

HOW DOES MICROCREDIT LEAD TO EMPOWERMENT? A CASE STUDY OF THE VINYA WA AKA GROUP IN KENYA

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Abstract: Empowerment, as a vehicle for poverty reduction, is becoming a critical component of international development. This involves shifting the development paradigm from the predominant ‘top-down’ (deficit) approach towards a ‘bottom-up’ (asset-based) approach, thereby building capacity from existing community resources. Qualitative in-depth interviews were used to examine the process of women’s empowerment through a community microcredit group, which utilizes an asset-based approach to development. Women experienced three distinct phases of empowerment: ‘enlightenment,’ ‘group movement,’ and ‘empowerment’. This case study provides empirical data on the process of women’s empowerment through microcredit while underscoring the strengths of asset-based approaches towards sustainable community development. Copyright © 2015 John Wiley & Sons, Ltd.

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1 INTRODUCTION

Empowerment is seen as a critical component of development (Malhotra & Schuler, 2005), particularly as development initiatives move towards addressing the intersection of poverty and social exclusion (Pronyk, Hargreaves, & Morduch, 2007). Significant attention has been devoted to the empowerment of women as a development strategy, since poverty is heavily ‘engendered’ due to women’s unequal access to resources and social, economic,

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and political power in many developing country contexts (Atieno, 2001; Endeley & Thompson, 2005). Empowerment is multi-dimensional and has been broadly conceptualized to include social empowerment (changing society's norms, increasing decision-making, confidence, collective action, and education); financial empowerment (generating income, making monetary decisions, and increasing economic participation); political empowerment (political representation and participation, voting, and recognition of human rights); and empowerment for health (seeking care, making healthy decisions, and receiving health education) (Malhotra & Schuler, 2005; Cheston & Kuhn, 2002; Pettit, 2012; Hennink, Kiiti, Pillinger, & Jayakaran, 2012). Narayan (2002, p.11) has defined empowerment as 'the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable institutions that affect their lives.' Additionally, *women's* empowerment seeks to change gender norms, achieve gender equality, and systematically transform institutions that support patriarchy while also empowering across other dimensions (Malhotra & Schuler, 2005; Johnson, 2005; Pettit, 2012). However, measurements and definitions of empowerment are constantly being contested and redefined, even as empowerment has become a 'buzzword' in mainstream development discourse (Cheston & Kuhn, 2002; Cornwall & Brock, 2005).

Traditional development initiatives that focus on empowering poor women have emphasized increasing their *assets* by improving women's access to material and financial resources. In this context, microcredit has often been considered a relatively simple strategy to increase household incomes, allow poor women to access financial products, and subsequently effect wider social change (Pronyk *et al.*, 2007). While access to financial resources can be catalysts to empowerment through income generation and financial decision-making (Malhotra & Schuler, 2005; Cheston & Kuhn, 2002; Johnson, 2005), it has become clear that only giving women access to financial resources does not necessarily lead to their greater control over those resources (Malhotra & Schuler, 2005; Endeley, 2001). As Malhotra and Schuler (2005) explain, 'without women's individual or collective ability to recognize and utilize resources in their own interests, resources cannot bring about empowerment' (p.73). Kabeer (2001) also discusses how the transformational potential of microcredit for women depends heavily on what questions are being asked, and of whom, because evaluations often lack testimonies by women themselves as to the impact of credit on their lives. Increasing the *capabilities* of poor women to create change requires their engagement in the development process and institutional change (Narayan, 2002). Ensuring that poor women have *agency* as 'significant actors in the process of change' (Malhotra & Schuler, 2005, p.72) also increases their social and political empowerment, which includes decision-making, confidence, collective action, education, and being represented (Malhotra & Schuler, 2005; Cheston & Kuhn, 2002). Increased agency has the additional benefit of making poverty reduction programs more effective (Narayan, 2002).

Addressing poverty reduction through women's empowerment rejects the traditional, 'top-down' approach to development and represents a paradigm shift for development based on tapping a community's own assets, thus illustrating a 'bottom-up' or 'asset-based' approach (Mathie & Cunningham, 2003). Historically, international development has focused on communities' needs and problems as a beginning point (Mathie & Cunningham, 2003), representing a deficit approach that requires the provision of external resources. Often, this approach overrides a community's own assets and neglects capabilities that may have the potential to build internal, sustainable development. There is a growing recognition that this deficit approach often creates dependency on external

resources that hinders the process of sustainable development or lasting change (Kramer, Seedat, Lazarus, & Suffia, 2011). These limitations have spurred an important paradigm shift in international development towards recognizing and building community assets (Mathie & Cunningham, 2003). In addition, there is a realization that poverty reduction must be understood beyond simple economic terms to include social, political, and psychological components. One example of this new paradigm shift is Asset Based Community Development (ABCD), which emphasizes community organizing 'to drive the development process themselves by identifying and mobilizing existing (but often unrecognized) assets, thereby responding to and creating local economic opportunity. In particular, ABCD draws attention to social assets: the particular talents of individuals, as well as the social capital inherent in the relationships that fuel local associations and informal networks' (Mathie & Cunningham, 2003, p.474). The ABCD approach focuses on leveraging existing local resources and capabilities and 'challenges communities to think about what they have, not what they don't have; it helps people have 'new eyes' about themselves and their surroundings; and it shifts the conversation from thinking of citizens as objects to fix to assets to tap' (Morse, 2011, p.10). In doing so, communities are able to build upon existing assets and strengthen their own capabilities.

