



How to fix a leaky Bucket

Insights from an Evaluation of Fastenopfer's Solidarity Groups Approaches

The Swiss NGO Fastenopfer supports Solidarity Groups as a community empowerment approach. Unlike other group-based savings schemes, in which groups are vehicles for delivering financial services, Solidarity Groups focus on building strong and cohesive communities. They use internal savings and lending as the starting point for a community-led empowerment process that leaves no one behind. Working together in a spirit of solidarity enables extremely poor and marginalised people to build more resilient livelihoods, reduce their structural vulnerability to debt and exploitation, and gain greater control over their own destiny.

This Brief, written by Philip Mader, summarises a comprehensive evaluation of Solidarity Groups approaches in India, Senegal and Madagascar, led by the Institute of Development Studies in 2018 and 2019. Further information can be obtained from Benno Steffen (steffen@fastenopfer.ch).

Solidarity Groups work with extremely poor and marginalised people to enable them to live self-determined lives. The groups operate without receiving any external inputs, except for the animation and accompaniment provided to them by local partner organisations. Analogous to fixing a leaky bucket, Solidarity Groups help their members to retain more resources in their households and communities: instead of pouring in more, Solidarity Groups stem the outflows by tackling key causes of impoverishment and marginalisation, especially debt, exploitation and vulnerability.

The starting point is the formation of a group that meets regularly and builds up shared savings through small contributions from the members. These become the group's resources, which are used to make loans to members, especially for basic needs such as food, health, or education, particularly when emergencies arise. The group thus acts as a safety net and reduces its members' vulnerability.

As a Solidarity Group grows, it also organises the community to discuss problems and undertake collective action. Groups can renegotiate the community's economic, political, and social relationships with outside actors, above all focusing on reducing their members' dependency and exposure to exploitation and debt. Over time, Solidarity Groups form networks with other groups in their vicinity, and through these networks support each other to collectively undertake activities such as lobbying for political or economic change at a larger scale.

1. Principles and ways of working

Solidarity Groups are not just saving groups. They can be distinguished clearly from other interventions that promote financial activities for poor and marginalised people, as shown in Figure 1, which locates Solidarity Groups on a continuum of interventions from individualistic, finance-driven approaches to more collective and community-oriented approaches.

