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**WOMEN'S ENTERPRISES and TONTINES**  
**in MOUNDOU, TCHAD**

**for**  
**Volunteers in Technical Assistance (VITA)**  
17 Av. Charles de Gaulle  
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**WOMEN'S ENTERPRISES and TONTINES**  
**in MOUNDOU**

**Objectives:**

The purpose of this study is to provide Volunteers in Technical Assistance (VITA) with information regarding women's enterprises in Moundou, Tchad. The second purpose of this study is to determine the extent to which women are involved in informal rotating savings/credit groups, tontines. Since VITA is opening an office in Moundou in July 1991, it is hoped that this document will assist staff in granting loans to further women's entrepreneurial activities in Moundou.

**Principal Findings:**

Four major conclusions were drawn during this study. They are as follows:

1. A majority of the women who are involved in micro-enterprises in Moundou markets sell agricultural produce (vegetables, grains and spices).
2. Approximately 64% of the women entrepreneurs interviewed in Moundou markets are members of tontines.
3. The purpose of participating in a tontine varies from individual to individual. Generally, the smaller the entrepreneur the more domestic the use of the funds from the tontine is. Larger entrepreneurs seemed more inclined to utilize tontine funds to develop their enterprises in addition to domestic uses. The strength and impact of tontines should not be underestimated.
4. A majority of the women interviewed are interested in obtaining credit from VITA to enable them to purchase a great quantity of their products and to wean themselves away from the credit cycle that they now face with their suppliers, "the grand commercants."

**Methodology:**

To provide information regarding women's enterprises and participation in tontines in Moundou a brief literature search was conducted and a series of interviews with women in the market place was launched. Initially, documents pertaining to the informal sector and the status of women in SubSaharan Africa and, Tchad specifically, were reviewed. Then, a survey of the different types of activities that women were involved in Moundou was taken. (Service related office activities like secretaries, accountants,

and hairdressers were not considered). Finally, over 40 women from two of the main markets in Moundou were interviewed, usually through an interpreter in the local language, to determine the enterprise's inputs, expenses, capital and origin, profits, and participation in informal rotating savings groups. An effort was made to interview a number of women involved in each of the activities identified. The contents and conclusions reached in this report are based primarily on those random interviews. Part One of this report describes women's entrepreneurial activities in Moundou. Part Two explores their participation in tontines.

#### **Basic Assumptions:**

Development workers worldwide recognize that women's economic activities provide income that most likely will be spent in a way that benefits the nutrition, health care and education of children in the household. In Southern Cameroon for instance it is estimated that 60% of all household income was generated by women. When women lost income in neighboring Cameroon, due to a failure of cash crops for instance, there was a general decline in family welfare. Studies have shown that a mother's income is more important to the welfare of her children than a father's-- particularly in the area of child nutrition. (Howald, pg. 3)

One hundred percent of the women interviewed in Moundou note that a large percentage of their profits is used to feed and cloth members of their family. A number of women are the sole contributors to the family income due to sickness, unemployment or death of spouses. Across the board, funds saved and obtained from tontines, informal rotating savings/credit groups, are utilized to support daily family nutritional and clothing needs. In fact 56% of the women interviewed cited this use of funds as the primary reason for actively participating in a tontine. (see below).

Since, by enlarge the entrepreneurial activities of women interviewed in Moundou markets are informal commercial, i.e. not productive ones, one of the end results of VITA's assistance to these women through the micro-enterprise credit program will be poverty alleviation and will directly impact on the welfare of the household.

## **Part One:**

### **Women's Participation in the Economy in Moundou**

As identified in the Oxfam/UNDP report Le Secteur Informel a N'Djamena by Gerry and Hamida, there are three types of informal sector activities: micro-enterprises of production, micro-commercial activities and service activities. In 1988 41% - 63% of the general informal sector population in N'Djamena was involved in commercial activities, 27% - 39% in service related enterprises and 9% - 19% in productive activities. Commerce still dominates the informal sector in all major Tchadian cities.

#### **A. Women in Commercial Activities**

In keeping with this pattern, it is found that women are primarily involved in informal commercial activities in Moundou. Of the approximately 18 types of women's enterprises unearthed in Moundou, women predominate in commercial activities related to the sale of agricultural products, mostly food stuffs, as opposed to cash crops and manufactured goods.

