VILLAGE BANKING AND THEIR INFLUENCE ON THE WELFARE OF WOMEN IN KAUNDA SQUARE STAGE ONE, LUSAKA DISTRICT

BY

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DECLARATION

I **Vincent Katowa**, declare that this Dissertation represents my work and that all the sources quoted have been indicated and acknowledged using complete references. I further declare that this Dissertation has not previously been submitted for a degree, diploma or other qualification at this or another University.

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CERTIFICATE OF APPROVAL

The dissertation of **Vincent Katowa** has been approved for the partial fulfillment of requirements for the award of the Degree of Mater of Arts in Development Studies by the University of Zambia.

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ABSTRACT

This study aimed to investigate the role of village banking in contributing to women's economic welfare in Kaunda Square Stage One. The research had three objectives: to establish the economic benefits that women gain from village banking, to determine the challenges that hinder village banking's contribution to women's economic welfare, and to identify community strategies that can enhance the effectiveness of village banks in contributing to women's economic welfare. The study used mixed methods, and simple random sampling was used to select respondents interested or engaged in village banking activities. A total of 90 participants were selected, and data was collected through questionnaires and in-depth interviews. Qualitative data was analyzed using key themes, while quantitative data was analyzed descriptively by using percentages and frequencies/counts. The study found that village banking has a positive influence on the income levels of the participants. With the availability of income, participants were able to access medical services, and the right quantity and amount of food, engage in entrepreneurship activities, and keep their children in school, which improved their well-being. The study also found that challenges such as short payback periods, loan default, and improper record-keeping decreased the influence that village banking had on their well-being. However, the study found that by ensuring financial training, clear village banking rules and regulations, and regular meetings, village banking's contribution to the participant's welfare could be enhanced. The impact of village banking on the women of Kaunda Square Stage One cannot be overstated. By providing them with access to financial resources and credit, this initiative empowers them to establish or grow their own businesses, which in turn can lead to greater financial stability for themselves and their families.

The study recommends that participants should prioritize their education and not just their children to ensure self-development. The study also encourages the government to provide support to village banking groups with vocational training in tailoring and hairdressing since participants lacked the expertise to sustain a profitable business over time. The paper further recommends that the government establish monitoring mechanisms to ensure that village banking groups adhere to responsible lending practices to reduce default rates and prevent the breakdown of village banking systems. The paper suggests conducting further research to explore the effects of village banking after the village banking cycle ends.

Keywords: *village banking, microfinance, women's economic empowerment*

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DEDICATION

I humbly dedicate this dissertation to my beloved parents, Genesis Katowa and Linah Katowa, with the utmost gratitude for their unwavering love, support, and belief in me. Their guidance and unwavering support have been instrumental in shaping the person I am today, and for that, I am forever grateful. Additionally, I dedicate this work to my younger brother, David Katowa, as a source of inspiration to reach for even greater heights.

TABLE OF CONTENT

COPYRIGHT DECLARATION i

DECLARATION ii

CERTIFICATE OF APPROVAL iii

ABSTRACT iv

ACKNOWLEDGMENT v

DEDICATION vi

LIST OF TABLES x

LIST OF FIGURES, MAPS, AND ILLUSTRATIONS xi

ACRONYMS AND ABBREVIATIONS xii

CHAPTER ONE 1

INTRODUCTION 1

1.1 Introduction 1

1.2 Background of the study 1

1.3 Problem Statement 5

1.4 Research Objective 6

1.5 Research Questions 6

1.5.1 General Research Question 6

1.5.2 Specific Research Questions 6

1.6 Significance of the Study 6

1.7 Scope of the Study 7

1.8 Definition of Key Terms 7

1.9 Organisation of the Study 8

CHAPTER TWO 9

LITERATURE REVIEW 9

2.1 Introduction 9

2.1 Conceptual Framework 9

2.1.1 Concept of Village Banking 9

2.1.2 Concept of Economic Welfare 13

2.1.3 Concept of Women's Empowerment 16

2.2 Theoretical Framework 22

2.3 Empirical Review 23

2.3.1 The economic benefits that women realize from village banking 23

2.3.2 The challenges that hinder village banking contribution to women's economic welfare 30

2.3.3 Effectiveness of village banking systems on women's economic welfare 34
2.4 Research Gap 37
CHAPTER THREE 38
RESEARCH METHODOLOGY 38
3.1 Introduction 38
3.2 Study Area 38
3.3 Research Design 39
3.4 Target Population 40
3.5 Sample Size 40
3.6 Sampling Techniques 40
3.7 Types of Data 41
3.8 Data Collection Tools 41
3.8.1 Questionnaire 41
3.8.2 Interview Guide 42
3.9 Data Analysis 43
3.10 Validity and Reliability of Data 43
3.11 Ethical Considerations 44
3.12 Limitations of Study 44
CHAPTER FOUR 45
DATA FINDING AND PRESENTATION 45
4.0 Introduction 45
4.1 Demographics Characteristics of the sample 45
4.1.1 Age of the respondents 45
4.1.2 Marital status of the Respondents 46
4.1.3 Education level of the Respondents 48
4.1.4 Level of Income of the Respondents 49
4.1.5 Investment opportunities for women in village banking 49
4.2 The economic benefits that women realize from village banking 51
4.2.1 Village banking and Access to Medical services 51
4.2.2 Village Banking and Food Security 52
4.2.3 Village Banking and Income Levels 54
4.2.4 Village banking and payment of school fees 55
4.2.5 Village banking and business growth 57
4.3 Challenges that hinder village banking contribution to women's economic welfare 58

4.3.1 Loan Payment Defaulting 59
4.3.2 Short payback period of loans 61
4.3.3 Lack of accountability and poor record-keeping 62
4.4 Effectiveness of village banking systems on womens welfare 63
4.4.1 Financial literacy training for women 63
4.4.2 Clear rules and regulations 66
4.4.3 Adequate record keeping 68
4.4.4 Regular meetings and support 69
CHAPTER FIVE 71
DISCUSSION OF FINDINGS 71
5.1 Introduction 71
5.2 The economic benefits that women realize from village banking 71
5.3 Challenges that hinder village banking contribution to women's economic welfare 78
5.4 Effectiveness of village banking systems on women's welfare 81
CHAPTER SIX 86
CONCLUSION AND RECOMMENDATION 86
6.1 Introduction 86
6.2 Conclusion 86
6.3 Recommendation 88
6.4 Area for further research 88
REFERENCES 89
APPENDICES 103
Appendix One: Ethical consideration letter 103
Appendix Two: Questionnaire 106
Appendix Three: Interview Guide 112

LIST OF TABLES

Table 1: Age Distribution of Village Bank Respondents 46
Table 2: Loan Default Rates Among Village Bank Respondents..... 59
Table 3: Challenge of Short Payback Period Among Village Bank Respondents 61
Table 4: Lack of Accountability and Poor Record Keeping Among Village Bank Respondents 62
Table 5: Perception of Financial Training As a ASrategy to Village Banking Effectiveness 64
Table 6: Knowledge of Rules and Regulations Among Village Bank Respondents 66

LIST OF FIGURES, MAPS, AND ILLUSTRATIONS

Figure 1: Conceptual framework of the study 21
Figure 2: Research map 39
Figure 3: Marital Status Distribution of Village Bank Respondents 47
Figure 4: Education Distribution of Village Bank Respondents 48
Figure 5: Income Level Distribution of Village Bank Respondents 49
Figure 6: Perceived Investment Opportunities for Women in Village Banking 50
Figure 7: Changes in Access to Medical Services Among Village Bank Respondents 51
Figure 8: Changes in Food Security Among Village Bank Respondents 53
Figure 9: Changes in Income Levels Among Village Bank Respondents 54
Figure 10: Changes in Payment of School Fees Among Village Bank Respondents 56
Figure 11: Changes in Business Ventures Among Village Bank Respondents 57
Figure 12: Knowledge of Loan Defaulters Among Village Bank Respondents 59
Figure 13: Understanding of Clear Rules and Regulations Among Village Bank Respondents .. 67
Figure 14: Perception of Adequate Record Keeping Among Village Bank Respondents 68
Figure 15: Village Banking and Regular Meetings 70

ACRONYMS AND ABBREVIATIONS

8NDP	Eight National Development Plan
AFDB	Africa Development Bank Group
BOZ	Bank of Zambia
CEDAW	Convention on the Elimination of All Forms of Discrimination Against
EoW	Economy of Well-Being
FHH	Freedom from Hunger Foundation
FINCA	Foundation for International Community Assistance
GCE	Green Climate Fund
GDP	Gross Domestic Product
GEMINI	Growth and Equity through Microenterprise Investments and Institutions
HDI	Human Development Index
JCTR	Jesuit Centre for Theological Reflection
MCGE	Mortgage credit Guarantor Entities
MF	Microfinance
MMD	Mata Masu Dubara
NGO	Non-governmental Organisation
OECD	Organisation for Economic Cooperation and Development
SADC	Southern Africa Development Community
SDG	Sustainable Development Goals
UN	United Nations
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
VB	Village Banking
WEEE	Women's Entrepreneurship and Economic Empowerment

CHAPTER ONE
INTRODUCTION

1.1 Introduction

This chapter aimed to give the background of the study. The chapter also presented the following: a statement of the problem, research objectives, and research questions. This introductory chapter further highlighted the significance of the study and the scope of the study. The chapter also provided definitions of key terms.

1.2 Background of the study

Village banking, also known as community banking or group lending, is a financial system that has emerged as an effective means of providing access to credit and financial services to individuals in underserved and rural communities (Sibeso, 2022). Over the years, the impact of village banking has not just affected the community's livelihoods by bringing about positive changes in their economy and social well-being but has also been instrumental in empowering the disadvantaged groups of society and ensuring that they are financially included.

The idea of village banking goes as far back as 1984 when John Hatch came up with the concept of helping impoverished Bolivian farmers who not only lacked collateral but also did not have access to traditional banking systems. To effectively help these people, Hatch founded an Organisation called Foundation for International Community in other words FINCA whose main aim was to help the financially excluded by providing loans through locally administered local groups rather than the central banks. This idea of village banking spread from Bolivia to Latin America and it was only in 1992 that it reached Africa, with the first country Uganda where the first village banking program was launched (FINCA, 2024).

In the last two decades village banking has gained prominence in many developing nations as a tool that can be used to facilitate both economic and social growth, especially for the challenged groups of the community such as women. Village banking groups vary from one region to another but usually, they are groups that often involve the formation of small groups, typically comprising 10 to 50 members, who come together to pool their financial resources and collectively provide loans to members of the group. Each group member is typically required to make regular contributions to a common fund, and these pooled funds are then used to provide loans and other financial services to the group members (Bank of Zambia, 2020).

Different Scholars have attempted to give village banking a new perspective through their definitions and Jones and Dallimore (2013) asserted that village banking groups are not only semi-

formal but also self-sustaining financial institutions aimed at providing their members with basic bank services. Kukano and Kantchewa's (2023), perspective was that village banking groups are groups that are run by group members, and leaders are selected from those groups to manage the funds, keep records, and disseminate all the deposited funds. Likewise, Deelen and Majurin (2018) referred to village banking as a way of giving men and women living in remote areas much-needed access to financial services.

Regardless of how village banking is defined, the aforementioned scholars' perspectives on village banking all agree that it involves establishing self-sustaining financial institutions within communities to provide essential banking services, with a focus on the active involvement of members and the aim of extending financial access to underserved populations, especially those in remote areas.

In numerous traditional societies, when compared to men, women encounter substantial obstacles when it comes to accessing financial services and being included in formal banking systems (Kesanta and Andre, 2015). These barriers often stem from deep-seated cultural, social, and economic factors, as well as from limited access to education and resources. As a result, women in these societies are often excluded from financial decision-making and may have limited control over their economic resources and opportunities for economic empowerment. Despite differing from men, women's choices regarding the allocation of financial resources have been shown to yield positive outcomes, particularly in the areas of family education, health, and nutrition (Mbiro and Ndlovu, 2021). Therefore, by overlooking the importance of empowering women economically, communities may unintentionally perpetuate a cycle of poverty which is detrimental to the holistic and sustainable development of the community.

Therefore, village banking is not just instrumental in addressing these diverse challenges that women face but Mashigo and Kabir (2016) agree that credit is essential for social and economic growth development because it motivates money-generating activities, responsible behavior, and economic independence among the people. By coming together in small groups and pooling their resources, women in these communities can leverage the collective strength of the group to access loans and other financial services. This collective approach not only provides women with much-needed financial resources but also creates a supportive environment where they can share experiences, knowledge, and skills, building a sense of solidarity and mutual assistance within the group.

According to Karlan et al (2011), village banking serves as a critical resource for fostering the economic development of third-world countries while concurrently uplifting and empowering vulnerable populations. These self-managed and capital-based microfinance platforms can revolutionize rural communities worldwide by equipping their members with the ability to handle unexpected financial crises, accumulate capital, and cultivate social networks that promote self-sufficiency. Village banks are widely believed to have a crucial role in extending financial services to rural areas in developing countries, where formal financial access is often extremely limited. The promotion of village banks has resulted in enhanced financial inclusion, improved household business outcomes, and increased empowerment of women (Karlan et al, 2011). Additionally, notable evidence has emerged demonstrating enhanced resilience, particularly in villages affected by drought, where households experienced improved food security and increased income.

From an international perspective village banking has been recognized as a valuable tool for poverty alleviation, women empowerment, and economic growth. United States Agency for International Development (2020) stated that empowering women to engage fully in civic and economic activities leads to greater prosperity and peace in societies. Women are disproportionately affected by poverty, facing disparities in income, wages, access to financial resources, asset ownership, and control over resource allocation. Thus, promoting women's entrepreneurship and economic empowerment is essential for achieving comprehensive economic growth across all levels of society. USAID (2020), further states that the number one challenge that a majority of women face in the world is financial inclusion and this lack of inclusion hampers the success of women entrepreneurs who seek to run or grow small and medium-sized enterprises. In addition to the aforementioned, research studies have been conducted in several countries within the Southern African Development Community (SADC) region to investigate the impact of village banking on the well-being of individuals and communities. Notably, a study by Rutenge (2016) stands out, as it sought to evaluate the contribution of village banking programs to household welfare in Tanzania. The study was designed to achieve several specific objectives: to determine the influence of village banking on household welfare, to assess its role in alleviating income poverty, and to understand the perceptions and attitudes of the community towards village banking activities. The scholar's study shed light on the effectiveness of microfinance initiatives in promoting financial inclusion, poverty reduction, and sustainable livelihoods.

The introduction of village banking in Chongwe, a district in Zambia was to help control the cost of living across various aspects of survival, including economic, social, agricultural, and business, among others (Sibeso, 2022). This informal banking method facilitated through micro-financing institutions, has gained popularity ever since and is increasingly common in Zambia. Women have been particularly active in forming communities and collaborating to harness the benefits of village banking, to improve their lives and achieve self-sufficiency to reduce poverty levels within their households nonetheless, the extent to which this is true still demands proof, especially in developing countries (Rahman, 2019).

The idea that the renowned microfinance pioneer Muhammed Yunus had was that through village banking, households should have the capability to benefit from the loans that they are borrowing especially among the poverty-stricken communities (Rouf, 2019). Further, the Yunus, aimed to contribute to poverty reduction and foster a recognition of gender roles by providing the disadvantaged groups with the means to save money and invest in the business venture. Thus, the introduction of village banking has facilitated the active participation of Zambians, particularly women, in generating household income and pursuing entrepreneurship opportunities, ultimately contributing to their economic empowerment and broader socio-economic development in the region.

The Bank of Zambia (2020) has recognized and acknowledged the significant role that village banking plays in fostering financial inclusion and empowering communities, particularly in areas where banking services are hardly accessed. As part of its efforts to promote financial inclusion and support the growth of microfinance initiatives, the Bank of Zambia has provided regulatory oversight to ensure that village banking operations are conducted safely and soundly, with adequate consumer protection measures in place.

Additionally, BOZ has also emphasized the importance of village banking in providing access to financial services for underserved populations, promoting savings mobilization, and facilitating access to credit for small-scale entrepreneurs and individuals without access to traditional banking services. By supporting the development of microfinance institutions and village banking groups, the Bank of Zambia aims to contribute to poverty reduction and sustainable economic development, particularly in rural and remote areas of the country.

Different research has been done in Zambia on the topic of village banking, covering various areas of interest. Sichilongo and Sinkala's (2021), study was focused on women in the Katuba

constituency an area that is occupied predominantly by low-scale farmers (Central Statistics Office, 2022), and according to Werft (2016), women make up to 80% of farmers in developing countries. Further, the authors only used questionnaires as the source of data. Sibeso's (2022), study on village banking focused on how it has influenced both male and female marketers in the Soweto market while a study by Lweendo (2021) focused only on female marketers in Ndola and how village banking has influenced their businesses. Against this background of previous studies, this paper aimed to assess if village banking influences women who are not in a market setup nor predominantly low-scale farmers while adopting a combination of questionnaires and interview guides as sources of data. And if village banking influences these women's welfare, the paper aimed to establish the extent to which participating in village banking influenced these women's welfare.

1.3 Problem Statement

The issue of women's economic welfare has been a longstanding concern and area of study, as women often bear a disproportionate burden of poverty and encounter substantial obstacles to financial inclusion and empowerment. Research by Mwansakilwa et al. (2017) indicates that the majority of adult Zambians lack access to formal financial services. In Kaunda Square, the population is predominantly female, with around 80% of women of employable age engaged in informal employment (Klaveren et al., 2009). This presents a significant challenge in terms of how these women can access financial resources to enhance their lives, especially when traditional banks require loan applicants to have a steady income, a requirement that many women in this area do not meet. Consequently, these women turn to alternative solutions, such as village banking, to address this financial exclusion.

Moreover, the Bank of Zambia has acknowledged the significant role that village banking plays in providing community-based financial resources to marginalized populations. By emphasizing the value of village banking, the Bank of Zambia has signaled its endorsement of empowering local communities through accessible and tailored financial services, particularly for those who may face barriers to traditional banking systems (Bank of Zambia, 2020.) Further, the 8th National Development Plan has highlighted the importance of financial inclusion especially for the unbanked citizens (8NDP,2022). However, despite the prevalence of women participating in village banking, there is still a lack of evidence demonstrating its influence on the welfare of these women living in the suburbs of Lusaka (Finscope, 2020). Therefore, this paper aimed to investigate

if village banking has an influence on the economic welfare of women in Kaunda Square Stage One and the extent of that influence.

1.4 Research Objective

1.4.1 General Objective

- To investigate how village banking contributes to women's economic welfare in Kaunda Square Stage one.

1.4.2 Specific Objectives

- To establish the economic benefits that women realize from village banking
- To determine the challenges that hinder village banking contribution to women's economic welfare
- To identify the different community strategies that can be used to enhance the effectiveness of village banking in contributing to women's economic welfare.

1.5 Research Questions

1.5.1 General Research Question

- How does village banking contribute to women's economic welfare in Kaunda Square Stage One?

1.5.2 Specific Research Questions

- What are the economic benefits that women derive from participating in village banking?
- What are the challenges that hinder village banking's contribution to women's economic welfare?
- What are the different community strategies that can be used to enhance the effectiveness of village banking in contributing to women's economic welfare?

1.6 Significance of the Study

This study outlined its relevance by putting across recommendations that would aid in the achievement of specific Global, African, and National goals.

The study was significant because it aligned with the United Nations Sustainable Development Goal (SDG) of 2030 number five (5), which aimed at achieving gender equality and empowerment of all women and girls in the world. This study did this by recommending practical strategies that would lead to the realization of this SDG.

Continentally, the study was of importance as it would have contributed to the aspirations of Agenda 2063 aspiration number six (6) which desired to achieve “An Africa whose development is people driven, relying on the potential offered by African People, especially its Women, and Youth, and caring for Children”. This aspiration was anchored on the achievement of various

goals, one of them being Women and Girls Empowerment. Therefore, the study would have complemented this goal by shading more light on how avenues of women's empowerment could have been broadened through the village banking initiative.

Furthermore, the study was relevant to the Eighth National Development Plan (8NDP) (2022), under Development Outcome Two (Enhanced Citizenry Participation in the Economy), whose strategy aimed at promoting enterprise development, especially for the youth and women. Thus, the study would have highlighted how village banking could have been used as a drive to empower women economically.

Finally, not only did the study allow the researcher to attain a Master of Arts degree in Development studies, but the research would have contributed to the body of knowledge about village banking and thus helped policymakers to make informed decisions about matters relating to village banking as an initiative of banking services.

1.7 Scope of the Study

Thematic scope: this study will be undertaken to understand how Village banking contributes to the economic welfare of Women living in Kaunda Square Stage one. The study specifically focussed on the opportunities and challenges that impact women in their village banking experience. *Temporal scope*: The sample included individuals who were currently engaged in village banking as well as those who had previous experience with village banking. *Spatial scope*: the study was conducted in Kaunda Square Stage one and the majority of the women in this area are in informal employment.

1.8 Definition of Key Terms

Village bank: Village Banking is an informal self-help support group of 15 or more members, mainly women contributing money regularly which is kept by the treasurer. Once the money reaches a reasonable amount, group members can borrow at a minimal interest rate and use the loans to fund small businesses or other similar projects (Nyirongo, 2021).

Microfinance: Microfinance (MF) is an initiative that provides financial services to the poor, low-income women and small and micro enterprises that have limited access to banks and similar services. Microfinance is aimed at providing small loans to people living in poverty meant to improve their living standards (Banerjee, 2017).

Economic Empowerment: Ensuring equitable participation and benefits in decent work and social protection, market access, resource control, time management, personal autonomy, and

meaningful involvement in economic decision-making at all levels - from households to international institutions - are essential for promoting a fair and just society (UN-women, 2024).

1.9 Organisation of the Study

The study was structured into three informative chapters. Chapter One introduced the background, problem statement, research questions, objectives, aim, and value of the study. Meanwhile, Chapter Two presented the literature review, conceptual framework, and research gap. This chapter aimed to provide essential concepts and theories used in the research while identifying gaps in the existing literature. Chapter Three detailed the research methodology, including the study area, research design, data types, and collection tools.

In Chapter Four, the research findings were analyzed and presented in detail, focusing on the established three objectives. The chapter critically evaluated the survey results and their interpretation within the context of the research goals. Additionally, Chapter Three discussed the study's validity, reliability, and ethical considerations.

Chapter Five analyzed and presented the comprehensive data findings, focusing on the three defined objectives. The chapter provided a detailed discussion of the survey results and their implications for the research objectives. Finally, in Chapter Six, the study concluded by summarizing the key findings, deriving insights, and offering valuable recommendations for future research and practical applications.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This section provided an overview of the relevant literature for this study, including a thorough discussion of the conceptual and theoretical frameworks underpinning the research. Furthermore, it offered an analysis of the global, continental, and local perspectives relevant to the study, thereby establishing a holistic understanding of the subject matter.

2.1 Conceptual Framework

This study was primarily based on three central concepts: Village banking, economic welfare, and women's empowerment. Thus, it was crucial to provide adequate explanations of these concepts.

2.1.1 Concept of Village Banking

The concept of Village banking can be explained as savings and lending schemes organized outside the formal financial sector. As the term "village" implies, membership is usually among people who are familiar with each other and share certain commonalities through their family, friends, and community (Bank of Zambia, 2020). Village banking, also termed community banking, represents a microfinance approach that has gained considerable traction in various developing economies. This model centers on providing accessible financial services to underserved communities, particularly in rural and peri-urban areas where traditional banking infrastructure may be limited or inaccessible. Friedman and Allen (2014) defined village banking as where community members join together to form small, tightly-knit groups or associations. They pool their financial resources to establish a fund, from which members can request small loans. These loans are typically applied towards supporting income-generating activities, initiating or expanding small businesses, and addressing other essential financial needs. Village banking operates on the principles of mutual trust and collective responsibility, emphasizing community cohesion and support, while also promoting financial inclusion and empowerment among its members. By leveraging social connections and local relationships, this model cultivates a sense of ownership and accountability, empowering individuals to take control of their financial destinies and fostering economic resilience within their community.

Village banking at its core embodies the ideals of self-reliance and community-based development, providing an alternative to traditional banking systems for those who are excluded or underserved (Lweendo, 2022) and according to Sishumba and Mulonda (2019), the notion of village banking is rooted in the idea of promoting social and economic transformation within local communities.

By offering personalized financial services and credit, village banking not only supports individual economic growth but also contributes to the wider progress of the community. As people gain access to the necessary resources for entrepreneurial ventures and strategic investments, the benefits can extend to the entire community. Through increased economic activity and enhanced financial stability, village banking has the potential to encourage job creation, boost local economic growth, and enhance overall social well-being. Moreover, as community members come together through village banking, it cultivates a spirit of cooperation and unity, fostering an atmosphere of collective success and sustainable community advancement.