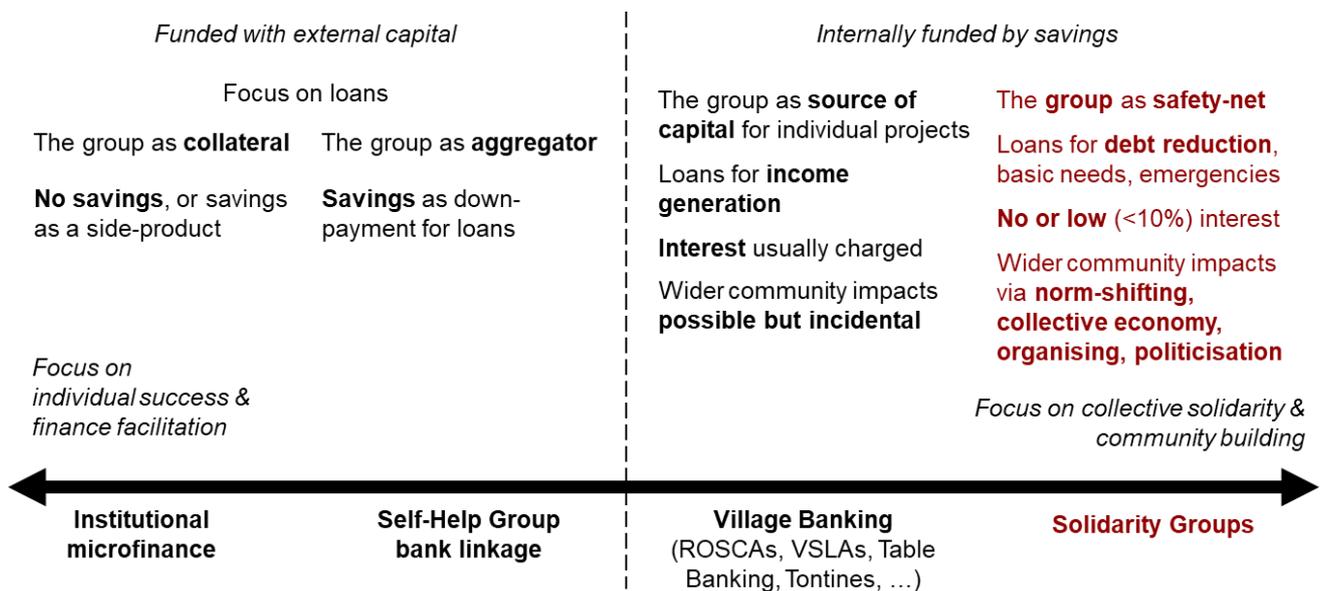


Figure 1: Solidarity Groups compared to other interventions that promote financial activities

Solidarity Groups use no external, or borrowed, capital. This differentiates them fundamentally from both institutional microfinance and from the south Asian Self-Help Group (SHG) bank linkage model, shown on the left side of Figure 1. It makes Solidarity Groups more similar to ‘Village Banking’ models, which also do not use any external capital. However, in important ways, Solidarity Groups are also different from the heterogeneous family of village banking interventions.

In Solidarity Groups, individual members’ contributions become the group’s collective property, whereas in village banking, individuals can always withdraw their savings from the group. Solidarity Groups give loans to their members primarily for emergencies and basic needs, in order to reduce their exposure to exploitation and debt, whereas village banking groups usually focus on lending for individual income generating activities. Crucially, Solidarity Groups have other features that directly aim at strengthening solidarity and generating impacts at the community level, beyond savings and lending. These include processes for shifting social norms, undertaking collective economic activities, and organising the community for political action.

Thus, Fastenopfer’s Solidarity Groups approaches represent a distinct alternative to microfinance and financial inclusion interventions. In the context of the 2030 Agenda, they represent a strongly community-directed and community-owned model that ‘leaves no one behind’.

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Fastenopfer’s support for Solidarity Groups

Fastenopfer (Swiss Catholic Lenten Fund) works in 14 countries in Asia, Africa and Latin America, in 11 of which it supports projects with at least one group-based savings component. In India, Madagascar and Senegal, group savings are the starting point for the creation of Solidarity Groups. Fastenopfer supports these activities by working with a number of local partner organisations and country coordination units in each country. The Solidarity Groups approach was initially developed in India, where it was consolidated in the 1980s and 1990s. Madagascar and Senegal adopted and adapted the approach after 1998. The target group are extremely poor and marginalised people, who are either deeply in debt or at risk of becoming indebted, which makes them extremely vulnerable to abuse by more powerful actors, who can exploit them economically, politically, and sexually.

Three specific channels through which Solidarity Groups work to empower their members can be distinguished:

- First, the groups are a safety net that provides valuable assistance and services to members. These include offering a safe place to save money, being a fair source of loans of money or food, and giving access to agricultural training and simple agricultural improvements. Some groups and networks also organise shared economic activities, such as buying or selling in bulk and exchanging seeds to promote crop diversity.
- Second, groups bring members together to build stronger and more cohesive communities. Thanks to establishing fairer rules, building trust, and facilitating greater inclusion, even the poorest and most marginal can gain a voice within the community. The community itself gains a stronger voice.
- Third, groups serve as a vehicle for political action on behalf of the community, depending on the community's specific needs. For example, a group or a network may lobby for improvements such as a local health centre, or it may organise a campaign to make sure land titles are granted when local or regional governments fail to deliver.

