



**Assessing the Impact of
Microenterprise Services (AIMS)**

Management Systems International
600 Water Street, S.W.
Washington, D.C. 20024-2488
Tel: (202) 484-7170 Fax: (202) 488-0754
E-mail: aims@msi-inc.com

**Empowering Women and Coping
with Financial Crises:
An Exploratory Study of Zimbabwean
Microentrepreneurs**

November 1997

**Carolyn Barnes
Management Systems International**

in association with Nyarazi Gumbonzvanda

This work was funded by the Microenterprise Impact Project (PCE-0406-C-00-5036-00) of USAID's Office of Microenterprise Development. The Project is conducted through a contract with Management Systems International, in cooperation with the Harvard Institute for International Development, the University of Missouri, and the Small Enterprise Education and Promotion Network.



TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	iii
I. INTRODUCTION	1
A. Context of the Study.....	2
B. Objective of the Study.....	2
C. The Process.....	2
II. THE FINDINGS	5
A. Financial Crises	5
B. Household Dynamics.....	7
C. Self-Esteem	9
III. IMPLICATIONS OF THE FINDINGS FOR THE DESIGN OF AN IMPACT SURVEY....	11
A. Financial Crises	11
B. Household Dynamics.....	11
C. Self-esteem	12
D. Concluding Remarks	13
SOURCES CITED	14

EXECUTIVE SUMMARY

This paper centers on understanding two elements that may be influenced by participation in a microfinance program: strategies used by households to cope with financial crises, and empowerment of female microentrepreneurs. A better understanding of these complex phenomena was sought in the local context in order to determine how they might be included in a survey questionnaire to assess the impact of participation in Zambuko Trust's microfinance program in Zimbabwe.

Methodology. Exploratory, in-depth interviews were carried out by a Zimbabwean researcher experienced in conducting qualitative interviews on gender relations. Ten microentrepreneurs were interviewed. The six Zambuko Trust clients were selected among clients from three locations in Harare who had been in the program at least two years, and chosen to represent a cross section of sub-sector activities and a mix of home based and non-home based enterprises. Both male and female clients were selected, to take into account that the types of financial crises and coping mechanisms might differ by gender. Four non-client microentrepreneurs were also interviewed.

Findings and Conclusions. The interviews led to discovering two types of financial crises that had occurred among microentrepreneurs' households: those involving a permanent loss or reduction of a household income stream, and those requiring extraordinary expenditures. The latter included the need for cash due to business losses and because of unexpected household demands, such as expenditures related to illness and hospitalization. The responses to the temporary financial shocks varied, and sometimes households pursued a mix of strategies. A common response was borrowing money interest free or receiving loans from relatives, friends or colleagues. Coping strategies employed in response to permanent loss or reduction of a household income stream tended to focus on reallocation and management of resources already available within the household. Some of the interviewees highlighted the importance of their microenterprise revenues to dealing with the financial crises.

The interviews revealed that money to meet a business crisis or to invest in a business tends to be accessible only from those who are business minded, be they family members, friends or acquaintances. As one woman explained, those who are not entrepreneurial would consider it wrong to gain a profit from gifts of money or non-interest bearing loans. Informal borrowing for business expenditures may carry interest charges. Business debts tend to be considered as household debts; that is, regardless who borrows the money and how the debt was incurred, it ultimately must be repaid from within the household economy.

Although common in Zimbabwe, rotational savings clubs were not mentioned as a source of funds to meet financial crises. Members pointed out that a quick response to a financial crisis is not usually possible through such clubs. Also, they explained that the amount paid out by such clubs is relatively small and hence not enough to assist with most types of financial shocks.

The interviews revealed that married female microentrepreneurs tend to have little control over income earned by other household members, but as their income increases they may be consulted more on decisions related to expenditure of income earned by the spouse. As the woman's income

increases or becomes more important in relation to other sources of household income, the practice of the husband making the major household financial decisions in consultation with the wife shifts. The woman begins to employ negotiating skills related to use of her income. This shift may lead to a conflict situation, but the woman may pursue a strategy of conflict reduction to ameliorate the situation. The intensity of the conflict or tension usually wanes as the parties reach a tacit acceptance of the new pattern.

