Law, Religion and Leadership in Africa
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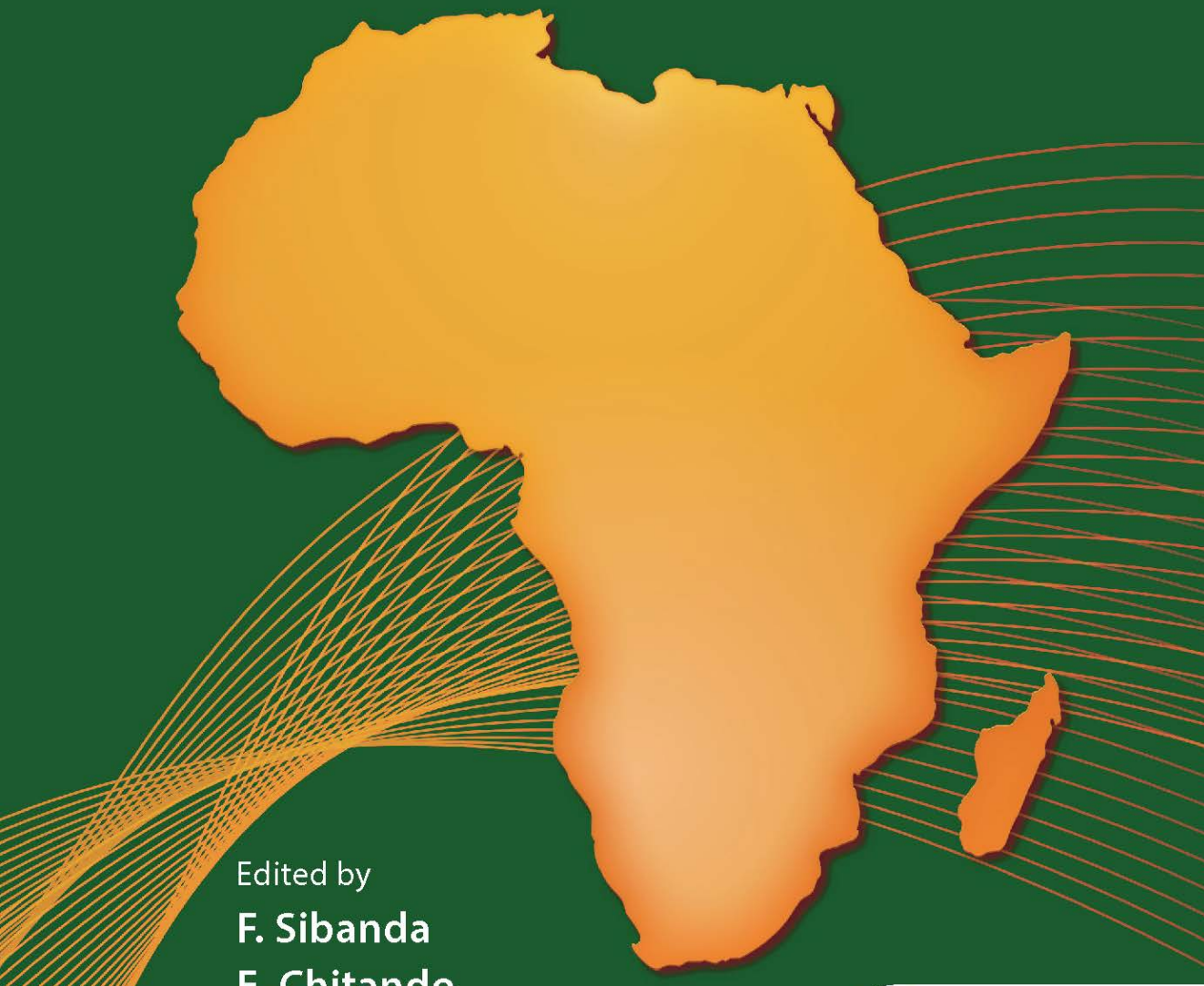

Edited by
F. Sibanda
E. Chitando
E.G. Konyana
B.P. Humbe

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# 24 Leadership for economic and spiritual gains in women's informal groups in Kenya

**Susan M. Kilonzo**[1]

## INTRODUCTION

I was born and raised in a village occupied by my native Akamba people in Yatta constituency, Machakos County, Eastern Kenya. In June 2023, I attended a dowry payment ceremony in my home village, by friends of the Luo ethnicity born and bred in Luo land in Western Kenya. My Luo visitors were therefore "outsiders" to the social and communal practices of my Akamba people. During and after the ceremony, there were questions about how women in this part of the country asserted themselves in such functions. Akamba women, from the perspectives of the visitors, occupied all the front seats, and took the lead in dances, fundraising activities and gifting the bride, as most of the men watched from the "margins".[2] From their perspective, given that the activity of dowry payment was a tradition, family elders (mainly men) should have led the process, spelling out the requirements to the bridegroom and his accompanying family members.

In this function, my Luo friends from outside the community were quick to note the active role of Akamba women, and their fearless positioning as they presented the bride and praised her. The Akamba women prided themselves on their communal roles of bringing the bride up as a God-fearing, hardworking, beautiful lady. The observation made by my "outsider" guests is that men seemingly took a back seat and watched "the show". These observations raised my curiosity to reflect on gender dynamics in this village, where I grew up. In my early years of growing up, I imagined that for women to take the lead in their homes and play certain domestic as well as economic roles, as I experienced growing up in the Akamba community, was the norm. I saw them organizing each other's dowry payment visits. They, as a team and in informal community groups, pulled resources together and would help each other during such functions, as well as other important activities. They joined hands not just in prayer meetings, but also in farming activities, burial events and raising of their children's school fees.

In this event of June 2023, the outsiders noted quickly that most of the Akamba women seem to work in groups. In fact, the vehicles for gifting the bride and the

1 Associate Professor of Sociology of Religion, Maseno University, Kenya; Senior Research Fellow, Alexander von Humboldt Stiftung, at Fakultät Katholische Theologie, Otto Friedrich Universität, Bamberg, Germany.