The key dimensions of the ABCD approach include participation, capacity building, empowerment, and sustainability. Participation is enhanced when communities recognize their own ability to make changes or improve their livelihoods, build their own ideas, and engage in dialogue and critical reflection (Kiiti & Nielsen, 1999). This recognition builds on people's strengths such as 'their knowledge, skills, values, initiative and motivation to solve problems, manage resources, and rise out of poverty' (Narayan, 2002, p.17). Capacity building enhances this participatory process. It first involves identifying the constraints that people face in positively impacting their own lives, and then helps to determine appropriate vehicles to address these challenges (Eade, 1997). Empowerment is central to this paradigm shift in development as it puts 'people at the centre of development and views them as the most important resource' (Narayan, 2002, p.17). Empowerment is therefore a key element for engaging women in community development, particularly because poverty is heavily 'engendered' and tied to women's unequal access to resources and limited participation in political, economic, and social domains (Atieno, 2001; Endeley & Thompson, 2005). When community members are authentically engaged, using their skills, knowledge, and capabilities in determining their own development outcomes, they often feel empowered, which increases the likelihood that the process will be sustainable (Kamanda *et al.*, 2013). These aspects of an ABCD approach to community development are summarized by Korten, who defines development as 'a process by which the members of a society increase their personal and institutional capacities to mobilize and manage resources to produce sustainable and justly distributed improvements in their quality of life consistent with their own aspirations' (1990, p.67). Thus, the shift in thinking, complimented by a participatory approach to development, presents a powerful platform for effective and sustainable community development built on the assets of the local people.

1.1 Empowerment through Microcredit

Microcredit is often perceived as a simple strategy for poverty reduction by providing women with increased access to financial resources (Pronyk *et al.*, 2007; Hennink, Kulb,

& Kiiti, 2013). However, microcredit has the potential to become a powerful vehicle for women's empowerment and broader community development (Cheston & Kuhn, 2002; Pronyk *et al.*, 2007). Microcredit often operates through a rotating savings and credit association system (ROSCA), whereby 'a number of people form a group and contribute equal amounts on a regular basis to a fund which is usually (but not necessarily) given to one person on each occasion, until everyone in the group has received the money in turn' (Johnson & Sharma, 2004, p.4). While this system is beneficial, it reflects the traditional 'top-down' approach to development, with an emphasis on increasing financial resources. Building financial assets remains important, but empowerment also requires *agency* for change, which goes beyond financial assets alone. The ROSCA model rarely goes beyond generating lump-sum payments for members, and thus may not contribute more broadly to improving women's own capabilities towards empowerment (Adler & Kwon, 2002; Pitt & Khandker, 1998). It remains unclear whether a ROSCA model itself can increase women's agency towards empowerment or whether it simply provides the financial component for empowerment (Malhotra & Schuler, 2005).

Additionally, we do not understand how participants themselves conceptualize and experience empowerment through microcredit, nor what components of microcredit lead to empowerment (Kabeer, 2001). Hennink *et al.* (2012) discuss that 'although there has been much progress in acknowledging the potential contribution of empowerment strategies for strengthening community development and poverty reduction, there remains a lack of clarity on defining empowerment and what being empowered really means.' Kabeer (2001) points out that the evidence linking empowerment to microcredit is contradictory, partially because of differences in methodology and what questions are asked:

'Some studies relied largely on statistical data and significance tests for their findings while others relied on more qualitative, sometimes anecdotal, evidence...Conflicting conclusions about the impact of credit also reflect differences in the questions asked... the negative evaluations focused on *processes* of loan use while the positive ones focused on *outcomes* associated with, and attributed to, access to loans.' (Kabeer, 2001, p. 65–66)

Kabeer (2001) notes that evidence linking microcredit to empowerment fails to take into account the testimonies from women themselves as to how credit has impacted their lives. It is therefore imperative to differentiate between forms of change which have been prioritized in the feminist or development communities, and the forms of change experienced by and valued by those who are actually participants in microcredit groups (Kabeer, 2001). Additionally, we have little empirical data from participants about how the *process* of empowerment works (Hennink *et al.*, 2012). Lastly, one of the core methods of an ABCD approach is to collect stories of community successes and analyse the reasons for their successes (Mathie & Cunningham, 2003).

