



Oxfam Impact

Your support at work



Exchanging tea for respect

A savings group in Senegal breeds entrepreneurs and independence on just a few cents a week.

by Chris Hufstader

Astel Diallo is president of her Saving for Change group in Senegal's far southeastern region of Tambacounda, where she says she and her fellow group members together learned the value of 100 francs. In US dollars this is roughly 20 cents, which to them never seemed like much—until they started saving that amount each week, loaning the capital to each other, and investing in small businesses.

“Before, we would use 100 francs to buy tea,” Diallo explains after a group meeting at her home, while she was selling a small bag of cooking spices to a young boy waiting patiently in her doorway.

“We would sit around and laugh and tease each other. We didn't know that if we put our 100 francs together, we could do something really important.”

Saving for Change group members pool their savings and borrow money from this fund to invest in small businesses. Selling foodstuff as Diallo does is quite common, as is selling phone cards, and buying and selling cloth and clothing. Members pay back their loans with 10 percent interest, and the money grows in the group fund for 12 months, when all the assets are disbursed to members equally, and a 12-month cycle starts again. Last fall at the end of the last cycle, each member

received nearly \$50, almost four times what they saved. (Average return on savings in Senegal's Saving for Change program is between 30 and 50 percent.)

Mariama Ly, a 38-year-old mother of four wearing a bright red head scarf that forms a perfect circle around her face, says she did really well this past year. “I bought new furniture for my house, a bicycle for my son, and I invested the rest in my business,” she says brightly.

Her enthusiasm is easy to understand when you hear her story: Unable to find any steady work in their village, called Bandafassi, Ly's husband had to move to Dakar where he is a fisherman. It is

Group president Astel Diallo, right, leads local women in a weekly Saving for Change group meeting in Bandafassi, Senegal. An average Saving for Change group in Senegal has 22 members. *Rebecca Blackwell / Oxfam America*

over 400 miles and several bus rides away, so he only comes home for the annual Tabaski holiday, which marks the end of the Ramadan fasting period. He stays for a couple of weeks, handing over the money he has earned to support the family.

But the money rarely lasted a year, forcing Ly to buy much of the food and clothing necessary for her family on credit. When her husband came home, Ly says, "He dealt with all my debts, he had to go around the village paying it all back." It was a source of stress in their relationship.

After she joined the Saving for Change group in her village, staff from an organization called La Lumière taught her and the other members how to establish a saving fund, make loans to members, start individual businesses, pay back the loans, and reinvest profits.

Since 2008, La Lumière has used \$100,000 in grants from Oxfam to organize more than 15,000 women into 625 Saving for Change groups in the eastern Tambacounda region of Senegal.

Peace and respect

Ly began selling dried fish, vinegar, pepper, and other spices around her neighborhood. She says she can now cover all her household expenses. And her relationship with her husband has completely changed. "He's treating me really well," she says proudly outside her small home, the only one in her neighborhood with new thatch on the roof. "We talk a lot, we talk things over together. Before he just did what he wanted, but now we discuss it first.



Mariama Ly sells spices, dried fish, vinegar, and other food out of her home in Bandafassi, Senegal. With the money she earns, she says she can now cover all her household expenses. *Rebecca Blackwell / Oxfam America*

"He's really happy that I take this responsibility. I get a lot of respect from him now, and this makes me happy." Best of all, she says, "When he comes back to the house, there is just peace and love between us."

Ly's group president Diallo says harnessing the modest savings and energy of the group members has created similar changes for all of them.

"Before we had no way to help ourselves, but now with just 100 francs a week we solve a lot of problems, and help our husbands and our children." Now, instead of sitting around drinking tea and teasing each other, Diallo says, "We tease the men. We are handling all the expenses now."

A look at an average Saving for Change group in Senegal

22 members per group
\$272 group assets
\$15 loan amount

Saving for Change totals in Senegal (as of March 2010)

1,462 groups
32,564 group members
22,657 loans granted (\$346,351)
\$272,621 savings

Do one more thing today: Learn about Saving for Change



You can learn more about Oxfam America's Saving for Change program on our website, at oxfamamerica.org/issues/community-finance. Oxfam America started Saving for Change in 2005, and this innovative program is now operating in Mali, Senegal, Cambodia, and El Salvador, and is serving 390,000 people in 19,000 groups. These group members save and loan to each other their own money, instead of relying on capital from outside financial organizations. This system keeps the interest they pay working in their own community. The other unusual aspect of Saving for Change is that group members teach others how to start and run Saving for Change groups themselves, which reduces overhead costs and allows the program to reach more people.



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