It is not too surprising that there are not many women involved in micro-enterprises of production. Gerry and Hamida indicate that due to competition from neighboring countries, the bulk of productive enterprises in N'Djamena, the largest city in Tchad, evolved less than 13 years ago. (Gerry & Hamida, p. 24).

Even now a large percentage of all productive enterprises in Tchad are dependent on imported equipment and raw materials. (Gerry & Hamida, p. 24). As merchants of agricultural products grown in Tchad, women are less dependent on these outside materials which are difficult and costly to obtain. Women merchants in Moundou maintain a link between the producers and consumers of agricultural products in Southern Tchad and obtain products from as far away as Lai, a city 164 km from Moundou.

From January to November 1988 it was estimated that 26 tons of fruits and vegetables were cultivated for sale in Tchad. 21 tons were sold and the rest spoiled, perhaps because it never reached an intended market (Diomande). Perhaps support of women's commercial activities could have alleviated this waste. Women are the main vendors of agricultural products. Many women, as this study illustrates, bear the transportation costs of procuring goods from the producers in the country and bring them to market. Women's importance to the local economy can not be underestimated.

#### **B. Markets in Moundou:**

There are four markets in Moundou. The Grand Marche (Large Market) located in the center of the village, Kete Gala, the night market

located just off of the paved road approximately 1 km from the Grand Marche in the residential area called Gueldjem, the CotonTchad market, 6 km south of the center of Moundou that serves the neighborhood near the CotonTchad factory and finally a small market called Guelmbag, a very small day market just beyond the Kete Gala market.

1. **The Grand Marche:**  
the oldest market in Moundou, is open daily except Sunday and serves the entire population of Moundou. Vegetables, grains, spices, meats, fish, fuels, and numerous manufactured goods ranging from imported clothing, shoes, pots, and cosmetics to locally produced fabrics, mattresses and oils can be purchased here. Vendors of agricultural products are predominately women. Men dominate the sale of manufactured goods. This covered market is the major focal point for all commerce. Most of the suppliers of goods are located at this market.
2. **Kete Gala or Night Market**  
this market is open from 3 pm until darkness falls. The market is composed primarily of agricultural producers and serves those individuals of the Gueldjem neighborhood and those without the time during the day to venture to the Grand Marche.
3. **The CotonTchad Market**  
this small market serves the CotonTchad neighborhood. It is estimated that 150 individuals, mostly women, sell agricultural produce here. Selection is limited and quantities of products usually small. Few European vegetables are being sold and only one very small table was reserved for the sale of beef. Manufactured goods are limited to items like oils, soaps and sugar. Few stalls are covered and space between them is great.
4. **The Guelmbag Market**  
is the smallest day market in Moundou with only a few stalls under a grove of trees with agricultural produce. It is located beyond the Keta Gala market.

There are women merchants at all of these markets.

#### **C. Women Merchants in Moundou Markets:**

As stated earlier women in all of the Moundou markets are primarily merchants of agricultural products. Women in the markets in Moundou are usually merchants of one, or a combination, of the following 12 products:

1. European vegetables,

2. Traditional vegetables
3. Millet
4. Rice
5. Peanuts and groundnuts
6. Wood and charcoal
7. Flour (processed maize, manioc or millet)
8. Onions, garlic and other spices
9. Dried fish
10. Fresh fish
11. Milk products
12. Fruits (mangoes and bananas)

With the exception of the fruits and onion categories, women dominate the agricultural produce markets. Ngambaye women (a local ethnic group) dominate a majority of these markets in Moundou with the exception of the sale of onions, garlic and other spices which are normally sold by women of northern or Arabic decent, and men. Peuhl women have a near monopoly in the sale of locally produced dairy products.

The following observations were made concerning the merchants selling some of these products:

#### **Vegetable sellers:**

Products sold by these vendors vary from season to season in most cases. Products sold range from traditional greens, tomatoes, parsley, eggplant, radishes, green beans, beets, carrots, peppers (green and yellow), small onion shoots, spinach, lettuce, avocado etc. Vendors usually have a variety of these products on display on a small table. In the case of the vendors in the Grand Marche, they often purchase their products every night from farmers and larger merchants in Koutou, a village approximately 8 km north of Moundou. In the case of the CotonTchad market, vendors are more likely to purchase produce from farmers near the Logone River, which is closer to the CotonTchad market. There is not as great a variety of vegetables at the CotonTchad market which attracts clients primarily from the surrounding residential areas.