Microcredit programs such as village banking have been widely implemented across various global regions as part of poverty alleviation efforts. Adriani and Kalam (2022) notes that in Asia, these initiatives often prioritize women, recognizing their pivotal role in household and community dynamics. By tailoring services specifically for women, these programs aim to empower them economically, acknowledging the potential for more efficient allocation and utilization of resources within households. The strategic focus on women not only benefits them individually but also extends to their families and communities. When women gain access to microfinance services like village banks, they can embark on business and entrepreneurship endeavors previously out of reach, resulting in improved livelihoods for themselves and their families. This economic empowerment leads to positive outcomes such as enhanced nutrition, health, education, and overall quality of life within the community. Rosari at el (2023) highlight that these established business ventures play a crucial role in stimulating local economies, ultimately breaking the cycle of poverty and fostering sustainable economic growth.

Moreover, the emphasis on women in microcredit programs acknowledges and aims to confront the gender disparities and obstacles to financial inclusion that women often encounter. By specifically empowering women, these efforts strive to challenge prevailing gender norms and societal structures that restrict women's access to economic opportunities and financial services (Eckhoff et al., 2019). As women participate in microcredit programs and acquire financial independence and entrepreneurial skills, they are likely to also gain decision-making authority within their households, fostering increased gender equality and women's empowerment. Consequently, this can lead to more comprehensive and enduring development outcomes, as women become better equipped to advocate for the needs of their families and communities, promoting more equitable and inclusive socio-economic progress. Therefore, the deliberate

targeting of women in microcredit initiatives like village banking not only addresses immediate financial needs but also carries the potential for generating long-lasting, transformative impacts at both the household and community levels (Eckhoff et al., 2019).

Furthermore, numerous countries, including India, have embraced the village banking concept and adapted it to suit their local contexts, particularly as a means of empowering women. In India, where women play a crucial role in agricultural production, often with unpaid labor and significant childcare responsibilities, the introduction of village banking aimed to alleviate these challenges. By providing resources and support through microfinance programs, India sought to enhance women's economic independence and decision-making power, fostering more equitable distribution and utilization of household resources. This approach not only addressed poverty but also tackled gender disparities, enabling women to participate more actively in economic and social development. Similarly, in Niger, the Mata Masu Dubara Model (MMD) groups, established in 1991 to champion women's leadership and economic empowerment, have shown significant progress. A recent evaluation by CARE in 2023 revealed marked improvements in the well-being and empowerment of women and girls since the model's inception, emphasizing the transformative potential of targeted interventions like microfinance in advancing women's rights and socio-economic outcomes (CARE, 2024).

The African perspective on village banking reflects a nuanced understanding of the continent's socio-economic dynamics, encompassing both challenges and opportunities within its landscape. Village banking has emerged as a grassroots solution to address financial inclusion and poverty alleviation across numerous African communities. Particularly in regions where formal banking services struggle to reach remote and rural areas, village banking serves as a crucial resource for individuals and small businesses. Olakunde's study (2018) on village banking in Nigeria highlights its significant impact on women's economic empowerment, facilitating the initiation and expansion of small businesses and thereby contributing to poverty reduction and community development.

The success of village banking heavily relies on the social networks and mutual trust ingrained within African societies. These networks enhance social cohesion and solidarity within communities, fostering collaboration and collective problem-solving. Martini at el (2023) underscore the importance of social capital in village banking systems in West Africa, emphasizing how trust and reciprocity among members underpin the success and sustainability of these initiatives. Additionally, village banking plays a pivotal role in advancing financial inclusion by

offering basic financial services to individuals excluded from the formal banking sector. Ndung'u's research (2015) in Kenya emphasizes its role in expanding access to financial services among rural populations and empowering women by granting them greater control over household finances.

Despite its numerous benefits, village banking faces challenges related to scalability, sustainability, and governance. Limited access to capital, inadequate infrastructure, and a lack of regulatory oversight pose significant hurdles to the long-term viability of village banking initiatives in Africa. Lufumbira's research (2016) on scaling up village banking programs in Tanzania highlights the need for institutional support, capacity building, and innovative financing mechanisms to ensure their sustainability and effectiveness. Thus, while village banking holds great promise for addressing financial inclusion and poverty alleviation in Africa, addressing these challenges is essential for maximizing its impact and ensuring its long-term success.

In Zambia, the implementation of the Village banking concept has led to a notable diversification in financial management approaches among different segments of the population, particularly market traders who have wholeheartedly embraced its principles. Under this system, individuals are required to make regular monetary contributions, typically on a weekly or monthly basis, adhering to established regulations aimed at ensuring the long-term sustainability of the initiative. These contributions are directed into designated accounts. Furthermore, certain groups within the village banking framework have adopted the practice of lending money, with a small interest attached to borrowed funds upon repayment (Chisenga, 2018).

The success of each program hinges directly on its responsiveness to the members' needs. By providing desired savings and credit services without any associated costs other than patience and time, the program fosters strong engagement among participants. Importantly, the absence of fund leakage outside the group ensures that all benefits accrue internally, enhancing members' commitment to adhering to the established rules. This cohesive approach not only strengthens the sustainability of the village banking model but also underscores its capacity to generate meaningful benefits for its members (Chisenga, 2018).

These arguments provide a comprehensive overview of village banking, highlighting its significance as a grassroots solution for financial inclusion and poverty alleviation in various contexts, including developing economies and Africa. They emphasize the principles and benefits of village banking, such as providing accessible financial services, empowering women, fostering social cohesion, and promoting economic development. Additionally, they acknowledge the

challenges faced by village banking initiatives, such as scalability, sustainability, and governance issues, and underscore the importance of addressing these challenges for maximizing impact. Overall, the paragraphs offer valuable insights into the role of village banking in promoting socio-economic progress and empowering marginalized communities.

2.1.2 Concept of Economic Welfare

The concept of Economic welfare refers to the overall well-being of individuals and households within a society concerning their financial and material conditions (Boyle and Kvilhaug 2023). It encompasses various factors that influence people's quality of life, such as income levels, access to necessities like food, shelter, and healthcare, as well as the ability to participate in economic activities. Economic welfare also takes into account factors like job security, opportunities for advancement, and overall economic stability. Although the concept of well-being is widely used, there is no commonly agreed definition of just what it is.

Feldman (2018) defines economic welfare as a dynamic state, in which the individual can develop their potential, work productively and creatively, build strong and positive relationships with others, and contribute to their community. It is enhanced when an individual can fulfill their personal and social goals and achieve a sense of purpose in society. However, Cleartax (2024), defines economic welfare as the distribution of goods and resources aimed at advancing social welfare. It concerns itself with the efficient allocation of resources that promote the overall well-being of individuals. Boyle and Kyilhaug (2023) emphasize that individuals' and communities' economic well-being extends beyond mere possession of material wealth; it's about having the necessary opportunities for a comfortable and fulfilling life. This includes access to essentials, educational and career pathways, affordable healthcare, and a fair distribution of wealth

From a global perspective, economic welfare encompasses the collective well-being of individuals and communities across nations, transcending borders and cultural boundaries. It reflects the overall prosperity and quality of life experienced by people worldwide, influenced by various economic factors and policies implemented at local, national, and international levels. Scholars and institutions have developed various frameworks and indices to assess and measure global economic welfare (World Bank, 2024). For instance, the Human Development Index (HDI), developed by the United Nations Development Programme (UNDP), evaluates countries based on indicators such as life expectancy, education, and income, providing a comprehensive overview of human development worldwide (UNDP, 2022). Additionally, the World Bank's World

Development Indicators (WDI) offer a wealth of data on key economic and social indicators, enabling policymakers, researchers, and practitioners to track global trends and identify areas for intervention (World Bank, 2024). Furthermore, achieving and maintaining economic welfare requires concerted efforts and collaboration among nations, international organizations, and civil society. Policies promoting trade liberalization, investment in infrastructure and human capital, and sustainable development practices can contribute to enhancing economic welfare on a global scale.

Moreover, addressing systemic challenges such as poverty, inequality, and climate change is essential for promoting inclusive and sustainable economic growth. By fostering cooperation and solidarity among nations, the international community can work towards ensuring that economic welfare is not only achieved but also shared equitably among all people, irrespective of their nationality or socio-economic status. The economic welfare of women in developing communities is a critical component of global economic development. Women make up a significant portion of the global population, and their economic participation is essential for achieving sustainable and inclusive economic growth (Hackett and Carey, 2022). However, women, especially those in rural areas, often face significant barriers to accessing financial resources, starting and running businesses, and participating in formal financial systems.

Viewed from an African standpoint, economic welfare encompasses the comprehensive well-being of individuals, families, and communities across the varied terrains of the continent (World Bank, 2021). It entails not only financial prosperity but also social development, environmental sustainability, and cultural resilience. Amidst the complexities of Africa's socio-economic landscape, various factors shape the concept of economic welfare, reflecting both challenges and opportunities for sustainable development. At its core, economic welfare in Africa is closely intertwined with issues of poverty alleviation, income inequality, and access to basic services such as education, healthcare, and clean water.

According to the World Bank, Sub-Saharan Africa remains the region with the highest poverty rate globally, with over 40% of its population living below the international poverty line (World Bank, 2021). Addressing these challenges requires concerted efforts to promote inclusive growth, create employment opportunities, and enhance social protection mechanisms. Moreover, economic welfare in Africa is intricately linked to the continent's natural resource endowment and environmental sustainability. With rich biodiversity, abundant mineral resources, and vast

agricultural potential, Africa possesses significant opportunities for economic development. However, unsustainable exploitation of natural resources, deforestation, and climate change pose significant threats to long-term economic welfare and environmental stability (UNEP, 2016). Promoting sustainable resource management and climate resilience is therefore essential for safeguarding Africa's economic prosperity and ecological integrity. Furthermore, from a governance perspective, ensuring transparency, accountability, and good governance is critical for promoting economic welfare in Africa. Weak governance institutions, corruption, and political instability undermine efforts to achieve sustainable development and inclusive growth (AfDB, 2017). Strengthening institutions, promoting rule of law, and fostering civic participation are essential for creating an enabling environment for economic prosperity and social progress.

Moreover, the pursuit of well-being encompasses meeting various human needs, such as good health, and the ability to pursue goals and feel satisfied with life (OECD, 2013). Given the complexity of well-being and its determinants, a comprehensive framework is essential, as advocated by the OECD's Better Life Initiative. This framework includes material living conditions (economic well-being), quality of life, and the sustainability of socio-economic and natural systems (OECD, 2013). Income and wealth are indeed crucial components of individual well-being in Africa. Income, representing the flow of economic resources over time, enables individuals to address their needs and pursue important goals (OECD, 2013). It comprises various sources like wages, salaries, pensions, and social transfers. Wealth, on the other hand, signifies accumulated assets at a given point, including property, financial assets, and physical possessions (Kelly and Rathburn, 2023).

In Africa, income and wealth afford individuals the freedom to make choices that align with their values and aspirations, sustaining these choices over time (Kelly and Rathburn, 2023). Additionally, they empower countries to invest in crucial areas like education and healthcare at the macroeconomic level. However, the association between income growth and well-being in Africa is nuanced. While higher income generally correlates with higher reported subjective well-being, there are complexities related to changing aspirations over time (Laamanen and Hovi, 2021). This implies that income growth may generate little increase in well-being, despite the better-off reporting higher subjective well-being than the less well-off. Therefore, while income and wealth are essential components of well-being in Africa, their impact is influenced by evolving societal aspirations and perceptions.

In Zambia, the notion of economic welfare is intricately linked with the country's pervasive poverty, particularly prevalent in rural areas where access to formal financial services remains scant (Silwimba, 2023). However, economic welfare in Zambia extends beyond mere income; it encompasses empowerment and agency. Village banking initiatives stand as poignant examples, providing a platform for women to exercise financial autonomy, invest in their enterprises, and assert greater control over their economic destinies. This empowerment not only uplifts individual economic welfare but also catalyzes broader economic development and well-being within their communities. Moreover, the significance of access to employment and economic opportunities cannot be overstated in the context of economic welfare. Village banking endeavors in Zambia hold immense potential in this regard, serving as catalysts for job creation, particularly among women who leverage the financial support received to kick-start their entrepreneurial ventures (African Center for Economic Transformation, 2019). This newfound agency enables them to generate income, thereby bolstering their own economic welfare as well as that of their families.

Furthermore, beyond the individual level, these initiatives possess transformative potential for the societal fabric by fostering gender equality and challenging entrenched gender norms. By dismantling barriers to women's financial inclusion and entrepreneurship, village banking initiatives contribute to a more equitable distribution of economic opportunities, thus advancing social welfare and fostering a climate of inclusive economic development in Zambia. In essence, the multifaceted impacts of village banking initiatives in Zambia underscore their pivotal role in enhancing economic welfare. By empowering women, creating avenues for employment, and promoting gender equality, these initiatives serve as linchpins for fostering sustainable economic development and improving the overall well-being of Zambian communities (African Center for Economic Transformation, 2019).

The concept of economic welfare encompasses the overall well-being of individuals and communities, considering various factors such as income levels, access to necessities like food and healthcare, job security, and economic stability. It is viewed differently by scholars, ranging from the fulfillment of personal and social goals to the distribution of goods and resources aimed at advancing social welfare.

2.1.3 Concept of Women's Empowerment

Women's empowerment is a multifaceted concept that encompasses the enhancement of women's abilities, rights, and opportunities in society. It involves fostering an environment where women

can fully participate in decision-making processes, pursue their aspirations, and contribute to economic, social, and political development (Wang and Naveed, 2021). The concept of women's empowerment has been defined differently over the years. According to World Vision (2023), women's empowerment was defined as promoting women's sense of self-worth, their ability to determine their own choices, and their right to influence social change for themselves and others. It describes several things, including accepting women's viewpoints, making an effort to seek them, and raising the status of women through education, awareness, literacy, and training. On the other hand, Mahbub (2021) defines women's empowerment as the capacity to allow women to control and benefit from resources, assets, and income while (Tharani, 2023) defined women's empowerment as the ability to make strategic life choices that were previously denied them.

The diverse definitions of women's empowerment provided by World Vision (2023), Mahbub (2021), and Tharani (2023) underscore the complexity and multidimensionality of this concept. While World Vision emphasizes the importance of promoting women's self-worth, agency, and ability to influence social change, Mahbub focuses on the aspect of women controlling and benefiting from resources, assets, and income. On the other hand, Tharani highlights the significance of women being able to make strategic life choices that were previously denied to them. These varied perspectives reflect different aspects of women's empowerment, ranging from psychological and social empowerment to economic and strategic empowerment. Such diversity in definitions suggests that women's empowerment is not a one-size-fits-all concept but rather encompasses a range of factors and contexts.

Women's empowerment is a pivotal global agenda that transcends geographical boundaries and cultural contexts, encompassing efforts to promote gender equality and ensure women's full participation and leadership in all spheres of life. At the international level, various organizations and initiatives have been established to advance women's rights and empowerment, recognizing it as a fundamental human rights issue and a key driver of sustainable development. According to the World Bank, women's empowerment involves enhancing women's ability to access and control resources, make strategic life choices, and participate fully in decision-making processes (World Bank, 2023.) This includes economic empowerment, where women are provided with opportunities to generate income, access financial services, and participate in the formal economy. Additionally, it encompasses social empowerment, which involves challenging gender norms and

stereotypes, promoting women's leadership and voice, and ensuring their access to education, healthcare, and social services (World Bank, 2023.).

The United Nations Sustainable Development Goals (SDGs) prominently feature women's empowerment as a cross-cutting priority, with SDG 5 specifically dedicated to achieving gender equality and empowering all women and girls (United Nations, 2018). Moreover, empowering women is not only crucial but also imperative for the holistic advancement of society and the entire nation. The promotion of 'women's empowerment' has now become a focal point in the initiatives and efforts of the United Nations, as well as in various governmental and non-governmental Organisations (Siddiqui, 2019). This reflects a global commitment to address gender disparities and create an inclusive and equitable society where women can fully realize their potential. Furthermore, international agreements such as the Beijing Declaration and Platform for Action and the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) provide frameworks for advancing women's rights and empowerment at the global level (United Nations, 2018). The aforementioned international bodies understand that when women have access to financial services and life-enhancing goods, the benefits are not only to the women who receive them but also to their families and communities (Abdisa and Adera, 2023). When women are empowered to fully participate in society, to work, and to create their businesses through access to finance, education, and jobs families improve their quality of life.

In an African context, women's empowerment is a multifaceted concept deeply rooted in cultural, social, and economic dynamics (Mueni, 2016). To argue this concept effectively, one must explore its dimensions within African societies, acknowledging both historical contexts and contemporary challenges. Historically, African societies have demonstrated a rich tapestry of gender roles, with women often occupying significant positions in both household management and community leadership (Klenke, 2004). In pre-colonial Africa, women wielded authority and held influential roles, as documented by Amadiume (2015) in "Male Daughters, Female Husbands: Gender and Sex in an African Society." However, the advent of colonialism introduced patriarchal structures that marginalized women, relegating them to subordinate positions (Nwokeafor, 2020). According to Nwokeafor, colonial powers imposed Western gender norms, disrupting indigenous African gender systems and erasing women's traditional roles and knowledge.

Despite progress towards gender equality, African women continue to face numerous challenges, including limited access to education, healthcare, and economic opportunities. Nevertheless,

African women have been pivotal in grassroots movements, advocating for change and driving development initiatives (Maathai, 2006). To this extent, most African governments have widely recognized that women and girls are crucial drivers of economic development, and initiatives focusing on enhancing access to financial services and education for girls have demonstrated positive impacts, translating into improved economic opportunities for women (Mueni, 2016).

Wanjala's (2021) insightful study explored the intricate relationship between poverty, women, and empowerment in Africa. It shed light on the pervasive impact of poverty on women and the crucial role that empowerment played in addressing this challenge. Women, in particular, were disproportionately affected by poverty due to a lack of access to education, healthcare, and economic opportunities. This was compounded by gender-based discrimination and unequal power dynamics. By providing women with education, economic opportunities, and resources, they could break out of the poverty cycle and contribute to sustainable development. Furthermore, Wanjala's analysis underscored the interconnectivity of poverty and gender inequality, highlighting the need for comprehensive approaches that tackled both issues holistically.

Additionally, according to a study conducted by Wekwete (2014), discussions and evidence-based research around gender and economic empowerment in Africa increasingly recognized the importance of empowering women economically. The study emphasized the necessity of targeted policies that addressed gender discrepancies in economic opportunities, as this could lead to poverty reduction, economic growth, and social inclusion. To promote economic empowerment in women, policies aimed to enhance their access to education, financial services, entrepreneurship opportunities, and employment. This approach could contribute to more equitable and sustainable development outcomes, underscoring the significance of evidence-based policymaking and custom-made interventions that tackle the specific needs and challenges faced by women in Africa.

Diop (2015) emphasized the crucial role of women's economic empowerment in poverty reduction. The scholar argued that when women have access to resources, education, and economic opportunities, they become better equipped to contribute to household income and foster economic growth. This assertion aligns with the notion that investing in women's economic empowerment can yield significant returns in terms of poverty alleviation and sustainable development. Additionally, Diop (2015) stressed the importance of investing in women's education and health. Educated women are more likely to make informed decisions regarding their health, family planning, and children's education, leading to long-term benefits for poverty reduction and overall

well-being. Enhancing women's access to healthcare services can also enhance their productivity and positively impact economic growth. Furthermore, Diop (2015) highlighted the imperative to address gender inequalities to achieve sustainable development in Africa. By eradicating discriminatory practices and advocating for equal opportunities for women in education, employment, and decision-making, African nations can unleash the full potential of their female population and expedite progress toward poverty eradication. These interconnected ideas underscore the multifaceted nature of women's empowerment and its profound implications for poverty reduction and sustainable development in Africa.

From the local perspective, Zambia still ranks among the countries with high incidences of poverty and inequality in Africa and globally (World Bank, 2024). This is despite several interventions made in education and skills development, health, water and sanitation, job creation, and empowerment of citizens, especially women. High levels of poverty are more prevalent among female-headed households compared to male-headed households in both rural and urban areas. According to the Living Conditions Monitoring Survey, poverty for female-headed households at 56.7 percent, was higher than for households headed by their male counterparts, at 53.8 percent (UNICEF, 2021). Among the factors contributing to gender disparities included inequitable access to education and productive resources such as land, household labor, and benefits of empowerment programs, among others.

Additionally, female-headed households were more likely to experience cultural discrimination in access to education and other public services. The impacts of climate change have affected women more when compared to men (Eastin, 2018). Women who are the majority of the rural farmers when hit by climate change that destroys crops kills livestock, and unseasonal rains, are unable to cope with the economic shock that comes as a result. Their inability to receive financial services from the bank such as loans essentially cuts off their access to alternative livelihood options. It’s for this reason that the concept of women empowerment has been enshrined in the 8th National Development Plan (2022) which is the country's medium-term blueprint designed to unlock the country's potential in all sectors of the economy for sustainable, holistic, and inclusive national development, to point a pathway for ensuring the women’s lives are made better. Projects such as the Green Climate Fund (GCF), aimed to help smallholder Zambian farmers adapt to climate change especially women have become a source of empowering women to ensure that they are better off (Pollack, 2024).

Figure 1. represents the conceptual study adopted from Khursheed's research, which examined the impact of microfinance on women's empowerment in Pakistan. The independent variable is village banking or microfinance, while the dependent variable is women's empowerment. The correlation between these two variables will result in both economic and social empowerment which is characterized by loan decision, asset control, spending income and grocery expenses, schooling, and decision-making, respectively (Kursheed, 2022).

The application of Khursheed's conceptual framework to the study in Kauda Square provided a structured approach to understanding the multifaceted impacts of village banking on women's lives. It allowed researchers to analyze how economic empowerment, driven by access to financial services and resources, ultimately enhancing women's overall well-being and economic welfare.

Furthermore, by adopting this framework, the study contributed to existing literature on women's empowerment and village banking by providing insights specific to the context of Kauda Square.

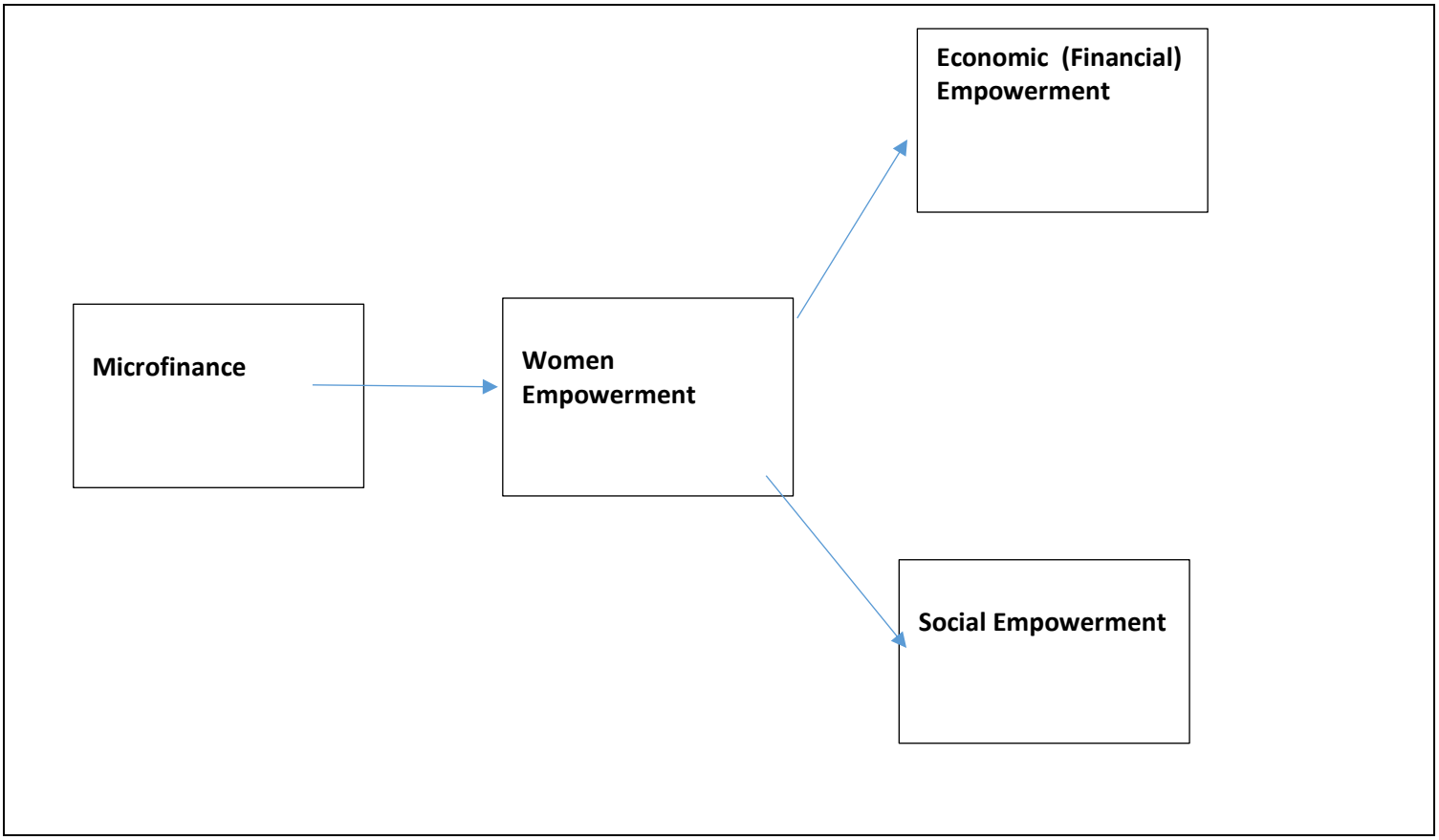

Figure 1: Conceptual framework of the study

Source: Khursheed, 2022

2.2 Theoretical Framework

The research followed a theoretical framework that firmly grounded it in theoretical constructs, making the findings more meaningful, acceptable to theoretical constructs in the field, and generalizable. The framework relied on an existing theory related to and reflective of the study's hypothesis, known as the social capital theory (Putman 2000). This sociological concept refers to the resources, benefits, and support that individuals and communities derive from their social networks and associations, including trust, norms, and social connections that influence cooperation and collective action within a society. The study aims to utilize social capital theory to address the challenges faced by women participants and enhance their economic empowerment in village banking.