For these reasons, this study utilizes qualitative methodology to explore the processes through which women's participation in microcredit leads to empowerment and community development from participants' own perspectives. This paper presents a case study from Kenya of an alternative model of microcredit that is built upon the ABCD approach to community development, and we seek to understand how women themselves experience and define changes in their lives from involvement in this community-based microcredit group. The *Vinya wa Aka* (meaning 'strength of women' in Kikamba) women's group was established in 2001 with roots in impoverished rural areas of the

Eastern Province of Kenya. *Vinya wa Aka* utilizes a unique community-based model of microcredit, whose components have been previously documented, that challenges the traditional 'top-down' approach to development (Hennink *et al.*, 2013). This model seeks to reduce dependency on external assistance by building agency amongst its group members which empowers women to effect change in their own lives. While links between microcredit and empowerment have been documented elsewhere, this study seeks to understand *how* women experience and define the process of empowerment through involvement in the *Vinya wa Aka* microcredit group. We document the process through which women are able to build on their own assets to effect sustainable change, and the nature of this change, both individually and within their communities. This study is important in the context of Kenya where women have limited access to financial products, since microcredit has gained momentum as a mechanism for women to access small loans without pre-existing collateral or savings (Hennink *et al.*, 2013).

2 METHODS

This study used qualitative in-depth interviews and observations to understand the process of empowerment from the perspective of women involved in a community-based microcredit group. Qualitative methods were used to address the lack of evidence from women themselves about how microcredit impacts their lives and their experiences of the process of empowerment (Kabeer, 2001; Hennink *et al.*, 2012).

The grounded theory approach (Glaser & Strauss, 1967) was used to guide the iterative process of participant recruitment, data collection, and analysis towards the development of a conceptual framework of the empowerment process. Twenty-four in-depth interviews were conducted in 2010, with all 14 founding members of *Vinya wa Aka*, who established the group in 2001, and 10 outreach group members in rural areas. Founding members were interviewed to understand the development of the group, its vision, activities, and achievements; and were critical in providing a longer-term perspective on the process of empowerment via group membership. Members of rural outreach groups who resided in the Eastern Province of Kenya and were trained on the *Vinya Wa Aka* group model were also interviewed to understand how participation in a *Vinya Wa Aka* group influenced empowerment amongst poorer rural women. Ten outreach group members were purposively selected to provide diversity in rural location (Machakos, Embu, Kitui, and Kibwezi), economic activities (e.g. agriculture, investment, and small business), length of membership in *Vinya Wa Aka* (short, medium, or long), socio-economic status and financial progress of their group, marital status (single, married, and widowed), age, and education level. Participants were selected with assistance from the founding members and recruited by telephone and e-mail.

A semi-structured interview guide was used to ask women about their individual experiences of participating in a *Vinya wa Aka* group, whether their lives have changed from group participation (and how), and the opportunities and challenges of group participation and operation. Interviews with founding members were conducted in English by the first author either in person or by telephone. Interviews with outreach group members were conducted by two research assistants trained in qualitative research and fluent in the Kikamba language. The interview guide for outreach group members was translated into Kikamba, pilot tested, and revised before data collection. All interviews were conducted in private locations where participants felt most comfortable (e.g. their

homes or offices) and were 60–90 minutes in duration. Basic demographic information was also collected from all participants via a brief survey to identify participants' age, education, occupation, marital status, parity, ethnicity, religion, length of group membership, and household expenditure.

Data were also collected through participant observation at a social gathering of outreach group members and group members' business locations. Observations were used to understand the social context of group membership (i.e. social obligations, exchange of support, and celebration) and the economic income generating activities enabled by group membership. Observations were conducted by the first author, recorded using field notes and photographs, and used to contextualize in-depth interview data. This study was exempted by Emory University Institutional Review Board, but study procedures were fully described to all participants, and individual verbal consent was obtained for participation and recording interviews. Participants received a gift valued at US\$10 for their contribution.

In-depth interviews were digitally recorded, transcribed verbatim, and translated into English, where needed. All transcripts were independently reviewed for accuracy and completeness, de-identified, and kept in password-protected data files for confidentiality. The data were analysed using a grounded theory approach (Glaser & Strauss, 1967), whereby the interviews were read and memos written to identify inductive and deductive themes. Codes were developed based on core themes, listed in a codebook, and used to code the entire dataset. Inter-coder consistency was assessed by two independent researchers and the codebook was revised to improve data reliability. MAXQDA 2007 (Marburg, Germany) software was used to manage textual data, codes, memos, and data searches. After coding all data, thick descriptions were developed for the core themes to understand their context and nuance. Data were then compared between subgroups of participants to identify emergent patterns in the core themes. Themes were then categorized by their influence on participants' lives and developed into a conceptual model to explain women's experiences of empowerment through participation in a *Vinya Wa Aka* group. The conceptual model was developed from the study results and validated using the 'concept-indicator model' (Strauss, 1987), examining negative cases, triangulating with observation data, and continually returning to the data to ensure that the processes described were well grounded in the data and reflected the experiences of study participants.

3 RESULTS

We first present women's experiences in other community microcredit groups, prior to participating in a *Vinya wa Aka* group. This provides important context and background to traditional microcredit groups in Kenya, as well as understanding of how the *Vinya wa Aka* model differs from other available models of microcredit. Then we describe the process and nature of empowerment from participating in a *Vinya wa Aka* group, which builds on elements of the ABCD approach to strengthen women's own capacity to build sustainable change. Figure 1 visually depicts the process and components of empowerment that women experienced and comprises three distinct phases: 'enlightenment,' 'group movement,' and 'empowerment' which overlap and are interlinked. Each of these phases and how they relate to design elements of *Vinya wa Aka* are described below.