In the case of the Grand Marche, vendors interviewed buy approximately 2,500 CFA worth of vegetables per day. Most travel on foot to producers so transportation costs are nonexistent. Those merchants that do not sell all their vegetables at the Grand Marche often bring them to the night market, 1 km away. Given the nature of their products merchants purchase produce daily and retain little or no stock. Profits varied from 500 - 1,500 CFA per day.

#### **Millet Merchants**

One of the more prevalent products sold by women at the Grand

Marche is millet. Numerous merchants frame the Grand Marche displaying various qualities of millet. The size of women's millet enterprises varies dramatically. Some women, particularly those in the smaller markets like CotonTchad, purchase a one or two large koros (large basins) of millet to sell per day, other larger vendors purchase 7-14 100 kg sacks of millet per week by travelling outside Moundou to areas like Dounia, to purchase millet directly from farmers. A 100 KG sack of Millet varies from 9,000 - 12,000 CFA, depending on the location and season of purchase. To lease a stall in the market costs an averages of 600 CFA per month for these merchants. Profits generally range generally between 300 CFA - 500 CFA per day.

### **Rice Merchants**

There are numerous rice vendors in Moundou. As with millet, often women selling rice combine this activity with the sale of other cereal or peanuts. The size of the woman's enterprise varies tremendously. A brief outline of the rice merchants interviewed reflects the diverse ways in which women in Moundou prosper and fund their enterprises. Merchant #1 is a member of a 12 person tontine whose main purpose is to facilitate the purchase of a large quantity of rice directly from farmers in Dobora. The group usually purchases 25 50 Kg sacks at a time divides them accordingly. Merchants #2 and #3 are elderly. One used to cultivate rice herself, but age has given way to this practice and she now purchases a small quantity from a supplier in Moundou sometimes on credit, sometimes not, depending on the availability of funds. The second elderly woman, merchant #3, used to sell millet, but recently switched to rice to escape the sun. (A large number of rice merchants are located under a group of trees a bit to the south of the Grand Marche). She purchases the equivalent of a few koros (basins) of rice a day on credit for about 700-800 CFA. Merchant #4 considers herself a "large merchant." She ventures to Bere, near Lai to purchase 10 sacks of rice at one time. She sells approximately 5-6 sacks of rice per week often on credit. She claims a profit of 24,000 CFA on 10 sacks of rice. She pays for storage and transport and has stall rental costs on a regular basis. Merchant #5 was one of the only rice merchants at the CotonTchad market. This young woman travels to the Grand Marche to purchase 2-3 koros of rice for 1000 CFA per koro. Depending on the size of the sack she pays transportation costs. Her profits, like merchants #1 - 3, range from 250 - 300 CFA per day. All of these merchants are members of tontines.

### **Charcoal/Wood ("Energy Merchants")**

In the Grand Marche these "energy merchants" are located in the Southern portion of the market, approximately a block away from the focus of activity. Generally, charcoal vendors in the main market purchase a bag of charcoal on credit per day for between 1,000 CFA

-1,500 CFA. Their profits are extremely small: approximately 150-200 CFA per day. Although they state that they are daily vendors, they either escape daily fees to lease a place at the market or pay 25 - 50 CFA by the day. (It is far more economical to lease a space in the market on a monthly basis). Normally these merchants do not incur any transportation costs. In contrast, "energy merchants" at the CotonTchad Market buy or collect fuels in rural areas. In these situations no credit is involved and profits are a bit higher 150 CFA - 500 CFA per day. They also escape the added cost of leasing a space in the market.