Social capital theory highlights the importance of trust, social norms, interpersonal networks, and connections, as well as social support systems. Village banking programs can foster trust and cooperation among women participants by creating a sense of community and shared purpose. This trust can lead to increased entrepreneurial success and financial well-being. Additionally, village banking programs can facilitate the formation of social networks among women, where they can exchange information, skills, and business opportunities. By leveraging these networks, women can tap into valuable resources, such as mentoring, knowledge sharing, and potential partnerships, which are essential for business growth and economic empowerment (Putman, 2000). Furthermore, village banking programs can establish support mechanisms, such as peer groups, where women can share experiences, provide emotional support, and learn from each other's successes and challenges. This support system not only helps women navigate obstacles but also boosts their confidence and motivates them to take risks and seize economic opportunities. By applying social capital theory, village banking programs can create an enabling environment that encourages women to participate actively, take on leadership roles, and develop their entrepreneurial skills (Putman, 2000). Social capital theory provides a framework for understanding the role of social relationships and networks in promoting economic empowerment. By incorporating this theory into village banking programs, stakeholders can leverage social capital to enhance women's access to resources, knowledge, and support. This approach can help address the social factors inhibiting women's economic empowerment, such as discriminatory gender norms or limited access to influential networks.

2.3 Empirical Review

2.3.1 The economic benefits that women realize from village banking

Village banking, a grassroots financial system that empowers communities through collective savings and lending, offers a multitude of benefits from a global perspective (Brouwers, 2014). This innovative approach to finance fosters financial inclusion promotes entrepreneurship, and drives economic growth in both rural and urban settings worldwide. By providing access to affordable credit and encouraging savings mobilization, village banking enhances individuals' ability to invest in education, healthcare, and small businesses, thereby lifting communities out of poverty. Moreover, village banking cultivates a culture of collaboration and mutual support, strengthening social cohesion and resilience in the face of economic challenges. From remote villages in Africa to bustling urban neighborhoods in Asia, the impact of village banking reverberates across continents, offering a sustainable pathway toward prosperity for underserved populations around the globe (Brouwers, 2014 .

Village banking programs have become vital tools globally for empowering individuals, particularly women, through accessible financial services. These initiatives have played a significant role in increasing household income and promoting economic stability. For example, a notable study led by Khandker et al (2010) in Bangladesh demonstrated the substantial impact of participating in microfinance programs on both household income and spending. Their findings highlighted how involvement in microfinance initiatives can positively transform the financial well-being of households. By examining the details of microfinance participation, the study emphasized the crucial role these programs play in not only boosting household incomes but also enabling increased spending. In addition, a study conducted in India concerning the positive impact of microfinance on women's empowerment revealed that microfinance loans alone do not automatically empower women. Instead, the effective use of loans in productive endeavors provides a pathway out of poverty and enhances the overall well-being of the household (Kerstetter, 2019). Moreover, microfinance programs have demonstrated their effectiveness in alleviating poverty by providing financial resources to segments often marginalized by conventional banking systems. Research conducted by Banerjee and Duflo (2014) in India showcased the tangible benefits of microcredit accessibility, which resulted in significant increases in household assets and contributed to lowering poverty levels.

Further, village banking emerged as a catalyst for entrepreneurship, offering small loans that empowered individuals to start or expand businesses, thereby fostering the creation of new

enterprises and job opportunities. Studies such as Karlan and Zinman's (2011) research in the Philippines provided evidence supporting the positive correlation between access to microcredit and increased business investments and profits among micro-entrepreneurs. In a study by Arsjah, and Djamaris (2010) that was done in Indonesia, they argued that micro-banking initiatives played a crucial role in providing access to financial services, such as credit, savings, and insurance, to rural entrepreneurs who had limited or no access to traditional banking institutions. By offering these services, micro-banking facilitated entrepreneurship by providing the necessary capital and financial resources for business start-ups, expansion, and investment. Furthermore, the study argued that micro-banking initiatives stimulated local economic development in rural areas by fostering entrepreneurship and small business growth. By providing financial support to microenterprises, micro-banking contributed to job creation, income generation, and poverty reduction, leading to overall improvements in the economic well-being of rural communities.

In contrast, Sarahat and Chowdhury (2011) conducted a study in Bangladesh, focusing on microfinance and women's empowerment utilizing a panel data survey and assessed the advantages of microfinance and individual outcomes on spending, children's education, asset accumulation, and labor participation. The analysis found a positive and significant relationship between microfinance and women empowerment in their study. According to the researchers, the majority of low-income women were heavily involved in obtaining credit from lending institutions to educate their children, purchase land, and increase labor productivity in agricultural activities. Meanwhile, Fletcher and Mesbah's (2010) research in West Bengal, India showed that access to microfinance services, such as credit and savings, positively impacted women's ability to afford their children's school fees. The study revealed that women participating in microfinance programs were more likely to keep their children in school and invest in their education, which included paying for school fees and associated expenses. These findings indicate that microfinance programs can play a crucial role in supporting women's empowerment and improving access to education

In Africa, village banking plays a crucial role in nurturing entrepreneurship by offering aspiring entrepreneurs the essential capital and support they need. Research conducted by Karlan and Valdivia (2011) demonstrated that microfinance initiatives have significantly boosted entrepreneurial activities and facilitated business growth across Africa. This support system enabled individuals to transform their innovative ideas into viable businesses, thereby contributing

to economic development and job creation within local communities. In alignment with this finding, a study by Banerjee et al (2015) highlighted that by enhancing financial inclusion among the impoverished segments of society, microfinance programs empower individuals to access resources necessary for entrepreneurial endeavors.

On the other hand, Patel and Patel (2020) along with Maldonado et al. (2003) shed light on the significant impact of microfinance on household income augmentation and its role in providing a stabilizing effect. Additionally, they highlighted how microfinance empowered women in making decisions regarding their children's education. The study also emphasized the growing demand for children's education, particularly in programs that integrate educational components for mothers. This led to higher rates of primary school enrollment and completion. These findings underscore the multifaceted advantages of microfinance in improving educational outcomes and fostering economic stability within households.

The United Nations Development Programme (UNDP) acknowledges the significant role played by microfinance programs in Africa, not only in economically empowering women but also in fostering their social and political empowerment. By providing women with access to financial resources and entrepreneurial opportunities, village banking contributes to gender equality and women's participation in decision-making processes at various levels. In addition to fostering entrepreneurship and economic empowerment, village banking promotes community development by encouraging savings, investment, and social cohesion. The Consultative Group to Assist the Poor (CGAP) notes the positive impact of microfinance initiatives on social capital and community development across various African countries. By strengthening social networks and fostering a culture of financial responsibility, village banking contributes to the resilience of communities in the face of economic shocks and crises, as observed in Ledgerwood's (Philip, 2013) study on microfinance programs in Africa.

In their study, Pienaah and Luginaah (2024) explored the impact of Village Savings and Loan Associations (VSLAs) as a financial and climate resilience strategy for mitigating food insecurity in Northern Ghana. The research delved into the role of VSLAs in addressing food insecurity within the region, particularly in the context of climate change and its associated challenges. The findings of the study suggested that VSLAs played a significant role in enhancing food security among communities in Northern Ghana. By providing access to financial services and resources, VSLAs empowered individuals and households to better cope with the impacts of climate change

on agricultural production and livelihoods. Through savings mobilization and access to credit, VSLAs enabled farmers to invest in resilient farming practices, diversify their income sources, and adopt adaptive strategies to mitigate the adverse effects of climate variability on food production. Bhagwati and Panagariya (2013) presented a skeptical perspective on the direct influence of village banking on food security, suggesting that while microfinance initiatives like village banking may offer advantages in reducing poverty and expanding financial access, their impact on food security may have been less straightforward. Their viewpoint underscored the need for a nuanced understanding of the limitations and potential challenges associated with the role of microfinance in addressing broader developmental issues such as food security. In contrast, studies by Sulemana et al. (2023) and Khandker (2010) demonstrated that microfinance programs contributed to improvements in living standards, ultimately aiding in the eradication of extreme poverty and hunger at both individual and household levels. These findings highlighted the multifaceted impact of microfinance interventions, which extended beyond purely economic outcomes to encompass broader social and developmental goals. Furthermore, research on the "Effect of Microfinance on Women Empowerment" conducted in Pakistan by Niaz and Igbal (2019) examined the relationship between microfinance access and poverty reduction, empowerment, and social standing of women. The study, which gathered data from participants in both treated and control groups across urban and rural areas, revealed a significant positive impact of microfinance on these factors. This underscored the role of microfinance in empowering women and contributing to broader socio-economic development efforts.

Yoman (2019) contributed to the existing literature through a study that examined the role of banking agencies and village credit institutions in fostering economic growth inclusion in Bali province. The research indicated that enhanced financial inclusion had a favorable effect on individual economic growth, resulting in heightened access to capital, increased non-food consumption, and advancements in modern production. Additionally, Banerjee et al. (2015) conducted a study highlighting the positive impact of microfinance accessibility on household income in rural areas of India. The research findings revealed that participants experienced income growth, corroborating the outcomes of the village banking study.

However, a study by Chikwera et al (2022) that aimed to investigate the impact of village banking on income, showed a lower impact on income levels with microfinance interventions, and in the long run, microfinance was found to increase poverty instead. Chikwera et al (2022) suggested

that continued improper microfinance can escalate poverty levels to undesired heights. Implying that the growth of microfinance loans was not being put to its intended and efficient use. The findings brought to the fore that it is not only the provision of funds that matters. Unlike Chikwera's study, Philip (2013) argued otherwise in his study conducted in Kenya to explore the value of village banking in the economic empowerment of Salvation Army women. Through a comprehensive examination of village banking programs, the study highlighted how participation in such initiatives enabled women to achieve greater financial independence and reduce their reliance on male counterparts for financial support. By providing access to financial resources and opportunities for entrepreneurship, village banking emerged as a crucial mechanism for enhancing the economic well-being and social standing of women within Salvation Army communities in Kenya.

In a related study conducted in South Africa, Kabri (2009) investigated the impact of microfinance on poverty reduction and found that microfinance endeavors play a crucial part in decreasing poverty by promoting financial inclusion. This is achieved through facilitating access to financial resources that contribute to elevating the welfare of the community members. Similarly, Nyoni (2020) conducted a study focused on assessing the positive effects of microfinance on impoverished individuals in Zimbabwe. The primary objective of the research was to evaluate the influence of microcredit on the livelihoods, empowerment, and reduction of poverty among marginalized women in Zimbabwe. The study was carried out at two branches of Thrive Microfinance in Harare and Chitungwiza, with questionnaires distributed to clients of both branches. The sample for the study comprised 60 respondents from the two branches at various stages of loan cycles, in addition to 20 respondents from a control group.

The questionnaire and interview questions were designed in relation to the secondary objectives of the research, which are to examine the extent to which microfinance institutions are alleviating poverty in poor women, assessing microfinance support to small and medium enterprises run by women, microfinance support in empowering women, and making recommendations to various stakeholders based on the findings (Nyoni, 2020). The microfinance results allowed the following conclusions: almost all of the clients reported an increase in their incomes, which has improved their standard of living, they were able to pay for their medical bills and feed their families, cope with future crises using their savings, economically empowered, and their positions in the family

and in society had improved. All of the research findings stemmed from the improvements that these small loans brought to women-owned SMEs (Nyoni, 2020).

Additionally, Dean (2011) conducted a study examining the significant role of Village Savings and Loans Associations (VSLAs) in facilitating access to financial services in rural areas of developing nations like Ghana, Malawi, and Uganda. The study aimed to evaluate the impact of VSLAs on the utilization of household financial services, business activities, income levels, empowerment, consumption patterns, and the capacity to manage unexpected events such as droughts. For the research, researchers randomly allocated half of the 561 village clusters to the treatment group and the other half to the comparison group. The study included 15,221 households across the three countries. Surveys were administered 22 to 30 months after the formation of the first VSLA groups in each country.

According to Dean (2011), the presence of Village Savings and Loans Associations (VSLAs) resulted in positive outcomes, including increased savings and improved access to credit, enhanced microenterprise performance, and heightened empowerment among women in all three countries. Moreover, VSLAs led to significant advancements in financial inclusion among female participants. There was a substantial increase of around 34% in total reported savings compared to the comparison group. Additionally, women's empowerment showed significant improvement, with a 4-percentage point increase in the proportion of women reporting a high level of control over household business and food expenses, as well as 3 and 2-percentage point increases in influence over education and children's health-related expenses, respectively.

In Zambia, the implementation of village banking initiatives has the potential to reduce poverty and enhance access to goods and services for vulnerable women. With effective planning and execution, the advantages of village banking can reach beyond individual households and positively impact the community by enabling women to engage in entrepreneurial endeavors and establish their own employment opportunities (Cehhay, 2011). Numerous advocates of informal banking argue that extending credit to impoverished individuals, particularly women, can create additional income sources and job opportunities. This, in turn, can deter them from resorting to high-interest borrowing, thereby empowering these women to autonomously determine how to invest their funds and allocate resources more effectively to meet their essential needs (Diana et al 2022). By enabling impoverished communities to break free from the grip of local usurers and

predatory lenders with their excessively high-interest rates, informal banking can facilitate greater economic autonomy and stability (Banerjee, 2017).

In a study conducted in the Chipata district, Zimba (2016) found that women were predominantly engaged in microfinance activities due to being disproportionately impacted by poverty. Zimba noted that limited access to income, employment, education, healthcare, and financial services were among the primary factors contributing to poverty. The study highlighted the significance of financial access in addressing the aforementioned factors identified by Zimba (2016), as it enables individuals to fulfill basic human needs when they have access to monetary resources.

In Chisenga's (2018) study, "Assessing the Impact of Village Banking Program on Household Income," the focus was on examining the influence of village banking on households in the Katete district of the Eastern Province. Chisenga (2018) highlighted the role of microfinance as a global tool aimed at reducing wealth inequality between different socio-economic groups. Employing a cross-sectional design and a sample size of 100 individuals, the study aimed to provide reliable conclusions. The research emphasized the delivery of benefits at the household level, including the creation of income-generating opportunities and enhancements in household consumption. Chisenga also emphasized the positive impact of asset holding and induced savings on improving household living standards through microfinance interventions.

This study was primarily centered on examining the impact of village saving and loan associations on low-income households in the Petauka district of the Eastern Province of Zambia. Musonda (2020) conducted research that revealed compelling insights into the active involvement of women in income-generating business activities within agricultural camps, with 57% of respondents being women who also played significant roles in decision-making concerning the allocation of household income. These findings shed light on the important and multifaceted roles that women play in both economic and household decision-making processes. Furthermore, Musonda's study uncovered that members of village banks experienced substantial increases in their savings, ranging from K500.00 to K1500.00. This was particularly noteworthy considering that prior to joining these saving groups, households had limited or no financial resources available for saving purposes. Such results underscore the substantial positive impact of village saving and loan associations on the financial stability and welfare of low-income households.

2.3.2 The challenges that hinder village banking contribution to women's economic welfare

The role that village banking plays in uplifting the lives of the disadvantaged in the communities can never be over-emphasized. Research has revealed that when compared to men, women have been provided with less importance and power (Khan et al., 2018). To this effect, a majority of women all over the world do not have control over their assets nor do they possess decision-making power (Peprah, 2012). Nevertheless, women are one of the most important parts of society and without them, the chances of society improving are very slim (Fawad et al, 2023).

The Asia Pacific Finance and Development Center (AFDC) (2013) in Shanghai, showed that the primary challenge confronting microfinance institutions, including Village Banking, is the issue of financial illiteracy. The study highlighted that individuals in underdeveloped regions often struggle to access financial services due to a lack of financial knowledge, which prevents them from fully benefiting from available financial resources. This lack of understanding not only hinders their ability to utilize financial services effectively but also leaves them vulnerable to other financial challenges such as scams and fraud. Therefore, addressing financial illiteracy is essential for ensuring the success and sustainability of microfinance initiatives in these communities.

Khandker and Samad (2012), in their study conducted in Bangladesh, identified another significant challenge faced by women in microfinance, which involves the diversion of loan funds towards pressing needs, particularly for fundamental necessities and unforeseen emergencies. Their research revealed that upon receiving funds, individuals often allocate these resources towards resolving personal issues such as repaying debts or covering healthcare expenses, rather than reinvesting them into income-generating activities. This behavior is attributed to the fact that not all borrowers benefit equally from microfinance, as it is influenced by their local economic circumstances, entrepreneurial capabilities, and the level of diversification in their income sources (Ramasamy, 2018). Therefore, it is clear that addressing the individual needs and challenges of borrowers is crucial for the successful implementation of microfinance initiatives.

Morduch and Armendariz (2005) proposed that the level of trust and social connections within a community significantly influences financial conduct, particularly in terms of repaying loans. Their theory suggests that robust social networks and mutual trust among members participating in village banking can serve as a motivator for loan repayment and help reduce default rates.

Similar research was done by two UN scholars revealed that women entrepreneurs often lack information on the existence of credit facilities, financial instruments, networks, and the borrowing

conditions of financial institutions (Mehdi and Schwank, 2011). Most women who invest in village banking and run businesses have little or nothing to show for the money they acquire due to the fact that many of them end up stopping because they have to focus on staying at home and raising their children. Most illiterate poor women cannot keep records of their profits and losses in their enterprise or petty trade which is a great challenge to women and their business (Ramasamy, 2018). Research revealed that many women show little enthusiasm for engaging in partnerships and harbor apprehensions about collaboration, often lacking awareness of the fact that teamwork fosters innovation and motivates individuals to explore new problem-solving approaches. Nonetheless, Collaborative efforts, particularly for women, can elevate their visibility and boost their confidence.

In many instances, individuals who have access to credit may struggle to thrive because they are often required to prioritize their family's needs.

Endris (2022) conducted a study on the influence of repayment periods on the viability of microfinance institutions. His findings revealed that a shorter repayment timeframe might elevate the risk of loan delinquency and default, potentially causing financial instability within the microfinance institution. Moreover, Endris (2022) contended that the necessity to ensure prompt loan repayment could place excessive strain on microfinance clients, potentially resulting in financial hardship and diminished welfare outcomes. Research indicates that microfinance has a limited impact on addressing gender inequalities, as it restricts women's autonomy over loan management (CGAP, 2017). Many marginalized women in society adhere to the belief that household decisions should be solely made by their husbands. Consequently, when they receive funds from village banks, they tend to hand over the money to their spouses out of respect, instead of using it for investment or business ventures. Egyir (2016) highlighted a common concern where clients reported that their husbands or other household members took control of their finances, while the clients themselves bore the responsibility of repaying the loans, leading to heightened stress and dependency. Additionally, women encounter internal barriers such as reluctance or lack of willingness to engage in competitive activities.

As per the findings of Ksoll et al. (2016), their research demonstrated that 42% of village banking groups surveyed recognized that insufficient accountability and subpar record-keeping hindered their operations. This correlation coincides with the World Bank's 2010 report, which emphasized that 25% of village banking groups faced obstacles in maintaining accurate records. These

statistics not only underscore the pervasiveness of this challenge but also highlight its substantial impact on the functioning of village banking groups, shedding light on the critical need for addressing these issues to ensure the effectiveness and sustainability of such financial institutions. Multiple studies in Africa have identified various obstacles that impede the delivery of Village banking services. For instance, Dupas et al (2014) undertook a study focusing on the banking impediments encountered by rural residents in Kenya. This research was conducted within a setting where banking services were scarce, consisting of only one financial institution and a single village banking group. The findings revealed that both services were operational within the community, with a minimal fee required for opening an account. In the researcher's summary, it was noted that the limited accessibility to banking knowledge stemmed from the area's sole financial institution offering banking services.

In addition to the aforementioned, it was found that the community had concerns about trust due to a scandal involving the freezing of village banking accounts for an extended period. In a study conducted by Rutenge (2016) in Tanzania, which aimed to examine the impact of Village banking on household welfare, various challenges faced by Village banking were identified and investigated by the researcher. The study emphasized several factors that influence village banking, including inadequate infrastructure, limited education, and cultural customs. Additionally, the study's results indicated that the majority of obstacles impacting the effectiveness of Village banking in Tanzania are a combination of business and social factors. Concerning business-related challenges, issues included a lack of entrepreneurial skills (33%) and inadequate record-keeping (31%). Social challenges encompassed issues such as group members spending time ineffectively (3%), husbands not providing support for their wives' participation in Village banking activities (4%), and 9% of husbands misusing loans that were granted to their wives (Rutenge, 2016).

The non-members of Village banking (20%) that were interviewed were not aware of the challenges faced by Village banking members. Information from non-Village banking members and key informants revealed some of the reasons for Village banking's poor performance due to low capital and entrepreneurship skills. Further research conducted by Mashigo and Kabir (2016) on access to financial services as a crucial element of poverty alleviation, community, and individual development highlighted that a primary challenge faced by impoverished South African households was the absence of financial assistance due to inherent limitations within formal

financial institutions. These limitations encompassed the insufficiency of infrastructure facilities, elevated transaction costs, and the requirement for traditional collateral.

The objective of the study was to propose a financial strategy that would improve access to financial services and develop poor households in South Africa. The research was literature-based since it drew on a wide range of academic literature that documents village/community banks and financing the poor. International best practices which are equally important and crucial were used to identify a financial inclusion strategy that alleviates the need for collateral and high transaction costs in financial transactions.

Furthermore, research conducted in Zambia has shed light on the difficulties encountered by participants in village banking. In a study by Banda (2020) titled "Assessing the Obstacles of Village Banking on Financial Savings Culture in Lusaka," which encompassed both male and female participants, it was found that individuals tended to favor saving money in village banking groups. This inclination stemmed from the fact that traditional savings banks were considered somewhat unreliable, lacked sufficient collateral from the banks, offered inferior customer service, imposed high monthly account maintenance fees, and were situated far from clients' residential locations.

Nevertheless, the study identified several obstacles encountered by village banking groups, including but not limited to members' reluctance to repay their loans, a lack of transparent guidelines governing the operations of village banking groups, and unequal distribution of information. Similarly, in a related study by Lweendo (2021) that analyzed the influence of village banking on financial inclusion for female marketers, focusing on the Ndola masala market as the study area, a range of challenges experienced by village bank group members were observed.

The scholar, described the challenges as follows; some group members are in the habit of defaulting on their loans and not returning the loans on the agreed time and period. Lack of skills and business management training offered by group leaders to the rest of the group. Some other reasons that were cited were non-compliance to the groups' constitution by some group members and lack of proper and clear guidelines governing what the borrowing limits of loans were. In the study done by Sibeso (2022), some group leaders were unable to account for money saved by individual group members, and poor record-keeping is one of the reasons. Likewise, a study done by Banda (2020) on understanding the transactional challenges encountered in Village banking highlighted a number of challenges. The scholar argued that monitoring payments is an

impediment in village banking and it referred to how difficult it is to track how funds move between peers. The current setup is such that only two peers are able to know the details of any payment at any one time. While individuals move their savings to the group's coffers it is important to monitor how those funds are being gathered and to whom payments are made.