3.1 Microcredit Experiences Prior to *Vinya wa Aka*

Many women were in an informal microcredit group that used the ROSCA model, prior to participating in *Vinya wa Aka*. However, they were unable to save money and described these groups as economically 'static' because they did not accumulate any collective funds. At this time, women had no bank accounts because of their meager incomes, and the microcredit groups had no funds for emergencies or large household expenses. Most women also had no knowledge of investment and perceived it as 'only for the rich people.' For example,

We are getting money from the [microcredit] group, but it's like these contributions were not helping us, because most of the times, we were just 'eating' [spending] the money...I can't say that we had money in our account...we had nothing. We could not say we have saved...As a group, there is nothing we had that could help us in the future. (Rural, former ROSCA member)

Women described poor management and challenging social dynamics within previous microcredit groups, highlighting the lack of governing rules and haphazard administration, which often led to disagreements and mistrust. As a result, many groups dissolved because of poor management and social rifts between members.

Women also reported feeling guilt, low self-worth, and constant stress from being unable to meet their basic needs. They described 'struggling' to cover expenses such as food and school fees, and dependency on their husbands' incomes. Women described being 'kept low' by men, whereby they were not valued or able to make decisions for themselves. Rural women felt particularly 'low' because of their lack of education and formal employment. For example,

I was depending on my husband's salary...I have nothing else that I can do, there is nothing else I know...[and] the needs are still there...I am not happy, I have stress. (Rural, former ROSCA member)

I used to have very many problems until it could reach a point, I could feel like crying. I could see my children having a lot of problems, because when the child asks for something...it isn't there. (Rural, former ROSCA member)

3.2 Process of Empowerment through VWA Microcredit

In this section, we describe the three phases of empowerment that emerged from our analysis, which overall represent the *process* of empowerment through participation in *Vinya wa Aka*. We highlight the components of each phase and how they contribute to empowerment from the experiences of founding members and outreach group 

3.3 Enlightenment Phase

Enlightenment was the first phase towards empowerment, comprising of exposure, skill acquisition, and a 'waking up' (see Figure 1). In this phase, women highlighted how *Vinya wa Aka's* training exposed them to an alternative structure of community microcredit, provided skills to implement this model of microcredit, and led to a recognition that economic improvement was possible.

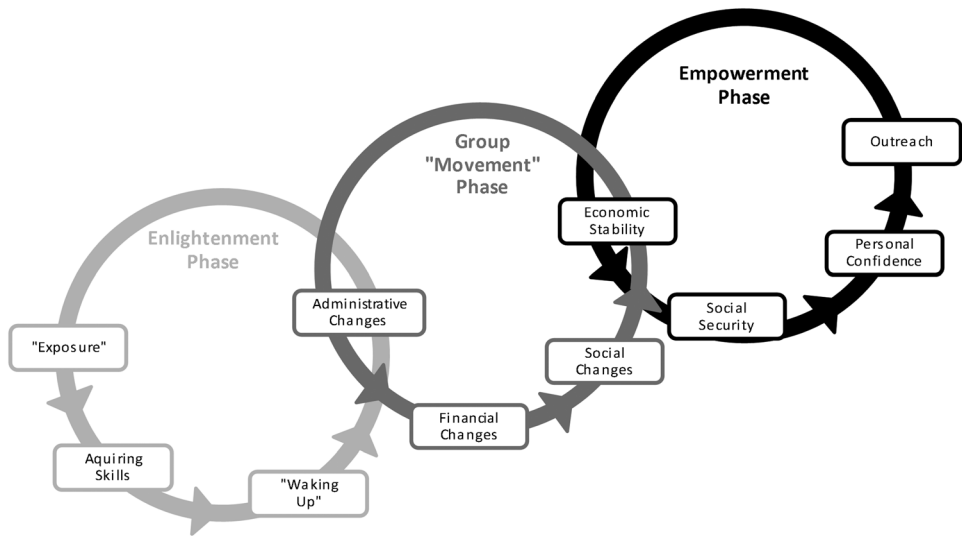


Figure 1. The cyclical process of empowerment in *Vinya Wa Aka*

3.3.1 'Exposure'

Enlightenment began with 'exposure,' whereby women attended a *Vinya wa Aka* training session involving information sharing, personal testimonies, and social interaction. This revealed new knowledge about financial management, small scale investment, and long term financial planning, highlighting how the *Vinya wa Aka* model differed from a ROSCA system. For example,

[*Vinya wa Aka*] trained us on how we can do investment and on how we can raise money as a group...it's like [*Vinya wa Aka*] makes a way for us, such that what they are telling us, they have already done. They are not telling us a theory, it's something practical. (Rural, outreach group member)

