

BEYOND SAVINGS

Psycho-social outcomes
of Self-Help Groups in Ethiopia



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The research found that 'involvement in an SHG had a positive impact on social and psychological wellbeing that increased over time'.

Tearfund throughout this document refers to Tearfund in the UK and is a separate legal entity to Tearfund Ireland, Tear Netherlands and Tearfund New Zealand.

INTRODUCTION

Since 2002, a collaboration of partners has implemented a programme of establishing and facilitating a network of self-help groups (SHG) comprising the poorest people in Ethiopian Society (Abiche, 2012). Tearfund Ireland with the support of Irish Aid has partnered with Tearfund* in the development of Self Help Groups (SHG) over a number of years. Tear Netherlands, through the support of the Dutch Ministry of Foreign Affairs (BuZa) has also partnered on the development of Self Help Groups in Ethiopia.

This Self Help Group model follows a carefully defined philosophy based initially on the self-help group movement run by the Mysore Resettlement and Development Agency – MYRADA - in India (Asha, et. al., 2009) and adapted to the Ethiopian context.

SELF HELP GROUP MODEL

The SHG model is built on the belief that people living in poverty can, and should, be agents of change rather than merely recipients of aid. The SHGs promote economic, social and political empowerment, and have a focus on personal development, relationship-building, collective problem-solving, collective action, self-reliance and self-learning. Group members are encouraged to become drivers of change in their own lives and in their communities. Mutually supportive relationships are key in this approach; members often view the groups as sanctuaries where they can discuss their problems and build trusting relationships that support them through personal crises and when facing external shocks.

The SHGs have 15 to 20 members, intentionally targeting the poorest sectors of the community. Most groups are women-only. Members save a small amount each week, starting at around €0.02. Saving regularly enables them to build group capital to allow them to take out small low-interest loans for education and healthcare costs, urgent consumption needs and, ultimately, for establishing or extending micro-enterprises. The groups are self-governing but facilitation-intensive, and are financed entirely by member savings.

The SHGs are most effective for addressing poverty reduction when they are combined with training and advisory services in disaster risk reduction, adaptive and diversified agriculture, business development, health and sanitation, advocacy, literacy and other skills. In summary, the SHG plus additional activities and support maximises its potential for livelihood resilience in terms of the ability of adapting to hazards and poverty reduction.



Self help group 'Besufekada' meaning 'In God's will', Areka, Ethiopia. Self help groups are composed of a mix of Orthodox Christian, Protestant and Muslim members. Photo Gavin Leane/Tearfund Ireland.

Facilitating a sustainable support and governance structure is an integral part of the SHG model. When 8 to 12 SHGs have reached maturity (after two to three years) they can form a Cluster Level Association (CLA), which provides support for existing and new SHGs. A Federation Level Association (FLA) is established when ten or more CLAs have reached maturity. FLAs provide groups with more support such as collective purchasing and opportunities to engage with local government on policy. CLAs and FLAs are integral, being crucial for political change and long-term sustainability.


RESEARCH

The economic benefits of SHGs have been well established – they are effective in lifting people out of poverty in a sustainable and cost-effective way (Venton, et. al., 2013). Previous research initiated by Tearfund Ireland and Tearfund* has examined the cost-benefit of Ethiopian self-help groups and found very positive ratios that are among the highest in recent literature and showed that for every Euro invested, there is a return of between € 58 and € 173 in resilience benefits (Venton, et. al., 2013). However, this research has not documented, other than anecdotally, the social and psychological benefits experienced by the individuals participating in SHGs or the mechanisms involved in bringing about these benefits.

This research aims to:

- Evaluate the impact of SHGs on the psycho-social and spiritual wellbeing of their members
- Elucidate the features SHGs which promote, and those that may hamper, achieving this impact



 Nazreth, Ethiopia. Low cost affordable Kindergarten set up by Cluster Level Association Bsufekad, a self help group that has been running ten years. Photo Gavin Leane/Tearfund Ireland.

METHODOLOGY

The research comprised a mixed methods (qualitative and quantitative) study of ten SHGs. This mixed methods approach was chosen to enable an exploratory understanding of the underlying processes that contribute to the functioning of the SHG (qualitative) as well as to gather numerical information, quantifying the functioning of the SHG (quantitative). The SHGs were chosen deliberately to include:

Four data collection methods were used:

1. Surveys of the SHG members, including:
 - a. Demographic data
 - b. Self-evaluations of current status and changes since joining the SHG in finances, health, education, and wellbeing
 - c. Standardised scales of key psycho-social and spiritual dimensions
 - d. Team evaluation items
2. In-depth focus groups with the SHGs focussed on elaborating their understanding of how the SHGs work, how they influence change in their members' lives and what the key mechanisms are
3. Profiling of SHGs using a structured interview with key informants and reference to data gathered by Tearfund or its partners:
 - a. Date of formation, location, ethnic and religious composition, etc.
 - b. Local socio-political and economic context
 - c. Any significant events in the history of the SHG – internal conflicts, members leaving, drought challenges
4. Semi-structured observations of the focus groups to gather data on non-verbal behaviours and team interactions

KEY FINDINGS

ASSESSMENT OF IMPACT

Research participants made their own individual assessments of the impact of the SHGs. SHG members had experienced many positive changes in their lives, and attributed much of this change to the groups. As expected, members of mature SHGs assessed the groups as having a greater impact on their lives.

The standardised scales revealed that mature SHGs had higher psychological and social wellbeing scores than young groups. Overall the surveyed SHGs scored positively on all measures of wellbeing, with impact increasing over time.