#### **Dried Fish Merchants**

Some of the larger women's enterprises in the Grand Marche involve the sale of dried fish. Moundou's proximity to the Logone River makes this a profitable enterprise. Women normally purchase between 1-4 sacks of dried fish per week from a cooperative in town or from an alternative supplier. Normally the women interviewed purchase dried fish by the sack, often on credit; prices varies from 20,000 - 25,000 CFA per sack. To lease a table in the market averages about 750 CFA per month. Their profits can reach 1,000 CFA per day. These women face some competition from male vendors. The few CotonTchad merchants who sell dried fish purchase it from suppliers at the Grand Marche. (CotonTchad merchants face no competition from male dried fish merchants and little competition from other merchants in the fish/meat category--there was only one merchant selling a very small quantity of beef at the CotonTchad market.)

#### **Flour (maize, millet, manioc) Merchants**

Surprisingly few women sell maize, millet or manioc flour. It appears that demand for these processed cereals is low. Normally, women and young girls in Moundou either pound cereals daily at home or bring larger quantities to mills to be ground mechanically. As a result merchants in this category tended to have small stocks. Some purchase a few large koros on credit in the Grand Marche and hand pound the grain daily. They noted only marginal profits of between 200 - 250 CFA per day. Given that these merchants generally either paid for a place at the market on a daily basis (20 - 25 CFA) or escaped leasing a space, it might be concluded that either they are not consistently at the market or the profits from this type of enterprise do not lend themselves to obtaining sufficient capital to rent a space on a monthly basis.

One woman interviewed occasionally purchases between 2-3 sacks of manioc from Bebalon, and after transporting, it brings it to the mill to be ground. On her profits from this enterprise she was able to participate in a tontine that collected up to 1,000 CFA per week.

### **Milk product Merchants**

Peuhl women have a near monopoly in the sale of locally produced dairy products. They obtain their products daily from their husband's cows and walk to the market with a large calabash of milk or yoghurt atop of their head. Generally they are sort of squatters and do not pay for a place in the market place but seem to congregate under trees just south of the Grand Marche or space permitting, in heavily travelled regions of the market. The woman interviewed indicated that her profits are high 1,000 - 1,500 CFA per day. Interestingly she claims that she is not a merchant; she works for her husband and all of the proceeds are turned over to him. She is not a member of a tontine.

### **Onion and spices Merchants**

This is the most varied group of women merchants in the Moundou markets. Not one particular ethnic group dominates this category of women although a large number of the merchants are of Moslem persuasion. Products displayed by these merchants are varied and can range from small handfuls of a variety of spices and salts, to onions or garlic, to dried tomato powders to boule paddles and small flat baskets. Unlike merchants of products noted above, these merchants do not buy their products on a regular basis and rather wait until an item comes close to running out before replenishing their supply. (Normally it was difficult to determine the value of their inventory since stocks were not replenished at one time or regularly). Nonetheless these merchants seem to be taking the most risks and profits are upward to 1,000 CFA per day. A majority of these women are not involved in tontines.

### **D. Women's Productive Enterprises**

As stated above women-owned productive enterprises are few in Moundou markets. Given Tchad's past dependence on manufactured goods from neighboring countries this is not surprising. It was discovered that women are involved in the following "productive" activities in Moundou:

1. Peanut Butter Making
2. Beignet production
3. Sewing
4. Production of Bilibili (indigenous millet beer)
5. Calabash Decoration
6. Embroidery/Crocheting

### **Peanut Butter Making**

One of the more popular productive activities that women are involved in is the making of peanut butter. All of the individuals interviewed consider themselves very small merchants. Normally they purchase a sack of peanuts a month or by the koro and hand grind the peanuts at home.

### **Beignet Production**

As with peanut butter makers, beignet makers consider themselves very small merchants. Women selling these beignets are often young girls. Flour, salt, oil and fuel are used in the production of individual beignets. Often women will buy a koro or two of flour on credit. Approximately 100 beignets are made daily and merchants claim a profit of 150 CFA per day. Often these producers are not stationary merchants but often wander around the market. Hence, they normally do not pay stall rental charges. By enlarge these producers are not interested in VITA and were reluctant to talk to the interviewing team.

### **Calabash Decorating**

A few women decorate calabashes bought from suppliers. If bought in bulk during December, the popular month for calabashes--20 can be procured for 2,000 CFA during the rainy season only 10 calabashes can be procured for 2,000 CFA. Usually the trade is learned from a relative and is carried out in the home. Given the nature of the costs of raw materials profits are seasonal and range from 1000 CFA during the dry season to 200 CFA in other seasons.