All payments and movement of savings need to be done in a more transparent manner rather than verbally. Making Payments to members on a different platform (Bank and Mobile Money) was also another difficulty as making payments between individuals with different mobile money providers may attract extra costs, time, and convenience. Other types of challenges highlighted by Banda (2020) that are encountered in village banking are those related to the technology used, specifically, how a payment solution is accessed how the provider of the payment solution provides the solution, or how the payment solution is used. These have been summarized as 'barriers' and include issues like internet, charges, lack of proper mobile phones, bank system outages, or mobile company outages.

2.3.3 Effectiveness of village banking systems on women's economic welfare

Approximately 2.5 billion adults worldwide do not have access to financial services, and enhancing financial access presents numerous development opportunities. According to the Global Findex (2015), a database compiled by the World Bank, three-quarters of the global impoverished population do not have a bank account due to factors such as poverty, associated costs, travel distance to banks, and the often challenging requirements for opening an account. Addressing the financial condition of the "unbanked," which is intertwined with income inequality, requires the establishment of sustainable and improved approaches to enhance microfinance operations, such as Village Banking.

National Financial Inclusion Strategies (NFIS) a global initiative by the World Bank (2023) defines strategies as roadmaps of actions, agreed and defined at the national or subnational level, which stakeholders follow to achieve financial inclusion objectives. It is argued that for any country to achieve financial inclusion there is a need for successful strategies to coordinate efforts with the main stakeholders, define responsibilities among them, and state a clear planning of resources by, for example, prioritizing targets. This will be able to promote a more effective and efficient process to achieve significant improvements in financial inclusion.

In pursuit of this objective, the World Bank (2019) adopted a comprehensive approach to collaborate with governments and regulators in establishing a sustainable and improved

microfinance system that is inclusive, particularly for the rural impoverished population. The Organisation also provides enhanced assistance to facilitate access to a variety of financial products and services through i) implementing policy and regulatory reforms for micro and small and medium-sized enterprise (SME) finance, ii) creating robust and efficient financial infrastructure for payment systems, supply chain finance, credit information, and collateral frameworks, iii) introducing innovative methods to reach underprivileged households, such as Government-to-Person Payments linked to financial accounts, and iv) promoting responsible finance through consumer protection and financial capability (CPFC) (Cruz et al., 2023). The World Bank also partners with countries to support national strategies for financial inclusion and provides data, technical assistance, financing, and capacity building to support the implementation and sustainability of these strategies.

In Africa, there have been various approaches promoted to enhance village banking. A study conducted by Tanzanian researcher Rutenge (2016) argued that there are multiple pathways to boost and sustain the effectiveness of village banking. The study's findings encompassed diverse perspectives that contribute to the sustainability of village banking, emphasizing the importance of comprehensive training in village banking management. Additionally, the scholar advocated for increasing awareness among men to garner their support for women's involvement in village banking activities. In Madagascar, savings groups have played a crucial role in supporting the government's efforts to integrate more individuals, particularly women, in rural areas into the formal financial system.

In a similar context, a study carried out in Egypt adopted a strategy to improve microfinance by capitalizing on the country's pre-existing community-based structure of "game," a rotational savings and credit association in which members, predominantly rural women, contribute regular amounts of money to a collective fund and take turns in receiving the pooled resources. The researchers proposed digitalizing the operations of this "game" and integrating them with the formal banking system as a means to enhance the effectiveness of microfinance institutions (MFIs) (Benami and Carter, 2021). This method consciously sought to leverage the established financial practices and networks of rural women, rather than imposing entirely new systems from external sources. Embracing this organic approach, based on existing practices, can be crucial in assisting individuals in rural areas, particularly women.

On the other hand, Armendáriz and Morduch (2005) offered a broader discussion on microfinance and the importance of effective governance and regulation within financial initiatives as discussed authors such. Their work underscores the significance of clear rules and regulations in ensuring the transparency, accountability, and sustainability of financial initiatives. The authors argue that effective governance frameworks and regulatory mechanisms are key to promoting responsible lending practices, protecting clients, and mitigating risks within microfinance operations.

Similarly, the perspectives shared by Harper (2007) support the notion that well-defined rules and regulations play a crucial role in establishing a conducive environment for microfinance initiatives, particularly those functioning within village communities. The belief is that creating a conducive regulatory framework is vital for the successful operation and impact of microfinance programs at the local level. The implementation of technological advancements in microfinance operations, particularly in activities such as village banking, has the potential to improve the effectiveness of empowering the participants in Zambia (Sichilongo and Sinkala, 2021). Introducing mobile money for accepting payments could aid in covering transaction costs, and enabling access to mobile banking for microfinance transactions is likely to lead to a substantial expansion of the client base. Mobile banking's round-the-clock accessibility is one of the key factors driving its popularity. Members of village banking would greatly benefit from reduced transaction expenses and the increased market access to remote rural areas that mobile banking offers.

The report on the National Financial Sector Development Policy (NFSD, 2017) points out that Zambia has a low level of mobile phone penetration and underutilization of mobile financial services. According to the 2017 Zambia Financial Capability Survey Report, the country's mobile penetration rate is 74.5 percent, which is lower than the average rate of 90.8 percent in Africa, and notably lower than the rates in Ghana and Côte d'Ivoire, which stand at 129.7 percent and 119.3 percent, respectively. Moreover, Fin Scope report (2015) indicates that, out of the adult population in Zambia, only 11 percent own mobile money accounts, with a mere 4 percent actively using mobile money. However, Sinkala and Sichilongo (2021) argue that in order for any entity to function effectively, the establishment and adherence to guidelines and strategies are crucial. In the context of village banking, participants mentioned the importance of having a constitution in place, imposing penalty fees on members for late meeting attendance or unexplained absences, and limiting loan amounts to the level of funds saved in the village banking account. Additionally, group members are encouraged to make weekly loan repayments, thereby alleviating the stress of

repaying both the loan and the interest in one go. Simply reducing borrowing or time cost does not effectively achieve financial inclusion for the participants of Village Banking and adequate studies have not been done to generate important prescriptions for effectively expanding and managing financial services from the perspective of the participants themselves.

2.4 Research Gap

The literature surrounding village banking in Zambia reveals a significant reliance on informal savings mechanisms, with approximately 80% of the population participating in activities such as village banks (Klaverene, 2009). Various studies have been conducted on the topic of village banking in Zambia by Sibeso (2022), Lweendo (2021), Sichilongo and Sinkala (2021), Sinkala (2020), and Chisenga (2018), each focusing on different areas of study and utilizing different research approaches. However, this paper exclusively examines women who are not involved in a market setup nor are farmers. This study employs a combination of questionnaires and interview guides as sources of data, which previous studies did not. Given this context, the objective of this paper is to determine whether village banking has an influence on these women in such a setup and, if so, to what extent.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter presented an overview of the research methodology employed in this study. It encompassed an in-depth discussion of the study area, research design, sample size, data collection tools, and the challenges faced by the researcher during the course of the research. Furthermore, this section critically analyzed the study's validity and reliability, in addition to addressing the ethical considerations that were carefully taken into account..

3.2 Study Area

The study took place in Lusaka Province, Zambia, specifically in Kaunda Square Stage One, covering approximately 70,6417 square meters and located southeast of Great East Road. This area is home to a significant population, with over 11,210 women outnumbering men. Moreover, the majority of its residents are engaged in informal employment (CSO, 2022; Klaverene et al., 2009).

Kaunda Square Stage One was chosen as the study's focal point for several reasons. Firstly, its high concentration of women in the informal labor sector provided an ideal environment for investigating the potential impacts of village banking initiatives, particularly on female economic empowerment. Additionally, the area's accessibility facilitated data collection and ensured comprehensive research within the given timeframe.

Furthermore, the absence of prior scholarly inquiries within Kaunda Square Stage One influenced its selection. Despite the implementation of various village banking programs since 2014 (Mususa, 2019), there was a notable lack of empirical studies examining their efficacy and impact on the community's economic landscape. Therefore, the study aimed to fill this gap in the literature by providing valuable insights into village banking dynamics within this specific context.

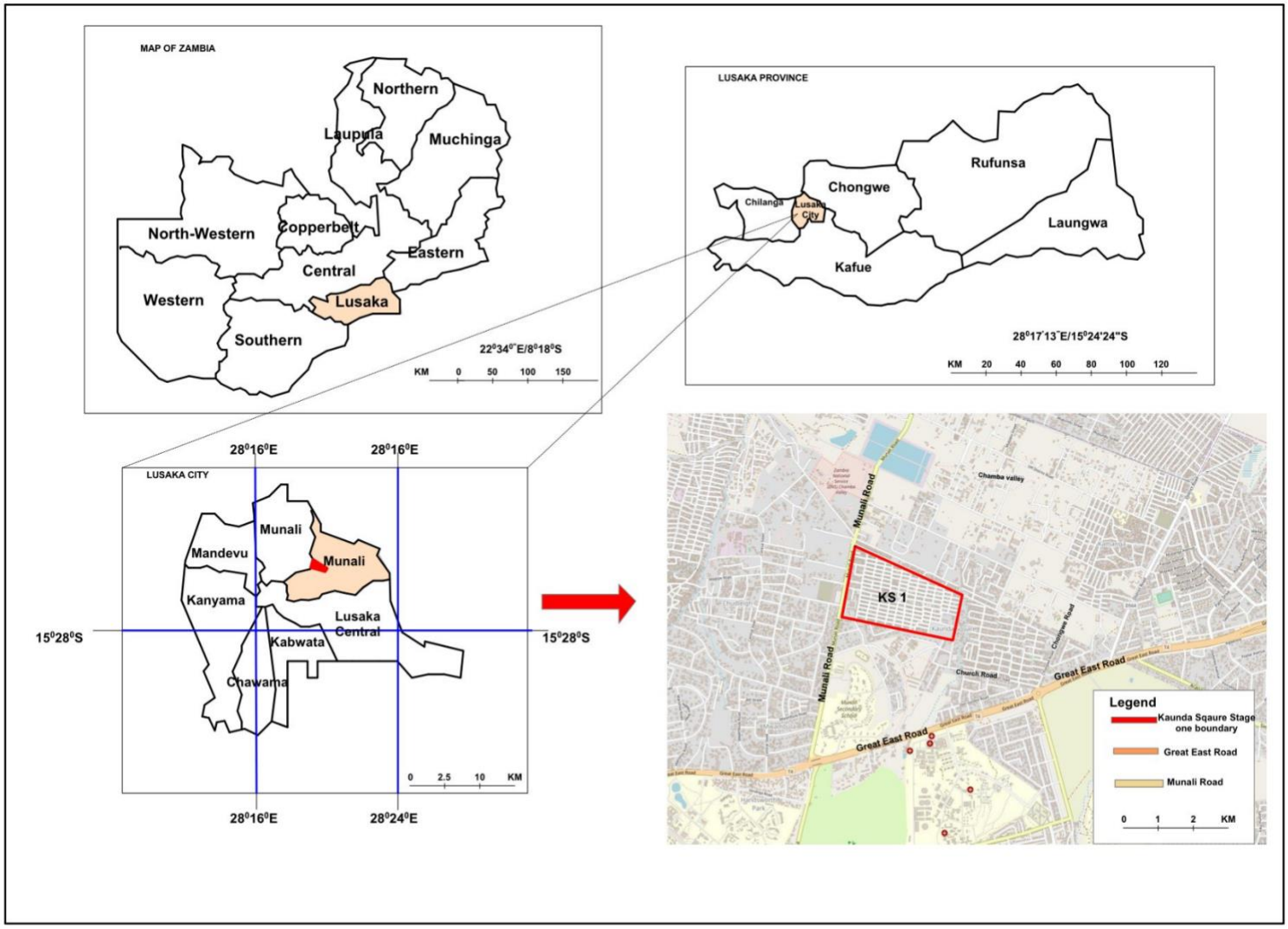

Figure 2: Research map
Source: Fieldwork, 2023

3.3 Research Design

A mixed-methods research design was used. This approach allowed for both qualitative and quantitative data collection and analysis, offering a more comprehensive understanding of the topic. The quantitative aspect of the study involved conducting surveys to gather numerical data on the socioeconomic status of women involved in village banking, such as income levels, household expenditure, and savings patterns before and after participating in village banking programs.

Qualitatively aspect involved the use of in-depth interviews to gain insights into the experiences of women involved in village banking, exploring aspects such as empowerment, their perceived changes in welfare over time, and as well as barriers that they faced.

By combining both quantitative and qualitative approaches, the researcher gained a holistic understanding of how women's participation in village banking has influenced their welfare.

3.4 Target Population

The target population of this study was in two categories, women who were existing members of village banking groups and women who had participated in village banking programs before. These two groups of the population who are current or former members of village banking groups were chosen because they have direct experience and knowledge of how these programs operate, the benefits they provide, and any challenges they may pose. It's important to note that the study only targeted at least females 18 years and above. By targeting women aged 18 and above, the research assumed that the participants have the legal capacity to make independent decisions about their involvement in village banking programs. This ensures that the women being studied can provide informed consent and autonomously participate in the research.

3.5 Sample Size

Identifying the appropriate sample size holds significant importance in ensuring its representativeness of the target population (Webster, 2024). While Silk (1979) suggests a minimum 10% sample size of the population, this study opted for a different approach. The study used Cochran's (1977) formula;

$$N=((pq)\ z^2)/e^2$$

N= sample size, z = Standard of error, p = Variability, q = 1-p, e = acceptable sample error

Using a sampling frame of 4663, a representation of the female labor force in Kaunda Square Stage One (Zambia Statistics Agency, 2021), 95% confidence interval, 30% expected prevalence, and 9% precision of population the study sample was 90, participants.

3.6 Sampling Techniques

The study used simple random sampling because it gave every individual in the population an equal chance of being selected. This helped the sample results to be representative of the entire population and make generalizations. Moreover, simple random sampling was easy to understand and implement.

3.7 Types of Data

3.7.1 Primary Source

Primary data refers to the approach employed by researchers to directly gather data, as opposed to relying on information collected from previous studies (Worley, 2015). In the social sciences, primary data typically involves collecting information directly from individual respondents or research participants using various methods such as structured questionnaires and interview guides. The structured questionnaires and interview guides were designed to gather data on specific objectives, with the interview guide allowing for the capture of impressions and experiences that could not be obtained through the questionnaire. Both methods were used to focus on collecting information related to three specific objectives.

3.7.2 Secondary Source

Secondary sources refer to pre-existing data that has been collected using primary methods, such as information obtained from the internet, books, journals, and newspapers, as outlined by Wagh (2024). Following the completion of fieldwork, the research study utilized three main primary secondary sources for additional information. These sources included the Academic Journals, Central Statistics Office (Zambia Statistics Agency), reports from the Bank of Zambia, and reports from International Organisations such as World Bank and United Nations. The rationale behind consulting these secondary sources was to ensure that the research captured any information that may have been overlooked or inadequately addressed in the questionnaires and interviews. By incorporating these secondary sources, the study aimed to complement the primary data collected through questionnaires and interviews, thereby enriching the overall understanding of the research topic and enhancing the comprehensiveness of the findings.

3.8 Data Collection Tools

This study used questionnaires and interview guides as data collection instruments.

3.8.1 Questionnaire

A questionnaire can be said to be a written interview that is given to the respondents. Mcleod (2023) defines a questionnaire as a research instrument that consists of a series of questions to gather information from the respondents.

The questionnaire is structured in such a way that it can either be written, in a case where the participant can respond to questions by writing them, on the other hand, it can be in an oral format where the researcher helps the participants to write on the questionnaire as they are responding to the question. The structured questionnaire was comprised of both closed-ended questions and open-ended questions. Closed-ended questions are questions that are provided by the researcher

and participants are given options to choose from. Furthermore, open-ended questions allow respondents to express themselves as they are directed to specific responses.

The questionnaires were used to collect data on village banking in Kaunda Square Stage One and the questions were centered on the three specific objectives. The questionnaires were administered to females only using simple random sampling. The researcher approached 5 village banks, which each had a member average of about 35, and using the concept of the coin flipped, assigned two values to the target group, which were 0 and 1. This ensured that each person had an equal chance of being assigned either 0 or 1. The researcher then selected individuals with a value of 0 to be part of the study. The researcher did the same thing with the participants who were part of the sample but were no longer involved in village banking. The questionnaires were then distributed to the participants based on one questionnaire, one participant until the target number of 90 was reached. 60 Participants were chosen from active village bank members and 30 people from members who were once part of village banks. The logic behind the two groups of people is to collect information from the varied experiences challenges and outcomes associated with village banking participation.

3.8.2 Interview Guide

Interview guides are essential tools for interviewers to maintain consistency and direction during an interview with a job candidate or industry interviewee. These guides can range from structured to informal conversations, but they all serve the same purpose. In this particular study, the researcher utilized an interview guide to gather rich information and draw detailed conclusions, taking into account nonverbal cues, off-the-cuff reactions, and emotional responses (Bhandari, 2023).

The researcher crafted a structured interview guide for the study. The guide consisted of open-ended questions that explored the establishment, functioning, and impact of village banking on women's welfare in Kaunda Square Stage One. The questions were tailored to elicit in-depth insights into the challenges, successes, and potential improvements within the village banking system and this was aimed at 15 participants, 5 active members of village banking group, 5 leaders of village banking groups and lastly, 5 participants who were once members of village banking groups.

Before conducting the actual study, a pretest was conducted with a small sample of ten individuals representative of the population. After the pretest interviews, participants were asked for feedback

on the interview guide. The questions were designed for personalized probing, and follow-up questions were based on the participant's responses without losing sight of the main focus of the research paper. The aim of this approach was to delve deeply into the participant's thoughts, experiences, and perspectives on the topic and provide a comprehensive understanding of the individual's viewpoint.

3.9 Data Analysis

Quantitative research data will be analyzed using descriptive statistics and inferential statistics by ascertaining the association among variables. The researcher utilized the Statistical Package for Social Sciences (SPSS) and Excel package as the main descriptive statistical tools to analyze the data and determine the extent of relationships between the independent and dependent variables. The results of the processed data were presented using percentages, frequencies, bar charts, pie charts, and tables for easy understanding. On the other hand, qualitative data was analyzed using thematic analysis where emerging themes were identified from the interview transcripts.

3.10 Validity and Reliability of Data

Validity is the degree to which an instrument measures what it is intended while reliability concerns the faith that one can have in the data obtained from the use of an instrument, that is, the degree to which any measuring tool controls for random error in the language of measurement equation, it refers to the persistence of systematic error in the measurement process (Mohegan, 2017). The pretest was conducted by selecting a small sample of individuals, who were representative of the intended population. The purpose of the pretest was explained to the participants, and the interview guide was administered in a structured manner. Detailed notes were taken during the pretest interviews, and direct feedback was sought from the participants regarding the clarity and relevance of the questions.

To confirm data validity and reliability, the feedback obtained from the pretest interviews was carefully analyzed. This involved identifying any patterns or consistent areas where the interview guide may need modification. Common themes in participants' responses were looked for, and specific questions or wording that required adjustment were identified. The feedback obtained was used to revise the interview guide. Any significant changes made to the interview guide were followed by additional pre-testing with different small samples of participants to confirm the effectiveness of the adjustments. This iterative process of collecting feedback, revising the guide, and retesting it was crucial in ensuring the validity and reliability of the data collected through the interview guide. Moreover, the participants in the research process were provided with a summary

of the data and the researcher asked for their feedback and validation. This helped to ensure that their perspectives and experiences were accurately represented in the research findings.

3.11 Ethical Considerations

Ethics is a set of principles that is suggested by an individual, is subsequently widely accepted, and offers rules and behavioral expectations about the most correct conduct towards experimental subjects and respondents (Singer, 2023). The researcher followed ethical principles of voluntary participation, informed consent, anonymity, and confidentiality. Voluntary participation meant that the researcher allowed the subjects to freely choose to participate without any pressure or coercion and participants were allowed to withdraw from or leave the study at any point without feeling an obligation to continue.

Informed consent meant that the researcher provided all potential participants with all the relevant information about what the study entailed and allowed them to agree before the study was conducted. Anonymity entailed that the researcher did not collect any personal identifying information such as names, phone numbers, email addresses, or photos to protect the participants. Confidentiality demanded that the researcher take the necessary steps to safeguard and prevent any threats to data privacy, and no personal information was collected by the researcher. Finally, the researcher also sought permission from the University of Zambia and the Management of respective public sector institutions. It was also worth noting that all information obtained was used for academic purposes.

3.12 Limitations of Study

A significant challenge that arose during the study was the insufficient financial resources available. The process of engaging in interactive exchanges with participants incurred significant expenses. Furthermore, despite stressing the importance of informed consent and the protection of anonymity, certain individuals remained hesitant to disclose information. The acquisition of the required data from central Organisations, such as the Central Statistics Office, was also hampered by administrative hurdles. Fortunately, this was resolved through the scheduling of appointments.

CHAPTER FOUR
DATA FINDING AND PRESENTATION

4.0 Introduction

This chapter provided an overview of the data collected during the research project, incorporating both primary and secondary sources. The primary objective of this study was to assess village banking's contribution to women's economic welfare in Kaunda Square Stage One. The chapter focused on the perspectives of the respondents.

The research themes were structured in alignment with the specific research objectives. The specific objectives of the study as set in chapter one are:

- To establish the economic benefits that women realize from village banking
- To determine the challenges that hinder village banking's contribution to women's economic welfare.
- To identify the different community strategies that can be used to enhance the effectiveness of village banking in contributing to women's economic welfare

4.1 Demographics Characteristics of the sample

To analyze the effect of village banking groups on women's welfare, it was essential to take into account various demographic characteristics of the women in the study. It was important to have a thorough understanding of the women involved, including factors such as age, educational background, marital status, and household income. By considering these demographic characteristics, the study was able to gain deeper insights into those involved in the study. Understanding the specific demographic profiles of these women played a vital role in grasping the true effects of village banking groups on their overall well-being.

4.1.1 Age of the respondents

As a fundamental demographic characteristic, the study analyzed the age structure to gain a deeper understanding of how various age groups contribute to the village banking initiatives. As such age distribution plays an important role in identifying any patterns or trends that could shed light on the impact of different age cohorts on the village banking system. To this extent, Table 1 shows the analysis of the age that was performed to establish the representation of various respondents.

Table 1: Age Distribution of Village Bank Respondents

Age	Count	Percentage
18 to 20	9	10%
21 to 25	25	28%
26 to 30	24	27%
31 to 35	4	4%
Above 36	28	31%
Total	**90**	**100%**

Source: Fieldwork, 2023

The information given shows the age group of the females who participated in the survey. Table I shows that there were 9 participants of ages 18 to 20, 25 participants of ages 21 to 25, 24 participants of ages 26 to 30, 4 participants of ages 31 to 35, and 28 participants above the age of 36, arriving at a total count of 90 participants. The age group above 36 years had the highest representation of women, accounting for approximately 31% of the total women in these groups. Following closely behind, the age range of 21-25 years had a significant proportion of women, making up around 28% of the total women in the village banking groups. This age group primarily includes individuals in their early twenties. The age range of 26-30 years represented approximately 27% of the women in the village banking groups. In contrast, the age range of 31-35 years had a relatively small representation, accounting for only 4% of the total women in the village banking groups. The youngest age group, 18-20 years, constituted around 10% of the women in the village banking groups. The participants met the sample size criteria of the study as they were females who at the time of the study, were either actively involved in village banking or had participated in it before.

4.1.2 Marital status of the Respondents

The study analyzed the marital status of the respondents in order to understand how this demographic characteristic may impact the results and findings. Marital status helped the study to contextualize the individual economic and social decision-making, lifestyles, and attitudes. Thus, Figure 3 shows the marital demographics of respondents which indicates diversity within the group of women participants and can help to identify patterns that may influence the participant's decision-making.