Women also described *social* exposure through the personal mentorship and testimonies of *Vinya wa Aka* members, which broke the social 'isolation' of their rural life and inspired them to emulate their mentors. For example,

We want...to challenge them to dream... [and] also to expose them a bit. Because they don't know there is something better outside there, beyond...this environment where we were born. Some were born there, they get married there, they live and die there, in poverty and suffering. (Urban, founding member)

When you socialize with people...you also help each other financially, through ideas, such that you do not stay as an isolated person or being left behind...We have learned things from them...The [low] living standard that we were in...we have improved a little bit, even if we won't reach where they are. (Rural, outreach group member)

3.3.2 *Acquiring skills*

During training, women became aware of an alternative model of microcredit while also gaining the skills to develop and manage a microcredit group. They acquired skills with

practical tasks such as opening a bank account, making deposits and withdrawals, and basic account management; and discussed business matters such as profitable income generating activities and product diversity with founding members, as shown below.

[We] needed...skills first because if you don't have knowledge...even if you have the money you will not be able to manage it properly. (Rural, outreach group member)

[*Vinya wa Aka* mentors] came and trained us on things to do with banking, accounting, saving money, how to manage groups, what makes groups to collapse...[We knew about] the importance of saving money...we didn't have the knowledge of how we can handle [financial] issues and people. (Rural, outreach group member)

3.3.3 'Waking up'

Both exposure to *Vinya wa Aka* and acquiring skills to implement this model of microcredit led to women 'waking up' and realizing that economic progress (albeit small) was possible through group saving and investing their incomes. For example,

Before we met that *Vinya wa Aka* group, we would meet as friends, we talk about our lives, we encourage one another, but there was nothing, no investment...nothing moving on. But when we met *Vinya wa Aka*, it was like it was an eye opener to us that we can move, we can do this...We were trained very well, and we saw there was a need to come up and to move on. (Rural, low-income outreach group member)

Women also described a change in perspective as they realized that the *Vinya wa Aka* model could lead them from short-term financial survival to the possibility of longer-term financial planning. Women contrasted 'eating money' in a ROSCA model, versus developing a structure for saving and capital growth using the *Vinya wa Aka* model. For example,

[*Vinya wa Aka*] trained us on how we can spend our money and exactly how we can develop and grow... when they came and taught us on how to spend and manage our money, our eyes were opened...what had blinded us was removed...Were it not for them we would be in the same, same old place. (Rural, outreach group member)

Furthermore, women discussed 'waking up' to the possibility of financial self-sufficiency, whereby *women* could independently generate income, since women in Kenya were not entitled to own property until recently. For outreach group members, testimonials from founding members helped build their confidence and capacity, for example,

[*Vinya Wa Aka*] showed us that as women, we can invest and we can also own property, we can invest lots of money and eventually own many things...After meeting with *Vinya Wa Aka*, we learned that a woman can be the source of development, even in a family. (Rural, outreach group member)

3.4 Group 'Movement' Phase

The second phase of change comprised a period of transition that women referred to as 'movement' (see Figure 1). During this phase, women described moving from a 'stagnant'

ROSCA model to implementing the administrative structure of *Vinya wa Aka*, whereby they experienced a range of financial and social changes.

3.4.1 Administrative changes

Women described the administrative structure of *Vinya wa Aka* as a critical foundation for financial and social changes. This structure typically included holding regular monthly meetings, electing group officials, adopting a group constitution stating the group's objectives, management procedures, membership responsibilities and penalties, and agreeing on management of group funds (e.g. contribution level, loans, savings, and investment activities). For example,

It's very difficult to control a big group of women... [Outreach groups] didn't know [you need] a Constitution, and didn't have one...so we've been working with them on guidelines. (Urban, founding member)

3.4.2 Financial changes

Women described how the *Vinya wa Aka* model facilitated small scale financial changes, in particular initiating saving, providing access to small loans, participating in investment activities, and providing funds for social security payments in times of crises. Women explained that the new model provided a mechanism through which to stop spending and start saving small sums of money, both individually and as a group. Mandatory monthly payments to a group fund enabled women to save money collectively, while they also received training on how to manage their personal finances, such as opening a bank account and budgeting. For example,

It has helped us such that we know how to save something little for ourselves aside from what is for the group...I have saved something small in my account, something I never used to save before joining this group and without the help from *Vinya wa Aka*. So the trainings they have given us so far, I can feel that it has really helped me. (Rural, low-income outreach group member)

Saving money is not very easy on your own, because of temptation of 'eating' [it]. If you leave that money in the banks, with ATMs around, you just spend it... [Group saving] is a very good avenue of putting money for future causes. (Urban, founding member)

Adopting a *Vinya wa Aka* model of microcredit also allowed women to access low interest small loans from the group, sometimes for the first time ever, since many women did not have bank accounts and bank loans were not accessible due to the high interest rates (typically 25%), collateral requirements, or approval from their husband. Women highly valued this mechanism for accessing small loans to reach their financial goals, for example,

Ladies find it very difficult to get a loan; you cannot just walk into a bank because we do not have property...everything belonged to the man, to the husband... [If] I walk into a bank and I want a loan...I still have to go to my husband...If he says no, I'm done. So, the women now can even get funding from their fellow women. (Urban, founding group member)