### **Sewing**

Currently no seamstresses have shops located near the Grand Marche. Typically their shops are located in residential areas and most work out of their homes. They sew primarily for friends in the residential area. Their profits are normally quite high in comparison to other women merchants in Moundou. The seamstress interviewed is the member of a 12 person tontine that contributes 20,000 CFA per month.

### **Production of Bilibili (indigenous beer)**

This activity is undertaken by women in residential areas. Bilibili is not normally sold in the markets. Ingredients involved in its production include millet, water and yeast. Wood fuel is required for its production. All of the women interviewed sold bilibili twice a week and took three days to prepare the brew. Normally they purchased between 15-20 koros of millet. Their profits range from between 500-1,000 CFA depending on the quality of the brew. Their biggest problem and costs arise purchasing

large pieces of wood for the bilibili. (Fuel costs range upward to 1,000 CFA per brew.)

Two of the women interviewed owned "bars" where they sold bilibili. When they were not selling their own bilibili they leased the leantoo space to other bilibili makers in the area for 200-250 CFA per night. Reputation makes or breaks this business. All of the women interviewed were very dynamic. One woman used to raise and slaughter pigs for residents in her area in the past. Another occasionally sold soup along with the bilibili.

### **Embroidery and Crocheting**

Women are also involved in productive activities like embroidery and crocheting. Although not interviewed, these women are located in the residential areas and work as a group through a Social Center. They sell their products, mainly childrens clothes or socks or wall hangings, to merchants in the market or artisans.

### **E. Other Entrepreneurial Activities**

Women in Moundou are also involved in the roasting and selling of small bags of peanuts and ground nuts and the sale of Karkanji, a flavored drink and drink made of millet flour.

Also, although beyond the scope of this study, discussions revealed that there are some women in the residential areas who sell manufactured products like cosmetics and cloth, often imported from neighboring countries. Often their clients purchase these products on credit. Since they are neighbors they can collect money on these "luxury items" more easily than a merchant at the market.

### **F. Characteristics of Women's Enterprises in Moundou**

Generally, the descriptions above reveal that women's enterprises in Moundou are fairly typical informal micro-enterprises. Most are single person enterprises which have small inventories and rely on credit to purchase goods. Their profits are small, often ranging from 150 - 1,000 CFA a day.

#### **1. Inventory**

Based on the information provided during interviews, it is estimated that 60% of women owned enterprises hold stock valued at less than 10,000 CFA at one time (see table 1). 21% and 27% respectively hold stock valued at between 500 - 1,500 CFA and 1,500 - 3,000 CFA at any one time. 15% hold between 14,000 - 20,000 CFA and 12% hold between 20,000 CFA - 30,000 CFA. Only 9% hold stocks

of more than 30,000 CFA. Not surprisingly, vendors of perishable products such as vegetables and fruits, beignets and "energy merchants" maintain smaller stocks than do vendors of cereals, spices, and dried fish. The products of the latter group can be preserved for a longer period of time.

Women at the CotonTchad market have much smaller stocks of goods, generally under 3,000 CFA.

Table 1.

**Value of  
Stock Held by Women Interviewed**

Value of Stock <u>Held*</u>	% of Women <u>Interviewed</u>
500 - 1,500 CFA	21%
1,501 - 3,000 CFA	27%
3,001 - 6,000 CFA	9%
6,001 - 10,000 CFA	6%
10,001 - 20,000 CFA	15%
20,000 - 30,000 CFA	12%
30,000 CFA +	9%

\* Approximations of the value of an enterprise's stock were calculated based on information derived from questions concerning quantity that the woman vendor claimed to purchase and the frequency with which she purchased it.

**2. Purchase on Credit**

A large number of women purchase their goods on credit. Of those women asked whether they obtained their product on consignment or paid for the product outright, 37% noted that they purchased their products through credit, 47% claimed to buy the products outright, without credit, and 16% claimed to fluctuate--using credit if funds were not available. Hence a total of 53% of the women interviewed either habitually or occasionally procured goods on credit. Most of those who obtained goods on credit purchased products locally. The 47% that did not utilize credit often bought from producers in the countryside directly or from suppliers.