THEMES

Several themes emerged from SHG member discussions on the impact of SHGs:

Financial security: The research confirmed that SHGs are effective at improving financial circumstances. SHG members assessed, on average, a 143% increase in their financial assets. The financial capital created by the SHG was acting as a stepping stone towards other financial opportunities, further increasing members' income. As a result, members were no longer feeling the burden of poverty and had a significant improvement in their quality of life.

Independence: Members noted that before joining an SHG they were 'dependent on others for survival'. Many women had been reliant on their husbands' income or on moneylenders. Since joining an SHG these women have a safety net for urgent needs as well as access to capital, enabling them to pursue business ventures and increase their independence.

Education: SHG members had become more confident in their financial capacity as a result of training they had received through the groups on business management. As a result, finances had improved, enabling them to provide a formal education for their children.

Social development: SHGs promote social networking and support, not only within the groups but within the entire community. SHG members stated that before joining a group they were socially isolated and had little opportunity to establish meaningful social bonds. Since joining an SHG they had improved their social skills, were more content with their social life and were interacting more with their community. Cooperation, harmony and social support had increased within the family unit as well as the wider community.

Psychological wellbeing: SHG members had experienced a significant improvement in their personal skills and psychological wellbeing. They had grown in self-



📷 Nazerth, Ethiopia. Book keeper from self help group 'Haregeweyn' meaning 'Why not try it'. Photo Gavin Leane/Tearfund Ireland.

confidence, were more articulate, had less anxiety and felt they had more control over their circumstances. This demonstrates the way in which SHGs can facilitate a sense of empowerment, purpose and hope for the future.

Spiritual wellbeing: Orthodox and Protestant SHG members reported that the groups had triggered an increase in religious behaviour in their homes (e.g. prayer and praising God). This could be a result of the spiritual practices experienced within the groups, as well as the gratitude members felt for positive changes experienced through SHG membership.

As a result, pro-social behaviour had increased, including mutual respect for other members' beliefs, tolerance, forgiveness, and praying for the sick. Members described how the groups have fostered a sense of 'internal peace'.

MECHANISMS

The research found several key elements of SHGs that were critical to achieving the positive outcomes described above.

Group structure: The SHGs have a strong structure and clear procedures, i.e. regular meetings, rules and bylaws, transparency and rotation of roles. Members are required, by their own rules, to attend meetings and are encouraged to participate fully in group activities. Members valued this structure as it helped to develop their social skills and self-confidence, and fostered trust within the group. People who led disorganised lives before joining SHGs felt empowered by the groups, which enabled them to have clear goals and a process to reach them.

Training: SHG capacity building on a range of topics had imparted valuable knowledge to members, contributing to individual empowerment. Training had enabled members to take control of their finances and enhance them, as well as improve their health and hygiene.

Group participation/social interaction: SHGs rely upon effective teamwork among their members, who must work together to improve their financial situations. In so doing, members develop social skills and meaningful relationships, leading to higher levels of community solidarity and support.

Conflict resolution: SHG members reported that they have been able to successfully resolve conflict occurring within their groups, mostly without outside intervention. Conflict resolution is assisted by the SHGs' clear codes of conduct and boundaries, which if crossed incur consequences. However, most conflicts are resolved through good communication and discussion. Effective conflict resolution is a by-product of group structure, training and social interaction.

Facilitators: The role facilitators play in the groups was highly valued. They were seen as central to the other mechanisms: helping groups to establish and maintain their structure, organising training and helping with conflict resolution.



Photo Gavin Leane/Tearfund Ireland.



Members of Ethiopian self help group 'Betesfa Eniguaz', which means 'Walking together by hope'. Photo Gavin Leane/Tearfund Ireland.

KEY LEARNING AND RECOMMENDATIONS

The following key learning points and recommendations are relevant to SHG donor institutions and facilitating/ implementing organisations, and will help to guide the development of SHGs in Ethiopia as well as in other countries.

DEVELOP STRONG STRUCTURE AND CULTURE

It is very important to ensure that SHGs have a strong structure in the form of rules and procedures that all members adhere to. However, it is also important to foster a team spirit to ensure groups work together to achieve common results. Structure provides the framework for the development of trust and collaboration within the group, but the softer element of 'culture' needs to be actively developed. Group facilitators are critical in this respect. They not only need to advise and train their groups, but also model the values and attitudes of acceptance, love and forgiveness. Facilitators need to be 100% committed to this dual role.

- Ensure all SHGs establish and maintain a strong structure with clear rules, procedures and accountability.
- Closely monitor groups to ensure that SHG culture as well as structure is being sufficiently developed.
- Ensure facilitators and programme managers understand the values and principles of the SHG movement and are committed to transmitting and modelling these to new and existing groups.

CONDUCT FURTHER RESEARCH

The research report makes several recommendations related to further research, which, if implemented, could enhance SHG programming further.

- Explore the role of group facilitators in creating and maintaining the mechanisms required for successful SHGs (e.g. structure/culture, education, group participation and conflict resolution), focusing on staff selection criteria and training requirements.
- Routinely gather psycho-social wellbeing data from new members to provide stronger 'before and after' data.
- Identify and profile individuals who are not benefitting from SHGs, either financially, or in psychological/social terms.

CONCLUSION

Economic difficulties are just one element of poverty; psycho-social factors such as dependency, isolation and difficult household relations also need to be addressed. Trinity College Dublin's research provided qualitative and quantitative evidence of the positive impact of SHGs on social, psychological and spiritual wellbeing. The research report concludes that the SHG model is 'working well to address, holistically, the needs of the poor' in Wolayta and Adama. It observes that the core elements of the model are valued by members and effective in what they achieve, and recommends that these are retained as they are and not compromised.

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