2 The Akamba major ethnic group in Machakos County, and in the said village, almost 99.9% occupants are from this community.



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groom and: + for fundraising to gift the bride's family,[3] are the groups popularly known as *chamas*.[4] The Akamba women were dressed up in unique group attire made of the same colour or colour scheme and style. These are tailored for group identity and recognition on such occasions. The code is a uniform—*ngua ya kyathi/kyama*, as they are popularly known in the Kamba language. It is particularly the women who choose to identify themselves through this group attire. Although men have *chamas,* one will hardly this form of dress-code identification in men. The women in different church groups adopt similar attire as a way of identifying themselves.

The casual observations made by my Luo guests about the role of these Akamba women in the community, along with the existing literature and personal experience of women's groups in this village and others in Kenya, implies something special in these informal associations. It is obvious that such groups must have a historical foundation, especially given the challenges that low-income and unemployed women experience. These informal groups are effective in resolving some of the challenges that women face within their communities. They are a form of social capital organization that contribute to resolving of the challenges that women face given their diverse roles.

This chapter is written from a theoretical perspective, but also largely borrows from the author's experiences as a Kenyan woman familiar with village life and the power of social capital through village informal group activities. Although there is no first-hand field data presented, the chapter relies on examples from literature, as well as author's informal interactions and conversations with women on how they organize themselves into informal self-help groups and the social, economic and spiritual benefits of these groups to them, their families and the community by extension. The chapter first contextualizes women's historical experiences that underlie the formation of these groups. The second section provides the historical background of the informal self-help groups in Africa—Kenya in particular—then defines the structure of leadership in the groups. This provides a basis to discuss and draw conclusions about the roles of the groups in economic, social and spiritual lives of women in Kenyan villages and the challenges they face.

## PROBLEMATIZING WOMEN'S SOCIAL, ECONOMIC AND SPIRITUAL BURDENS

Historically, in many pre-colonial societies, women had power and influence some controlling the economic well-being of their families and communities. In the East African region, particularly in Kenya, Uganda and Tanzania, women played key role

3 Fundraising seems to be a common occurrence in such ceremonies. The aim, as I gather from informal conversations, is that this helps the couple and their families foot the bills of hosting and entertaining the guests.

4 This term popularly refers to informal social, religious or financial investment associations. Whereas some of them are for economic gains, others are for social or spiritual support.


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in farms and trade and were able to command their own possessions.[5] In hunting and gathering societies, men had more authority, but it is women who controlled the important economic tasks and also influenced over group decisions.[6] In some societies, especially matrilineal ones, women owned and controlled decisions about land and land use, as in the case of the Tonga in Southern Zambia, where women had their own fields and granaries, enabling them control agriculture and farm production.[7] There were also female seers, diviners and medicine women, serving spiritual roles in communities. The pre-colonial arrangements were disrupted by the introduction of missionary "civilization" and capital and cash economy by the colonial governments.[8] The advent of colonialism and foreign religions seems to have brought with it conflicting Western gender stereotypes combined with patriarchal traditions. These elevated the position of men while reducing female power and their status in most African societies.[9] Although the colonialists, missionaries and African communities in general were aware of the active and important role of women in the nationalist struggles as well as spiritual roles, the events that followed after most African nations gained independence and new religions was to transfer power from one group of men to another – colonial leaders and missionaries to African male political leaders and African male religious leaders.

In politics and state participation, the reaction at first was for women to withdraw their active participation from state activities, but with time there emerged a more concerted effort for women to get involved, not just as secondary citizens, but as participants in mainline politics. Other methods of participation have involved working through and with influential men, joining civil society organizations and political parties and gaining better education and employment. The informal self-help groups also have a genesis in this destabilization of female power and active participation in the economy. Nevertheless, these groups have persisted to date, and it is a sign that women are becoming aware of and dissatisfied with gender injustice in Africa.[10] In the religious sector, women have slowly found their way in spiritual leadership, especially through the Pentecostal churches that allow for inauguration of women as key leaders. However, the mainline missionary churches are still hesitant to allow women take part.

5 Montgomery M. 2017. "Colonial legacy of gender inequality: Christian missionaries in German East Africa", *Politics and Society* 5(2):225–268.

6 Collier J and Rosaldo M, "Politics and Gender in Simple Societies", in Ortner S and Whitehead H (eds). 1981. *Sexual Meaning, The Cultural Construction of Gender and Sexuality.* Cambridge: Cambridge University, 275-329.

7 Clyde M. 1952." Land Tenure and Agriculture among the Machinga Yao", *Nyasaland Journal*, 2:18-31; Wright M. 1983. "Technology, Marriage and Women's Work in the History of Maize-Growers in Maiabuka, Zambia: a Reconnaissance", *Journal of Southern African Studies* 10(1):73-75: Also see Parpart J. 1986. "Women and the State in Africa", Working Paper #117, Department of History, Dalhousie University Halifax, Canada, May.

8 Kilonzo S and Ayumba J. 2021. "Women in Colonial East Africa", in Yacob-Haliso O, Falola T (eds) *The Palgrave Handbook of African Women's Studies*. Cham: Palgrave Macmillan, 1-17.

9 Parpart, "Women and the State in Africa".

10 Parpart, "Women and the State in Africa".



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In her foreword to the publication on "Women of Impact: Inspiring Stories of African Women Leaders", Prudence Ngwenya, the acting director of the African Union's Women, Gender and Youth Directorate notes that "African women have provided sound leadership as freedom fighters, philosophers, business moguls, human rights defenders, and other change-making roles," yet this leadership history is often ignored and often, women have been portrayed as voiceless, oppressed and powerless.[11] It is evident that even women who are not in the limelight of leadership, huge businesses or renown as rights defenders, are able to curve out spaces for themselves, their families and others through varied and innovative ways. In another foreword to a publication titled "Empowering African Women, an Agenda for Action,[12] Geraldine Fraser-Moloketi, the Special Envoy for Gender for African Development Bank acknowledges that despite the barriers that women face in developing an agency for leadership, they remain economically active as farmers, workers and entrepreneurs. They are central pillars to the welfare of their families and are responsible for the welfare of their children.