The study also explored women's self-esteem (defined as a sense of worth and pride in herself) inside and outside of the household context. The women who are the sole or primary contributor to household income stressed that their ability to sustain their household has led to greater self-esteem. This increased sense of worth and pride came from realizing that they are able to manage in spite of the difficulties.

One woman eloquently described how her self-esteem had increased as a direct result of receiving a loan from Zambuko Trust. She had to think through a business plan to decide how she would use the funds and be able to repay the loan, and next she had to discuss this with her husband and seek his consent since the debt might place the household at risk. Thereafter she had to approach Zambuko Trust and convince them of her commitment and the viability of her plan. She relates that a sense of pride and achievement arises every time she remembers how she felt having the Zambuko loan check securely in her hands. And, she reports taking pride in being able to advise others about the process of obtaining a Zambuko loan.

Implications. The results of the in-depth interviews led to insights about how to document the impact of microfinance programs on households coping strategies and on increased empowerment of female clients. For example, the study found that increased control of income earned by other household members is often exercised through indirect rather than direct ways. Also, increases in women's income especially in relation to total household income may temporarily lead to negative effects on relations with their husbands. Both of these would be difficult to measure in a survey questionnaire. Survey questions can be developed to measure increases in income and the proportion of the woman's income to total household income. However, the gender relations within the household as a result of wives increasing their income and contributing more to total household income are best studied through qualitative approaches, such as case studies.

I. INTRODUCTION¹

Microfinance programs are widely regarded as having the potential to increase women's position within the household economy and their self-esteem, and to assist client households to cope with financial crises. The evidence to document these impacts is increasing.

A small body of literature, mainly based on India and Bangladesh, documents coping strategies among microentrepreneurs (e.g. Todd, 1996; Naponen and Kantor, N.D.). For example, a study of Grameen Bank families and a similar control group found that the poor Grameen Bank families "on the whole were able to avoid the more destructive strategies which tend to push poor families deeper into poverty" (Todd, 1996, p. 106). Destructive strategies are actions which deplete the household's income-earning assets, such as land. The Todd study also classifies withdrawing children from school as a destructive strategy. Types and levels of coping strategies are addressed in *Risks and the Impacts of Microenterprise Services* (Dunn et. al., 1997).

Empowerment of women is a broad concept with many dimensions: material, behavioral, attitudinal, and relational (see Chen, 1997). The potential impacts of microenterprise programs on women relate both to the services offered and gender dimensions operating among that segment of the population in a particular country. The Sebstad and Chen (1996) review of studies of the impact of microenterprise programs reveals that the findings from Asia on women's empowerment are generally positive. For example, a study in Sri Lanka found that loans contributed to women's independent income, which gave them more bargaining power in their relations with male family members (Hulme, et al. 1996). Results from Thailand show an increase in women's confidence and cooperation with neighbors, and husband's more likely to listen to the women (MkNelly and Watetip, 1993). The findings from Senegal and Kenya show evidence of increased self-confidence among women (Sebstad and Walsh, 1991; Vengroff and Creevey, 1994).

This paper centers on understanding a) the strategies used by the households of Zimbabwean microentrepreneurs to cope with financial crises and b) empowerment of Zimbabwean female microentrepreneurs. These topics were selected for investigation through in-depth interviews since they are complex phenomena that represent potentially important domains for the assessment of the impact of a microfinance program in Zimbabwe. A better understanding of these was sought in the local context in order to determine how they might be included in a survey questionnaire centered on assessing the impact of participation in Zambuko Trust's microfinance program.

¹ The author gratefully acknowledges the helpful comments provided by Monique Cohen on a draft version of this paper. A special thank you goes to Zambuko Trust and Opportunity International for their cooperation.

