settlements. According to the 2000 census report Chavuma had a total population of 33,046 while Zambezi had a total population of 66,694. The total population of the two districts came to 99,740 which ZDT treats as its target group. North Western province to which Zambezi belongs has the least population density of 4.9 persons per square meter (Republic of Zambia, 2001:5).

North-Western Province is the second largest province in terms of area. However it has the least total population of 610,975 as well as the least population density of 4.9 persons per square meter in the whole country. Reality has proved that human settlement patterns in Zambezi and Chavuma are along areas that have water sources. As such people are scattered from each other. In terms of servicing a population with such population density is a big challenge for ZDT. ZDT has to travel many kilometers from one settlement to the next in their efforts to equitably provide services to the target group. Because of distances involved and the sandy terrain, it is expensive in terms of fuel as well as wear and tear on the vehicles.

As a result of the vastness of the area, ZDT could not cover all the areas of the two districts. Groups, which were in far outlying areas, were not serviced by ZDT. On the west bank of the Zambezi river, areas like Nguvu, Milomboyi, Kayenge, Nyachikayi, Lutembwe and most of

those along the Angolan border were left out. On the east bank of the Zambezi river, places like Katontu, Dikolonga, Kakeki and Mukon'gu were also not covered.

5.2 Floods on the west bank of Zambezi river

The Zambezi river runs in the middle of Zambezi and Chavuma districts from the north to the south. This has created two areas popularly referred to as the west bank and the east bank of the Zambezi river. During the rain season, the west bank gets flooded and remains so for a period of about six months. Most of the areas on the west bank cannot be accessed using vehicles because of floods. During the period when the west bank is flooded, ZDT is unable to visit the groups in order to train and advise them. Because of this period when ZDT does not visit the area, most of the groups' enterprises perform poorly. Poor performance is also attributed to restricted movement of people to conduct business because of transportation problems following the floods.

5.3 Inadequate funding.

The ZDT training and advice programme was funded by HIVOS. ZDT's efforts to secure additional donors to support the programme had been failing. Because of inadequate funding, ZDT activities were limited to the available financial resources. In the 2003-2004 year ZDT had a total budget of ZMK 1,110,937,338.00. Out of this budget ZDT only managed to receive about ZMK 280,652,851.00 (ZDT, 2003:27). In the 2001-2002 year out of an amount of ZMK524, 538,000.00 that was required as by budget, only ZMK185, 939,213.00 was made available. This drastically affected the operations of ZDT as it operated on a deficit.

Due to inadequate funding ZDT could not fill up the positions on the organizational chart. The posts of a third Trainer, Book-keeper, cashier and Administrative Officer have remained vacant. So ZDT had to execute the programme with almost half of required staff not in place. This put pressure on staff to perform beyond expected standards. Despite having to perform more functions than expected, ZDT staff were lowly remunerated. Most members of staff the student talked to were generally discontented.

Inadequate funding contributed to limited field visits to the groups to make follow-ups. The cost of transport and allowances for the field staff was so high that ZDT had to cut down on such visits. The implication was that there was not much monitoring on the performance of groups after they had been trained. The student observed that some groups had been visited after a period of more than one year.

5.4 Ethnic friction

Two dominant tribes, the Lunda and Luvale speaking people, occupy Zambezi and Chavuma district. The Luvale occupy most of the west bank of Zambezi and Chavuma as well as the east bank of Chavuma. The Lundas mostly occupy the east bank of Zambezi district. The two ethnic groups have been having frictions concerning a number of issues such as land, chiefdoms, traditional ceremonies and many other social issues. The challenge for ZDT was in terms of balancing service delivery to both ethnic groupings. Sentiments like ‘ZDT is concentrating training on the west bank’ or ‘ZDT is concentrating training on the east bank’ were very common. It meant that if ZDT trained a certain number of groups in one area, it had to make an effort to train a corresponding number of groups on the other side.

There was a tendency by the two groups to align themselves closely to a certain organization in the district. For ZDT, the Luvale speaking aligned themselves more to ZDT than the Lunda speaking. This situation was a big challenge for ZDT. The alignment came depending on certain issues. For a example if a certain ethnic group had more employees in the organization or if the Board of Trustees composed more of that group, then that organization was said to belong to that group. The fact in ZDT was that the Luvale speaking group had more members on the board. The Chairperson himself was Luvale. ZDT executive had a tough time to prove that it was not an organization for Luvaless but for both groups.