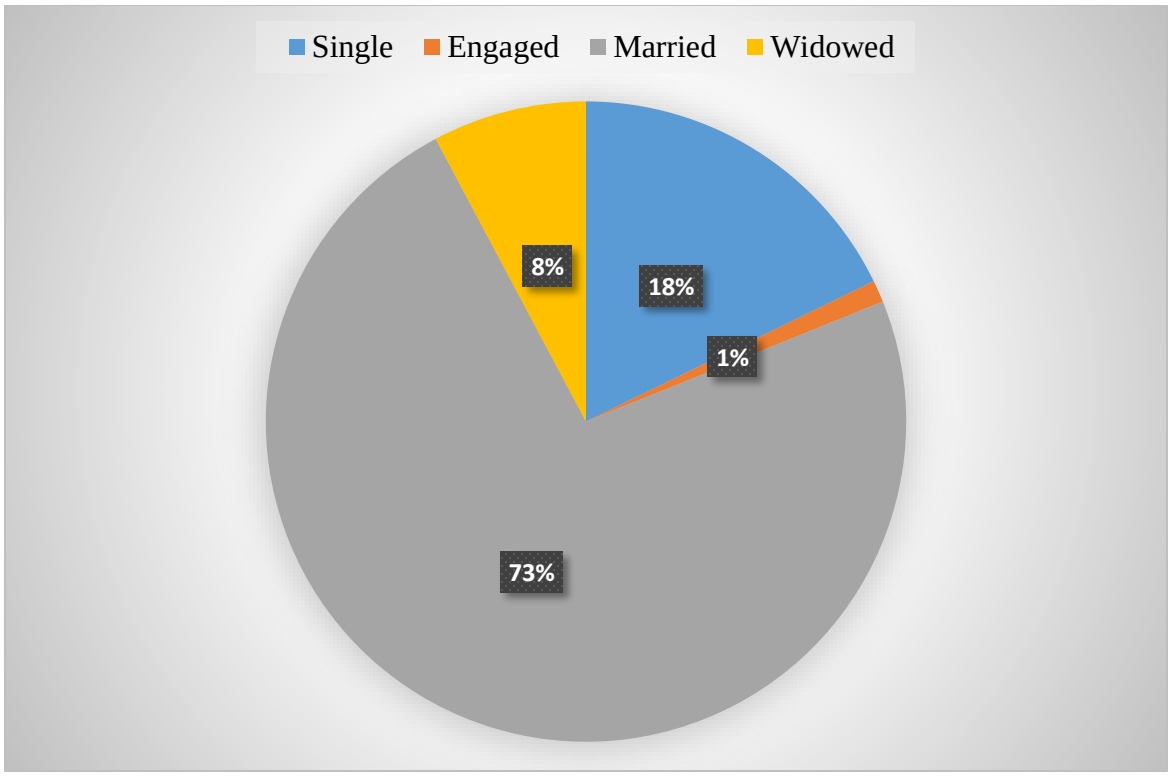

Figure 3: Marital Status Distribution of Village Bank Respondents

Source: Fieldwork, 2023

This data provided insights into the marital status of the women involved in village banking. Firstly, it reveals that 18% of the respondents were single. This means that they were not currently married, engaged, or widowed. These women may be unmarried and not in a committed relationship. Secondly, the data indicates that only 1% of the respondents were engaged. This suggests that they were in a committed relationship and planning to get married. Furthermore, the majority of the respondents, 73%, were married. This indicates that they were in a legally recognized union with a spouse. Being married signifies a committed and official partnership between two individuals. Additionally, 8% of the respondents were widowed. This means that their spouse had passed away, and they were now single due to the death of their partner. In summary, the marital status of the respondents of women in village banking reveals that the majority were married (73%), followed by singles (18%), widowed (8%), and those engaged (1%). This data provides insights into the diverse marital statuses among women in village banking and highlights the importance of considering their unique experiences and circumstances when analyzing their financial needs and participation in such programs.

4.1.3 Education level of the Respondents

The education level was analyzed to gain insight into the knowledge, skills, and qualifications of the sample. Education is a strong determination of an individual's socio-economic status, opportunities, access to resources, and use of those resources. It allows for an examination of disparities in educational attainment such as differences between those with high school certificates, diplomas degrees, etc. As such, Figure.4 expresses insights into the educational backgrounds and levels of literacy of the participants thereby, assessing the potential impact of village banking programs on women's empowerment.

Figure 4: Education Distribution of Village Bank Respondents
Source: Fieldwork, 2023

Figure 4 provided insights into the educational background of the respondents, and the data suggested that the majority of respondents (24%) had attained a tertiary level of education. This typically referred to individuals who had completed a degree or advanced diploma program after finishing secondary education. Following tertiary education, the largest group of respondents (47%) had a secondary level of education. This typically included individuals who had completed high school or an equivalent level of education. There were 18% of respondents who had reported having a junior level of education. This typically referred to individuals who had completed their primary education but had not yet entered secondary education. Lastly, there were 11% of respondents who had reported having no formal education or none. This implied that these individuals did not have access to or did not pursue any form of formal education.

4.1.4 Level of Income of the Respondents

The income level of respondents is a significant factor in understanding the financial situation and lifestyle of women. Participants were asked what their current average monthly income was from other sources of livelihood (prior to joining village banking). Figure 5 highlights the findings related to this factor.

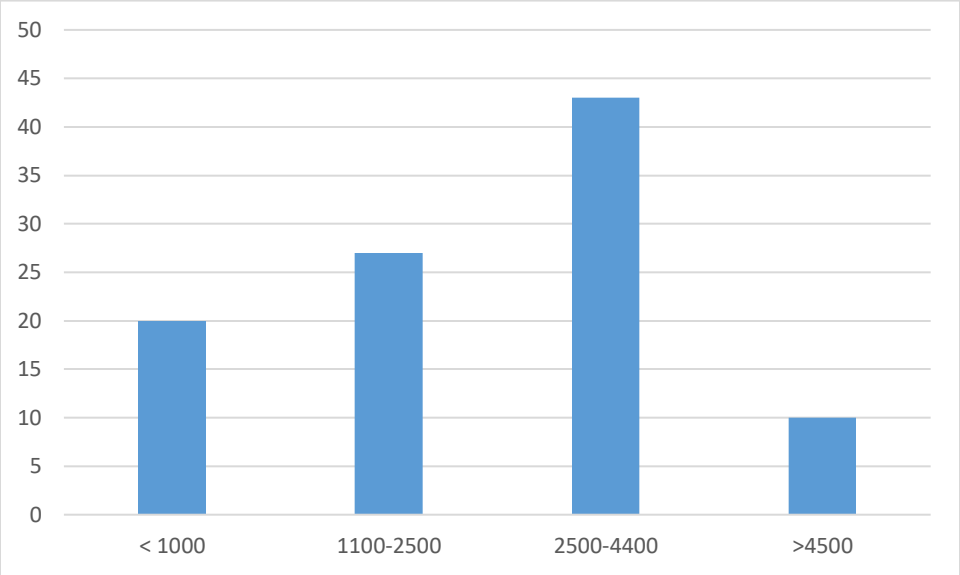

Figure 5: Income Level Distribution of Village Bank Respondents
Source: Fieldwork, 2023

This information provided a general overview of the income distribution among women. It suggested that a significant portion of women (27%) had incomes between K1100 and K2500, indicating a moderate income range. Additionally, the data showed that a considerable proportion (43%) had incomes between K2500 and K4400, indicating a higher income range. Furthermore, 10% of women had incomes of K4500 and above, indicating a relatively higher income group. On the other hand, 20% of women had incomes below K1000, indicating a lower-income group. Overall, these statistics suggested a varied income distribution among women, with a significant portion falling within moderate to higher income ranges, but also a notable proportion falling within lower-income brackets.

4.1.5 Investment opportunities for women in village banking

Village banking offers a compelling opportunity for investment, particularly with a focus on empowering women and fostering economic inclusion. This microfinance model, centered on community-based financial services, has the potential to significantly impact the lives of women in rural and low-income areas. By investing in village banking initiatives tailored to women, they

can play a pivotal role in supporting female entrepreneurship, promoting financial independence, and driving positive socio-economic change. These investments not only provide crucial financial resources but also foster the development of skills, knowledge, and leadership among women, ultimately contributing to inclusive economic growth and sustainable development within communities. Figure 6 shows the number of investments that women in village banking have engaged in.

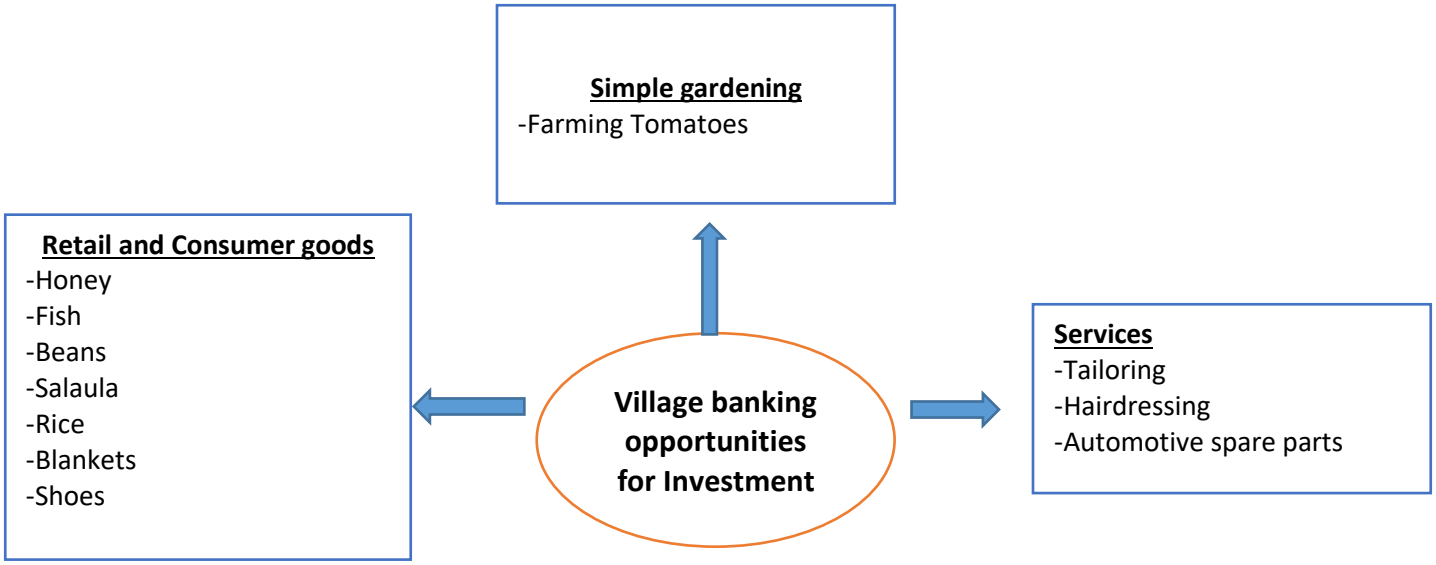

Figure 6: Perceived Investment Opportunities for Women in Village Banking
Source: fieldwork, 2023

The diagram provided an overview of the varied investment activities in which women have been actively participating due to village banking. It highlighted three main categories of these activities. Firstly, the agricultural and farming category showcased women's involvement in poultry farming and the cultivation of tomatoes, indicating their significant contribution to the agricultural sector. Secondly, the services category demonstrated women's engagement in diverse service-oriented occupations, such as tailoring, hairdressing, and retailing automotive spare parts. Lastly, the retail and consumer goods category underscored women's participation in the trading and selling of essential items, including honey, fish, beans, second-hand clothing (locally known as "salaula"), rice, blankets, and shoes. This comprehensive representation of women's investment activities underscored their considerable role across various sectors of the economy, aimed at improving women's livelihoods.

4.2 The economic benefits that women realize from village banking

As regards, the first objective of the study, the analysis of the questionnaire and interview guide revealed five themes which are explored below.

4.2.1 Village banking and Access to Medical services

The researcher aimed to assess the extent to which village banking has influenced women's access to medical services such as private clinics, medications, consultations, and professional treatments. The figure 7 illustrates the comparison of the outcomes before and after the respondents joined village banking groups.

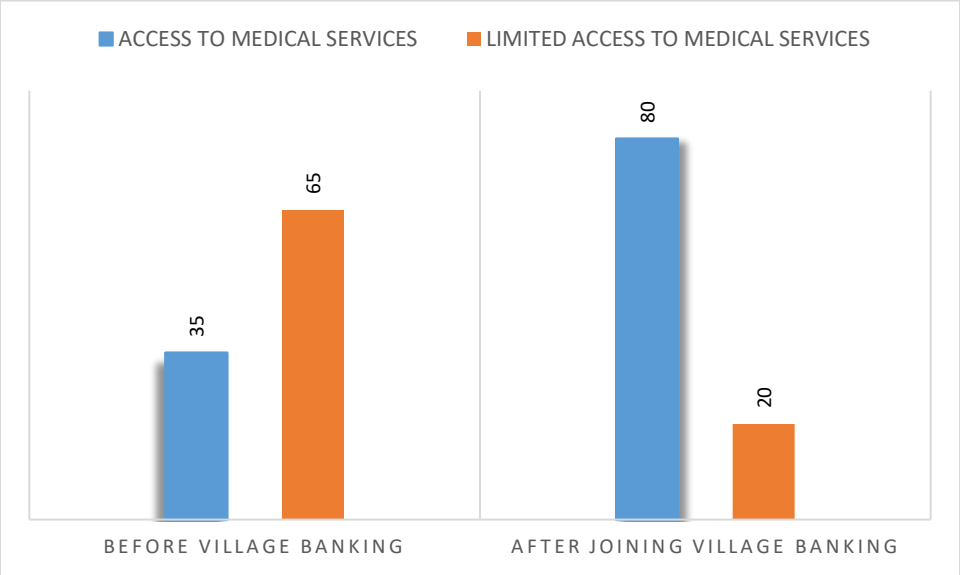

Figure 7: Changes in Access to Medical Services Among Village Bank Respondents
Source: Fieldwork, 2023

The results from the village banking groups provided insight into the healthcare situation prior to and after women joined the initiative. Initially, a mere 35% of women reported relying on their spouses and relatives to access medical services. This indicated a significant lack of direct access to better healthcare services and suggested a heavy dependence on others for their well-being. Additionally, the majority of women revealed that they did not have access to good quality medical services, further underscoring the healthcare challenges they faced.

However, following their involvement in village banking, a notable shift occurred in terms of the respondent's capacity to access vital medical services. The results demonstrated that an overwhelming majority, approximately 80% of women, were now able to access vital medical services.

A participant of the village banking program shared her insights on how village banking has influenced her ability to access medical services by expressing in her words *"I am delighted to share how village banking has transformed my household health. Previously, I would hesitate to seek medical treatment due to the high costs involved. However, with the financial support from the village banking group, I no longer had to make that difficult choice. Not only was I able to seek medical attention promptly, but I could also afford the necessary medications and treatments. This ensured that my family received the care they needed, reducing the severity and duration of illnesses, and ultimately improving our overall well-being.*

The impact of village banking on our household health was not limited to the financial aspect alone. With increased financial stability, improved access to healthcare, and enhanced knowledge of health-related matters, we experienced a significant positive change in our overall well-being (Respondent 2).

Respondent 2 expressed their delight in sharing how village banking had transformed their household health. Previously, they had hesitated to seek medical treatment due to high costs. However, with financial support from the village banking group, they no longer had to make that difficult choice. They were able to seek medical attention promptly and afford necessary medications and treatments, ensuring their family received needed care and reducing the severity and duration of illnesses. Ultimately, this improved their overall well-being. The researcher was able to observe that this sentiment was echoed by the other participants of the village banking groups.

This aspect of the research highlights the important link between women's village banking and access to medical services, such as private clinics, professional treatment, and consultations. The interviewee's ability to seek medical treatment promptly and afford necessary medications and treatments further emphasizes the role of financial stability in addressing healthcare needs.

4.2.2 Village Banking and Food Security

The researcher set out to examine the effect of village banking on women's capacity to access sufficient quantity of nutritious food. Figure 8 illustrates the comparison of the outcomes before and after the respondents joined village banking groups.

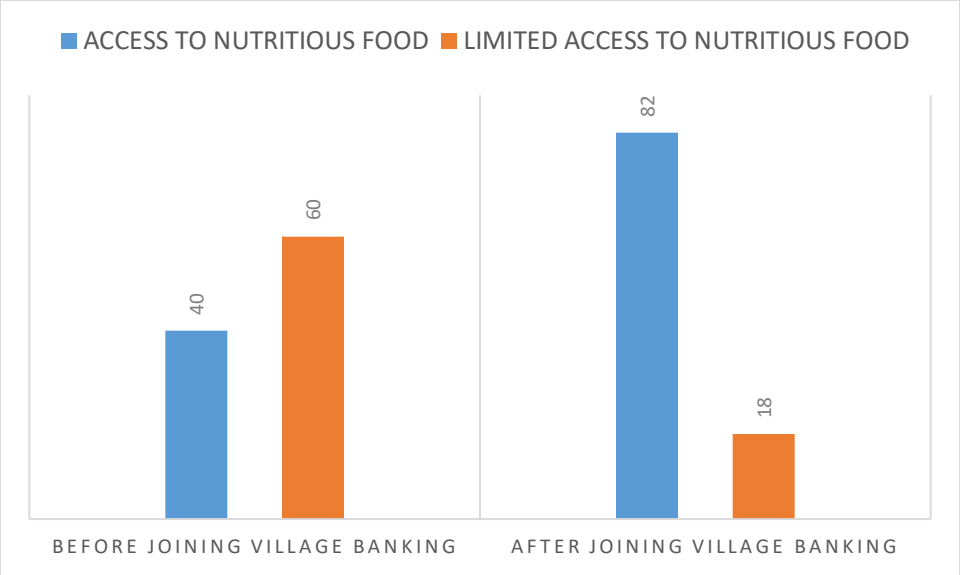

Figure 8: Changes in Food Security Among Village Bank Respondents
Source: Fieldwork, 2023

The results in figure 8, showed that before joining village banking, only 40% of women had the ability to consistently purchase a nutritious quantity of food and afford three meals a day. This indicated a significant challenge in accessing the necessary resources to provide a healthy diet for themselves and their families.

However, after becoming part of the village banking system, this situation underwent a remarkable transformation. Post-implementation, an impressive 82% of women reported a substantial improvement in their ability to purchase nutritious quantity food. This indicates that village banking played a pivotal role in enabling women to overcome financial barriers and enhance their food-purchasing capacity. The enhanced ability to purchase nutritious quantity food can be attributed to the financial support provided through village banking.

One of the women that the researcher interviewed had this to say, a sentiment which was echoed by most participants, "*Pamsika pano, nthawi yotsika village banking, zikhalidwe zathu za chakudya zinali mtengo woti timakapereka masamba mu madzulo, chifukwa chosavomerezeka sadzayambika patsogolo. Mudzamaliza tchirenu, ife tikulandira nkhuku, mbuzi, kapena zinthu zina zolemekezeka monga migebulo yayikazi. Sindimva kuti tili ndi diso linakulalikira koma ndingoyamika kuti tikulandira zinthu zopatula zonse monga tsopano ndili mu village banking"(Respondent 8).*

The passage highlights, that with the introduction of the village banking program, the respondent was able to purchase various food items such as meat, fish, and chicken allowing her to have a

balanced meal compared to before they joined village banking. This statement resonated with the sentiments of other respondents who indicated an improvement in their food accessibility, quality, and quantity. Therefore, joining village banking groups not only provided the participants with access to a greater variety of food options and improved their overall meal quality. The interviewee's statement resonates with the sentiments of most of the respondents who indicated an improvement in their food accessibility, quality, and quantity.

4.2.3 Village Banking and Income Levels

The researcher decided to investigate the relationship between village banking and income levels in order to understand the extent to which village banking influences the income levels of the participants. The participants where asked what their average income was before joining village and after they are joined village. The line chart shows the changes in the income levels before and after the respondents joined village banking.

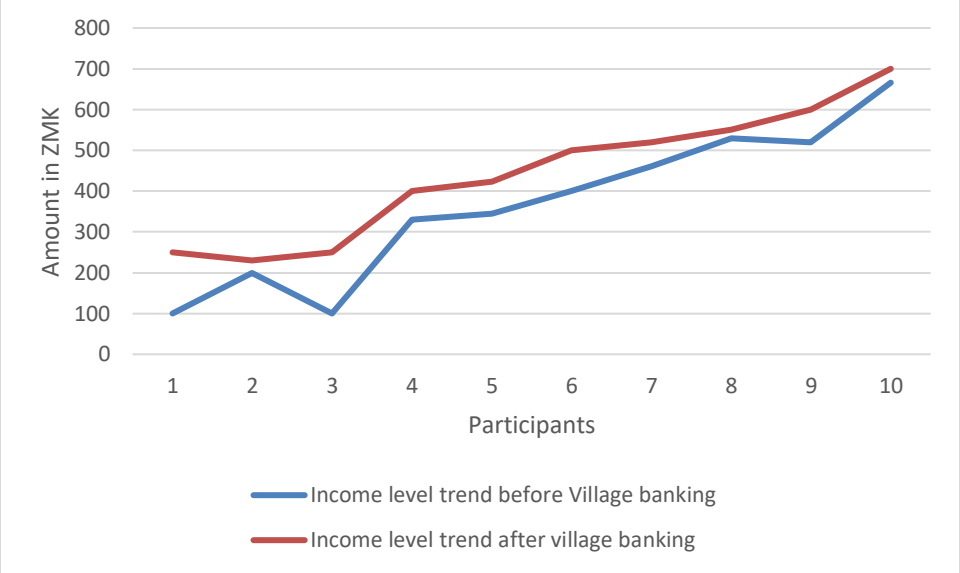

Figure 9: Changes in Income Levels Among Village Bank Respondents
Source: Fieldwork, 2023

The results from the questionnaire among respondents and their general income levels before and after joining village banking were recorded and plotted on a line graph. The findings from the line graph indicated a notable improvement in women's income levels after they joined village banking, compared to their income levels before joining.

In other words, the line graph visually demonstrated that women who became part of village banking experienced an increase in their income. This positive change suggested that village banking has had a significant impact on enhancing the financial well-being of women and

potentially fostering their economic empowerment. The data from Figure 9 emphasized the effectiveness of village banking in improving the income levels of women, thereby contributing to their financial inclusion and overall socioeconomic advancement.

A narration of the participant's experience was given during the interview guide where she expressed *"Before joining the village banking group, I was caught in a cycle of financial struggle and uncertainty. As a single mother, it was my responsibility to provide for my children's needs, but with limited income, it was a constant challenge. I remember feeling trapped, unable to break free from the clutches of poverty.*

After joining the village banking group, I was exposed to an entirely new world of financial opportunities. The village banking group understood our circumstances and didn't demand excessive collateral or impose sky-high interest rates. With the first loan I received, I was able to invest in a smoked chicken business. The extra income not only relieved me of financial stress but also enabled me to improve the living conditions for myself and my children and helped me have a steady flow of income (Respondent No. 3).

The narrative from Respondent No. 3 vividly illustrated the influence of village banking on individuals facing financial hardship, particularly single mothers. Before joining the village banking group, the respondent had experienced the challenges of limited income and the constant struggle to provide for their children's needs, which left them feeling trapped in a cycle of poverty. However, upon joining the village banking group, the respondent found relief and empowerment through accessible financial opportunities tailored to their circumstances.

This aspect of the research highlighted the important link between income and village banking. The ability to access a reliable source of financial support, such as the village banking system, can empower individuals to break free from the cycle of poverty and make positive changes in their lives.

4.2.4 Village banking and payment of school fees

The researcher chose to examine the connection between village banking and the payment of school fees to better comprehend the impact of village banking on the respondent's ability to cover their school expenses. Figure 10 shows the changes in the school enrollment levels before and after the respondents joined village banking.

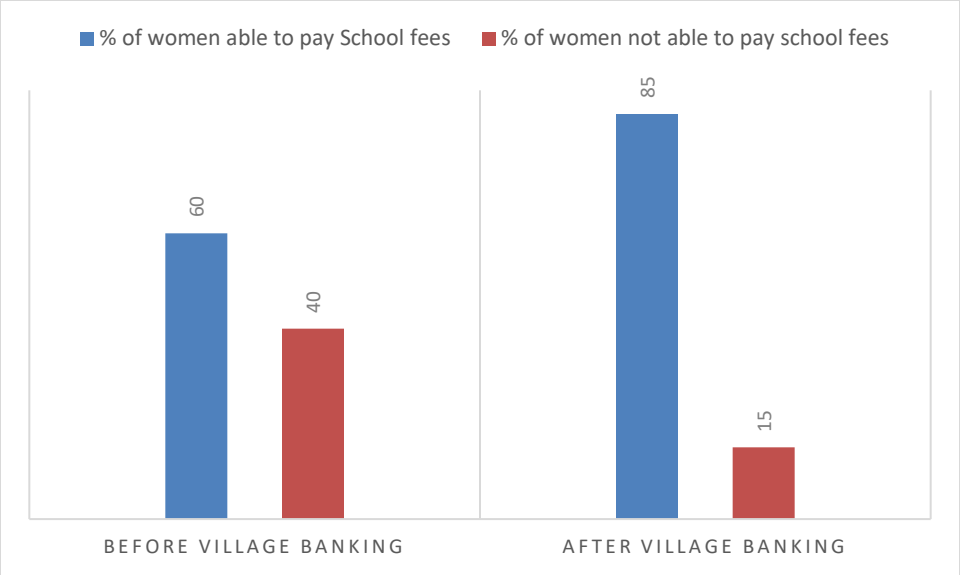

Figure 10: Changes in Payment of School Fees Among Village Bank Respondents
Source: Fieldwork, 2023

The results in Figure 10 showed that before village banking, 60% of respondents were able to pay school fees for their children. However, there were about 40% children who were unable to attend school because the respondents could not afford to pay their fees.