A. Context of the Study

The AIMS Project's key agenda includes assessing the impact of three microenterprise programs, including Zambuko Trust (Zambuko) in Zimbabwe. These impact assessments will be longitudinal with two rounds of survey data collection, with a two-year interval, and cover a sample of program clients and a comparison group of non-client microentrepreneurs. In addition, a set of case studies will be conducted to elucidate why and how changes occur.

For the three impact assessments, AIMS has identified a set of hypotheses on the impact of microfinance programs on clients, their enterprises, and their households. The initial set of hypotheses included: increases in the ability of client households to cope with financial crises; greater control over household income by female clients; and increases in the self-esteem of female clients. Technical and literature review studies led to the identification of the hypotheses and analytical and measurement issues. Exploratory field studies were undertaken in each of the program sites to confirm the importance of the hypotheses and to identify measures of these given the particular local context. In Zimbabwe this exploratory work included the in-depth interviews discussed in the following sections of this paper.

B. Objective of the Study

The objective of this study is to better understand how the households of Zimbabwean microentrepreneurs cope with financial crises and the relationship between women having a microenterprise, their control over household income and their self-esteem. The outcome will be used to determine appropriate questions to include in a survey questionnaire. The two topics, linked to the hypotheses stated above, represent complex phenomena that are likely to be influenced by contextual factors and socio-economic characteristics of the household.

The in-depth interview method was selected for the investigation since it permits freedom of exploration. Also, this method enables the researcher to better understand variations in responses due to socio-economic differences among the respondents. The challenge presented by this investigation was to determine if valid survey questions could be developed with a pre-determined set of response categories. Pre-determined response categories permit the interviewer to mark the box next to the response given, rather than having to write it out, so it shortens the time needed for data entry. In comparison, the responses to open-ended questions have to be coded and then entered.

C. The Process

The process involved selecting people to interview, listing the key topics and general questions to be covered during the interviews, and selecting and orientating the person who would conduct the interviews in the local language. Each of these is explained below. This work was carried out as part of a larger exploratory study in Zimbabwe of Zambuko Trust, a microenterprise program that has been providing credit and informal business training to entrepreneurs since 1992.

To identify Zambuko clients to be interviewed, client records from three locations in Harare were reviewed to identify individuals who had been in the program at least two years. Although two of the three hypotheses relate to women, some male clients were also selected to capture any differences related to coping with financial crises, and intrahousehold decision making. Then six were selected to obtain a cross section of sub-sector activities and a mix of home-based and non-home based enterprises. Criteria were established to guide the interviewer in the selection of non-client microentrepreneurs. These criteria were based on a) Zambuko program eligibility criteria and b) a cross section of sub-sector activities, men and women, and a mix of home-based and non-home based enterprises. In addition, since the vast majority of Zambuko clients are married, the non-clients interviewed were to be married.

The distribution of the ten interviews is shown in Table 1. The discussion in the next section refers to each respondent by a number 1 through 10, and Z indicates that the respondent is a Zambuko client and NC refers to a non-client microentrepreneur.² The information was obtained in discussions lasting between two to three hours each.

Box 1: Individuals Interviewed

ZAMBUKO CLIENTS	Women- 4	Men - 2
NON-ZAMBUKO CLIENTS	Women – 2	Men - 2

The following key questions guided the in-depth interviews.

1. What types of financial crises have affected the households of microentrepreneurs recently and what have they done to address the crises?
2. What are the patterns of intrahousehold decision making (i.e. joint, individual or bargaining)? Are there gender-differentiated spheres of decision making?
3. What happens to social relations and the loci of control over resources within a household as a woman increases her income, or as the household comes to rely more on her financial contribution vis a vis other sources of household income?
4. What increases women’s self-esteem a) within the household and extended family, and b) within the public sphere? (Self-esteem is defined as a sense of worthiness and pride in oneself.)