I've also borrowed those [group] loans...to expand small things in my businesses. ...So I've been able to increase my [fruit and vegetable] supplies to other companies, because

I'm borrowing money from *Vinya wa Aka*. So I can say it has really helped me to expand my business. (Urban, founding member)

These small loans not only benefited women loan recipients but also contributed to the economic growth of the group by investing the group fund itself to earn interest. Women highlighted this as a key financial change from following the *Vinya wa Aka* model, as previous microcredit groups simply divided and spent interest amongst members, thereby stagnating the economic growth of the group. Through the training, women learned that investment could generate funds to build the group's financial assets without relying on physical labour or crop success for financial progress. These financial changes provided women with collective financial power not available to them as individuals, which was facilitated through the group mechanisms of enforced contributions through penalties and social pressure. For example,

Everybody has seen the benefits [of investing]...If we were to share that money today, after one and a half years of investment, everybody would be getting a substantial amount, and I think that is what makes the ladies smile...[We] know that this is a real investment club that we can count on. (Rural, outreach group member)

There are so many things that you are able to do as a group, that you are not able to do as an individual. In terms of investment, you are able to collect money from each one of you and do all those things you are not able to do on your own. Because with my small KSH 5,000 [approx. US\$50], I'm not able to do anything, but with 5,000 from each then it becomes a lot of money and you are able to invest. (Urban, founding member)

Through these savings and investment activities, women's perceptions also changed from short-term financial survival to longer-term financial planning. The structured monthly contributions to the group instilled a habit of saving money that could not easily be retrieved for individual spending, while group investments were viewed as a way to 'hide' and 'grow' money for the future.

3.4.3 Social changes

Women reported that since becoming involved in a *Vinya wa Aka* group, their increased household wealth led to a change in economic power. This increased their social status, within their household and communities, particularly in the view of men. For example,

[My husband was] seeing me as a fool. Right now, he can see that I have some knowledge, and you find that the little knowledge I gained, it helps me, because he used to stress me, now he doesn't torture me. You know, he could leave me at home with no money, and I [would] just stay there disturbed and in problems. But now, I don't have problems, because I have a group [to rely on]. (Rural, low-income outreach group member)

Women also described that they valued receiving social support from their group members and from *Vinya wa Aka* founding members, which fostered a sense of 'sisterhood' and encouragement within their group. For example,

[*Vinya wa Aka*] taught us a lot of things on how they live as sisters, and the things they have done...They told us how through interacting well, they have done

marvelous things because of their unity...we are trying to be like them. (Rural, outreach group member)

3.5 Empowerment Phase

'Empowerment' was the third phase described by women (see Figure 1). This involved reaching a stage of economic stability and social security which contributed to a sense of personal confidence. A final component of this phase involved reaching out to other women's groups and community members to facilitate community development initiatives.

3.5.1 *Economic stability*

A key element of the empowerment phase was reaching economic stability. This was achieved by the mechanisms for capital growth and emergency loans that buffered economic shocks in members' households. Women explained that access to loans, structured group savings, investments, social security payments, and advice on financial planning were all critical mechanisms for capital growth. These mechanisms enabled women to earn and save money to cover basic household expenses, thereby providing economic security in their households, sometimes for the first time. For example,

The fact that we have an investment somewhere, it relieves you, and even doing away with stress of where are you going to get [money for] this and this and this. You know you are able to turn to...your group and borrow some money...It has helped us a lot, because we don't get stressed about those kinds of things. (Rural, outreach group member)

Although basic economic stability could be achieved, women stated that it could also be quickly eroded through a household emergency, such as illness, death, or crop failure, thereby causing an economic shock to the household and depleting all financial resources. However, women described how emergency loans (a short notice, low interest loan) available from their group acted as a safety net during times of crisis so women could maintain the economic stability in their households, for example,

In case of an emergency, whereby you need money quickly, the group always comes in on that kind of [problem]...You see, it is really good. (Rural, outreach group member)

3.5.2 *Social security*

Another component of the empowerment phase was social security. This provided both economic and social support to group members. Many groups included a social security payment in their constitution to support members experiencing life events that depleted household resources, providing an additional buffer from economic shocks, in addition to emergency loans, as previously described. For example,

I went and told the treasurer that I don't have money and my child is not feeling well... She gave me 200[KSH], and I brought it to my son. He went to hospital and was tested and...treated and he is alright now... [Without that], my child would still be suffering. (Rural, outreach group member)

Women described how *Vinya wa Aka* also fostered social cohesion through mandatory monthly meetings and social obligations. Women described this as ‘sisterhood’ and an important source of social support, encouragement, and assistance during major life events. Group members would regularly assist with preparations for weddings, funerals, or graduations by attending to visitors, providing food and moral support, giving gifts, and raising funds. Their fellow group members were people they could rely on to advise on any life problem. Although women valued the mandated social security payments in times of crisis, they maintained that ‘sisterhood’ was the ‘key’ to the whole microcredit model, as described below.