These channels of empowerment are mutually reinforcing: being able to save and borrow builds members' individual resilience as well as mutual trust in the group; communities with a strong collective identity can more effectively advocate politically; and so on. In this way, Solidarity Groups approaches holistically aim at enabling members to drive their own transformative changes. These changes can take different forms, depending on the local context and personal circumstances, but in all cases are expressions of being able to live more self-determined lives free of debt and exploitation. The impacts, as discussed in below, include meeting all basic needs, improved psycho-social well-being, greater gender equity, and having a strong, positive group identity.

The 'leaky bucket' analogy

The fundamental principle on which Solidarity Groups build is that the poorest and most marginal people themselves need to work together to tackle what keeps them poor and marginalised. People are often trapped in debt and exploitative economic relationships. They face risks without a safety net to fall back on. This makes them vulnerable to losses, setbacks and further exploitation. The holes in the bucket represent factors of vulnerability and losses. When poor households or communities gain more resources, such as money, physical assets, or greater political power (water into the bucket), they are likely to lose these again unless losses are prevented, setbacks avoided, and further exploitation ended. Solidarity Groups help members to tackle these problems, so that any economic, political or social gains stay with the members and within the community, and over time the resources can grow.



2. Evaluation methodology

Fastenopfer hired IDS in spring 2018 to evaluate its Solidarity Groups approaches in three countries. In the inception phase of the project, the decision was made to conduct two separate but linked evaluations, both of which this brief summarises. Madagascar and Senegal were evaluated with a focus on understanding Solidarity Groups' impacts. India was evaluated separately, with a focus on understanding the importance of different programme elements. The decision to assess impacts only in Madagascar and Senegal reflected concerns about the very difficult security context of the programme in India.

In Madagascar and Senegal in 2018, a rigorous mixed methods approach based on a representative sampling of Solidarity Group members was applied. One core element of this impact evaluation methodology was a survey which enabled a quantitative analysis of impacts using Contribution Scores (see box, below). The other main element was qualitative data gleaned through focus group discussions with Solidarity Group members, focus groups with animators, and key informant interviews with local observers. In total, in Madagascar and Senegal, 402 randomly selected Solidarity Groups members and 110 control group members (neighbours) were surveyed. 23 focus group discussions were conducted with 50 members and 48 animators.

In India, an impact evaluation with representative sampling was infeasible due to acute security concerns for evaluators as well as members. Instead, the evaluation in 2019 focused on gaining a better understanding of how specific elements of the Solidarity Groups approach work, in particular what roles the networks of Solidarity Groups play in facilitating an empowerment process and enabling groups to become autonomous. Qualitative data was collected a series of workshops and field visits which facilitated interactions with people at all levels of the programme, including members of groups, representatives of networks, the animators who accompany groups and networks, the coordinators who recruit and lead animators, and the country programme coordinator.

Contribution Scores (CS) as an impact evaluation methodology

The core quantitative element of the mixed-methods approach was Contribution Scores (CS). CS represent a lean methodology to assess endline impacts without relying on a baseline. The CS methodology starts from recognising that changes in the social world are rarely mono-causal, and interventions contribute (more or less) to change, hence the focus is on contribution, not attribution.

CS use participants' self-assessments of the *magnitude* of changes and of the *contribution* of the intervention to those changes to calculate a *score* as a proxy indicator for *impact*, such that:

$$\text{change} \times \text{contribution} = \text{CS} \approx \text{impact}.$$

3. Solidarity Groups' impacts, weaknesses and strengths

This section summarises the key findings of the impact evaluation of Solidarity Groups approaches. The focus is on Madagascar and Senegal because the India evaluation did not collect representative data on impacts.

Core impacts

The ultimate impact that Fastenopfer's Solidarity Groups approaches aim to achieve is for the extremely poor and most marginalised to live self-determined lives free of debt and exploitation. In Senegal and Madagascar, as the Contribution Scores data showed, this is impact most visibly realised in two domains: members' household economy, especially their ability to reliably meet basic needs; and the creation of more solidaric communities with greater cohesion and equality.

In the *household economy*, Solidarity Groups have a large attributable impact on members' ability to access loans at fair terms (no or low interest charged). Thanks to these loans, they are better able to meet basic needs and handle emergencies, and thus reduce their dependence on external sources of credit.