The United Nations Fourth World Conference on Women in Beijing, in 1995, stressed the empowerment of women as one of the central development goals of the twenty-first century. It adopted a platform for action which called for the mainstreaming of a gender perspective in the design, implementation and monitoring of all policies and programmes, including development programmes. Despite the agenda of the Bejing conference, and many other conferences that have been held worldwide on gender issues alongside the formation of feminist movements, the socio-cultural factors enjoined to traditional beliefs and practices have led to continued oppression of women in most societies. In addition, the material conditions in which women work continue to deteriorate in many countries due to economic and social decline, war and conflict and the spread of HIV/AIDS.[13]

Although human rights programs and organizations show that significant steps have been made towards advancing human rights, especially of women, they continue to bear the brunt of economic, social, cultural and political challenges.[14] Further, although he Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women, also referred to as the Maputo Protocol, has been integrated into many constitutions, national laws and policies, the challenges that women face

11 Ngwenya P. 2022. "Foreword", in African Union Commission – Women, Gender and Youth Directorate (AUC-WYGD). *Women of Impact: Inspiring Stories of African Women Leaders*. Addis Ababa: African Union, 4.

12 African Development Bank, 2015. "Africa Gender Equality Index, 2015: Empowering African Women, an Agenda for Action". Africa Development Bank Group. Abidjan, Côte d'Ivoire.

13 Bonnet K and Bilton T. 2002. *Introductory Sociology.* Houndmills: Hampshire.

14 African Union, United Nations Office of the High Commissioner on Human Rights, United Nations Women. 2016. "Women's Rights in Africa. A joint report to commemorate 2016 as the Africa Year of Human Rights with a particular focus on the rights of women". Addis Ababa: AU, 11.


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both in urban and rural areas are diverse.[15] It is true that there are provisions for economic, social and cultural rights, sexual and gender-based violence and the principle of equality for women and children. However, these provisions in most cases are never fully implemented. Subsequently, there is evidence that these women's rights continue to be abused. The statistics, for instance, are as high, as one in every three women experiencing either physical or sexual violence intimate partner or sexual violence by a non-partner at some point in their lifetime.[16] It is also noteworthy that there are African countries, such as Cameroon, Namibia, South Africa and Uganda, that have found it difficult to engage the Maputo Protocol, citing incompatibility of certain articles of the protocol with their national law, tradition, religion or culture.[17]

Activities performed by women are divided into three categories: (1) production of goods and services, including reproduction and the maintenance of intimate partner human capital; (2) social functions, including activities performed as part of traditional customs or political processes; and (3) the many duties and obligations which women are supposed to perform, irrespective of whether they involve an economic dimension or not. Most of these activities performed by women are not incorporated into the mainstream development. They are viewed as women's affairs despite their significance in the society.[18] Research has shown that the productive activities in agriculture and trade that women engage in, as well as their reproductive roles are not measured by economic planners, because it is "for the family." In general, the gender struggles within the household do not receive a lot of government attention, and very many contributions by women go unnoticed.[19] Further, women remain challenged in economic and legal spheres.[20] Although it is recognizable that African countries have awarded women political rights and equal access to education, a gender-biased mixture of colonial and customary law still operates in many countries. This is especially so in matters related to access to land, choices in marriage and divorce, inheritance of property and leadership in many spheres, including the religious sphere. Further, most state laws reflect the male dominance of legislatures that are biased and reflect patriarchal traditions that do not favour women.

The many roles that women play in African societies benefit the welfare of the extended family and community. However, despite this perceived role of a woman in the society, it has continually been suggested that equality as a concept cannot

15 AU et al, "Women's Rights in Africa".

16 AU et al, "Women's Rights in Africa".

17 AU et al, "Women's Rights in Africa", 13.

18 Pietila H and Vickers J. 1994. *Making Women Matter: The role of United Nations.* London: Zed Books Ltd, 33.

19 Parpart, "Women and the state in Africa", 13; Staudt K. 1984. "Women's Politics and Capitalist Transformation in Subsaharan Africa". Women in International Development, Working Paper#54 East Lansing: Michigan State University, April.

20 Parpart, "Women and the state in Africa".



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be applied to African culture, since role differentiations in Africa are clear and are not meant to be valued hierarchically.[21] Women who seek their freedom from a male dominant society have been described as attempting to be like men. The fear of men seeing "their system" of dominance being shaken by women who want to take control has led to all forms of abuse and subjugation on women. Culturally determined, gender roles often oppress and discriminate against women, simply because they are women. Gender issues of anti-poverty strategies are important, both because women represent a disproportionate share of the poor and because of their distinctive economic contribution to the welfare of the poor households. Thus, it is important to note that the social positioning of women and men is affected by many factors, including political, economic, cultural, social, religious, ideological and environmental factors. Further, gender constructions remain dynamic and fluid; they change over time and can be different in different cultures.[22] It therefore remains important to engage culture, society and community and influence the patriarchal systems that are still quite strong within African communities.

Some states tend to present culture as unchanging and static in order to justify discrimination and violent practices against women and girls. The Maputo Protocol recognizes that cultural and traditional practices must evolve when they constitute or lead to discrimination against women, including gender-based violence. In this case, Article 2 of the Maputo Protocol requires states parties to take measures to modify the social and cultural patterns of conduct of women and men with a view to achieving the elimination of harmful cultural and traditional practices that lead to inferiority or the superiority of either of the sexes.[23] Although in most African countries there are notable efforts to effect these changes, the struggle is still on, as women and girls remain discriminated against in many spheres of life.

Despite, or perhaps because of, these lingering gender-related challenges, African women historically have created an agency for themselves as a way of supporting each other and pulling together social capital that encourages a spirit of individual and group support. This is not just in economic issues, but a wide range of challenges that they experience. There is ample evidence that if women had direct access to financial services, this would lead to greater investment in nutrition and education, building human capital while making households more resilient to shocks and uncertainties. One of the notable contributions to families, communities and the state at large, in many African countries, has been through *chamas*.