After the introduction of village banking, the percentage of women able to pay school fees increased to 85%, leading to a higher average school attendance rate. Consequently, the number of children unable to attend school due to unpaid fees decreased to 15%.

This suggested that the implementation of village banking has had a positive influence on women's ability to afford school fees, resulting in an increase in school attendance and a reduction in the number of children unable to attend school due to financial constraints.

During the interview guide, one participant shared an experience which was echoed by other respondents. The participant expressed in her mother tongue that "*Nomba nga nalinakanya ku village banking, sibapanga imwe nabantu bonse imbi nikucila. Mwanzelu ku village banking, kuno twakasenga bamwe tukashalile mu kusekebana na nkafunda. Akaikumba, lomba village banking lifwaya, inshita shafuluka. Nalemfwa kukula pakuti silver kupalama lisi co tukaleya amashulo pa yangitilobela, insambu, tabili na kashilu."(Respondent, 1).*

The participant's experience indicated that after joining the village banking program, positive changes were observed in the education of her children. This was evident in her ability to afford basic school supplies and keep her children enrolled in school. However, the researcher observed

that while village banking helped the women in the community to pay their children's school fees, it did not seem to encourage the women themselves to enroll in schools and obtain new skills. The observation suggests that while village banking may have been successful in increasing financial inclusion and helping women improve their children's education, there was still a significant barrier to their personal growth and development. This might be due to cultural or financial reasons that need to be addressed to ensure that women are empowered to pursue their educational goals and aspirations.

4.2.5 Village banking and business growth

The researcher chose to examine the connection between village banking and the entrepreneurial ventures of the respondents in order to determine the extent to which village banking had negatively or positively affected their entrepreneurial ventures. Figure 11 shows the changes before and after respondents joined village banking groups.

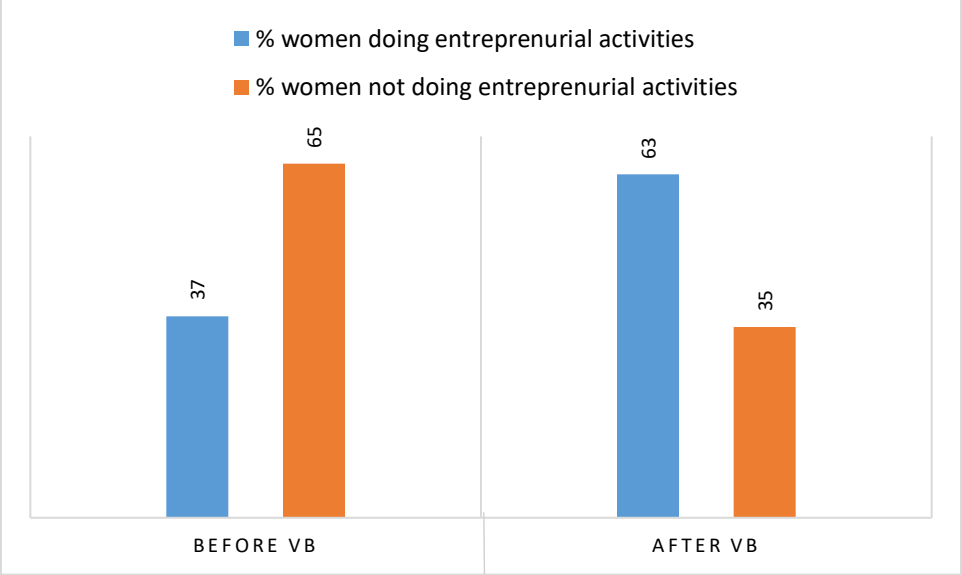

Figure 11: Changes in Business Ventures Among Village Bank Respondents
Source: Fieldwork, 2023

The results showed that prior to joining village banking, approximately 35% of the women surveyed were engaged in entrepreneurial activities, such as owning or running a business of which the majority were not running or owning any sort of business.

Following their participation in village banking, the number of women actively involved in business ownership notably increased to 65% indicating a substantial favorable influence of village banking on the empowerment of women entrepreneurs. Specifically, the data suggested a significant 30% rise in the proportion of women engaged in business activities after joining the

village banking program. This increase highlights the potential positive influence of village banking initiatives in enhancing economic opportunities for women and fostering entrepreneurship within their communities.

During the interview guide, one of the participants shared their experience regarding the influence that village banking had on her business prospects. The other members of the village banking group expressed a similar sentiment. The participants articulated that "*Joining the village banking program was truly a turning point for my business. Before I joined the village banking program, I was struggling to make ends meet. I had always dreamed of starting my own business, but I lacked the necessary capital and support." She had always been passionate about fashion (Salaula) and had a deep desire to buy and resell good quality clothes. However, without access to financial resources, I found myself stuck in a cycle of uncertainty, unable to turn her dream into a reality. That all changed when joined the village banking program I was invited to by my friend. From the microloans provided by the village banking program, I was able to acquire the initial capital needed to purchase materials." (Respondents 6)*.

The narrative illustrated how the advantages of village banking extend far beyond financial gains. It demonstrated how village banking initiatives can serve as catalysts for improvements in individuals' lives, touching upon various aspects beyond monetary support. By providing accessible financial services tailored to the needs of marginalized communities, it empoweremend the respondents with the capital that was needed to start up a business.

Through the interviews, the researcher noted that while women had access to financial resources, they engaged in short-term business ventures. They lacked the capacity to sustain a single business over an extended period and enhance its profitability. Consequently, they frequently switched businesses based on current trends, swiftly transitioning to new ventures when the trend waned.

The study observed that joining the village banking program provided the participant with access to microloans, which served as a crucial source of funding for their businesses. Without the support of village banking, the participants may have continued to struggle to secure the necessary capital to start their businesses.

4.3 Challenges that hinder village banking contribution to women's economic welfare

As regards objective two, the study wanted to determine the challenges that impede the overall influence of village banking on women's welfare. The data obtained from the questionnaire and interview guide showed three prominent themes associated with these challenges. These themes

shed light on the obstacles that hinder the effectiveness of village banking in enhancing the well-being of women.

4.3.1 Loan Payment Defaulting

The study sought to determine the extent to which loan payment defaults hinder village banking activities.

Table 2: Loan Default Rates Among Village Bank Respondents

Loan payment default	**Count**	**Percentage**
Yes	21	23%
No	69	77%
Total	**90**	**100**

Source: Fieldwork, 2023

The results showed that 23% of the individuals had defaulted on their loans before. This means that a small percentage of participants had encountered difficulties or challenges in meeting their loan obligations to meet their loan repayment obligations without any delinquency in the past. The survey revealed that 77% of individuals in the village banking program had never defaulted on their loans. This indicated that the majority of participants had managed their loan repayments consistently in the past. Respondents were also asked if they knew anyone who had defaulted on their loans before and Figure 12 shows their responses.

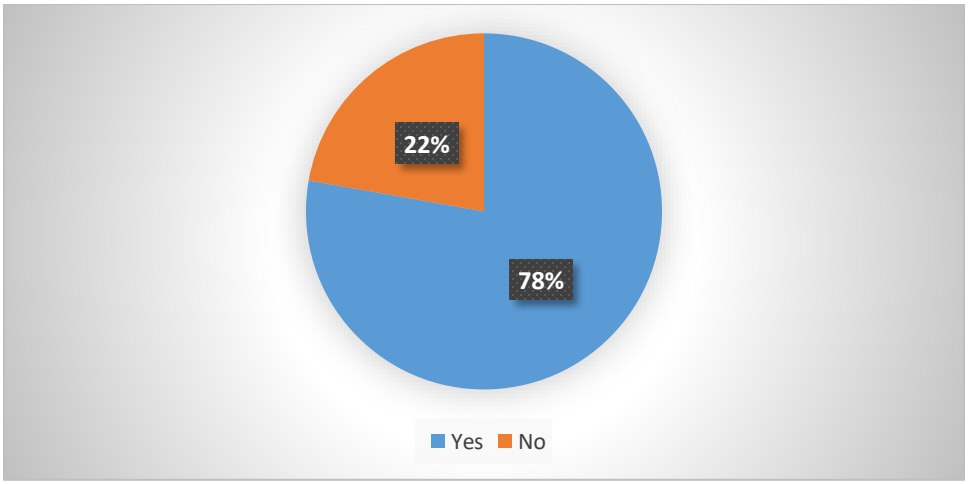

Figure 12: Knowledge of Loan Defaulters Among Village Bank Respondents
Source: Fieldwork, 2023

The majority of respondents, 78%, answered "yes." This means that a significant portion of the individuals surveyed at that time knew someone in their community who had failed to repay their loans in village banks. On the other hand, the remaining 22% of respondents answered "no," affirmatively, indicating that they did know someone who had defaulted on their loans in village banks.

Based on the findings from both surveys, it can be seen that loan default is a significant challenge in village banking groups.

To clearly understand this challenge, the interview guide questioned some of the village bank group leaders to assess the extent of this issue and how it affects the group. One of the respondents expressed "*I have been a part of the village banking system for several years now and one of the biggest challenges we face is the loan default rate. It's a constant struggle to ensure that our borrowers are able to repay their loans on time. It's not an easy situation to deal with, but it's one that we constantly strive to overcome. Village banking has been a lifeline for many people in our community.*

It provides access to much-needed funds for starting or expanding small businesses, investing in agriculture, and even for personal emergencies. While the concept sounds ideal, the reality is that not everyone is able to repay their loans in a timely manner. There are various reasons for loan defaults in our village banking system. One common reason is the unpredictable nature of the businesses people are engaged in. Agriculture, for instance, can be heavily influenced by factors like weather, pests, or market fluctuations. Moreover, there is also an issue of over-indebtedness among some borrowers. They take multiple loans from different sources without considering their repayment capacity. This leads to a heavy debt burden, making it nearly impossible for them to honor their loan commitments. (Respondent 10

Respondent 10's story shows that loan defaults were a big problem in the village banking system. Even though village banking helped a lot of people by giving them money for starting businesses or dealing with emergencies, getting people to pay back their loans on time was difficult. The story explaines why loans were often not paid back.

The study findings indicated that loan default poses a substantial challenge for village banking. It highlighted the need for improved financial education and support mechanisms within these communities to address the root causes of loan default and promote responsible borrowing practices.

4.3.2 Short payback period of loans

The investigator wanted to find out the extent to which the short payback period of loans affected group members of village banking. To this end, participants were asked to respond and indicate whether the short payback period of a loan was a significant challenge for them.

Table 3: Challenge of Short Payback Period Among Village Bank Respondents

Short payback period	**Count**	**Percentage**
Challenge	39	43
Not a challenge	51	57
Total	90	100

Source: Fieldwork, 2023

The results showed that 43% of respondents claimed that a short payback period was a challenge in village banking. This means that a significant portion of the women involved in village banking faced difficulties with a short payback period. This implied that they struggled to repay their loans within the designated time frame, which was likely to be shorter compared to traditional banking systems.

On the other hand, 57% of respondents claimed that a short repayment period was not a significant challenge. One of the participants gave their experience during the interview guide of how the short payback period of a loan was a significant challenge for her. This experience was echoed by other respondents. The participant articulated that *"as a member of our village banking group, I have always been grateful for the opportunity to access loans that help me improve my small business. However, there is one aspect of village banking that has presented a considerable challenge for me – the short payback period. You see, for me, the short payback period creates a sense of pressure and urgency. As a small business owner, I rely on the success of my business to generate income and meet my daily needs.*

Sometimes, unexpected expenses arise or the business experiences a temporary setback, and it becomes challenging to repay the loan within the given timeframe. I remember one instance when my business experienced a sudden decrease in sales. It was a difficult period, and I struggled to generate enough revenue to meet my daily expenses, let alone repay the loan. The short payback period felt like a constant weight on my shoulders, making me feel anxious and stressed. I knew that if I couldn't repay on time, there would be consequences, and I didn't want to disappoint my fellow village banking members or risk losing access to future loans (Respondent 9).

This story highlighted the significant challenge posed by the short payback period in the context of village banking. The interviewee vividly portrayed the stress and pressure that arise from the limited timeframe for loan repayment. The interviewee's experience of a sudden decrease in sales and subsequent difficulty in meeting the repayment deadlines showcased the impact of unexpected circumstances on their ability to adhere to the repayment schedule and this sentiment was reflected in the other respondents.

The researcher observed that respondents who claimed that a short payback period was not an issue, already had another source of income where they could easily resource the funds that were needed to cover their obligated loans quickly such as their spouses and employment.

4.3.3 Lack of accountability and poor record-keeping

A survey was conducted to determine the challenge of short payback periods of loans in village banking groups. The researcher wanted to find out the extent to which lack of accountability and poor record-keeping affected village banking procedures. Table 4 is the presentation of the findings.

Table 4: Lack of Accountability and Poor Record Keeping Among Village Bank Respondents

Lack Of Accountability And Poor Record-Keeping	Count	Percentage
Challenge	61	68%
Not a challenge	29	32%
Total	90	100%

Source: Fieldwork, 2023

The results revealed that 68% of participants in village banking programs identified the lack of accountability and poor record keeping as a significant challenge, while 32 % did not perceive it as a major issue. This highlighted the prevalence of concerns related to transparency and financial oversight within village banking, underscoring the need to address these challenges to ensure the integrity and reliability of the program.

The lack of accountability emerged as a prevalent issue, as it hindered the transparency and trust among the members of banking. Participants highlighted instances where loans were not properly recorded, leading to confusion and disputes among members.

The participant recalled "*I've been part of a village banking group for the past three years. While the program has been beneficial, we've faced a significant challenge with accountability and poor record keeping.*

Our group has struggled with incomplete records and discrepancies in our financial transactions. This has created a sense of unease and distrust among our members. Without accurate records, it's challenging to ensure that everyone is contributing and receiving their fair share. It also makes it difficult to track our progress and evaluate the success of the program.

We've had instances where loan repayments and savings contributions were not accurately recorded, leading to misunderstandings and disputes. It's disheartening to see our hard work compromised by these issues. We need better systems in place to ensure transparency and accountability. (Respondent,11).

Additionally, another recalled her experience of perceived unfairness in the distribution of loans by the village banking treasurer. She described how the treasurer would provide loans to her friends without putting pressure on them to repay, while those who were not as close to her did not receive the same favorable treatment.

This narrative highlighted the real-world challenges faced by village banking groups, particularly concerning accountability and record-keeping. Describing incomplete records and discrepancies in financial transactions illustrated the practical difficulties encountered, while mentioning unease and distrust among members underscored the importance of transparency. Instances of inaccurately recorded loan repayments and savings contributions emphasized the negative impact of poor record-keeping. The speaker's call for better systems reflected a desire for improvement and underscored the importance of addressing these challenges to ensure the continued success of the village banking program.

4.4 Effectiveness of village banking systems on womens welfare

As regards objective three, the study wanted to find out how the communities are responding to the different level of issues that affect the effectiveness of village banking. The study aimed to establish what different strategies that they are using to handle this issues. The investigation of the questionnaire and interview guide revealed four key themes which are explored below.

4.4.1 Financial literacy training for women

The researcher examined the extent to which financial literacy training was perceived as a key strategy that can be used to enhance village banking performance in contributing to women's economic welfare. Table 5 highlights the findings of this research.

Table 5: Perception of Financial Training As a Srategy to Village Banking Effectiveness

1. Do you think access to financial education can improve the effectiveness of village banking for women in this community	
Yes	93%
No	7%
2. What specific financial skills or knowledge do you think are important in village banking	
Basic budget and financial planning	27%
Loan management	27%
Entrepreneurial skills	20%
Saving and investment	16%
Risk management	15
3. Are there existing programs that you aware of in the community that offer financial training to people in village banking	
Yes	10%
No	90%
4. As a village bank, do they offer financial training to members?	
Yes	80%
No	20%

Source: Fieldwork, 2023

The responses indicated strong support for the idea that access to financial education can improve the effectiveness of village banking for women, with 93% of participants expressing belief in its potential. This showed a widespread acknowledgment of the potential benefits that financial education can bring to village banking initiatives. Moreover, respondents identified basic budgeting, loan management, entrepreneurial skills, savings and investment, and financial risk management as the most important financial skills and knowledge for village banking. This shows an understanding of the diverse needs of village banking members and the importance of a range of financial competencies.

While 80% of village banks offer financial training to members, 20% did not. This showed a significant proportion of village banks may not be actively providing financial education, leaving some members without formal training opportunities.

The findings overall indicated a strong support for financial education in enhancing village banking for women in the community, as evidenced by the overwhelming percentage of respondents who believe in its potential.

One of the respondent articulated *"When I just joined my first village banking group I faced struggles and hardships when it came to managing my finances. Many of us were raised in families where financial education was non-existent. We grew up with little knowledge of budgeting, saving, or making wise investments. Consequently, these skills are not instinctive to us and often lead to poor financial decisions.*

There was a time when I invested a significant portion of her savings in a business venture without fully understanding the risks involved. Unfortunately, the venture failed, leaving me with considerable debt and a devastated sense of hope. I knew my story was just like many others in our community, who often make financial decisions without adequate knowledge or support.

With no experience with financial matters and the fear of losing what little money I had was overwhelmed. Until one of the group's leaders, a knowledgeable and experienced woman named Fatima (name withheld), recognized the need for financial training within our community.

She organized regular sessions on financial literacy, teaching us basic concepts like budgeting, saving, and debt management. Fatima patiently explained how to differentiate between wants and needs, and how to prioritize our expenses to ensure financial stability. These sessions were eye-opening for all of us, and we soon realized that financial independence was within our grasp (Respondent 4).

The narrative emphasized that financial training played a vital role in the success and sustainability of village banks. By equipping members with knowledge and skills related to money management, budgeting, savings, and investment, they are empowered to navigate the complex financial landscape with confidence.

The researcher was able to observe that women who had not received financial training demonstrated lower levels of financial literacy, often struggled with basic concepts like budgeting and accumulation of savings expressed lower levels of confidence in their ability to manage personal finances effectively, and lacked the initiative to explore additional income-generating opportunities. These women spent their loans on expenditure activities and not income-generating activities. Another notable finding from the research was that simply providing financial training to these women was not sufficient. Many of them lacked the skills needed to sustain a single business over an extended period, not due to financial constraints, but rather because they did not possess the necessary skill set to effectively manage their businesses. In addition to financial training, the results from the interview guide indicated that many women expressed a need for

vocational training in professions such as hairdressing, cake making, baking, tailoring, and other similar fields. The lack of these specific vocational skills was seen as a significant barrier to the long-term success of their businesses.

4.4.2 Clear rules and regulations

The survey was conducted to determine the participant's perception of the influence of clear rules and regulations on village banking's contribution to women's economic welfare. Two questions were posed to the participants. The first question aimed to identify if participants where aware of any rules and regulations that have been put in place in the village banking groups. The subsequent iquiry aimed to find out if participants of village banking thoroughly understood the basic rules and regulations of village banking.

Table 6: Knowledge of Rules and Regulations Among Village Bank Respondents

Awareness Of Basic Village Banking Rules And Regulations	
Yes	100%
No	0%

Source: Fieldwork: 2023

The initial inquiry into the awareness of village banking rules and regulations demonstrated that 100% of participants were knowledgeable about them. Upon further exploration, it was found that the understanding of these rules varied among participants. When asked to interpret different rules and regulations within village banking, Figure 13, indicated that 80% of the participants demonstrated a clear understanding of all the rules and regulations associated with village banking such as savings contribution, loan disbursement, interest rates, and repayment schedules. On the other hand, 20% of the participants did not possess such clarity in understanding these rules and regulations.

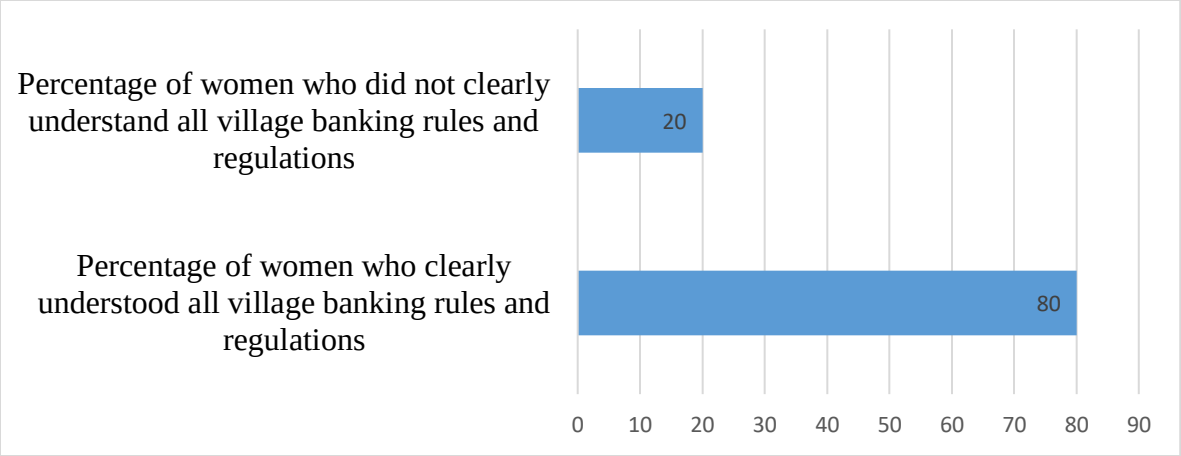

Figure 13: Understanding of Clear Rules and Regulations Among Village Bank Respondents
Source: Fieldwork, 2023

Moreover, the 80% who had an understanding of all the rules and regulations were asked if they believed clear rules and regulations is one of the strategy that has helped village banking groups operate effectively and they all agreed. One of the respondents experienced their experience during the interview guide of how clear rules and regulations were important by stating that *"In our community, we had been practicing village banking for several years. Every month, we would contribute a certain amount of money, and one member would be chosen to receive that sum. It was a system that had worked fairly well for us until one fateful incident turned it all upside down. My neighbor, Maria (not real name), was the first victim of this informal system's flaws. When it was her turn to receive the money, there was no money to be given. Suspicions arose, and accusations flew, tearing apart friendships and creating deep divisions within our once tight-knit community.*

As mistrust grew, we realized that we urgently needed a more organized system to restore peace and ensure the fair distribution of funds. A village meeting was called, and there was a unanimous decision to bring in clear rules and regulations to govern our banking system. (Respondent 3).

The study showed that clear rules and regulations were regarded as important and vital in the functioning of village banking groups. This was primarily due to the benefits they provided, including increased transparency, reduced misunderstandings, and enhanced confidence and trust. While a small minority expressed a slightly different perspective, the majority of participants acknowledged and emphasized the necessity of clear rules and regulations in ensuring the success and cohesion of village banking groups.

4.4.3 Adequate record keeping

The survey was conducted to determine the perception of the participants with regard to adequate record-keeping as a strategy to be used to enhance village banking's contribution to women's economic welfare. Figure 14 shows the findings of this research.