In the evaluation, Solidarity Group members provided many examples of how being part of the group had helped them and others meet necessary expenditures while reducing their exposure to exploitative lenders. Groups commonly extend loans to members for health emergencies, food (particularly in the lean season) and other basic needs, and schooling and other child-related expenses. Sometimes they also give them grants or loans that do not have to be repaid.

Financially, as well as socially, Solidarity Groups thus weave a safety net for their members to fall back on, making them more financially resilient and independent. The groups provide mutual support in the form of food, money and other assistance, when seasonal or unexpected needs arise. As one female member in Senegal reported:

The greatest impact of Solidarity Groups is in two domains: members' household economy and creation of more solidaric communities.

Before, during the lean season, there were people who lent us money at fairly high interest rates ... Even on food products there was interest ... With [the group] this no longer exists, because in the lean season we buy food products that we distribute to any member who is in need.

At the time of group formation, members are usually deeply indebted to lenders and landowners. Sometimes they have suffered inter-generational debt bondage. By accumulating a common pool of material and social resources, Solidarity Groups offer their members a non-exploitative alternative source of money and food as well as granting their members collective tools which they can use to renegotiate their economic relationships with external actors. Together, they bargain for better conditions, reduce their debts, and in some cases collectively repudiate exploitative relationships.

Solidarity Groups also *build solidaric communities*, thanks to purposively strengthening pre-existing or forgotten values of cohesion, equality and inclusion. The impact evaluation data showed groups making a large positive difference in communities by facilitating the collective discussion of shared problems and including everyone in these discussions. Among the largest impacts found were a heightened capacity for communities to effectively “speak with one voice” (in Madagascar) and a stronger “belief in being able to change the socio-economic situation” (in Senegal).

The data indicate that, regardless of their relative poverty status, members of Solidarity Groups are more likely to feel treated as equals in their community and treat others as equals. One member explained in a focus group in Madagascar how exactly social cohesion in his community had improved:

At the community level, we see the difference, because members can tolerate the faults or defects of neighbours, unlike non-members.

Stronger bonds, in turn, enable communities to create better systems of protection against risks and forces of exploitation. Members help each other more in daily life, for instance by sharing field work in the harvest period and engaging in collective economic activities such as bulk purchases and of basic goods for their members, at lower prices.

Weaknesses and strengths

Clearly, no single intervention can resolve extreme poverty and marginalisation on its own. Solidarity Groups are intended to be community-based enablers of transformative changes rather than all-round ‘silver bullets’. As noted above, Solidarity Groups work only with the resources of poor communities themselves. This can be a limiting factor when those resources are small. But the self-directedness of Solidarity Groups is also the source of their autonomy, legitimacy and empowerment potential. Thanks to having no external financial linkages, there is little risk of external control, coercion, or resource appropriation, for example through interest payments on externally borrowed money. What communities can achieve through self-help will not always be enough to overcome the systemic injustices that create poverty and marginalisation, but stronger communities can give their members a bedrock of security and cohesion that enables them to break out of cycles of poverty and marginalisation.

At the level of political action, Solidarity Groups’ capacity to deliver transformative impacts is often limited by features of the local and national environment. For instance, where the public sector’s capacity to deliver is restricted, local authorities are too remote, or local elites are unaccountable, even concerted advocacy and lobbying efforts can fail to lead to improvements. Particularly in India, where elites often react with hostility, repression and violence to Dalit and Adivasi attempts at self-empowerment, the hostile political environment entails risks and setbacks.

Working together in larger networks, locally and regionally, has proven to be one of the most promising strategies to protect and empower groups, particularly in India. Networks allow groups to gradually become autonomous and independent of Fastenopfer and its partner organisations. The majority of groups achieve full autonomy within 10 to 15 years and remain connected to each other via networks even afterwards. However, as evidence from all three countries shows, not all groups will become fully autonomous, and some continue to require further help.