21 Aduyoye AM. 1995. "Women and Ritual in Africa", in Aduyoye AM and Kanyoro MR (eds). *The Will to Arise: Women, Tradition and The Church in Africa.* Maryknoll: New York. Orbis Books, 10.

22 AU et al, "Women's Rights in Africa", 15.

23 AU et al, "Women's Rights in Africa", 19.


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## HISTORY OF INFORMAL SELF-HELP GROUPS (*CHAMAS*)

In Kenyan context these informal self-help groups are largely referred to as *chamas*, a Kiswahili word for "association". The term *chama* also has local dialect variations, such as *kyathi* among the Akamba community.[24] The history of these informal self-help groups in Kenya may be traced back to sixteenth-century. Yoruba slaves seem to have taken the practice with them to the Caribbean. This could be seen as part of social capital that enabled them move on with life as a community of slaves.[25] The Yoruba slaves referred to the practise as *Esusu*, a term that was borrowed as *esu* in Bahamas, *susu* in Tobago or *sou* in Trinidad.[26] Literature seems to suggest that the aim of these informal groups was to enable access to capital for the members. In these earlier times, and since formal lending institutions did not exist until the 1800s when various types of larger and less informal savings and credit institutions began to emerge in Europe, these informal groups were organized primarily among the rural and urban poor. These institutions were known as people's banks, credit unions and savings and credit co-operatives.[27] As the lending and borrowing movements expanded, starting in the 1970s in Bangladesh, Brazil and a few other countries, tiny loans were given to groups of poor women to invest in micro-businesses. This could only happen based on solidarity group lending, where members guaranteed the repayment of all members. This could be the genesis of the merry-go-round concept, since each member requiring a loan was banking on the good will of the rest of the members for surety.

Merry-go-rounds are integral part of the local microeconomy. They are referred to with local vernacular terms like *chama* in Kenya, Your-Friend-in-Need groups in Uganda, *Gamiya* self-help financial groups in Egypt and *Susu* in Tobago and Ghana. In Ethiopia they have *Iddirs* for social security during mourning, *Iqqub* (for money saving) and *Meskel Aksiyon*-for collecting and saving cash to purchase meat during Christmas.[28] In Argentina, there are Rotating Savings and Credit Associations (ROSCAs), and there are *pasanaku* in Bolivia, *chit funds* in India, *risan* in Indonesia, *tandas* in Mexico and *cheetu* in Sri Lanka. This implies that across Africa and around the world, informal financial groups have been created to serve whatever interests members may have.

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24 The literal meaning of this term is "meeting," and it may imply diverse objectives as determined by members this may stretch beyond the usual meaning of *chama*, a term that has been largely used for financial groupings. However, members may refer to their group as *chama* even when the main aim of forming the group is not to contribute money.

25 Adede A. 2007. "Merry go round concept and informal financial markets in Kenya", management research project submitted in partial fulfilment of the requirements for the award of Master of Business Administration degree, School of Business, University of Nairobi.

26 Adede, "Merry go round concept and informal financial markets in Kenya"; Seibel HD. 2001. "Mainstreaming Informal Finance Institution", *Journal of Development Entrepreneurship* 6(1)(April).

27 Adede, "Merry go round concept and informal financial markets in Kenya".

28 Adede, "Merry go round concept and informal financial markets in Kenya".



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## *CHAMAS* IN THE KENYAN CONTEXT

Although the term *chama* most commonly refers to an informal group for saving and lending to members, it has a broader meaning for village communities in Kenya. In fact, *chamas* are praised for their flexibility and multiple roles and dimensions in economic, spiritual and social life of members.[29] Consequently, this chapter will show that *chamas* have been used variously to mean a group that comes together with a range of aims that may include financial and economic purposes, but also social and spiritual objectives.

There are various categories of *chamas* in the context of Kenya. The common ones are purely financial investment groups, which may include rotating savings and credit associations (ROSCAs)[30] and accumulating savings and credit associations (ASCAs).[31] In the case of an ASCAs, instead of allocating the pot to someone, funds are lent to willing borrowers with interest. The interest paid on the loans will then accumulate in the group fund.[32] ROSCAs and ASCAs facilitate saving and lending. In a ROSCA group meeting savings are collected, the whole pot is then immediately given to one member who has not yet received the pot. Most ROSCAs therefore take the form of merry-go-round (MGRs). Merry-go-rounds groups capitalize in saving together and borrowing from the savings in a rotational manner. There are also social benefits from group membership in relation sharing news, knowledge, ideas, traditions and also helping each other out in times of social needs. MGRs are very popular in many parts of the developing world as documented by various studies.[33]

Merry-go-round self-help groups, mainly run by women, seem to be the "the social and economic glue of African communities."[34] Their central activity is informal banking, allowing savings and loans for the unbanked and economic security and development at family and village level. In order to understand the functions, social dynamics and cultures of MGR groups in different parts of Kenya, Nokia Research

29 Malkamäki M with Johnson S and Nino-Zarazua M. 2009. "The role of informal financial groups in extending access in Kenya". Nairobi: FSD Kenya.

30 ROSCAs are defined as a group of people who come together for a defined period of time to save and borrow together. They contribute a fixed amount of money on a regular basis and the total collection is given to one member on a rotational basis until everyone has received it; Nokia Research Centre Africa (n.d) "Merry Go Round: A study of informal self-help groups in Kenya". Nairobi: NRC-Africa, 14

31 For ASCAs, savings can be either fixed or variable. This means, a determination is made by the group on whether a member or members should contribute a fixed or varied amount of money for every meeting. Further, they operate on the bases that borrowing or credit need not be accessed by every member but by only those that need the loans as per need and opportunity. Interest is charged on loans and this goes into the group's fund which is eventually paid out in bonuses/dividends to members when the cycle comes to an end.