An individual experienced in conducting qualitative interviews on gender relations was contracted to conduct the in-depth interviews in the local language. Discussions were held about the purpose of the interviews, the issues to explore, and the importance of non-biased interviewing. After three interviews, a meeting was held to discuss the findings and to identify additional lines of inquiry on

² The names of the respondents are fictional to preserve confidentiality.

the issues. Thereafter, the other interviews were held. The report on these served as a background paper for development of this analytical paper.³

³ Nyarazi Gumbonzvanda conducted the interviews and reported on them.

II. THE FINDINGS

A. Financial Crises

Interviewees were asked about financial crises experienced by the household during the last five years and how the household responded to these. The most common crisis affecting the households of those interviewed (4 of the 10) has been the permanent loss of a household income stream, as a result of loss of a formal sector job. This loss, which has occurred over the past four years, has had a profound impact upon the households.⁴ In addition, one household (Z 5) experienced a reduced level of income when the husband was demoted by his employer. These crises reflect a permanent change in household income streams. The responses have included changes in expenditure patterns, increased hours worked and temporary migration.

Responses to Permanent Changes in Income Streams.

Mrs. Motsi (Z 5) who earns money from sewing has coped with her husband earning less money by changing her expenditure patterns. She now buys cheaper items: she buys second hand clothes for the family and, instead of purchasing commercially processed mealie-meal (the staple food), she buys maize from the rural areas and takes it to hammer mills to be ground.

In comparison, when her husband lost his job, Mrs. Manoro (NC 2) increased the hours she devotes to knitting and selling dollies and sweaters, and the family moved to a smaller house. Temporary migration was the response of Mrs. Govera's family (NC 6). She and her four school-aged children moved temporarily to the rural areas to stay with extended family members while her retrenched husband struggled to start a small business.

Other households experienced temporary financial shocks due to an extraordinary demand for cash for domestic needs (such as examination fees and health expenditures) and due to business losses. The responses to these crises have varied, and sometimes a household pursued a mix of strategies. More common than advances or small loans from formal sector employees is informal borrowing. Access to informal loans and gifts of money, we learned from interviewees, tends to be influenced by the intended use of the funds. Money to meet a temporary household crisis may be obtained from extended family members, friends, and work associates. Although the custom is to assist people in need, since poverty is widespread, funds are sometimes provided on condition that they be repaid.

⁴ The finding confirms those from other studies that retrenchment and other causes of job loss in Zimbabwe the past five years has led to increasing reliance of the effected households upon microenterprise activities.

Money for Temporary Household Financial Crises

To obtain money for secondary school examination fees, Mrs. Laizah (Z 3) who is a seamstress instituted a vigorous collection of funds due her by her customers, introduced strict credit terms, and worked more hours. This strategy was necessary since the amount of money her husband could get as an advance on his government salary was too little to cover the exam fees.

Mrs. Tapfumanyi (Z 4) who earns income from sewing was able to borrow money from her husband's friends and workmates to pay for his medical bills since they were confident about being repaid at the end of the month from the husband's wages from long distance truck driving.

When the unemployed husband of Mrs. Mapako (Z 1) became seriously ill and was hospitalized, she sought financial assistance from a brother-in-law who gave part of it as a gift and part as a loan. She considers loans from organizations like Zambuko as solely for business purposes since the monies have to be carefully managed in order to generate income to repay the principal and interest according to a monthly schedule. She reports that she has learned to keep an emergency fund -- a small amount of cash that is enough to pay for transport or medicine in case of an immediate crisis.

The interviews revealed that money to meet a business crisis or to invest in a business tends to be accessible from those who are business minded, be they family members, friends or acquaintances. As one woman explained, those who are not entrepreneurial would consider it wrong for someone to gain a profit from gifts of money or non-interest bearing loans. Informal borrowing for business expenditures may carry interest charges. There is a tendency for business debt to be considered as household debt and hence the spouse is aware of it.⁵

Although common in Zimbabwe, rotational savings clubs were not mentioned as a source of funds to meet financial crises. Two of the women interviewed belong to such a club. However, they do not consider these as a source for funds to meet financial crises because a quick response is usually not possible and the amount paid out is relatively small.

