



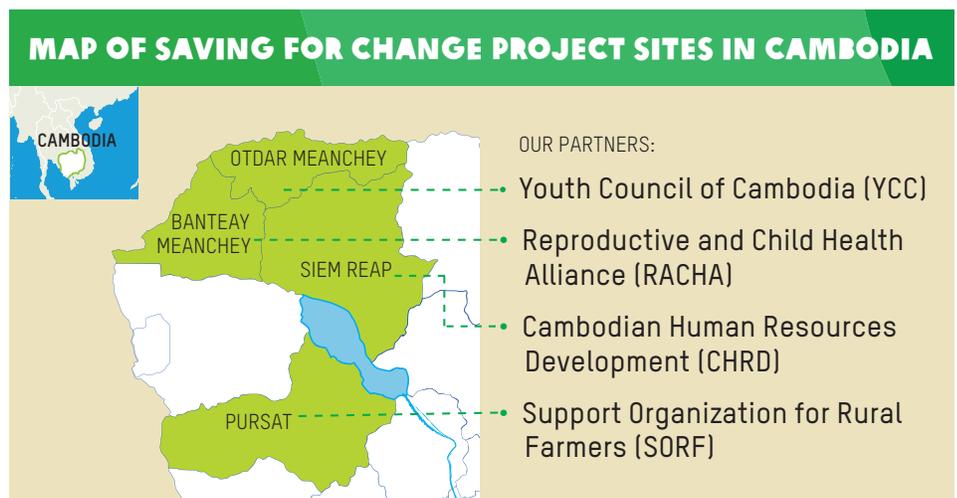
SAVING FOR CHANGE, 2015-2017: CREATING ECONOMIC OPPORTUNITY IN RURAL CAMBODIA

Community-based savings groups train women to manage their own financial resources, empowering them to transform their lives and communities.

Sum Panha, 14, has lived in rural poverty all her life. Her family has never had extra money or been able to manage unexpected expenses. Loans, a logical solution, have always been out of reach for poor families like hers who have no collateral.

Panha decided to take matters into her own hands by joining a Saving for Change (SfC) group. This small community-based group—mostly women—combines their modest savings, loans each other money, and charges low interest rates. Oxfam launched the first SfC groups in Cambodia in 2005 and has engaged more than 140,000 people. Thousands of people have been able to renovate their homes, buy farming equipment, send their children to school, and buy new bicycles. The bonds of mutual assistance and solidarity have shored communities and empowered members to join the economy.

Highlights of Oxfam’s rigorous evaluation (comparing the experience of SfC members and nonmembers) of the most recent 2015-2017-project in 10 rural districts in four provinces are presented in this brief.



PROJECT ACTIVITIES FOCUSED ON SELF-RELIANCE AND SELF-GOVERNANCE

- To build individuals’ skills, members were trained on community-based business skills training, leadership, reproductive health, and partnership and advocacy skills. The project had a special focus on youth and women, with 3,242 people expected to be reached directly, and about 13,000 indirectly.

- When the project started, 50 SfC groups were already underway. By the end of the two-year project, 207 were functioning—exceeding the program goal of 177. Most of the programs were just getting themselves established (66 percent), with the rest (34 percent) aiming for full maturation. The typical group has 15-16 members, high attendance rate (85.2 percent), and almost no people dropped out of the group.

ABOVE: Da Sophea, 18 (left), with her father, Da Taoeum, 60. Sophea is part of a Saving for Change saving and loan group, where she participated in business training that inspired her to open a road-side food and drink stand. Her business plan involves building a proper store, and she has borrowed the money to buy lumber and has asked her father to help her build the store. *Patrick Brown / Panos for Oxfam America*



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- As of March 2017, the total assets of the SfC groups were \$219,720, about 10 percent over the target of \$200,000.
- Significantly fewer people in the groups were selling their property, selling livestock, and borrowing money from moneylenders.
- Half of the women and youth who took leadership training increased self-assurance in public speaking and negotiation, and another 10 percent increased confidence in taking on a greater community leadership role.
- Borrowers were primarily using loans to improve their businesses.

KEY BENEFITS OF SAVING FOR CHANGE GROUPS



Increased Income from Interest Rate



Improved Loan Accessibility



Improved Network for Business



Information Sharing Among Members

IMPROVED OVERALL SOCIO-ECONOMIC STATUS

- SfC has helped move families out of poverty. SfC members saw improvements in household economic health, with 17 percent of households moving out of poverty, to 12 percent in the control group. Income sources became more diversified.
- Findings suggest that migration may be going down among members and increasing among nonmembers. This is important and it indicates that people are less likely to undertake risky migration strategies.
- People gained increased access to safe drinking water and hygiene practices, leading to overall improvement in health. Health check-ups increased. While awareness of reproductive health increased, prenatal care visits decreased.

CHALLENGES

- Small amount of savings available: Because SfC group members come from poor households, there is very little to spare for savings. This discourages membership and minimizes the pool of funds for loans.
- Translating business concept into reality: Even though members were trained on developing business plans, it was difficult for members to shift practices of a long-standing small businesses.
- High migration limits the number of participants: A high number of Cambodians migrate far from home to find work, and they aren't available to participate in local initiatives.
- Political system hinders involvement of youth and women: Because of tradition-bound electoral processes, few ordinary citizens can secure political office.



Plen Soben, 25, with her two-year-old daughter, runs a small store and restaurant in a village called Kouk Sangkerch. She is a member of two Saving for Change groups, one of which she started herself. "I tell young people to join an SFC group, the interest rate is low so it's easy to pay back a loan," she says. "They will learn to manage money, reduce their expenses, and learn to save more. And if a lot of people here keep saving, it will reduce poverty." *Patrick Brown / Panos for Oxfam America*

RECOMMENDATIONS FOR SUSTAINABILITY

- Explore ways to maximize use and increase the size of savings/loans by increasing membership, broadening loan availability to include nonmembers, and considering external investments.
- Provide more on-the-job coaching for business plan development and allow more time for implementation.
- Add good governance and human rights topics to leadership training to spark ideas and motivate trainees to be more engaged in local leadership.
- Balance the business activities and the expected level of engagement in local decisionmaking to ensure that women and youth have enough time to participate fully while they're also expanding their businesses.
- Create mechanisms to enable group members to expand their voice by forming working groups that can connect with the government and political sectors.
- Note: Evaluation activities were constrained due to difficulties locating respondents, changed names of respondents, and access to sites, especially during rainy season and on difficult roads.



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