32 Malkamäki et al, "The role of informal financial groups in extending access in Kenya".

33 Nokia Research Centre Africa, "Merry Go Round", 14.

34 Nokia Research Centre Africa, "Merry Go Round",.7.


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Centre Africa[35] studied ten self-help groups constituting of varied membership, some with purely female members and others mixed. None of the groups though was purely made up of men. The ten groups were spread in the Central, Nyanza and Rift Valley regions of the country. The categories of the studied groups consisted of ROSCAs (Rotating Savings and Credit Associations), ASCAs and "Other". Other examples of informal groups are welfare and clan groups. These groups do not capitalize on constant financial contributions and borrowing, funds but provide social and financial support for members and their next of kin in the case of illness, death and other life challenges.[36] Welfare associations are formed to help with insurance schemes for sickness and death, or distribute food and household assets to members.[37] There are also investment clubs that aim at bringing people together so that they can invest in an identified project for financial gain.[38] Others include those that aim to provide social and spiritual protection benefits to the members.

*Chamas* mainly started among the rural and urban poor, and have been the basis of social capital, where people of like mind come together and pull their resources together to help themselves and their families. In fact, originally, the earlier forms of such groups aimed to support members through contributions such as agricultural produce and goods aimed at trade, while ensuring the need to maintain social networks among the members.[39]

## LEADERSHIP IN *CHAMAS*

Informal self-help groups formed by women to foster agency and empowerment for themselves and their families, are mainly led by women. The leaders in these groups are mainly deemed knowledgeable within the groups, and they are elected on the basis of their proactive nature. In most cases, women in the village do not have formal education, and may seek out leaders within the group, who have some form of financial and leadership literacy.[40] This is not to say that the rest of

35 The Mobile company opened a research centre in Nairobi to collaborate with universities and other organizations to study the penetration of their products into African economies. In this research on self-help groups, the research team was led by Impio Jussi, with team members from backgrounds including social science, development economics and research and development engineers. They collaborated with researchers from Institute of Development Studies and the University of Nairobi, Decentralized Financial Services and International Media Support to conduct research in Kenya on ten self-help groups. Of particular interest to the team was on the use of mobile phones, and especially money transfer services in the self-help groups.

36 Malkamäki et al, "The role of informal financial groups in extending access in Kenya".

37 Burke J, Rabinovich L and Schaner S. (n.d.) "Understanding impacts of financial services on women's lives: A mixed methods approach in Kenya". Los Angeles: USC Dornisife College of Arts and Letters, Centre for Economic and Social Research, 11.

38 Omosa L. 2022. *Exploring the financial literacy of chama women's groups in rural Kenya*. PhD Thesis, Educational Studies. Acadia University.

39 Adede, "Merry go round concept and informal financial markets in Kenya".

40 Omosa, *Exploring the financial literacy of chama women's groups in rural Kenya*.



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the women have no knowledge. There is a wide and deep indigenous knowledge in almost every aspect of life among women in the rural areas. Their beliefs and attitudes toward their daily lives and their families are within a worldview that is highly contextual. However, for the purpose of steering the agenda of the informal groups, they choose leaders who may help push their vision forward, and who have some form of formal literacy. Most of them are not just leaders within these groups, but also take a lead in other dockets, such as churches and schools.[41] Within the informal self-help groups, the leaders are perceived as the vision bearers. They are respected by other members, as they are often better educated and may be considered elites in these groups.[42] These may be teachers or retired civil servants who live in the village and are willing to lead other members.

The key leadership positions in the informal self-help groups consist of the chairperson, the treasurer and the secretary. Some have assistants for these three and some have special officers for specific tasks, such as discipline, time keeping, money counting and other functions.[43] Since these leaders have some level of formal education and are literate in most cases, where there is quest to front a woman leader, either as an elder in the village or a government representative, they are the first to be proposed by fellow women. Leadership in these self-help informal groups is an avenue to hone untapped leadership skills, which in turn may yield a better position.

Within these groups, there is often good pool of skills, both individual and collective.[44] There are mobilizers, communicators and team-builders. With the advent of mobile telephones, women are now able to mobilize themselves and even financial resources through mobile communication and mobile money. The latter has changed the dynamics of *chamas*, and some of them now take the form of virtual meetings and contributions through mobile money.[45] It is however important to note that the group members must agree on the rules and regulations of the *chama* and what is permissible. Given the advancements in technology, virtual meetings and contributions are now possible; however, virtual meeting may be a challenge in the villages given the need for internet connection that may require purchase of bundles of telecom services. Thus, in most villages, the members prefer to have physical meetings. Although the money may be sent to the treasurer through the

41 These forms of leadership relate to lay positions in churches especially community prayer groups. There are also leadership position in schools such as parents' representatives in school boards.

42 Nokia Research Centre Africa, "Merry Go Round".

43 Nokia Research Centre Africa, "Merry Go Round".

44 Omosa, *Exploring the financial literacy of chama women's groups in rural Kenya.*

45 The concept of mobile money is now widely used in Kenya and other countries in Africa. One can supply goods and services and receive the same without having to transact physically or through the bank. All one needs is a mobile phone and network connection, and with the right applications, one can transact money in any part of the country. Kenya is hailed in the region as a leading country in monbile money transfer. See Nokia Research Centre, "Merry Go Round".


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24. Leadership for economic and spiritual gains in women's informal groups in Kenya

phone, meetings have largely remained to be physical. There are penalties for nonattendance stipulated in their constitutions.

The constitution for these informal self-help groups may be written or unwritten, in which case the leadership have the responsibility to ensure any new members joining are aware of the stipulations of the *chama*'s constitution. The constitution spells out the objectives of the group, criteria for membership, the procedure of meetings and attendance, amounts to be contributed, the savings (if any), rotation of payouts and regulation of funds received by members.[46] Most members of these groups are married and over 25 years.[47] In the words of one analysis, "They are usually fairly well known to each other, are of same ethnicity and ideally are trustworthy, industrious, faithful, committed, have good family life and interaction with the rest of the community. Groups are formed by individuals or agencies and sizes range from 12 to 30 members."[48] They operate through social codes including participation, confidentiality, use of financial benefits, penalties and sanctions. Besides the group contributions, the social codes may encourage visitations in their members' homes, in-kind contributions to help members in distress, joint farming activities, prayer and other religious activities and various social support activities.