⁵ However, a person may not know about a spouse's personal debts.

Informal Borrowing for Businesses

Mr. Madzudzo (Z 8) has been operating a welding business for the past five years. The business experienced heavy losses a couple years ago which affected his ability to repay a major business debt. He had to use the household's savings and sell a few non-essential assets to pay off the debt. To continue operating his business, he resorted to borrowing money on a soft loan basis from friends who also have enterprises. These loans, he said, could only be provided by persons who had confidence in his business and with whom he had a long working relationship.

Mr. Dadirai (NC 9) lost all of the goods he bought in Zambia at the border post. He had used all his savings and had borrowed from friends to finance the trip. Friends with a business orientation and confidence in his enterprise and ability to repay the loans extended credit which enabled him to continue his business activities. Cross-border trade is his secondary business activity. He has a knitting business, with two machines, which he established after being retrenched. Dadirai, who is 32 years old and married with no children, operates his activities from a one-room semi-permanent building behind the house he rents. His wife is actively involved in the knitting enterprise. He often turns to his business oriented friends for informal loans.

B. Household Dynamics

The interviews focused on intrahousehold relationships, especially gender dimensions, to learn patterns of decision making, and what happens to social relations and the loci of control over resources within a household as a) a woman increases her income, or b) as the household comes to rely more on her financial contributions vis a vis other sources of household income. These broad questions relate to the hypothesis the participation in a microenterprise program leads to greater control over household income and resources by female clients.

Joint decision making implies an acknowledged right to be part of the decision-making process, whereas bargaining implies a give and take. The females interviewed tended to be involved in bargaining and consultation rather than situations of joint decision-making. They were not powerless.

The findings about intrahousehold relationships revealed that in general the husband tends to make major household decisions in consultation with the wife. This cannot be equated to joint decision making since the wife's opinion is not necessarily taken into account. Women tend to be responsible for decisions related to provision of food and children's daily needs. When a woman's income increases or becomes more important vis a vis other sources of household income, this pattern shifts. As this occurs, the woman may employ bargaining or negotiating skills. The shift may lead to a conflict situation but the woman may pursue a strategy of conflict reduction to ameliorate the

situation. One technique is to consult with the husband on most of her business related activities to gain his trust and confidence. The intensity of the conflict or tension usually wanes as the parties reach a tacit acceptance of the new pattern.

Changes in Intrahousehold Relations When Wives Become Main Income Earner

Mrs. Mapako (Z 1) has been operating a kiosk (tuck shop) for the last ten years. She is married and has two children. Her husband lost his job a couple years ago when he became seriously ill. He is still ill, but at times assists in the shop. He occasionally collects and sells empty bottles to earn a money for his personal use. Mrs. Mapako owns and manages the kiosk. Her husband tries to control the use of her earnings. He is especially inquisitive and suspicious about the use of small discretionary funds. For some time after he lost his job there was an increase in tension and domestic disputes. Her strategy has been to consult her husband on most business decisions although she makes most of them. Gradually, the respondent and her husband have developed a common understanding of each other's new role in the household. She has more control over the use of household income than previously since she is the primary contributor.

Mrs. Manjoro (NC 2) knits dollies and sweaters for sale. She is married and has five children. Her husband was working in a factory but was retrenched. As a result she increased the number of hours she knits and the family moved to a smaller house. Since losing his job the husband has tried to exert more control over her income. Mrs. Manoro decides what she produces but the husband tries to control decisions about the use of the income. As a result, she does not always disclose to him the total amount she has earned. Initially, the husband felt neglected since she had to work more hours. This led to an increase in internal conflict, but the conflict has lessened recently. Nowadays Mr. Manjoro mentions her good work to friends and relatives, but not to her directly.

The examples of Mrs. Mapako and Mrs. Manjoro reveal that women have been catapulted into being the primary or sole income earner in the household due to their husbands' loss of a job. And, although their husbands still try to control the use of household income, the women's decision-making power has increased, but not without conflict as relationships in the household economy have changed.