The situation in Moundou is not unlike that in the capital city of N'Djamena, 50% of those women interviewed there claimed to obtain

goods on consignment. (Haynes p. 5)

One woman who was interviewed claimed to be one of these suppliers--she claimed to sell between 20,000 - 40,000 CFA worth of rice on credit to smaller merchants.

### **3. Start-up Capital**

A large percentage of women interviewed obtained start up capital ranging from 500 CFA - 5000 CFA from their spouses or other relatives. 10% noted that they obtained the start-up capital through their participation in a tontine.

### **4. Transportation and Stall costs**

Women interviewed uniformly speak of transportation and or stall costs associated with their businesses. Transportation costs are primarily incurred by those who purchase their goods in rural areas. (More established cereal vendors pay 1,000 CFA per sack to transport it from rural areas to the Grand Marche.) Merchants at some of the smaller markets incur transportation costs of 100 - 200 CFA for a taxi or a push cart.

Stall costs range from 20 - 50 CFA per day for a space in the market to 600 - 750 CFA per month for a covered stall in a strategic location. Smaller merchants seem to pay by the day. At the Grand Marche larger merchants also incurred costs to store their sacks of grains or peanuts. No storage facilities are available at any of the other markets.

### **Conclusions:**

Women in Moundou are primarily sellers of agricultural products. Their enterprises are small; 47% of those interviewed hold stock valued at less than 3,000 CFA. 53% buy or sometimes buy their products on credit. They are an invaluable link between the producer and the consumer.

## **Part Two:**

### **Participation in Tontines**

By definition a tontine is an informal savings group where members contribute to a fund which is then distributed to individual member(s) on a rotating basis. 64% of the 44 women interviewed in the markets in Moundou are members of tontines.

This figure compares favorably with the number of women cited as being in tontines in N'Djamena. In a study conducted in N'Djamena only 20% of the women interviewed are or had been members of tontines. (Haynes, p. 2).

The impact that participation in a tontine has on a woman's enterprise and family in Moundou is dependent on the number of members and frequency and size of the contribution.

#### **A. Size of Contribution and Use of Funds**

The women interviewed in Moundou markets are members of groups ranging in size from 5-15. 37% interviewed are members of groups ranging in size from 4-7 members, 40% have 8-10 members, 23% have 11-15 members in their tontine. In comparison, in N'Djamena tontine groups uncovered ranged in size from 3 - 24 (Haynes pg 1).

Contributions to tontines are usually made weekly and range from 150 CFA to 3,200 CFA per week. A few women are members of tontines that contribute funds daily; their contributions range from 100 - 500 CFA daily. (One woman is a member of a 12 person tontine that contributes 20,000 CFA per month and another woman is the member of a tontine that contributed 1,500 CFA biweekly). Hence the tontine cycle in Moundou lasts anywhere from 1 to 14 weeks with the average cycle lasting between 6-10 weeks. In N'Djamena the "credit/expenditure" cycle averages between 4 - 8 weeks. (Haynes, p. 2).

41% of those tontine members interviewed contribute 1,000 CFA or more per week to these informal credit associations. Hence, when these individuals receive the funds during the cycle they have access to between 10,000 - 30,000 CFA a turn. (Assuming that the average group size is 10). 57% of those tontine members who contribute 1,000 CFA and 75% of those women who contribute more than 1,000 CFA a week, utilize tontine funds for their enterprises to procure goods in large quantities in addition to purchasing food stuffs, clothing and other household items. (see table 1)

(Interestingly, one woman, a daily onion and spice vendor, is a member of a 11 person market-based tontine that contributes

3,200 CFA per week. She is a member because she seeks the capital to purchase an embroidery machine for her home based sewing business, her second entrepreneurial activity.

Another woman, a bilibili producer, used her tontine "pot" of 13,750 CFA to construct a bilibili bar or leantoo near her new house).

59% of those tontine members interviewed contribute between 150 CFA - 700 CFA per week. Hence, when these individuals receive the funds during the cycle, they have access to between 1,500 - 7,000 CFA a turn (assuming the average group size is 10). In contrast to the above, only 31% of the women in this category mention utilizing funds for their enterprises. A majority of these smaller contributors utilize funds primarily for domestic uses--food, clothing, utensils and family emergencies. (see table 2)

Overall 44% of the women who claim to be members of tontines said that they utilize part of the funds obtained through the tontine for their enterprises. This is fairly consistent with studies of informal rotating credit groups in other West African countries. In Mali, Cote d'Ivoire, and Ghana, 60% of all informally obtained funds were utilized for working capital (Bailey, pg 8).