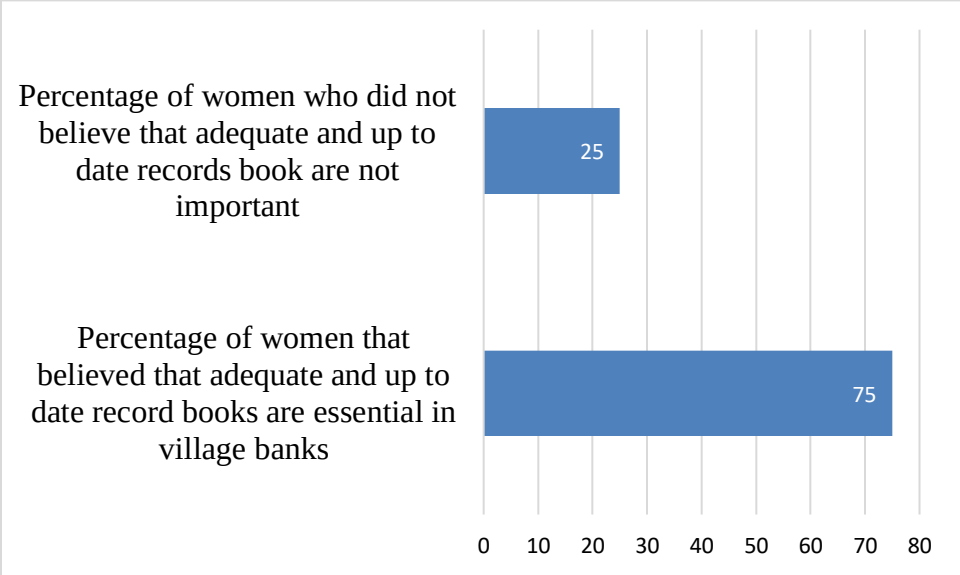

Figure 14: Perception of Adequate Record Keeping Among Village Bank Respondents
Source: Fieldwork, 2023

According to Figure 14, a substantial majority, comprising 75% of the participants, voiced the opinion that maintaining adequate record-keeping practices is crucial for the successful operation of village banks. This strong consensus reflects a widespread recognition of the significance of meticulous record-keeping in effectively managing the financial activities and operations of village banking groups.

In contrast, the remaining 25% of the participants did not share this perspective, indicating that a minority subset of respondents did not consider the importance of adequate record-keeping in the context of village banking. This disparity in viewpoints highlights the diversity of opinions within the community regarding the role and necessity of robust record-keeping practices in village banking initiatives.

The study documented an account from one of the participants, wherein she recollected "*During one of their meetings, it was clear that something was not quite right. Our leader, Sarah, usually a figure of authority and trust, seemed flustered and disorganized. As the time came for her to present the financial records, she hesitated, shuffling through papers and avoiding eye contact. It soon became apparent that she was unable to provide proof of all our transactions. This left us all*

feeling uneasy and suspicious, wondering where our hard-earned money had gone and who was accountable for it.

Adding insult to injury, Sarah's strict demeanor towards those who were not in her close circle became starkly evident. She was unyielding and even dismissive to those she didn't have close ties with, making it clear that they had to follow the rules to the letter. On the other hand, her friends and acquaintances seemed to benefit from leniency and relaxed procedures, overlooking late payments and debt discrepancies.

I couldn't help but feel a sense of injustice and betrayal. The very principles of fairness and equality that we had built our village banking group upon were being disregarded. It was disheartening to witness the blatant favoritism and lack of accountability within our own community, and it left a sour taste in everyone's mouth (Respondent 11).

Another respondent gave their experience of how they witnessed firsthand how the absence of proper record keeping can impede the group's village banking and result in a "*lack of transparency which led to confusion and mistrust, hampering our progress as a collective." (Respondent 12).*

Respondent 11 experience shows that due to the absence of clear rules and regulations, there was significant confusion within the village banking group. This lack of clarity resulted in the leader being unable to effectively track and account for all transactions. The absence of structured guidelines led to a lack of oversight and control over the financial activities, causing disarray and uncertainty regarding the village banking's financial standing

The researcher was able to observe how having updated records was crucial for ensuring the smooth operation of village banking groups. Without proper record-keeping, there is a breakdown in transparency and accountability, leading to mistrust and suspicion within the group. The lack of proof of all transactions in the story caused uneasiness and feelings of betrayal among group members, highlighting the importance of having up-to-date records to ensure that finances are managed effectively.

4.4.4 Regular meetings and support

The survey was conducted to determine the participant's perception of the influence of regular meetings and support on the overall efficiency of village banking contribution to women's economic welfare. The aim was to evaluate whether this practice could be utilized as a strategy to enhance the effectiveness of village banking operations. Figure 15 shows the findings.

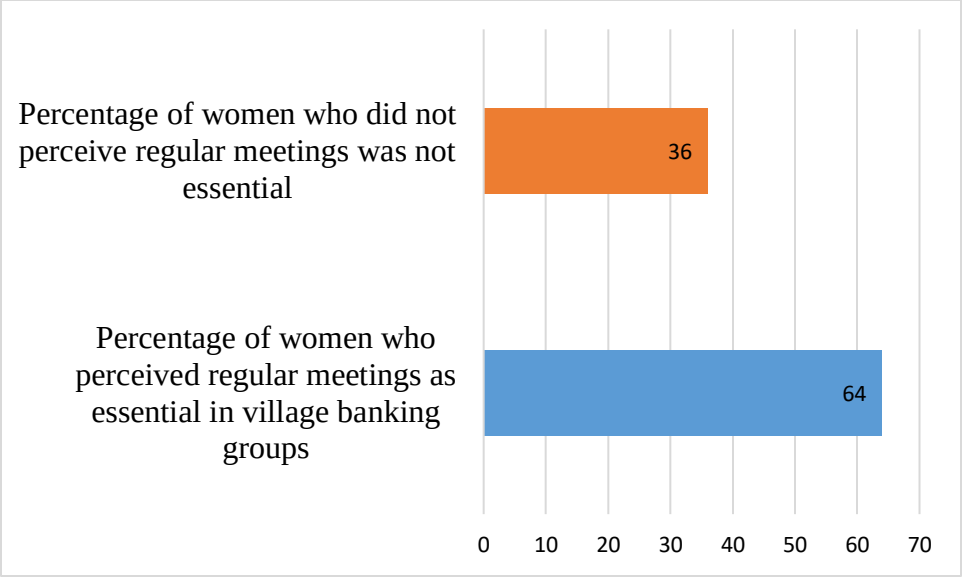

Figure 15: Village Banking and Regular Meetings
Source: Fieldwork, 2023

The study findings indicated that a significant majority, constituting 64% of the participants, emphasized the importance of frequent and mandatory meetings in the context of village banks. This prevailing viewpoint underscored the widespread recognition of the value of regular gatherings for effective communication, decision-making, and collective action within village banking groups.

Conversely, the remaining 36% of the participants did not share the same perspective, signifying that a noteworthy fraction of respondents did not consider frequent and mandatory meetings as essential for the functioning of village banks. This divergence in opinions shed light on the varying viewpoints within the community regarding the necessity of regular meetings to promote the success and sustainability of village banking initiatives.

One of the members of the village bank group emphasized the significance of frequent meetings by recounting the importance of regular meetings. She found that the frequent face-to-face interactions allowed them to strengthen their relationships, build trust, and enhance their understanding of each other's financial needs and aspirations. Through these regular meetings, the group was able to develop a sense of accountability, transparency, and responsibility among its members. The open discussions enabled them to address any challenges, adapt their strategies, and make informed decisions to ensure the sustainability and success of their village bank.

CHAPTER FIVE
DISCUSSION OF FINDINGS

5.1 Introduction

In this chapter, the paper delves into the findings of the research study. These findings were the results and conclusions derived from the data analyzed and investigated. The purpose of this discussion was to analyze the implications and significance of these findings as well as to share insights and potential areas for further research. To effectively discuss the findings, the context that guided the research discussion was the three established research objectives which were;

1. To establish the economic benefits that women realize from village banking
2. To determine the challenges that hinder village banking contribution to women's economic welfare
3. To identify the different community strategies that can be used to enhance the effectiveness of village banking in contributing to women's economic welfare.

5.2 The economic benefits that women realize from village banking

As regards objective one, the study revealed that participation in village banking significantly enhanced the participants' access to medical services, encompassing medication, private clinics, and consultations. Initially, only 35% of the participants had access to medical services. However, after joining the village banking initiative, this number increased substantially to 80%.

This increase in access to medical services can be attributed to the benefits derived from participating in the village banking program. It suggests that the financial support and stability provided by the village banking system enabled the majority of participants to access healthcare services that were previously out of reach. It signifies that through the financial assistance or improved economic conditions facilitated by the village banking group, members were able to afford medical care, receive proper treatment, and prioritize their health and well-being. This finding agrees with the study of Sichilongo and Sinkala (2021) and Sibeso (2022), who found that involvement in village banks allowed the participants to have better access to health services.

The fact that a majority of the participants in the village banking program are married indicated that the increase in access to medical services can have significant positive implications for their families and marriages. Enhanced access to medical services means that participants and their spouses can receive timely and adequate healthcare when needed, leading to improved health outcomes for both partners and their children. This improved health can reduce the financial burden on families, contributing to greater stability and reduced stress. Additionally, better access

to healthcare can lead to an overall enhancement in the quality, and long of life for family members, promoting happiness and well-being (Boyle, 2023).

Furthermore, the research participants showed that the majority are above 36 years old signifies a stage in life where individuals may encounter age-related health concerns and an increased risk of certain conditions. Improved access to health services becomes crucial at this juncture, facilitating preventive care, management of chronic diseases, targeted wellness initiatives, and comprehensive care for aging-related conditions. This enhanced access can lead to better health outcomes and quality of life for individuals in this age group, addressing their specific health needs and contributing to overall improved health and well-being. The World Health Organisation (2022) acknowledges that with age, individuals undergo a progressive decrease in both their physical and mental capabilities.

This observation also aligns with Putnam's (2000) concept of social capital, which emphasizes the significance of social networks, shared norms, and trust in fostering collective action and achieving positive outcomes within a community. Putnam's concept of social capital underscores the idea that when individuals are connected through social networks and engage in cooperative activities, they can leverage these relationships and resources to address common challenges and improve the overall quality of life. The increase in access to medical services after joining the village banking program shows how the collaborative efforts and shared resources within the group have led to tangible benefits for the participants, aligning with the principles of social capital theory.

Additionally, the increase from 40% to 82% of the participants having access to food security after joining the village banking program signifies a substantial improvement in their ability to consistently obtain and afford an adequate amount of nutritious food. This increase indicates a positive impact of the village banking program on the participants' food security, likely attributed to the financial support and resources provided through the program. This finding agrees with Khandker et al (2010) study in Bangladesh that demonstrated the substantial impact of participating in microfinance programs on both household income and spending. Their findings highlighted how involvement in microfinance initiatives can positively transform the financial well-being of households. With improved access to financial services, participants may have enhanced their capacity to invest in agriculture, purchase food supplies, and create more stable income-generating activities, leading to improved food security for themselves and their families. This data demonstrates the tangible benefits of the village banking program in addressing food

insecurity and advancing the overall well-being of the participants, highlighting the program's effectiveness in positively impacting the livelihoods and nutritional status of the community. This finding disagrees with Yoman's (2019) research which indicated that enhanced financial inclusion had a favorable effect on individual economic growth, however, the resulting factor was that participants were able to spend more on non-food substances.

For widows and single women, the increase in access to food security after joining the village banking program holds particular significance. These individuals often face unique economic challenges and vulnerabilities, as they may not have the same level of financial support or social networks as households with multiple earners. Therefore, the increase in food security after joining the program suggests that widows and single women, who may have experienced greater economic strain, have been able to significantly improve their ability to provide consistent, nutritious meals for themselves and their families. This agrees, with Karlan et al. (2017), study where they found out that village banking, gives women influence and control over household food expenses.

Further, the rise in income and savings resulting from village banking also enabled the women to prioritize and afford balanced meals thereby contributing to the improvement in dietary diversity and food adequacy for themselves. Ultimately, the study revealed that village banking played a vital role in elevating the food security status of women and their families. Furthermore, Putnam's (2000) theory suggests that strong social capital can facilitate collective action and resource mobilization within communities. In the context of village banking, this could translate into collective efforts to address food insecurity challenges through initiatives such as community gardens, shared food resources, or mutual support networks during times of scarcity. By leveraging the social ties and trust cultivated through village banking, women may have been better equipped to collaborate on strategies to ensure food adequacy for themselves and their families.

Pienaah and Luginaah (2024) who explored the impact of Village Savings and Loan Associations (VSLAs) as a financial and climate resilience strategy for mitigating food insecurity in Northern Ghana showed similar findings to this paper that suggested that village banks played a significant role in enhancing food security. However, the study by Bhgwati and Panagariya (2013), provides a skeptical viewpoint of village banking influence on food security. They argue that while microfinance initiatives such as village banking may provide some benefits for poverty reduction and increased access to finance, they may not necessarily have a direct impact on improving food security. The authors pointed out several potentially limiting factors that may impede the

translation of increased financial resources into enhanced food security outcomes such as the susceptibility of the income generated through village banking to be allocated to nonfood-related expenditures, competing financial demands, and short-term investments, etc. Additionally, another study by Yoman (2019), provided a similar perspective that village banking can bring about an increase in non-food consumption.

Even so, the study clearly shows that by having improved food security resulting from village banking initiatives, it ensures that families have consistent access to nutritious food. This not only reduces the prevalence of hunger but also enhances the overall health and well-being of individuals, particularly children. By addressing food insecurity, village banking can support Zambia's efforts to achieve food sovereignty and improve nutritional outcomes, as emphasized in the 8th National Development Plan and echoed by the Bank of Zambia's commitment to addressing food insecurity as a key component of economic development (8NDP).

The study further revealed that participation in village banking has a favorable effect on the income levels of its participants. The results indicate that prior to joining village banking, the participants had lower income levels, which significantly increased after becoming part of the program. This discovery underscores the significance of village banking in enhancing the quality of life for women. This elevation in income can be attributed to several factors associated with the village banking model. Firstly, village banking provides women access to financial resources and the opportunity to engage in entrepreneurial activities, thereby enabling them to generate additional income through investment in small-scale businesses, agriculture endeavors, and other income-generating activities. Similar studies by Addai (2017) on the impact of microfinance on women's empowerment in Ghana and by Rahman et al. (2017) on the effects of microfinance on women’s empowerment in Bangladesh have similar findings. Both studies find that microfinance participants have higher income and asset levels than non-participants. Moreover, a study by Banerjee et al (2015) found that access to microfinance had a positive impact on household income in rural areas. His study reported that the participants experienced an increase in their income, aligning with the findings of the village banking study. The author's study emphasized the role of microfinance in unlocking financial opportunities for underserved communities. Additionally, Brouwers (2014) and Ifediora (2022), showed that village banking can play a pivotal role through the access of income that it provides which can be used in the alleviating of poverty within the underserved communities.

According to JCTR (2023) showed that the cost of living for a family of five is K9555. The study revealed that monthly income for participants was not enough to meet all their needs and as such an improved income level resulting from participation in programs like village banking had significant implications. To this effect, a higher income provides a buffer against economic shocks and hardships, reducing the risk of falling into poverty and debt as revealed in the study by Sarahat and Chowdhury (2011). This, in turn, can lead to improved mental well-being, resilience, and reduced vulnerability. However, a study but Chisenga (2018) study in Vulamukoko Village in Zambia, found that the village banking program contributes little to the rural community's household income because the village bank beneficiaries mainly focus on loan repayment.

Additionally, the study showed that prior to joining village banking, only about 37% of the participants were engaged in entrepreneurial activities but after joining village banking there was an increased participation of about 63% in entrepreneurship activities. The availability of credit and savings services within the village banking framework empowered the women to initiate or expand income-generating ventures, leading to an increased financial capacity. According to Khursheed (2022), microfinance initiatives, such as village banking programs, are recognized as valuable means of providing financial assistance to women looking to launch new ventures and as a tool to mitigate poverty. Khursheed also mentioned that the expansion of microfinance seeks to facilitate the movement of people living in poverty towards entrepreneurship by offering them adequate credit to pursue this goal. Besides, this also aligns to Karlan and Zinman's (2011) research in the Philippines that provided evidence supporting the positive correlation between access to microcredit and increased business investments and profits among micro-entrepreneurs. Moreoever, Djamaris (2010) in his study also demonstrated that village banking has a positive effect on the ability of the participants to start up businesses.

However, the microfinance approach typically assumes that recipients have the essential social capital, human capital, and other necessary resources to develop their small businesses. This assumption presents complexities given that the growth of a small business necessitates numerous competencies, knowledge, expertise, and abilities (Agyapong et al., 2011). Therefore, these research findings present an alternative viewpoint to that of the previously discussed authors, shedding light on the multifaceted nature of small business development. Moreover, the study was able to shed light on the fact that participants who were involved in entrepreneurial activity could not sustain one business over a long time but were involved in various businesses over short

periods of time. This may have been due to the technical know-how required to sustain a profitable business over a long time (Agyapong et al.,2011).

Nonetheless, the findings showed that village banking fostered entrepreneurial capacity by providing individuals with the capital and resources needed to start or expand businesses. This not only created employment opportunities but also stimulated economic growth and innovation at the local level. By promoting entrepreneurship, village banking initiatives can contribute to the diversification of Zambia's economy, as outlined in the 8th National Development Plan's (8NDP, 2022) objectives for economic transformation and job creation, as supported by the Bank of Zambia's (2020) recognition of entrepreneurship as a key driver of economic development.

The study also established a positive relationship between village banking and women's ability to pay school fees for their children. Village banking, which often involves providing microloans and financial services to women in rural communities, can have a direct impact on their economic empowerment and financial stability. When women have access to these financial resources, they are better able to meet the educational needs of their children. Participation in village banking programs can lead to income generation for women through small business initiatives or entrepreneurial activities. With increased income, women have the financial means to allocate resources towards their children's educational expenses, including school fees, uniforms, books, and other related costs. Kabeer (2014 et al) also established similar findings in his research, where he showed that credit amount not only helps poor women to grow economically but also improves gender equality and their education level.

As women save and invest in the village banking program, they are better equipped to manage their household finances, including setting aside funds specifically for education-related expenses such as school fees (Fletcher and Mesbah, 2010). Through their involvement in village banking, women often gain a greater sense of empowerment and decision-making authority over financial matters. This empowerment can translate into prioritization of education as a key investment, leading to a greater commitment to paying school fees for their children. Likewise, Maldonado et al. (2003) highlighted the impact of microfinance in empowering women to make decisions about their children's education. The study underscored the increased demand for children's education, especially in programs incorporating an educational element for mothers, resulting in elevated rates of primary school enrollment and completion. Likewise, the study agrees with Patel and Patel (2020) perspective that highlighted how microfinance empowered women in making decisions

regarding their children's education. The study also emphasized the growing demand for children's education, particularly in programs that integrate educational components for mothers. This led to higher rates of primary school enrollment and completion

According to Putnam's (2000), social capital refers to the networks, norms, and trust that enable cooperation and collective action within a community. In the case of village banking, regular interactions among members during savings meetings and the collaborative management of financial resources can foster the development of social networks and trust among participants. As these social ties strengthen, individuals may feel more comfortable relying on each other for support, including financial assistance for educational expenses. Moreover, for women who were not yet married, the positive relationship between village banking and the ability to pay school fees had one key implication. Participation in village banking contributed to the economic independence of unmarried women, allowing them to generate income and build financial resources that could be used to support their own educational pursuits.

The study by Khursheed (2022), on exploring the role of microfinance in women's empowerment development showed that through microfinance, participants were able to prioritize sending their children to school despite themselves not having a high level of education. The majority of women in this study were above the age of thirty-six and just like in the study by Khursheed, they prioritized the education of their children over their own due to various factors, including social and cultural norms, family responsibilities, and deep-rooted commitment to the well-being and future opportunities of their offspring. Many women naturally prioritized their children's education due to their maternal instincts and the nurturing role they play in their children's lives. They viewed their children's educational success as a reflection of their own abilities as caregivers and nurturers, leading them to prioritize their children's educational needs over their own desires (Maldonado et al., 2003).

This discovery highlights the significance of village banking in enhancing the living standards for women. Fletcher and Mesbah's (2010) study in West Bengal, India found that access to microfinance services, including credit and savings, had a positive impact on women's ability to pay school fees for their children. The study found that women who participated in microfinance programs had a higher likelihood of keeping their children in school and investing in their education, including by paying for school fees and related expenses. This suggests that

microfinance programs can serve as a valuable means of supporting women's empowerment and enhancing educational outcomes.

However, the findings have shown that by ensuring that children have access to education by facilitating the payment of school fees can have long-term benefits for both individuals and society. Education is a key driver of social mobility and economic development, as it equips individuals with the skills and knowledge needed to participate meaningfully in the workforce. By promoting education, village banking initiatives support Zambia's goal of achieving inclusive and equitable education, as outlined in the 8th National Development Plan (8NDP, 2022), and highlighted by the Bank of Zambia's recognition of education as a fundamental pillar of human capital development and economic growth (Bank of Zambia).

5.3 Challenges that hinder village banking contribution to women's economic welfare

The study initially identified that village banking faces a significant challenge of loan payment defaulting. Loan default in village banking can be a significant challenge for both the borrowers and the village banking group as a whole. In a village banking system, members of the community come together to form a group and collectively take out small loans from the bank, usually for entrepreneurial or business purposes. These loans are typically taken out without traditional collateral requirements, and the group members serve as each other's guarantors, holding each other accountable for repayment.

The study discovered that approximately 23% of village bank borrowers failed to repay their loans, and an additional 77% knew someone who had defaulted. These findings suggest a broader issue within the community and challenge the assertion that microfinance primarily targets women due to their historically low default rates (Wahab et al, 2014). This discrepancy raises concerns about the accuracy and relevance of earlier research in the current study's particular context. There are several potential reasons for loan default in village banking, with the most common being a lack of understanding regarding financial management and business planning. Research has shown that education can improve borrowers' financial literacy, business skills, and overall capacity to manage their loans and business ventures. Higher levels of education can potentially lead to lower loan default rates by increasing financial awareness and a better understanding of business management, resulting in more successful businesses and a reduced likelihood of default (Lu et al., 2024).

The study showed that a majority of individuals participating in village banking have a secondary level of education, suggesting that there is a baseline level of education and understanding of financial concepts among the participants. According to Lu et al., (2024), this may potentially mean a higher default rate in those with lower levels of education. However, the fact that there is a significant rate of loan default in a village bank despite some participants having a secondary level of education or even a higher level indicates that education alone may not be sufficient to reduce loan default rates.

Persistent default rates can arise from a variety of factors, such as economic hardships, limited access to sufficient resources, unpredictable business conditions, and external factors such as natural disasters, sickness, or even death. However, according to Lweendo's (2022) research, the primary reason for individuals defaulting on their loans is their tendency to use the loan funds for consumption purposes. This study suggests that even with some level of education, individuals may lack the necessary financial literacy or relevant business skills to effectively manage their loans. In addition, it's important to take into account the broader economic and societal environment in which village banking operates. By addressing systemic issues and providing comprehensive support to improve overall economic prospects in the community, we can significantly reduce loan default rates.

Morduch and Armendariz (2005) present a unique perspective, suggesting that financial behaviors, such as loan repayment, can be heavily influenced by the strength of relationships and trust within a community. This highlights the importance of strong social networks and trust among village banking participants, which can motivate timely repayments and reduce default rates. However, it's important to note that this study's findings may not be applicable to other cultural or socioeconomic contexts. Additionally, the high incidence of loan defaults discovered in this study aligns with the potential erosion of social capital within the village banking framework, as evidenced by the significant number of individuals who have witnessed or experienced loan defaults. Therefore, this finding supports the idea that social capital theory can impact loan repayment behavior (Putman, 2000).

According to the study, village banking faces a challenge with short payback periods. While approximately 43% of participants consider this to be a significant challenge, 57% do not view it as a substantial issue. Similarly, Sichilongo and Sinkala (2021) found that the short payback period was also a challenge, resulting in participants being unable to maximize their borrowed funds. The

57% who did not view short payback periods as a challenge may have positive factors such as higher education levels, stable income sources, and prior experience in managing financial obligations, which can contribute to prompt loan repayment. These individuals may have a better understanding of financial practices, improved business acumen, and a more stable financial foundation. The study demographics indicate that some participants fall within these described sets.

On the other hand, several demographic factors might negatively impact the payback period and this is true for the other participants. Study shows that some participants had lower educational attainment which may limit financial literacy and as such struggle to effectively manage their loans and businesses, leading to delayed repayments (Levine and Gale, 2011). Also, participants with unpredictable or seasonal sources of income may find it challenging to consistently meet loan repayment schedules. Further, a lack of prior experience in entrepreneurship or business management may lead to challenges in effectively utilizing loan funds, impacting the ability to repay debts on time. Moreover, individuals facing economic hardships, such as those living below the poverty line or in areas with limited economic opportunities, may face difficulties in meeting repayment obligations. These results serve to highlight the potential obstacle of a short payback period within village banking operations. Nath et al. (2017) studied the impact of repayment periods on the sustainability of microfinance institutions. They found that a shorter repayment period could increase the risk of loan delinquency and default, potentially leading to financial instability within the microfinance institution. Similarly, Ansohn (2018) argued that the need to ensure timely repayment of loans could put undue pressure on microfinance clients, potentially leading to financial distress and reduced welfare outcomes.