Changes in Intra-household Relations When Women Increase their Earnings

Mrs. Laizah (Z 3) with a working spouse, found that as her income increased from dressmaking she was consulted and valued more by her husband. She also learned the details of her spouse's income after she started contributing to household expenditures. At the same time, her husband became stricter about her freedom of association and movement.

Mrs. Tapfumanyi's employed husband reduced his financial support to the household as her income increased. As Mrs. Tapfumanyi (Z 4) increased the net revenues from her sewing activities, her employed husband provided monies for household food and decreased his contributions to the general welfare of her and her five children. She has more control over the income she earns, but the situation has led to a strained relationship because she feels that her husband is being irresponsible and unappreciative of her contributions. Major decisions are made by her husband and at times without even consulting her.

Most of male entrepreneurs report consulting with their wives about financial matters but the decision rests with them. Mr. Damiso (Z7), however, says that the money his wife earns from time to time vending vegetables she is free to use as she likes, but income from his wire production enterprise and rural farm is household income under his decision-making control. Thirty-five year old Mr. Chimuka (NZ) who operates a carpentry shop and does some vegetable vending, indicated that as much as possible there is joint decision making between him and his wife, except for small or personal things that would not impact on the family. Although the wife is not directly involved in his business and does not have an separate source of income, major decisions are made jointly.

C. Self-Esteem

Female respondents were asked about what increases their sense of worth and pride in themselves, that is their self-esteem, within and outside the household. Women who are the sole or primary contributor to household income all stressed their ability to sustain their household has led to greater self-esteem.

They expressed this in the following ways.

- Ability to sustain the household against all odds. (Z 1).
- The mere fact that she can hold the family together in spite of the husband's decreased contribution (Z 4).
- Ability to sustain the family in times of crisis. (NC 2).

Women also mentioned aspects which are outside the realm of the household. These are:

- Participation in a group which receives credit and makes joint decisions about borrowing (Respondent Z 4).
- Knowledge of her husband praising her enterprising nature to extended household members and friends (Respondent NC 2).
- Improved business management capacity (Respondent Z 1).
- Her appointment as a committee member at the church(Respondent Z 1).

Increased Self-Esteem

For Mrs. Laizah (Z 3) the process of obtaining a Zambuko loan increased her self-esteem. She had to think through a business plan to decide how she would spend the funds and whether she would be able to repay the loan, then she had to broach her husband and seek his consent to get the loan since such a debt would place the household at risk. Thereafter she had to approach a formal lending organization and convince them of her commitment and the viability of her plan. A sense of achievement and pride arises every time she remembers how she felt having the Zambuko loan check securely in her hands. And, she takes pride in being able to advise others about the process of obtaining a Zambuko loan.

While discussing their sense of worth outside the household arena, a few female respondents talked about the social pressure from close friends and extended family members because they do not meet the social norm of “the submissive wife”. For example, Mrs. Manjor (NZ 2) mentioned that increased working hours has alienated her from some relatives. She is unable to visit them as often as she used to, and is therefore considered to be vain. This diminishes her sense of worth since others do not recognize it.

Mr. Dadiari, whose wife works closely with him in the knitting business, noted the following factors which have increased his wife’s self-esteem: a) acquisition of general knowledge, b) acquisition of household appliances, (e.g. television) which most young families in their bracket do not have, and c) increased business interaction with others. He also pointed out, however, that she is disappointed that some women with whom she interacts do not recognize her worthiness because of her young age (late 20s).

III. IMPLICATIONS OF THE FINDINGS FOR THE DESIGN OF AN IMPACT SURVEY

A. Financial Crises

Participation in a microenterprise program better enables participants to cope with financial crises. The hypothesis implies that microenterprise program clients a) experience fewer financial crises because the program has enabled them to increase their financial assets (that is savings, cash on hand or money in an account) or b) they are better able to cope with a crisis without eroding their income-producing asset base. The qualitative interviews pointed to two types of financial crises: those which produce permanent changes in household income streams and those which involve an extraordinary expenditure and tend to produce a temporary crisis.