Table 2.

**Size of Contribution Impacts on Use of Tontine Funds**

Size of Contribution	Percentage of Women* Interviewed	Function of Tontine Funds by Percentage
150 - 250 CFA	18%	100 % for domest.
300 - 650 CFA	41%	55% for domest. 45% also entrprs
650 - 1,000 CFA*	26%	43% for domest. 57% also entrprs
>1,000 CFA	15%	25% for domest. 75% also entrprs

\* Women interviewed who claimed to be in tontines

\*\* All of these were at the 1,000 CFA level

## **B. Composition of Tontine Groups**

In most cases women noted that members of their tontine are friends from the market, as opposed to their residential region. Normally gestures indicated that other members are located in nearby stalls so fellow members are well known. Their location in the market is very fixed. (Most tontine members claimed to pay for a stall at the market on a monthly basis.) In many cases members of tontines sell similar products (all rice merchants or all millet merchants).

Early on the assumption was made that the tontine groups were composed primarily of women. Much later in the interviewing process, women were asked in more detail about the composition of their tontines. At this time it was discovered that a number of women are members of tontines composed of both men and women. In one case a woman interviewed is the sole female in a 11 member tontine. The president of this tontine is a man selling oil and soaps at a stall nearby. In a second case 2 men participate in a tontine composed of female entrepreneurs. One of these men does not work at the market, but is referred to as an employee. In a third case a 7 person tontine has one male member.

A number of women claim that their tontines have treasurers or directors. Some indicated that they keep written records and others indicated that they do not. Normally it is assumed that the leader of the group is better educated.

A large percentage of the women interviewed have never been to school. It is assumed that they are not literate. (According to the government only 10 % of Tchadian females are considered literate in French). Hence, participation in tontines is open to all, literate and illiterate.

## **C. Why participation in tontines is more popular in Moundou than in N'Djamena?**

Participation in tontines in Moundou may be more common than in N'Djamena for the following reasons:

1. Moundou Markets are older and residents are more established.

In N'Djamena, tontines are more prevalent in the older more established markets where women had been vendors for a long period of time. In Moundou, most women interviewed had been active in the market in some capacity for approximately 10 years. 31% have sold products in the market for between 11-15 years, 28% claim to have been working in the market for over 20 years, 25% between 5 - 10 years, and 11% have worked

between 1 - 5 years. In other words a majority started selling, as very young girls (most likely alongside their mothers) and are very familiar with market practices particularly in the Grande Marche. When asked about the level of education obtained, many women humorously pointed to their products and noted that the market has been their school. This indicates that they are "streetwise" and know how to maximize the benefits of being a merchant at the Grande Marche. Being a member and selecting other members of tontines is one of these important benefits.

## 2. Close proximity of other Tontine Members

As noted above in most cases members of a tontine are friends from the market with stalls located nearby so that fellow members are well known. In N'Djamena it was noted that the populations in a number of markets are more transient. (Haynes, p. 2). Also, by enlarge the members of tontines in Moundou were of the same ethnic group, Ngambaye. N'Djamena, as a capital city has a greater mix of ethnic groups.

## 3. The Need to Save Money

Finally, in Moundou it seems that there is a real need to save money in order to fund purchases such as clothing and other household items or to procure goods in bulk. Saving the average woman merchant's 300-500 CFA daily profit for items of this sort would seem next to impossible without some sort of a system like a tontine.

Hence, necessity and familiarity with women in the market, make tontines an attractive option in Moundou.

## D. Reasons for not participating in Tontines

Like in N'Djamena, the 36% that are not members of tontines indicated that they choose not to participate because of financial constraints, fear of losing money and in the case of the Muslim women, religious factors. Nonetheless, a majority of those women interviewed who are not members of tontines, are members of women's church groups.

