



***Case-Based Contribution
to Chapter 8: Prospering***
*GOLD VI Report on Pathways
to urban and territorial equality*

**Our Savings, Our Strength:
The Power of Women Led Savings
in Slum Communities**

In partnership with:



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Our Savings, Our Strength: The Power of Women Led Savings in Slum Communities

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ORGANISATION NAME

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CITIES/COUNTRIES IT COVERS

Kenya, South Africa, Uganda, Botswana, Malawi

CHAPTER

8: Prospering

SUMMARY

Savings groups are the building blocks of SDI-affiliated federations and anchor the transformational change across outcomes at settlement level. This representation is from the women leaders from savings networks that are active in 527 cities in Asia, Africa, and Latin America. These networks are working in 4,818 settlements and represent 8,871 women's savings groups with 387,885 members who save regularly. The work of these groups easily impacts far more than SDI's formal membership, making its impact far-reaching in urban poor communities and cities worldwide. These groups support the development of social cohesion and collective capacities, and offer a financial safety net for the poorest who use their savings or take small loans from their peers to keep children in school, to cover medical bills, and to cope with unexpected shocks. When the groups federate, we see the ability of savings to advance achievement of settlement change outcomes beyond just livelihoods.



“Mobilization is easy...whenever you go into an informal settlement, there are always mamas, they are the starting point of collaboration.”

Thozama Nomnga, Community leader,
Federation of the Urban Poor (FEDUP), South Africa

Savings groups are the building blocks of federations and anchor the transformational change across outcomes at settlement level. These groups support the development of social cohesion and collective capacities, and offer a financial safety net for the poorest who use their savings or take small loans from their peers to keep children in school, to cover medical bills, and to cope with unexpected shocks. When the groups federate, we see the ability of savings to advance achievement of settlement change outcomes beyond just livelihoods. As the Liberia SDI affiliate reported, “Federations throughout the network know that savings groups do more than collect money – they collect people and build a critical mass. When the savings groups are networked, federations are born.”

The federations use their Learning, Monitoring, and Evaluation (LME) systems to track the growth of groups and monitor their health. Savings group registers are updated biannually in all affiliates. Increasingly, we see movement toward digitization of savings data – a long-established practice in SDI’s community-driven slum data work – gaining traction in this arena, and the contribution of savings to improved livelihoods is noted by each of SDI’s affiliates.

In South Africa, the Federation Income Generation Program (FIGP) extends loans to federation members for livelihood projects and businesses. As of September 2018, the FIGP had supported 2,202 members and has a 95% repayment rate. This year, groups in Malawi

New savings groups established in Latin America.
Source: Slum Dwellers International.

underwent business management and quality assurance trainings (for their arts and crafts businesses) to enhance profitability. Hundreds of members have been trained this year and follow-up reporting shows sales increasing.

The Kenya SDI Alliance has continued to build the savings and loans capacities of Mukuru residents through the *nyumba kumi* system, a numbering system developed by the Kenya slum dwellers federation, *Muungano wa Wanavijiji*, to mobilise the community into clusters. This system evolved into the creation of women's savings groups and today Mukuru, the largest slum in **Nairobi** (Kenya), has more savings groups than perhaps any other settlement in **Nairobi**. The federation has developed a standing team of Savings Trainers, resulting in the number of groups in Mukuru growing from 189 in July 2018 to 365 by November 2018. These savings groups have been critical to the successful and sustained participation of Mukuru residents in the planning and development of the Mukuru Special Planning Area (SPA), described in more detail in Chapter 9 of this report.

In Uganda, the government runs a programme to support small business and livelihood efforts. In response to this, federation savings groups are now registering as cooperatives to access funding and support from government for their income generating projects. By registering as Cooperatives, the federation saving groups have access to funds from the government of Uganda through the Microfinance Support Centre. Only cooperatives are eligible. The cooperatives would then help organize slum dwellers according to the trades (e.g. market vendors, metal workers, carpenters, drivers, etc.). With the outbreak of the coronavirus pandemic, another programme has been rolled out to support cooperatives based on their trades and interests. It has



Savings groups save for solar home kits.
Source: Slum Dwellers International.

also given them the legal mandate to lend money, unlike the current state where members of the saving group are borrowing and lending amongst each other but in the case of default, there would be no legal redress.