## *CHAMAS* AS SPRINGBOARDS FOR ECONOMIC, SOCIAL AND SPIRITUAL STABILITY

Village life for most women and their families is not easy. With the challenges that are gender-related, issues around climate change, economic instability, increased demands for money and formal regulations in the financial and capital markets, women have resorted to the power of social capital. This power is evidenced by the ability of the informal self-help groups that help women address the inequalities that face them, especially the limited opportunities for them in white-collar jobs and their lesser bargaining power to borrow from the formal financial savings and credit service providers. There is no need to differentiate between informal and formal networks, since the roles that they play, especially in economic gains of members, is more or less the same, but it is important to highlight ways in which women have created an agency that helps them counter their bargaining power in the financial market.[49] The self-help groups operate in the informal economy as alternative forms of regulation financial organs regulated by the state. This is regardless of the many hurdles that these informal groups face from the state compared to the

46 Malkamäki et al, "The role of informal financial groups in extending access in Kenya".

47 Nokia Research Centre Africa, "Merry Go Round", 7.

48 The traditional approach to formation of *chamas* is that it is founded within a group of people who have similar social, economic or ethnic ties. Within rural the villages, *chamas* mainly begin as an idea of women who know each other may be through their religious affiliations of from village meetings. Once the idea is born, they attract membership of like-minded people to join in.

49 Meagher K. 2005. "Social Capital or Analytical Liability? Social Networks and African Informal Economies", *Global Networks* 5(3):217.


https://doi.org/10.52779/9781991260888

formal markets.[50] These challenges do not kill the spirit of the informal groups in the village, which been known to pull together "social capital" that is capable of enhancing economic efficiency and growth independent of the state.[51]

Given the challenges posed by the governance systems, women largely run the informal sector in Africa, and Kenya in particular. Enterprises owned by men and women are characterised by gender dynamics and specializations: women entrepreneurs are largely represented in labour intensive sectors such as trade and services, and men in capital intensive manufacturing industries.[52] The informal self-help groups, especially financial associations, as seen in the case of *chamas* and other forms of groups act as springboards to finance the informal sector, that is largely dominated by women. Most women in the villages, use the informal groups to finance their business, form social support groups and enrich themselves spiritually through these connections—thereby securing for themselves and their families a range of economic, social and spiritual gains.

### *Economic gains*

Most women use ROSCAs and ASCAs for saving, lending and borrowing money. The women contribute money on regular basis, which may be weekly, monthly or bimonthly. The contribution is then given to one member for each of these periods. The process goes on until each member has benefited. The members take turns through a process agreed upon among them. This may be through ballot or just arbitrary taking of positions. A member who does not have any immediate need may relinquish their position to another who has not yet received the amount and take their position instead.[53]

Among the rural poor, ROSCAs have been used by women as a means to start or expand small-scale business. They have been used for household economic stability, in which case the women engage in long-term investments for their homes, such as purchase of domestic animals, farming and payment of children's school fees. There are notable examples from the rural areas of women evidencing ways in which these forms of informal self-help groups have strengthened their economic power.[54] Some underscore their increased capacities to stock their second-hand clothing businesses and to start grocery business and food kiosks. Going back to the story of my village experiences, when growing up, I witnessed women in this village

50 Kinyanjui N. 2014. *Women and the Informal Economy in Urban Africa: From the Margins to the Centre*. London: Zed Books.

51 Meagher, "Social Capital or Analytical Liability?"

52 Klapper LF and Parker SC. 2011. "Gender and the Business Environment for New Firm Creation", *The World Bank Research Observer* 26(2):237-257; Carranza E, Dhakal C and Love I. 2018. "Female Entrepreneurs: How and Why are they Different?" Washington, DC: World Bank.

53 FSD Kenya, "The role of informal financial groups in extending access in Kenya".

54 These are from informal conversations that I have had with women as I wrote the paper, just as a way of subsidizing the theoretical perspectives in the literature reviewed.


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commit to the "*Witethye*" meaning, "help yourself" self-help group. All they would indicate at specific days of the week was that they were attending the "*mwethya*", another term for *chama.* They engaged in various activities, including tree-planting and contributions of money and food to members by turn, also holdiing major *harambees* (fundraising) for members to equip them with capital to start income-generating activities, whether in their homes or by establishing businesses in the markets.

A common form of practise for women informal self-help financial groups is table-banking. In this practice, women contribute specified, agreed-upon amounts at every meeting "around the table." They then loan out the money to one or several members, depending on their own agreed terms. The members may take turns in borrowing, or those in need may express interest in borrowing. The borrowed amounts are to be paid back at an agreed-upon interest over an agreed-upon period of time, without fail. The interest may go to the group's saving kit or be loaned out to earn more interest for the benefit of members. The history of this approach is that it was developed by the Poverty Eradication Commission (PEC) under the former Ministry of Planning and Vision 2030 in Kenya, targeting Millennium Development Goal 1 on eradicating abject poverty, especially in rural settings in Kenya. Towards the end of 1990s, the Kenyan government piloted this model in two constituencies in Central and Western Kenya, recording good success, but it did not continue with the rollout. Women, however, adopted the concept, and the model has spread since then to several to at least 43 out of the 47 counties, especially in rural areas.[55]

Through table banking, women have succeeded in building a financial base that enables them to start income generating activities or business enterprises that to the welfare of their families. Once the businesses are up and running, they can still borrow to expand or start other enterprises. Table banking activities are entirely under the control and leadership of the group. This means that they have full control over the day-to-day running of their table banking scheme, and if the general discipline of members in borrowing and repaying the loans is good, the scheme may steer the group to better financial heights.

Governments and support organizations realize the importance of *chamas* and use them as platforms for diverse issues that affect women and their families. For instance, a study on peer support in pregnancy and infancy in Kenya through *chamas*, revealed that Kenyan government had partnered with Academic Model Providing Access to Healthcare (AMPATH) to launch a programme dubbed "*Chama cha Mama Toto*" (group for expectant mothers). This peer group brought women together at the start of their pregnancies. The women received health education, and their relationships were strengthened through the *chamas*, which turned out to be social fundraising platform. The women met regularly not just to benefit from the social scheme through the table banking and loan system, but also enhance accountability

55 Taalam C. 2016. "The influence of table banking in enhancing the socio-economic status of women: a case study of mogotio sub-county, Baringo County, Kenya," MA thesis in project planning. University of Nairobi.