Among the interviewees, three of the four non-client households and only one client household had experienced a permanent change in income stream due to loss of a job, and one client's household experienced a permanent reduction in the flow of income from one source as a result of demotion in the workplace. In response to these crises, the client households seemed to manage better than those of non-client microentrepreneurs; the latter had to make drastic adjustments, such as moving or temporary migration. In regards to extraordinary expenditures, all client households except one and the one non-client household seemed to have been able to cope through a variety of means. Only one interviewee had to resort to selling non-essential assets in order to raise monies. Most were able to obtain gifts of money or informal loans. Although the number of interviews is too small to draw any major conclusions, the findings suggest that this line of inquiry should be included in the survey on the impact of Zambuko's program since financial crises are a reality among the households of microentrepreneurs.

B. Household Dynamics

The in-depth interviews investigated the hypothesis that participation in a microfinance program increases female clients' control over household income. The interviews revealed that there tends to be little control over income not earned by them, but as their income increases they may be consulted more on decisions related to expenditure of income earned by the spouse. When the husbands' contribution is dominant in the household economy, women mainly control income allocated for food expenditures. The findings suggest that an assessment of an increase of women clients' control over household income does not appear to be a valid line of inquiry in situations like that found in Zimbabwe and given the assumption that changes would be noticeable within a two-year period.

A more valid line of inquiry appears to be a woman's control over her own earnings. The hypothesis that participation in a microfinance program leads to an increase in women's control over their earnings implies that as their income increases in relation to other sources of income they have a greater decision-making power over the use of that income. The findings indicate that this hypothesis may be valid. However, since the proportion of the woman's income to total income may be caused by a reduction of other sources of income through job losses not from an actual increase in her

earnings, this has to be taken into account. The findings suggest that when the woman's income becomes the prime or sole income source she does tend to increase her net sales and this is facilitated through access to credit. However, exercising decision-making control over the income she earns when it is the prime or sole source of household income usually causes tension and often conflict with the husband until her new role in the household is acknowledged.

The complexity of this phenomena is difficult to capture but one can obtain proxy indicators of it. It is suggested that if information is desired on this hypothesis through a survey, one needs to understand the role of the woman's income to total household income and how decisions are made about its use. The relative importance of the woman's income can be ascertained through a question on the different sources of household income, and estimates of the amount of income from each source last month and last year. An option would be just to list the different sources of household income for last year and to have the respondent rank the top three or four sources. If information is desired about changes in social relations within the household related to women's empowerment, open-ended questions could be included that would ascertain positive and negative effects. In regards to decision-making, one option would be to ask about it related to each use of the enterprise revenue last month.

C. Self-esteem

Self-esteem is a concept that centers on the perception of one's worth or value.⁶ It has many dimensions and may increase gradually. It may be a result of an increase in one's worth due to a material change or a change in relations. M. A. Chen (1997) points out that material change includes: an increase in income, increased control over income, and increased ability to provide for one's household. A relational change includes: increased role in decision-making in the household and community; increased participation in groups and institutions outside the household; and increased ability to communicate and bargain with those in and outside the household.

The findings from the in-depth interviews reveal that female microentrepreneurs do experience an increase in their sense of worth and pride inside and outside of the household, and this tends to be linked to being a microentrepreneur. Increased self-esteem within the household relates to their increasing economic role in the household, whereas outside the household it tends to reflect this but also takes on other dimensions such as confidence in interpersonal relationships. For some, participation in a microfinance program directly contributed to an increased sense of worth and pride.

Self-esteem is an important component of empowerment. Behavior may be taken as an indicator of self-esteem, but a more exact measure is how one feels about his or her worth. It is extremely difficult to ask non-leading questions about self-esteem. Therefore, it is suggested that changes in self-esteem are best studied through open-ended questions. The behavior related to these self-reports can be included in the questionnaire, for example, the question on use of enterprise income last

⁶ In comparison, self-confidence signifies perception of one's abilities.

month. Questions on participation in community groups and institutions, and assistance to extended family members may be asked to ascertain actual contributions.