The research findings reveal that village banking is facing a significant challenge related to accountability and record-keeping practices. A vast majority of participants, 68%, identified this issue as a hurdle, highlighting the widespread concern within the context of village banking. However, 32% did not consider it a challenge, indicating a divergence of opinions among stakeholders. Social capital theory (2000) demonstrates how individuals acquire resources and benefits through their social networks, relationships, and interactions. This theory underscores the importance of trust, shared norms, reciprocity, and the collective ability to organize and cooperate for mutual benefit. In the context of village banking, social capital plays a vital role in fostering a sense of community, cooperation, and shared responsibility. The lack of proper record-keeping

practices in village banking, as established in this paper, reveals a negative relationship between village banks and the individual's capacity to acquire resources and benefits within those social networks. Proper record-keeping practices are crucial for building and maintaining trust among village banking members. Without accurate records, members may feel uncertain about the integrity of financial transactions and the handling of loan funds, which can erode the trust and reciprocity that underpin social capital within the community.

Clear and accurate records help members monitor their financial transactions, track their contributions and loans, and make informed decisions collectively. Proper record-keeping also reinforces transparency, accountability, and fairness, which are vital norms that contribute to the social capital of the group. When these norms are not upheld, they can weaken the shared expectations and norms that contribute to the social capital of the community, hindering the collective ability to organize and collaborate (Putman, 2000).

5.4 Effectiveness of village banking systems on women's welfare

With reference to objective three, the study aimed to investigate how communities are addressing the various factors that affect the success of village banks. The study sought to identify the strategies implemented in these communities. According to the study, the provision of financial literacy lessons on crucial topics such as budgeting, loan management, risk management, and savings and investment has demonstrated a significant impact in encouraging greater participation and engagement, leading to increased effectiveness. When individuals gain a deeper understanding of the benefits associated with village banking, particularly in terms of financial education, they are more inclined to take part. This was supported by Lweendo (2022), who emphasized the correlation between comprehensive financial education and enhanced participation in village banking initiatives.

To add on, financial literacy training equips members with the knowledge to assess and manage financial risks more effectively (Miraj et al, 2023). This is particularly important in the context of village banking, where lending activities are central to the system. With improved risk management skills, members can make more informed lending decisions, reducing the likelihood of defaults and improving the overall quality of the loan portfolio.

Moreover, village banking thrives on the concept of collective savings and lending. By providing financial literacy training, members can develop better financial management skills, such as budgeting, saving, and debt management (Lungu, 2020). This can lead to more responsible

borrowing and prudent use of financial resources, ultimately benefiting the overall financial health of the village banking operations. Financial literacy training can foster a sense of community and cooperation among village banking members. When individuals have a common understanding of financial concepts and practices, they are better able to communicate and work together towards common financial goals. This can lead to a more cohesive and collaborative environment within the village banking operations, promoting trust and solidarity among members.

Furthermore, by equipping members with financial literacy skills, village banking operations have the potential to drive sustainable growth and long-term impact. As individuals become more financially savvy, they are better positioned to leverage the resources provided by the village banking program, leading to improved economic outcomes for themselves and their communities (Rani and Goyal, 2023).

The study's findings resonate with and are endorsed by the insights offered by Karim and Kabeer (2016) in their comprehensive examination of microfinance and its implications for women. This correlation underscores the significance of financial literacy as a means to enhance the performance and outcomes of village banking, offering valuable insights for practitioners and policymakers seeking to strengthen the effectiveness of such programs. However, as much as financial training is needed the study also identified vocational training as a strategy to strengthen village banking contribution to women's welfare.

Prior research has primarily concentrated on the role of financial training as a strategy to encourage the effectiveness of village banking operations. However, this study has revealed that vocational (Entrepreneurial) training also holds significant importance, indicating that a focus solely on financial training may not be sufficient for enhancing village banking. This research has shed light on the need to consider vocational training in conjunction with financial education to comprehensively strengthen village banking activities and improve financial outcomes for participants. Providing vocational training in areas such as tailoring, bakery, cakery, and hairdressing aims to equip women with not only financial knowledge but also technical skills, enabling them to cultivate diverse income-generating opportunities (Ceford, 2023). By broadening their skill set, women can enhance their economic stability and contribute to the overall growth of their communities. This comprehensive approach can help empower women to pursue entrepreneurship and cultivate sustainable livelihoods, enriching the impact of village banking initiatives on women's economic welfare

Further, the findings of the study suggested that clear rules and regulations can play a crucial role in improving the performance of village banking operations. Clear rules and regulations provide a transparent framework for village banking operations, which enhances accountability among its members. When everyone understands the rules, they are more likely to adhere to them, reducing the likelihood of misconduct or misuse of funds. This transparency fosters trust among the members, contributing to the overall success of the village banking program (Armendáriz and Morduch, 2005).

Further, an established set of rules and regulations ensures that the village banking program complies with applicable legal requirements. This protects both the program and its members from potential legal issues, such as accusations of predatory lending or violations of financial regulations. It also provides a clear framework for dispute resolution and legal recourse, enhancing the overall security of the program.

Moreover, clear rules and regulations can streamline the operational processes of village banking. By providing guidelines for membership, savings, credit, and governance, it ensures that the program operates efficiently and effectively. This can result in smoother day-to-day operations and improved service delivery to the members. This finding supports the broader discussion on microfinance and the importance of effective governance and regulation within financial initiatives as discussed by authors such as Armendáriz and Morduch (2005). Their work underscores the significance of clear rules and regulations in ensuring the transparency, accountability, and sustainability of financial initiatives. The authors argue that effective governance frameworks and regulatory mechanisms are key to promoting responsible lending practices, protecting clients, and mitigating risks within microfinance operations. Likewise, Harper's (2019) insights align with the idea that clear rules and regulations are crucial in creating an enabling environment for microfinance initiatives, including those operating at the village level.

Additionally, the study highlights the importance of ongoing support and engagement in improving the performance of village banking. The results demonstrate how consistent client engagement and support can positively impact the success of village banks. These findings align with the research of Lweendos (2022), who emphasized the crucial role of regular meetings in the success of village banking. Regular meetings offer a valuable opportunity for effective communication and coordination among members, enabling them to address key issues related to savings, loans, and program management. This fosters a sense of community and unity, ensuring that all members are

aligned and working towards shared objectives. Regular meetings also, offer the opportunity for collective decision-making. Members can vote on important issues such as loan approvals, interest rates, and the disbursement of profits. This democratic process ensures that all members have a voice in the management of the village banking program, promoting fairness and equity.

Regular meetings provide a platform for community members to come together, fostering social interaction and the formation of social networks. These gatherings offer opportunities for individuals to build trust, establish relationships, and strengthen social ties, which are essential components of social capital theory. Through these interactions, community members can develop a sense of solidarity and shared purpose, thus enhancing cooperation and collaboration within the village banking context. (Putman, 2000).

The findings presented in this paper diverge from those of Sichilongo and Sinkala (2021), who suggested that low interest rates are crucial for the seamless operation of village banking groups. The current study proposes that consistent meetings and assistance aimed at optimizing the performance of village banking and microfinance ventures prove to be more effective in enhancing the functionality of village banks.

According to the study, effective record-keeping can greatly enhance the performance of village banking operations. The research highlights the importance of accurate record-keeping and transparency within these groups, as it ensures a clear and trustworthy system. By keeping detailed records of financial transactions, savings, loans, and other activities, members can have confidence in the integrity of the program. This level of transparency fosters trust among members and promotes accountability among those responsible for managing the village banking program. These findings align with Lweendo's (2021) assertion that proper record-keeping is necessary for the smooth operation of village banks. Besides, Proper record-keeping allows for the efficient management of funds within the village banking system. Accurate records help track the flow of money, ensuring that savings are protected, loans are properly managed, and profits are distributed fairly. This helps to prevent mismanagement and fraud, safeguarding the financial assets of the community.

Further, access to comprehensive, up-to-date records enables informed decision-making within the village banking program. When members and leaders have clear and accurate information about the financial status of the program, they can make well-informed decisions regarding loan approvals, interest rates, and investment opportunities. The paper argues that such practices are

essential for building trust, promoting accountability, and ensuring the proper functioning of financial operations. Moreover, record-keeping in village banking is crucial for maintaining transparency and ensuring accountability in financial transactions and decision-making processes. By accurately documenting loan disbursements, repayments, and other financial activities, village banking programs create a framework for trust and confidence among members. This aligns with social capital theory, as transparent and accountable practices contribute to the development of social networks and shared norms within the community (Putman, 2000).

More, the finding supports the paper of Harper (2019) who emphasized the importance of transparent and effective record-keeping in microfinance. The author discussed the need for clear and accurate documentation to prevent over-indebtedness and to support the long-term viability of microfinance initiatives. These insights are akin to the findings of the study, which suggest that robust record-keeping can enhance the functioning of village banking. While most sources acknowledge the importance of effective record-keeping for financial operations, the study's specific focus on village banking provides valuable insights into the practical implications of this practice in a community-based context, complementing the broader perspectives offered by Harpe (2019).

CHAPTER SIX
CONCLUSION AND RECOMMENDATION

6.1 Introduction

The study aimed at examining the effect of village banking on women's economic welfare, with three primary objectives. Firstly, the study sought to identify the benefits of village banking, particularly in relation to women's financial empowerment and economic well-being. Secondly, it aimed to determine the challenges that hinder village banking's contribution to women's economic welfare, considering the unique socio-economic factors and gender-specific barriers they encounter. Lastly to identify the different community strategies that can be used to enhance the effectiveness of village banking in contributing to women's economic welfare., with a specific focus on addressing the challenges identified and enhancing the effectiveness of these microfinance initiatives in supporting women's economic empowerment and financial inclusion.

6.2 Conclusion

The study has provided valuable insights into the positive impact of village banking initiatives on women in rural communities. Through village banking, women have gained access to a reliable and sustainable source of income, enabling them to support their families and invest in their children's education through paying school fees (Kabeer et al, 2014). Moreover, the study highlights that entrepreneurial women have leveraged village banking to access essential funds for their ventures, promoting economic growth within their communities (Khursheed, 2022). Additionally, village banking has contributed to food security and provided crucial medical services, ultimately enhancing the overall well-being of women in these communities (Sichilongo and Sinkala, 2021; Adriani and Kalam (2022).

Unlike previous studies, this paper highlighted that village banking not only improved access to medical services but also revealed different demand patterns among participants. Specifically, the research showed a higher demand for medical services among older participants, while younger participants seemed to have a more relaxed attitude toward seeking medical attention. Furthermore, the paper built upon previous research conducted in Zambia regarding the impact of village banking on business growth. The findings suggested that village banking did indeed contribute to improved business growth. However, it was also noted that participants of village banks may have lacked the necessary resources to maintain a single and profitable business over an extended period. Furthermore, the study demonstrated a positive correlation between village banking and education levels. However, the participants of village banking preferred to invest in

their children's education even if they themselves were not educated. Additionally, it was found that women who participated in village banking reported increased access to nutritious food and greater household food stability. This highlights the multifaceted benefits of village banking beyond financial inclusion, encompassing broader aspects of socio-economic well-being for women and their families

However, the study also identified several challenges faced by women involved in village banking initiatives. The short payback period of loans and loan default payments emerged as significant obstacles for women participants. Moreover, the lack of adequate record-keeping practices poses challenges in monitoring and managing financial transactions within the village banking framework. These challenges underscore the need to address systemic issues to ensure the sustained success of village banking initiatives and mitigate the potential risks faced by women participants.

The study also identified key strategies that communities implemented and perceived as beneficial for improving village banking operations for the benefit of women in underserved communities. Firstly, increased financial training for women participants equipped them with essential financial management skills and empowered them to make informed decisions regarding their finances. However, another notable finding from the research was that simply providing financial training to these women was not sufficient. Many of them lacked the skills needed to sustain a single business over an extended period, not due to financial constraints, but rather because they did not possess the necessary skill set to effectively manage their businesses. In addition to financial training, the results from the interview guide indicated that many women expressed a need for vocational training in professions such as hairdressing, cake making, baking, tailoring, and other similar fields. The lack of these specific vocational skills was seen as a significant barrier to the long-term success of their businesses. Clear rules and regulations within the village banking framework promoted transparency and accountability, thereby addressing issues of loan default payments. It's worth noting that these rules needed to be available to everyone and apply to everyone, not just a select few. Additionally, fostering a supportive environment through regular meetings and guidance for women participants bolstered their confidence and drive for success. Moreover, emphasizing the importance of adequate record-keeping practices facilitated transparency and efficient management of village banking operations, ultimately leading to improved outcomes for women participants. By implementing these strategies, village banking

initiatives better served the financial needs of women in rural communities and contributed to their economic empowerment.

6.3 Recommendation

Community

i. The paper advocates for the implementation of strict protocols and guidelines to minimize instances of defaulting.
ii. Additionally, it proposes vocational training for all members of village banking groups to equip them with the necessary skills for sustaining a profitable enterprise in the long run
iii. The paper recommends that while emphasizing the significance of educating their children, participants of village banking should also prioritize their own education for personal development and to serve as a role model for their children and other members of the community.

Government

i. The paper recommends that the government establish monitoring mechanisms to ensure that village banking groups adhere to responsible lending practices, in order to reduce default rates and prevent the breakdown of village banking systems and loss of confidence.
ii. The government should also foster partnerships between village banking groups and other institutions, enabling the sharing of expertise and knowledge to address any operational gaps and reduce default rates.

6.4 Area for further research

i. The paper suggests that research be done to explore the effects of village banking after the village banking cycle ends.
ii. This research was done among members who are in informal employment. As such the paper suggest a similar study to be done among participants who are in full employment.

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APPENDICES

Appendix One: Ethical consideration letter

THE UNIVERSITY OF ZAMBIA
DIRECTORATE OF RESEARCH AND GRADUATE STUDIES

Great East Road Campus | P.O. Box 32379 | Lusaka10101 | Tel: +260-211-290 258/291 777
Fax: (+260)-211-290 258/253 952 | **E-mail:** director.drgs@unza.zm | Website: www.unza.zm

APPROVAL OF STUDY

IORG No. 0005376
HSSREC IRB No. 00006464
REF NO. HSSREC-2024-JAN-049

2nd May, 2024

Mr. Vincent Katowa
The University of Zambia
P.O. Box 32379
LUSAKA

Dear Mr. Katowa

RE: **"WOMEN VILLAGE BANKING AND THEIR ECONOMIC WELFARE IN KAUNDA SQUARE STAGE ONE, LUSAKA DISTRICT, ZAMBIA".**

Reference is made to your submission of the protocol captioned above. The HSSREC resolved to approve this study and your participation as Principal Investigator for a period of one year.

REVIEW TYPE	ORDINARY REVIEW	APPROVAL NO. HSSREC:-2024 - JAN – 049
Approval and Expiry Date	Approval Date: 2nd May, 2024	Expiry Date: 1st May, 2025
Protocol Version and Date	Version - Nil.	1st May, 2025
Information Sheet, Consent Forms and Dates	☐ English.	To be provided
Consent form ID and Date	Version - Nil	To be provided
Recruitment Materials	Nil	Nil
Other Study Documents	Questionnaire.	
Number of Participants Approved for Study		

Specific conditions will apply to this approval. As Principal Investigator it is your responsibility to ensure that the contents of this letter are adhered to. If these are not adhered to, the approval may be suspended. Should the study be suspended, study sponsors and other regulatory authorities will be informed.

CONDITIONS OF APPROVAL

- No participant may be involved in any study procedure prior to the study approval or after the expiration date.
- All unanticipated or Serious Adverse Events (SAEs) must be reported to HSSREC within 5 days.
- All protocol modifications must be approved by HSSREC prior to implementation unless they are intended to reduce risk (but must still be reported for approval). Modifications will include any change of investigator/s or site address.
- All protocol deviations must be reported to HSSREC within 5 working days.
- All recruitment materials must be approved by HSSREC prior to being used.
- Principal investigators are responsible for initiating Continuing Review proceedings. HSSREC will only approve a study for a period of 12 months.
- It is the responsibility of the PI to renew his/her ethics approval through a renewal application to HSSREC.
- Where the PI desires to extend the study after expiry of the study period, documents for study extension must be received by HSSREC at least 30 days before the expiry date. This is for the purpose of facilitating the review process. Documents received within 30 days after expiry will be labelled "late submissions" and will incur a penalty fee of K500.00. No study shall be renewed whose documents are submitted for renewal 30 days after expiry of the certificate.
- Every 6 (six) months a progress report form supplied by The University of Zambia Humanities and Social Sciences Research Ethics Committee as an IRB must be filled in and submitted to us. There is a penalty of K500.00 for failure to submit the report.
- When closing a project, the PI is responsible for notifying, in writing or using the Research Ethics and Management Online (REMO), both HSSREC and the National Health Research Authority (NHRA) when ethics certification is no longer required for a project.
- In order to close an approved study, a Closing Report must be submitted in writing or through the REMO system. A Closing Report should be filed when data collection has ended and the study team will no longer be using human participants or animals or secondary data or have any direct or indirect contact with the research participants or animals for the study.
- Filing a closing report (rather than just letting your approval lapse) is important as it assists HSSREC in efficiently tracking and reporting on projects. Note that some funding agencies and sponsors require a notice of closure from the IRB which had approved the study and can only be generated after the Closing Report has been filed.
- A reprint of this letter shall be done at a fee.

- All protocol modifications must be approved by HSSREC by way of an application for an amendment prior to implementation unless they are intended to reduce risk (but must still be reported for approval). Modifications will include any change of investigator/s or site address or methodology and methods. Many modifications entail minimal risk adjustments to a protocol and/or consent form and can be made on an Expedited basis (via the IRB Chair). Some examples are: format changes, correcting spelling errors, adding key personnel, minor changes to questionnaires, recruiting and changes, and so forth. Other, more substantive changes, especially those that may alter the risk-benefit ratio, may require Full Board review. In all cases, except where noted above regarding subject safety, any changes to any protocol document or procedure must first be approved by HSSREC before they can be implemented.

Should you have any questions regarding anything indicated in this letter, please do not hesitate to get in touch with us at the above indicated address.

On behalf of HSSREC, we would like to wish you all the success as you carry out your study.

Yours faithfully,

DR. J. I. Ziwa
CHAIRPERSON
THE UNIVERSITY OF ZAMBIA HUMANITIES AND
SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE - IRB

cc: Director, Directorate of Research and Graduate Studies
Assistant Director (Research), Directorate of Research and Graduate Studies
Assistant Registrar (Research), Directorate of Research and Graduate Studies

Appendix Two: Questionnaire

THE UNIVERSITY OF ZAMBIA
SCHOOL OF HUMANITIES AND SOCIAL SCIENCES
DEPARTMENT OF DEVELOPMENT STUDIES

Questionnaire No: **Interviewer's Name:**

"Women Village Banking and their Economic Welfare in Kaunda Square Stage One.

Students' Questionnaire

Dear Respondent,

You have been identified as a key respondent among the residents of Kaunda Square Stage one to provide information for use in a research study seeking to assess Women Village Banking and their Economic Welfare among residents of Kaunda Square Stage one. Kindly provide information outspokenly and honestly as possible. All information received will be treated confidentially and used for research purposes only. Please answer by writing in the spaces provided or by ticking in the appropriate box. Your cooperation is highly appreciated.

Yours,

Vincent K.
(Principal Investigator)
Department of Development Studies
The University of Zambia.

III. Divorce

IV. Widow

3. **What is the highest level of education you have attained?**
I. Junior Secondary (below GCE)
II. Secondary (GCE level)
III. Tertiary (Certificate, Diploma, Degree etc)
IV. Others
Specify……..……
……
……
……

VILLAGE GROUP BANKING DETAILS

4. **How many members are in your group?**
I. Below 10
II. 11 - 20
III. 21 - 30
IV. 31- Above

5. What is your monthly earning from your business (source of livelihood)?
I. Below 1000
II. 1100 – 2400
III. 2500 – 4500
IV. 4600 – Above

6. According to your answer to question 5, is it sufficient to manage your home expenses?
I. Yes
II. No

7. Have you ever gotten a loan from your village bank group?
I. Yes
II. No (If No go to question 11)

8. (If yes to question 7). How much did you receive from your village banking group?
I. Below 1000
II. 1100 - 2000
III. 2100 - 3000
IV. 3100 - 4000
V. 4100 and above

9. What do you use the money for?
I. Building Activities

II. Business activities
III. School fees
IV. Household expenses
V. Others
(specify)……..……
……
……
…….

10. Which areas would you say have improved greatly due to your involvement in Village Bank? (Circle all where applicable)
I. Business/Entrepreneurial activities
II. Household savings
III. Household expenditure and welfare
IV. Health expenses
V. Food security and nutrition
VI. Availability of farming inputs
VII. Paying School Fees
Other……
……

11. Have you faced any challenges after joining Village Bank?
I. Yes
II. No

12. If your answer is No, do you know anyone who is facing challenges in the village banking group?
I. Yes
II. No

13. If your answer is yes to question 11 and 12, what challenges do you face in village banking?
I.……
……
……
……
II……
……
.....
III……
……
……
……
IV……
……

……
…….

14. Have you faced any difficulty at the time of getting a loan from Village Banking?
I. Yes
II. No
If yes, please
explain……..……
……
……
……
……

15. Have you gotten any type of training after joining Village Banking?
I. Yes
II. No

16. If yes, what type of training? (Example entrepreneurship training, marketing, financial literacy etc.)
I.
……
…….
II.
……
……
III.
……
……

17. Have you ever defaulted on your repayment on village banking?
I. Yes
II. No

18. If your answer to question 17 is No, do you know anyone who has defaulted in the village banking group?
I. Yes
II. No

19. If yes, mention at least 3 causes of loan defaulting in village banking?
I.……
……
……
……..
II.……
……

……
……
III……
……
……
……
……

20. Do members of the saving group who default return in the next cycle of village banking?

I. Yes
II. No

23. If yes give reason?

I……
……
……
……
II……
……
……
……

24. From your experience, what should be done to improve the function of village banking? (Mention three, 3, things)

I……
……
……
……
II……
……
……
……..
III……
……
……
……

25. To what extent would you say that your village banking group has allowed you to be financial included and giving reasoning for your answer?

I. Larger extent
II. Smaller extent
Reasoning……
……
……
……

26. What measures (guidelines) have been put in place to make village banking groups operate better?

Benefits of village banking sample questions

1a. before becoming a member of the village banking program, would you say that you had access to private clinics, medication, consultations, and treatment? Y/N

1b. After becoming a member of the village banking program, would you say that you had access to private medical services, clinics, and consultations? Y/N

2a. In the period before joining the village banking program, would you say that you had adequate access to a sufficient quantity of nutritious food? Y/N

2b. Following your membership in the village banking program, would you say that you had sufficient access to the right quantity of nutritious food? Y/N

3a. How would you describe your typical income level before joining the village banking program? (write your income)

3b. What is your current income level since becoming a member of the village banking program?

4a. Were you facing difficulties in paying for your children's school fees before becoming a member of the village banking program? Y/N

4b. Are you finding it easier to afford school fees now that you are part of the village banking program? Y/N

5a. Were you engaged in any entrepreneurial activities prior to joining the village banking program? Y/N

5b. Are you currently involved in any entrepreneurial activities as a member of the village banking program? Y/N

Challenges of village banking sample questions

6. Is defaulting on loan payments a significant challenge in the village banking system? Y/N

7. Do you view the short payback period of loans as a challenge within the village banking system? Y/N

8. Is the lack of accountability and poor record-keeping considered a challenge within the village banking system? Y/N

9. What other challenges do you face during village banking

Community strategies to enhance village banking contribution to women's welfare

9. Do you believe that providing financial literacy training to women can enhance the impact of village banking on women's economic welfare? Y/N

10. Do you believe that establishing clear rules and regulations can enhance the operations of village banking? Y/N

11. Do you believe that maintaining comprehensive records can enhance the operations of village banking to improve the welfare of women? Y/N

12. Can regular meetings and support enhance the operations of village banking? Y/N

13. Do you think mobile money can help improve village banking? Y/N

14. What other strategies do you think can be used to enhance village banking contribution to women welfare from your experience?

Appendix Three: Interview Guide

1. Tell me the experience you have about village banking groups

2. Explain whether or not, you think, there is a change in women's economic life after taking a loan from there village banking group?

3. What do you think are the challenges faced by women in village banking group

4. What measures can be put to improve village banking?

5. If a member defaults in the repayment, what actions are taken?

6. What measures should be done to improve on the default rate by members?.

7. Do you have any recommendation regarding the operation of village banking you are in?

8. Are there other things about village banking I did not ask that you would like to share?