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in health practices for themselves and their children.[56] While analyzing the effect of these *chamas*, studying 222 *chamas* for women and 115 controls, the researchers discovered that women in *chamas* were 73 per cent more likely to attend the four recommended prenatal visits and 67 per cent more likely to give birth in a health facility. They were also 75 per cent more likely to breastfeed exclusively for six months and 98 per cent more likely to receive the recommended home visit from a community health worker within forty-eight hours of birth.

Same observations about *chamas* and the role they play in environmental conservation through non-formal adult education can be seen from a recent publication by Swedish adult education researcher Henrik Nordvall and his fellow researchers.[57] These scholars studied the interface of the "Scandinavian model of study circles and the Kenyan tradition and practices of *chama*: informal financial cooperative societies, sometimes referred to as merry-go-rounds".[58] Their study shows that the interphase of the two models helped expand their group networks and increased chances of inviting specialists. Other studies have shown that women's resilience in economic and social welfare, as already noted, have been positively enhanced by the increase in the use of mobile money.[59] This has brought them a level of household decision-making power that never existed before.[60]

### *Social gains*

Indeed, one of the strengths and relevance of informal self-help groups is social support that members receive from each other. This takes diverse forms, especially when any of the members is in dire need of help. Village *chamas* are especially useful for social events, such as weddings, burials and social visitations. In fact, a very common form of these functions among the Kamba of Eastern Kenya, is the famous "*ngone mwaitu*" which literally means "to see my mother". In this event, *chamas* through material and financial contributions, support a member to visit and celebrate their mother. Even for members whose mothers are long dead, visiting their siblings and relatives constitutes a form of "*ngone mwaitu*". The functions center around not only the member's visit, but they are organized in such a way

56 Christoffersen-Deb A et al. 2015. "Chamas for change: an integrated community-based strategy of peer support in Pregnancy and infancy in Kenya", *The Lancet Global Health* 3(22):22.

57 Nordvall H, Wadende P and Amutabi M. 2023. "Swedish study circles encounter Kenyan chamas: a case study on the global interaction of traditions in non-formal adult education", *International Journal of Lifelong Education* 42(3):313-327.

58 Nordvall et al, "Swedish study circles encounter Kenyan chamas", 315.

59 Burke et al, "Understanding impacts of financial services on women's lives: A mixed methods approach in Kenya", 1; Beaman L, Karlan D and Thuysbaert B. 2014. "Saving for a (not so) Rainy Day: A Randomized Evaluation of Savings Groups in Mali", National Bureau of Economic Research Working Paper Series, Working Paper 20600. Cambridge, MA: NBER.

60 Burke et al. "Understanding impacts of financial services on women's lives: A mixed methods approach in Kenya", 1


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as to involve the whole village, with fundraising conducted through sale of items like flowers, cakes, handkerchiefs, shawls and wrappers, baskets and other goods, as a way of increasing the pool of contribution to benefit the "*chama* bearer" and her family. Although some of this activity is mainly tied to bride wealth payment,[61] it moves beyond the confines of cultural marriage to take diverse forms and serve a number of purposes. Single women, widows and single mothers use the same functions for family visitations. In fact, one may argue that "*ngone mwaitu*" or what others have called "*ndwae ngone mwaitu*",[62] translating to "accompany me to see my mother", has nothing to do with dowry payment, but an indication of a thanksgiving event by a woman to her mother and other family members. Functions like "*ngone mwaitu*" may also be requested for by a member when her maternal family is facing challenges of death or illness of any of the family members; thus, the concept is widely applied.

Another important social support that members of these groups receive is exemplified in deaths and burial ceremonies. Members of these village *chamas* join efforts to provide for material, spiritual, emotional needs of the affected family. In fact, besides the normal support that a member would receive from a purely financial investment groups, such as ROSCAs or ASCAs, there are other groups that are purely formed for contributions towards funeral expenses. These are meant to take care of specific costs such as purchase of a coffin and hearse transportation from the mortuary. When death happens, members are called upon to contribute and help the family affected with costs related to food for guests or medical costs. In most villages, attending a funeral is not by invitation. Community members join in, and it is expected that most villagers from the surrounding homes will attend. People are fed at all burial ceremonies, and the related expenses are borne by the family, the self-help informal groups (*chamas* or others) and well-wishers. Such support is usually invaluable, especially for families that are poor and may not afford the costs of burials.

Most informal groups for bereavement may be formed around kin and kith. Some of these are constituted by the broader clan, and contributions are made per family and not as individuals. Further, the burial informal groups may source from church membership. This is the case where women who go to the same church choose to form a group to take care of each other's burdens during bereavement in the group. Such groups will have a constitution, written or unwritten, that helps them know what amount to contribute. For instance, spousal death usually takes the highest amount, followed by family and then children. Most of them will limit the targets for contributions, so that members may not make contributions in the case of death of an extended member of the family.

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61 Musili TK. 2022. "'Ndwae ngone mwaitu': a postmodern cultural phenomenon of dowry payment among the Akamba and its influence on spousal violence", Jo*urnal of International Women's Studies* 24(4):Article 11.

62 Musili, "Ndwae ngone mwaitu".



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### *Spiritual gains*

Since the informal self-help groups exist within social networks in the villages, religious gatherings, mostly in churches and mosques, in the villages, provide a readily available source of social networks given that most women in the villages worship in same churches and mosques. Given the history of *chamas*, as groups that are meant to support the rural and urban poor, they are not limited to specific faiths, but are a source of support to those in need, especially women. In Kenya, this is especially so given the patterns of existence of churches in rural areas. The informal self-help groups are not necessarily made up of people of the same faith. In instances where there is religious heterogeneity, faith is not a determinant factor for membership. However, the influence leadership positions of women within faith circles may be an influencing factor to memberships. Some of the women lay leaders, mainly in Catholic and Anglican churches, and clergy, especially in Pentecostal churches, are also leaders of the informal self-help groups. This may influence the type of membership in the groups.