I think there’s that level of support, knowing people are going to come in during difficult times, during joyful times, to pray with you, to encourage you...So I think there is a sisterhood that is there, [it’s] the under girth that holds it. (Urban, founding member)

It gives us a sense of security. You know if you have a wedding, or you have anything, you have people that you can always rely on...It gives you the sense of belonging, it’s a sort of peace of mind. You know you have people who care for you, who are there for you, anytime. (Urban, founding member)

3.5.3 Personal confidence

The empowerment phase also increased women’s personal confidence and independence to contribute to household needs. Women described that achieving economic stability boosted their confidence and independence to provide economic security for their families, for example,

I don’t have problems because right now I am self-reliant. I am not depending on somebody else. Even if my husband fails to give me money, I can still move on. I am moving forward. (Rural, outreach group member)

Women also expressed confidence in the *process* of working together as a group to achieve their shared goals. The consistent progress of the group increased women’s self-esteem and pride, and they asserted that continued involvement in their group would help them throughout life.

3.5.4 Outreach

Finally, many women expressed feeling most empowered when they were able to give back to their communities, helping other groups become ‘enlightened.’ Often, this happened when groups engaged in income-generating activities that benefited their communities, such as educating orphans, assisting the blind, planting trees, or producing valued products, such as clothing, bricks, or flour. For the founding members, this was also realized through the training and mentorship of the outreach groups themselves. The process of empowerment is thus a cyclical one: once women have been ‘enlightened,’ instituted group changes, and become ‘empowered,’ groups are then able to continue the process with the next ‘generation’ of outreach groups promoting sustainable development.

4 DISCUSSION

The case study of *Vinya wa Aka* presented in this paper demonstrates how shifting towards using an asset-based approach, that builds capacity from existing resources, can lead to

empowerment and sustainable change. This is shown through the transformational process of empowerment described by women involved in a community-based microcredit group that uses the ABCD approach. This study used qualitative in-depth interviews to identify three distinct phases that women experienced in the process of change: 'enlightenment,' 'group movement,' and 'empowerment'. Each of these phases overlapped, leading to cumulative changes in the *assets* and *capabilities* of group members, as well as a critical shift in their worldview.

Women's empowerment was based on both the economic stability and social security they received from group participation. Economic stability resulted not only from access to capital, but also from capital growth of group funds, thus increasing the financial *assets* of individuals and groups. Social security resulted from the system of financial support in times of hardship, and also the strong sense of 'sisterhood' amongst group members. Women valued this social support even more than the economic benefits of group membership because it provided encouragement and confidence in their own individual and collective *capabilities* for creating change. An increase in both *assets* and *capabilities* are core components of Narayan's (2002) definition of empowerment, thus highlighting the potential for empowerment amongst community microcredit groups that utilize an ABCD approach. Supporting women's empowerment is particularly important in the Kenyan context, where women often rely on their husbands for income, bank loans to women require collateral and co-signing with husbands, and until recently, women were not legally allowed to own land (Hennink *et al.*, 2013). In addition, there is significant evidence that microcredit benefits women in particular, because women borrowers more often spend money obtained on household needs, particularly health, than men (Kabeer, 2001; Dupas & Robinson, 2013). Women involved in microcredit also experience reduced emotional stress (Mohindra, Haddad, & Narayana, 2008), increased uptake of family planning (Steele, Amin, & Naved, 1998), and reductions in intimate-partner violence (Kim *et al.*, 2007).

Additionally, benefits of group membership extended beyond individual women to their households and communities. Some women emphasized that group membership increased the financial wealth of their household, including starting businesses with their husbands. This mirrors Kabeer's findings (2001) that some women utilized microcredit to increase cooperation with husbands and economic equality within the household, while others used microcredit to assert their financial autonomy and decision-making. Beyond the household, women involved in *Vinya wa Aka* fostered a strong sense of social cohesion and a desire to contribute to the development of their communities, primarily by training others in the model. The *Vinya wa Aka* model provides mechanisms to build social capital and community change through facilitating social security, collective action, and knowledge sharing, which underscores the importance of the social components of community microcredit groups. Building social capital through microcredit groups has been shown to increase trust and cooperation in communities, to the extent that gains in women's agency and empowerment can have 'spillover effects' for an entire village (Janssens, 2010). Vermaak (2009) supports this idea by noting that 'economic development has a better chance of flourishing in social systems with strong social networks, well-developed associations and a high degree of civic engagement' (p.401). In *Vinya wa Aka*, this aspect was most evident in the unique philanthropic component, whereby members support others to develop community microcredit groups and undertake projects that benefit the broader community. In this context, group membership provides the foundation for building social capital,

contributing towards self-sufficiency and sustainability of community structures to promote development.

In this way, *Vinya wa Aka* group members' experience of empowerment also facilitated a broader development process. Empowerment is thus a key element for engaging women in community development, as it puts people at the centre of development (Narayan, 2002) and enhances their participation in the development process, 'by which the members of a society increase their personal and institutional capacities to mobilize and manage resources to produce sustainable and justly distributed improvements in their quality of life consistent with their own aspirations' (Korten, 1990, p.67). Through group membership, women tapped into their existing financial and social resources, as well as their own potential, to facilitate positive improvements in their own lives and become direct participants in the broader development process, essentially driving the process from the bottom up.