5.5 Linking trained groups to credit organizations.

One of ZDT's objectives is to link groups to ZAYO and other credit rendering organizations. ZDT had entered into an agreement with ZAYO that ZAYO would provide credit to all groups after they had been trained by ZDT (ZDT, 2000:1). This ZDT/ZAYO rationalization resolution meant that any group trained by ZDT could receive a loan from ZAYO. In the process of implementing the resolutions, ZAYO was not honouring her obligations. This development made it difficult for ZDT to explain to the groups why ZAYO was not giving them credit. The groups felt betrayed.

ZDT successfully trained 314 individual clients during the 2002/03 year. Out of these only 34 obtained credit from ZAYO. ZAYO had its credit funds stolen during the same year. As such it could not give out loans as expected. The groups could however not understand the situation. They thought that ZAYO did not just want to provide credit. As for ZDT, it was a big challenge because as far as the groups were concerned, ZDT training gave them a gateway to credit at ZAYO.

Apart from ZAYO, there was no other established credit institution in the district of Zambezi and Chavuma. Barclays Bank Zambia Limited, which was the only bank in the area, closed as far back as 1997. Credit Union and Savings Association (CUSA) equally had closed its branch in Zambezi in 1996. The District Business Associations (DBAs) for Zambezi and Chavuma only catered for a small number of people. Most of the ZDT trained groups could not meet the criteria for getting credit from the DBAs. As such, it was a big challenge for ZDT in the sense that groups were trained but could not secure credit to start up or boost their businesses.

5.6 Donor dependency

From inception in 1992, ZDT programme has been funded by HIVOS. Other donors had made a one time financial injection into ZDT. The European Union (EU) had financed a programme known as the Zambezi Local Initiative Support (ZLIS). This was a revolving fund designed to provide capital to groups involved in income generating projects. The Zambia Swiss Counterpart

fund supported the Zambezi – Farm Input Revolving Supply Trust (Z_FIRST) programme. Apart from these, SNV used to contribute to the operational costs.

HIVOS, in 2001 advised ZDT to look into the issue of being financially self-sustaining. One of the suggested strategies was for ZDT to start charging the groups or clients for the training they received. All along, ZDT had been delivering the training as a free service. ZDT introduced a training fee of ZMK5, 000.00 per client. When ZDT introduced this fee, most of the clients could not attend training as they claimed they could not afford to pay. This almost defeated the very existence of ZDT as a training organization.

ZDT as an organization depends solely on HIVOS funding for survival. The fact that it cannot charge economic training fees to its clients makes the idea of financial self-sustainability a dream other than reality. The economic activities in the rural districts in which ZDT operates do not permit charging of economic fees of about ZMK343, 707.00 per client (ZDT, 2002:24). With such an amount, the clients would rather use it as capital to start business than waste it on training. The day HIVOS will pronounce that it is stopping funding will mean the end of the ZDT training programme and probably ZDT itself. In the year 2002/03 ZDT could not achieve its target of training 36 groups as a result of the high fees introduced. Instead only 28 groups were trained. According to the ZDT annual report:

thirty six groups were targeted under this activity. The target was not achieved, hence only twenty eight were trained because of the following reasons:

1. not many groups came forth to pay for training
2. groups heard that no loans were being given to the trained groups and so they lost interest
3. no publicity was made concerning the status of lending (ZDT, 2003:15).

5.7 Incompetent Directors

There was a serious problem at the level of the Board of Trustees. With a few exceptions, the majority of the Trustees seemed not to understand what their roles were. Even before they

understood their roles, they did not understand what ZDT programme was all about. The board was composed of two categories of individuals. The first category was drawn from the professionals and the second category was drawn from the target group. It was the later that seemed not to understand what was expected of them.

The first element of incompetence manifested itself during Board meetings. The Executive staff produced annual plans, progress reports and budgets and presented them to the Trustees during board meetings. Some of the trustees had difficulties in comprehending the contents of the reports. Because of difficulty in understanding the reports, it was difficulty for them to provide vision for the organization.

5.8 Poor Communication links

The communication links within the executive office of ZDT proved to be better managed. The communication links between executive office and the Trustees on one hand and between executive office and the groups on the other were ineffective.