## E. Conclusions about Informal Credit systems in Moundou

There are many active female participants in Informal credit systems in Moundou. Women's participation in tontines and their ability to obtain credit from suppliers are critical to both the family welfare and micro-enterprise development in Moundou. 53% of the women interviewed either consistently or at times purchase their products on credit from larger merchants. 64% of the women

interviewed saved funds for domestic and entrepreneurial activities through tontines. Tontines and credit from merchants expands services to clients who would never be served by formal institutions. The potential of these informal credit systems should not be underestimated.

"In Cameroon, an African country with a robust and active rotating savings and credit association (tontine) with a monthly pool of over 420,000 CFA 'went formal' in 1975 forming Cameroon's sixth bank....(Moreover), single-country surveys in Africa indicate that non-kin informal sources of funds, led by suppliers and traders credit, moneylenders, and rotating savings and credit associations, represent anywhere from 85%-90% of funds mobilized in the rural sector. (Bailey, pp. 6-7).

The importance of the group structure of the tontine, rotating savings and credit association should also not be disregarded. Focusing on the individual firm does not reflect the reality in the Sahel. The use of groups in credit programs should not just be a method of expediting project management in credit programs. The catering to groups in credit programs is also an adaptation responding to preexisting credit structures in the informal sector and particularly amongst women. (Bremer-Fox, p. 29). Informal credit and savings structures which take form of money-lenders, deposit collectors, rotating credit societies (tontines), and intra-familial financing, "may offer potential building blocks for integration of informals into the economy and for improved access to financial services." (Bremer-Fox, p. 41). Perhaps the current credit structures within the informal sector, (primarily tontines) can be mobilized through funds and technical assistance to attain even greater economic growth in Tchad. The strength of tontines should be capitalized on.

### **Part 3:**

#### **Interest in VITA**

VITA's micro-enterprise loan project was described to each women interviewed. A majority of the women interviewed are interested in obtaining a loan from VITA to purchase their goods in bulk with cash.

Smaller merchants of charcoal, beignets and peanut butter, across the board are not interested in VITA; they claim that their enterprises are too small. Pheul women selling milk are also not interested in obtaining a loan from VITA; they do not consider themselves entrepreneurs. Due to religious factors Muslim women are not interested in obtaining credit.

Some development workers note "that the common features of many successful credit programs for women are: flexible loan periods, small, but frequent payments, small total loan size, alternative collateral such as co-signers, solidarity groups, and a simple application process." (Hyman, p. 3). VITA provides this sort of a structure.

The question of the loan cycle was put to a number of women but answers were never firm. Based on the current structure of the tontine, it seems that a two to four month repayment period on a weekly basis is definitely attainable. (Each week tontines composed of larger contributors amass between 10,000 CFA and 30,000 CFA and tontines composed of smaller contributors amass between 1,500 - 7,000 CFA (assuming that the tontine has a membership level of 10)).

#### **Women's participation in other Moundou based Credit Organizations**

Currently women in rural areas are participating in a credit program sponsored by the Association d'Applui aux Initiative Locales de Developpement (ASSAILD). ASSAILD, a private organization funded by a variety of European donor organizations, recently opened an office in Moundou. They grant loans up to 1,000,000 CFA to rural based groups. Loans are granted either for the purchase of cereal products in bulk (interest rates for this type of loan is 10% and repayment periods of a year) or for agricultural based materials and equipment (interest rates on these loans are lower, 5% and the repayment period is 3 years).

Statistics have not yet been made available, but the Director of ASSAILD asserts that women are often members of groups that request loans. In the Oriental Province there are no groups solely composed of women, east of N'Djamena, there is one group of women which has sought loans to purchase agricultural equipment (plows, etc.), a few cows, and koros for transport. He notes that this

group of women is one of the most active groups in ASSAILD's program. Finally, in the Logone Occidental region, he notes that there are many women's groups that take advantage of ASSAILD's loans.

The fact that women's groups are participating successfully in ASSAILD's program and additionally that women are integrated into groups requesting loans for agricultural enterprises suggests too that women will be very good clients of VITA.

### **Conclusions**

Women in Moundou are involved in a number of commercial activities primarily concerned with the sale of agricultural produce.

Women's participation in tontines and their ability to obtain credit from suppliers are critical to both the family welfare and micro-enterprise development in Moundou.

The active participation of women in tontines provides an ideal avenue to develop the economy of Tchad and should be capitalized on by organizations like VITA.

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