These findings may also have implications for designing similar community microcredit groups. The *Vinya wa Aka* model of microcredit is based on a basic ROSCA but includes other unique and critical components that foster sustainable change (Hennink *et al.*, 2013). These include a rigorous administrative structure with a constitution and financial penalties for rule-breaking; economic features such as an investment fund, emergency loans, and social support funds; and a social component that includes obligations to the group and community outreach (Hennink *et al.*, 2013). Additionally, the group is not affiliated with any formal microfinance institution (MFI) or bank, and has no external inputs, thus reducing dependency on external aid and technical assistance. The *Vinya wa Aka* model thus challenges the traditional 'top-down' approach to development by embracing the ABCD approach, incorporating unique components of social security, accountability, and supporting women's own capabilities, which are noticeably absent in many traditional approaches to development built on a deficit approach. These unique components of *Vinya wa Aka* led women to recognize their own assets and provided a structure to build women's capabilities to realize their own potential for creating positive change in their lives. These features of *Vinya wa Aka* can be adapted to the design of other community microcredit groups.

Utilizing an asset-based approach to community microcredit may also provide the foundation for longer-term sustainable community development, as it draws upon a community's existing capacity for development. Women in *Vinya wa Aka* groups were able to create a sustainable economic and social safety net for group members, and then utilize these self-made financial assets to improve their livelihoods to support their households in the longer term. This highlights the strong relationship between social capital and economic development in ensuring sustainable change (Vermaak, 2009; Midgley & Livermore, 1998). Narayan (2002) suggests that the shift towards empowerment is 'the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable institutions that affect their lives' (p.14). In creating their own institution, the women of *Vinya wa Aka* have circumvented the dominant development paradigm while simultaneously creating a community-driven solution that leverages their assets and addresses their unique needs in a way that is participatory, negotiable, accountable, and sustainable. These benefits have led to this approach becoming a model for other women's groups in rural Eastern Kenya. From a programmatic lens, the study findings suggest the mechanisms by which an asset-based approach can lead towards supporting both individual and collective empowerment of women, especially in social, psychological, and economic spheres. Women borrowers

in Africa have reported increased self-confidence (Johnson, 2005), higher autonomy in decision-making, better relationships with their partners, and higher participation in social and collective action as a result of involvement in microcredit (Kim *et al.*, 2007). This process of empowerment by building upon local assets can thus facilitate long term growth and sustainability within communities.

In a broad sense, this case study reflects a shift in thinking that acknowledges the need to move away from a top-down approach towards a more bottom-up, asset-based approach to development to achieve lasting and sustainable change. Korten argues that 'too often poverty involves fundamental structural barriers that limit access to productive assets, markets, and fair wages. These barriers are seldom addressed by basic needs strategies, which consequently tend to leave the poor in a perpetual state of dependence' (1990, p.45). In the *Vinya wa Aka* model, these structural barriers and dependencies are overcome by utilizing the ABCD approach, which allows women to recognize and utilize their own resources and strategies for self-empowerment. This aligns with the idea that development should harness and increase local capacity to facilitate sustainable and positive change (Korten, 1990). It should be noted that the ABCD framework puts emphasis on women to harness their own strengths and assets within the group context. However, women who perceive they have little to offer may be intimidated or discouraged to use their skills and knowledge to contribute to the group processes. Therefore, including mechanisms that support, encourage, and affirm women's own *capabilities* for change remains critical.

While this study demonstrated how the ABCD approach can contribute to important shifts in development, more research is necessary to identify how to measure empowerment to understand the full extent of its impact. The case study presented in this research cannot infer whether this model is scalable or replicable. Also, despite soliciting both positive and negative views of *Vinya wa Aka*, there remains the possibility that women reported only favourable outcomes of group membership, since members who had left the group were not able to be interviewed.

5 CONCLUSION

This case study provides an important counterpoint to the traditional, top-down approach to development and provides an alternative strategy that encourages sustainable community development. Ennis and West emphasize that 'change must come from within the community; development must build upon the capacities and assets that exist within the community; change should be relationship driven, and change should be oriented towards sustainable community growth' (Ennis & West, 2010, p.405). As Narayan (2002) described it:

An empowering approach to development puts poor people at the center of development and views them as the most important resource rather than as the problem. It recognizes and values their identity. This implies changes in the beliefs, mindsets, and behavior that outsiders bring to poverty reduction. An empowering approach thus builds on poor people's strength: their knowledge, skills, values, initiative, and motivation to solve problems, manage resources, and rise out of poverty. It treats poor people as worthy of honor, respect, and dignity (p.17).

When change occurs from the grassroots up, it can reduce external assistance, empower women and increase potential for more sustainable community development. In this unique microcredit model, the impact and benefits were felt beyond the women's groups, extending to the wider community.

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