The student observed that communication between executive office and the trustees was limited to board meetings. Board meetings according to the ZDT annual plan 2003-2004 were planned to take place once per quarter. Communication was in form of reports by the executive office to the board. These were meetings that lasted for one day or two. During meetings, discussions were so formal that some issues that concerned the target group were not seriously addressed and yet the very existence of ZDT hinged on the target group.

Communication between the executive office and the groups did occur during training and advice visits. But since ZDT adopted a strategy of charging training fees to the clients, only those that paid and were trained could receive from or send information to ZDT. This kept the rest of the groups in the dark as to what was happening in ZDT. Further still ZDT has no established communication medium with the target group.

The only avenue ZDT could communicate with its target group was at the Annual General Meeting (AGM). The challenge ZDT faced in this forum was that the majority of the delegates were illiterate. The ZDT programme was in English, which the majority of the delegates could not understand without an interpreter. This challenged the participatory approach to development advocated for by ZDT.

On the ZDT staff establishment, there is no person specifically charged with the responsibility of handling communication between the target group and the executive office. Though not clearly spelt out in the job description, the Programme Manager was handling this aspect. He however had other equally important assignments to perform. The communication aspect was neglected in ZDT as an organization and yet the sharing of information is considered to be a key to any kind of development.

5.9 Attempts to solve the problems

ZDT as an institution had put in place a number of measures to address the various problems that they were facing. Among the notable efforts included:

1. appointment of Group Promoters to operate on the West Bank of Chavuma and Zambezi districts which got flooded for a period of six months. While the purpose of Group Promoters was to operate in those areas, which ZDT could not reach through out the year due to floods, the appointment of Group Promoters solved two other problems. Firstly, they provided extra training staff for ZDT. Secondly, Group promoters enabled ZDT cover more areas in the vast two districts. Lastly, appointment of Group Promoters reduced ZDT expenditure in the sense that they were not full time employees. As such they did not benefit privileges like accommodation, leave pay and gratuity like the full time employees;
2. development of donor scouting programme to source extra donor funding. The executive office of ZDT in conjunction with ZAYO was mandated by the Board of Trustees to approach as many donors as possible in order that ZDT can get additional funding for her training programme. During the attachment period the student observed that many efforts were made as in the table 1 below:

Table 1. Donors contacted during the 2002/03-year by ZDT.

<i>Potential Donor Contacted</i>	<i>Major Content of Discussion</i>	<i>Done in conjunction with ZAYO?</i>
1. Micro Projects Unit	The proposal was submitted to DPU for desk appraisal. Desk appraisal was conducted and a recommendation was made for field appraisal.	Yes.
2. IFAD/ Ministry of Environment & Natural Resources	It was learnt that the project was awarded to another organization, Keepers Zambia. All remaining for ZDT to do was to apply for participation as a sub-contractor.	No.
3. Small Grants Scheme (British High Commission)	Follow-up was made and the response was that the SGS's priority was Northern province.	No.
4. Grant assistance for Grass root projects (Japanese Embassy)	There was no response yet on the submitted proposal	No.
5. Canada Fund	There was no response yet on the submitted proposal	No.

Source: ZDT Annual report 2002-2003

The efforts towards contacting many donors was aimed at broadening the donor base from which ZDT could get support so as to reduce the dependency on one donor HIVOS. Additionally, the donor diversification effort was aimed at raising enough funds to support the ZDT programme since inadequate funding was one of the problems identified:

1. charging for services requested by the local population. ZDT, in an effort to raise own income as contribution to the HIVOS funding, charges for service such as faxing, photocopying, e-mailing, duplicating, hire of transport and camping equipment;
2. charging training fee to all clients that wish to attend training in business management and group dynamics;

3. organizing capacity building training programme for the ZDT Board of Trustees to raise competency. The programme is in form of workshops, study tours and on the spot advise by the chief executive officer;
4. forming a ZDT/ZAYO loan committee at which business proposals and loan applications from groups are assessed and approved. By participating at this forum, ZDT is able to link the groups to ZAYO for credit;
5. including certain clauses in the ZDT programme document and the Articles of Association which prohibits members of the board from having any other interest apart from the well being of ZDT target group; and
6. translating of the ZDT programme document, annual plans and annual reports from English into the two local languages of Lunda and Luvale for the target group to read and understand the operations of ZDT. This way, communication between ZDT and the target group was enhanced. The target group was requested to elect delegates to attend the ZDT AGM and report back to the groups after the meeting.