D. Concluding Remarks

The in-depth interviews proved extremely useful in understanding the nature of financial crises experienced by the households of Zimbabwean microentrepreneurs and their coping strategies. The most common financial crisis was the permanent loss of a household income stream. This has led to more reliance on income from the household's microenterprise activity and on changes in expenditure patterns for basic household necessities such as housing and food. The responses to temporary financial crises due to an extraordinary demand for cash vary from improved management of existing financial resources to borrowing funds without interest payments and obtaining interest-bearing loans. One interesting insight arose: that formal loans for microenterprise activities do not tend to displace informal loans and participation in rotating savings and credit associations. The coping mechanisms reflect ways that microentrepreneurs manage financial resources.

The findings on intrahousehold dynamics and women's empowerment indicate that it would be challenging for a survey to capture various non-material changes due to participation in a microfinance program. A focus on women's control over the income earned from their enterprises, however, appears to be a fruitful line of inquiry. Nevertheless, increases in control of income earned is often exercised through indirect rather than direct ways and hence difficult to capture in a survey by questions with pre-determined response categories. Also, increases in women's income especially vis a vis total household income may temporarily lead to negative effects on relations with their husbands. Open-ended questions or case studies seem more appropriate than closed-ended questions at capturing the consequences, while questions with pre-determined response categories can be used to assess increases in income and the relation of the woman's income to total household income.

The interviews revealed that female microentrepreneurs do increase their sense of worth and pride from accomplishments within and outside the household. Participation in a microfinance program directly relates to increases in self-esteem among some female clients. It is difficult, however, to identify non-leading, unbiased questions in order to ask directly about increases in self-esteem. The impact of microfinance on women's self-esteem is best studied in case studies or other qualitative approaches.

SOURCES CITED

- Chen, Martha A. 1997. Assessing the Impact of Microenterprise Services at the Individual Level. AIMS Project. Washington, D. C.: Management Systems International.
- Corbett, Jane. 1988. "Famine and Household Coping Strategies." *World Development* 16 (9): 1099-1112.
- Dunn, Elizabeth, Nicholas Kalaitzandonakes, and Corinne Valdivia. 1996. Risk and the Impacts of Microenterprise Services. AIMS Project. Washington, D. C.: Management Systems International.
- Hulme, David, Richard Montgomery, with Debapriya Bhattacharya. 1996. Mutual Finance and the Poor: A Study of the Federation of Thrift and Credit Cooperatives in Sri Lanka (SANASA). IN: Finance Against Poverty, Volume II: Country Case Studies, edited by David Hulme and Paul Mosley, 228-315, London: Routledge.
- MkNelly, Barbara and Chatree Watetip. 1993. Impact Evaluation of Freedom from Hunger's Credit with Education Program in Thailand. Davis, CA: Freedom From Hunger Foundation.
- Naponen, Helzi and Paula Kantor. N.D. Crises, Setbacks and Chronic Problems - The Determinants of Economic Stress Events Among Poor Households in India. Unpublished paper.
- Sebstad, Jennefer and Gregory Chen. 1997. Overview of Studies on the Impact of Microenterprise Credit. AIMS Project. Washington, D. C.: Management Systems International.
- Sebstad, Jennefer and Martin Walsh. 1991. "Microenterprise Credit and its Effects in Kenya: An Exploratory Study." Report prepared for USAID AFR/MDI and S&T/WID. Washington, D. C.: Coopers and Lybrand.
- Todd, Helen. 1996. Women at the Center: Grameen Bank Borrowers After One Decade. Boulder, Colorado: Westview Press.
- Vengroff, Richard and Lucy Creevey. 1994. Evaluation of Project Impact: ACEP Component of the Community Enterprise Development Project. Report to USAID/Dakar. University of Connecticut, Storrs.