Religion is important for certain preferred values in leadership, such as trustworthiness, honesty and transparency, among others, that may be useful for leading financial investment village groups. Thus, the women religious leaders may be preferred to take charge in the informal self-help groups. Studies elsewhere have also shown that in regions where there is high religiosity, for non-state listed firms, there is more trade credit, especially due to the weaknesses presented by formal institutions or formal financing channels.[63] This implies a high turnout of members who in turn invest more, for more borrowing. The virtues embedded within the different religions allow for trust and honesty and thus encourage repayment of what is borrowed from the groups.

In Africa, the role of religion in meaning-making of economic ventures and particularly entrepreneurship is important. Religion itself is a source of social capital, and it encourages social cohesion that is relevant for success in business communities. Besides, within the African context, the transcendent is often associated with helping the poor, especially to succeed in life.[64] Research seems to point out to the relationships between faith-based identity, faith-induced practices, faith-filled vision and faith inspired cognitions in realizing entrepreneurial outcomes.[65] The *chamas* are a source of spiritual encouragement, emotional and social support, as well as informal education centres. In some instances, some groups invite church leaders to officiate at prayers and blessings for the group, since the leaders may also

63 Cao C et al. 2019. "Does religion matter to informal finance? Evidence from trade credit in China" *Regional Studies* 53(10):1410–1420.

64 Namatovu R, Dawa S, Adewale A and Mulira F. 2018. "Religious beliefs and entrepreneurial behavious in Africa: a case study of the informal sector in Uganda", *Africa Journal of Management* 4(3):259-281.

65 Namatovu et al, "Religious beliefs and entrepreneurial behavious in Africa"; Judge W and Douglas T. 2013. "Entrepreneurship as a leap of faith", *Journal of Management, Spirituality & Religion* 10(1):37-65.


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be church leaders. Given these kinds of ties, the self-help informal groups seem to be an all-around empowering mechanisms for women. Participating in these group activities improves not just the economic, social and spiritual knowledge, skills and resources of women, but also enhances their self-esteem. This further develops their leadership potential and literacy.[66]

*Chamas* leadership, especially from religious background are also likely to influence government decision-making policies and processes. Politicians, especially in Africa, are attracted to religious platforms given the readily available masses for their politics. Interacting with *chama* group members is one way of transforming informal ideas into the mainstream political agenda. The strong networks are also a basis for political and market influence on setting policy agenda, and transforming existing policies.

## CONCLUSION

The discussion in this chapter has presented the important role of informal self-help groups that are formed by women in low-income settings in Kenya, but this should not imply that these groups are without challenges. In practice, there are a number of challenges that face women engaged in these informal groups, especially those aimed at financial benefits. First, the over-familiarity of members means that they may take the activities of the group for granted and may once in a while not abide by the rules. Tied to this over-familiarity are cases of members defaulting and others falling out, especially when their business ventures do not do so well. Further, as already seen, most of the members have low levels of formal education. This brings challenges not only in observing the rules of the group, but also investing the borrowed amounts. This may encourage lack of commitment by some group members. Other challenges that can occur relate to lack of transparency and accountability, especially on the side of leadership. There are also further external factors, such as community conflicts, family interference and limited government support.

There are a number of challenges that face women engaged in these informal groups, especially those aimed at financial benefits. First, over-familiarity of members means that they may take the activities of the group for granted and may once in a while not abide by the rules. Tied to this over-familiarity are cases of members defaulting and others falling out, especially when their business ventures do not do so well. Further, as already seen, most of the members have low level of formal education. This has its challenges especially with regards to observing the rules of the group, but also investing the borrowed amounts. Such may also encourage lack of commitment by some group members. Other challenges that have been highlighted relate to lack of transparency and accountability especially on the side of leadership. Other factors that may influence the stability of the group may be

66 Meereboer M. 1994. *Poverty and Global Development, Social (In)Security and Poverty as Global Issues.* Netherlands: The Hague, 102.



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external such as community conflicts, family interference and limited government support.[67]

But even with these possible challenges, this chapter has argued that the benefits of *chamas* are much more than financial gains. Although most are founded to help women acquire capital and loans to start or expand their businesses, pay for their children's school fees, attend to health needs and meet their daily basic needs, the groups' benefits to members are much more. The groups help to provide social and psychological support for members. Through the *chamas*, women are able to develop and nurture their self-esteem, respect among their fellow women and within their kin and kith. They use the groups to find emotional and psychological support during times of loss, such as during bereavement. Through the social capital from the members, the groups play diverse roles in various functions, such as weddings and burials. Therefore, members have much more to gain from *chama* membership beyond the "core" mandate of the group, which is financial and economic gains.

The chapter further explains the networks through which these groups are founded. Some of the networks result from religious backgrounds or have members of the same religious groups connecting through the informal self-help groups. These groups provide a natural environment for extension of spiritual connection and growth of members. As members use these groups as a springboard for economic, social and spiritual growth, their faith leadership may find a place in blessing the activities of the groups. It has also been observed that some of the leaders in these group, given their elite or literacy status, are also church lay or spiritual leaders. This gives an avenue for them to provide not just leadership that is both informed and spiritual to the groups. Importantly, that these groups provide women with opportunities to hone their leadership skills for other social, political, economic and spiritual roles in their communities and beyond.

Despite the various challenges the groups face, especially in relation to leadership trustworthiness and accountability, and members' abilities to strictly observe the rules, the chapter shows that there are much more benefits than losses that women get from these groups. Due to the readily available social pool and resources that the groups avail to development stakeholders like the government and non-state actors, the groups have much more potential to enhance financial inclusion for the marginalized, capital mobilization for the poor, creation of jobs and in the end economic and social empowerment. The chapter therefore recommends the recognition of these groups by state and non-state actors in development agendas, given their potential to support national and global development agenda.

67 Nokia Research Centre Africa, "Merry Go Round", 11.


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