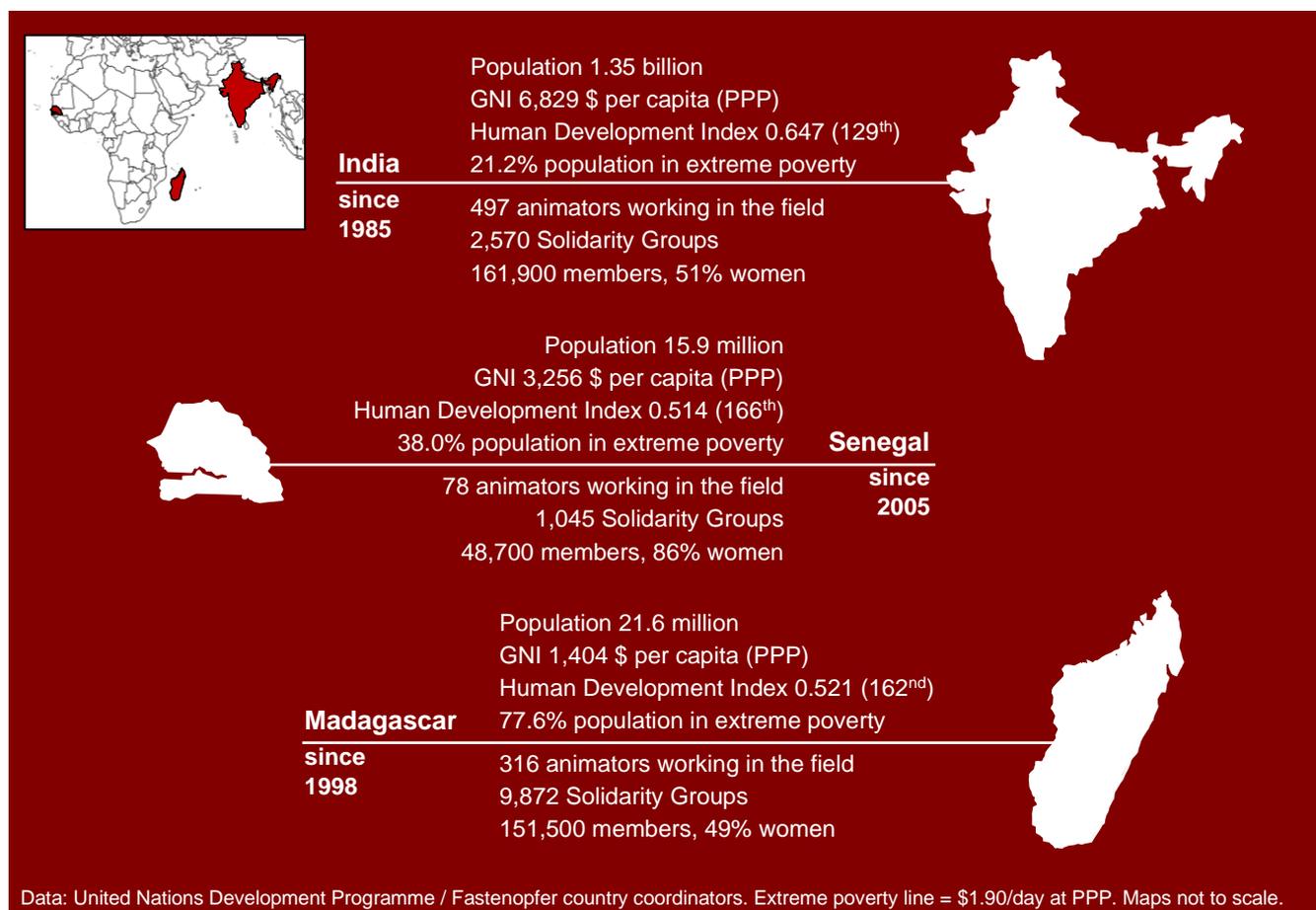
Lastly, Solidarity Groups emphasise safety over opportunity and community over the individual. In the contexts of extreme poverty and marginalisation where they operate this is smart and necessary. However, some members may feel that they want further beneficial services, such as an opportunity to accrue personal savings outside the group. In Senegal, members do not even see their contributions as savings, but purely acts of mutual assistance. In other cases, members may desire access to larger loans for income generation.