Registration as a cooperative has two main benefits;

- **Stronger legal presence and better organization.**
- **Access to funds from the government through the Microfinance Support Centre**

When savings groups federate it supports greater strategic influence of the urban poor. As opposed to communities mobilized around particular projects (typically resulting in shallow community "participation" in development driven by outsiders), federations are organised around a longer-term, multi-faceted agenda that is rooted locally. In Botswana, this process of federating savings groups is currently in progress.

We see the savings groups beginning to come together to form settlement-wide networks: in Matshelagadi Village; Monarch and Blocks Network, and Francistown. In country after country, as savings groups federate at the settlement, city, and eventually national level, federations invite local officials and decision makers to network meetings, increasing their visibility

and strategic influence. This opens the doors to the establishment of meaningful relationships with local government, as federation leadership can demonstrate the depth and breadth of their knowledge and influence. These engagements are essential precursors to increased influence in policy and planning at the city and national levels.

On top of the clear benefits to livelihoods and strategic influence, savings has also contributed to settlement level improvements to public health and safety this past year. In Malawi, 83 federation members were able to construct new Ecosan and VIP toilets using their savings; while others used their savings to leverage credit from the Mchenga Fund to build theirs. In Uganda, the federation has used their savings and partnership with local councils in four municipalities to leverage resources to build public sanitation units. Equipped with capital from their community savings, SDI-affiliated federations have successfully negotiated with local councils for them to finance and construct

sanitation units, using eco-friendly construction and sanitation technologies including biofil toilets, plastic bottle recycling to fabricate unit walls, and solar energy.

As mentioned above, federations in 12 countries are using their savings to access clean energy products such as clean cook stoves and home solar kits and lanterns, improving access to energy and reducing the incidence of toxic indoor air pollution, shack fires, burns, and electrocution from unclean cooking and illegal electrical connections.

In line with our Strategic Plan aspirations to expand the scale and reach of SDI's work, SDI has placed emphasis this period on expanding savings programs to new geographies and new demographics. KYC TV teams are making **short films about savings that target youth¹** and are now passionate advocates of savings in many affiliates, as evidenced strongly during the Youth Conference in **Cape Town**, South Africa.

"We want to inform all mayors that their real best bet is the relationship with women's savings groups. Mostly because it fulfils some unique possibilities. The daily savings we do, ensures that we trust each other. We know each household's situation and we develop ways to assist and support each other. When women play these roles they not only help each other, they get accepted as the collective leaders of the neighbourhoods.

*We give loans, we collect people as we collect money and we explore solutions which we design, be they toilets or safety for girls. We expand possibilities for community livelihoods, and when the city has special programs we actually have possibilities of working with the city, installing solar street lights, changing cooking fuel from wood to LPG, assisting in setting up kitchen gardens in a time of nutritional challenges, for example in **Quezon City** in the Philippines and many cities in Zambia where partnerships between communities and mayors have ensured all poor households have greens by giving them empty plots to grow vegetables.*

Finally, if you know us you will trust us and have our contacts and give us yours. We become the valuable grapevine for communication from government to the people, and from communities back to government. But very few mayors have celebrated such a possibility. We are encouraging you to celebrate it, and use it, now."

Sheela Patel

1. <https://www.youtube.com/watch?v=cvC7GGZyvnw&feature=youtu.be>

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PROSPERING

This paper has been produced as a Case-Based Contribution to the sixth Global Report on Local Democracy and Decentralization (GOLD VI): the flagship publication of the organized constituency of local and regional governments represented in United Cities and Local Governments. The GOLD VI report has been produced in partnership with the Development Planning Unit (University College London), through the programme Knowledge in Action for Urban Equality (KNOW). GOLD VI focuses on how local and regional governments can address the local manifestations of growing inequalities and contribute to create “Pathways to urban and territorial equality”. The GOLD VI report has been produced through a large-scale international co-production process, bringing together over a hundred representatives of local and regional governments, academics and civil society organizations. This paper is an outcome of this process and is part of the *Pathways to Equality Cases Repository*, which collects the over 60 Case-Based Contributions produced as part of the GOLD VI report.

In particular, the present paper has contributed to Chapter 8 on “Prospering”, which focuses on prosperity as a culturally specific and multi-dimensional concept, including income but not only. The chapter explores key drivers of urban inequality reflected in the scarcity of decent work and in social-spatial disparities in the location of different productive activities within cities. The chapter analyses how local and regional governments can increase decent work opportunities, and, drawing on the impacts of COVID-19, how they can mitigate the effects of future pandemics and of climate change on decent work, urban prosperity and inequality.

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