To return to the analogy of the 'leaky bucket': by reducing their exposure to exploitation and debt and by strengthening community bonds, Solidarity Groups help their members to reduce their vulnerabilities and stem economic outflows. With Solidarity Groups, more resources stay in the household and the community instead of flowing out. Because all resources are raised by the members themselves, and because groups evolve to become more autonomous, Solidarity Groups are also a sustainable and cost-effective means for funders like Fastenopfer to work with the extremely poor and marginalised.

With Solidarity Groups, more resources stay in the household and the community instead of flowing out.

4. In focus – India, Senegal and Madagascar

This section looks more closely at some detailed features of the three country programmes. Each country illustrates how different aspects of Solidarity Groups work in practice.



India: land rights and struggles against oppression

India is the birthplace of Fastenopfer's engagement with Solidarity Group approaches. Other countries have adapted their own approaches from the Indian programme. The India programme is distinct in terms of whom it targets and how strongly it focuses on land rights.

Solidarity Groups in India uniquely focus on those people who are most oppressed by the caste system: Adivasis and Dalits, who make up around 8.5 and 16 percent of India's population, respectively. Many Adivasis and Dalits have lost ancestral lands due to recent displacement, for instance through mining operations or expansion of conservation areas, or through land grabs in previous generations by dominant-caste groups.

All members of the target group are landless and living in debt bondage, which means they are in a state of extreme exploitation at the hands of local dominant groups. They have often been in bondage for several generations by the time they form Solidarity Groups. Solidarity Groups in India heavily emphasise that members must gain ownership of land. Their struggle for economic and social independence challenges the power of dominant groups, which places them at a very real risk of acts of violent reprisal from local elites. Many members as well as programme animators have been abused, incarcerated, beaten, and some have even been murdered.



An Adivasi Solidarity Group meeting on claimed land, fighting to gain their formal land title

Solidarity Groups in India heavily emphasise that members must gain ownership of land.

Not only is land the most important resource for rural livelihoods, Adivasis in particular often also feel a profound sense of loss regarding their ancestral land, which they associate with their ancestors' spirits, and are strongly motivated to reclaim it. After organising members into groups, and initially focusing on saving grain and money, which reduces dependence on landowning elites for basic needs, Solidarity Groups set their sights on asserting their right to land. The Indian state officially legally guarantees this right, but the right is often very hard to claim in practice, with land title claims being countered by local elite groups with bureaucratic hurdles, political resistance, and violent forms of suppression.

Solidarity Groups use a variety of strategies to ensure the legal process works while protecting themselves against reprisals. Especially when organised into larger networks, they can collectively advocate, organise local or regional protests, cultivate positive relationships with powerful politicians and the media, and support each other to defend land that they have already temporarily secured. An important aspect of the Solidarity Groups approach is also to help Adivasis and Dalits rediscover and assert their unique cultural identity. Large-scale cultural festivities and gatherings bring communities together and are opportunities to invite politicians or officials as special guests and lobby them to take action for members' land rights.

Successful groups, usually after 10 or 15 years of struggle, gain legal titles for their collective land. This enables them to live independently of the dominant-caste groups who have traditionally held them in bondage and exploitation. To ensure their continued economic independence, Solidarity Group members receive training in agroecological farming and use traditional, climate-resilient seeds. Lately, this has been supported by an institutional cooperation with Indian government agricultural research institutes which promote climate-resilient agriculture.

Solidarity Groups in India thus bring a fundamental challenge against traditional rural power structures that keep Adivasis and Dalits oppressed. While members and animators have been attacked and killed on multiple occasions, this has not dissuaded Solidarity Groups' efforts to escape bondage and exploitation. Since 2014, the national political climate in India has worsened, with non-Hindu and low-caste assertions of identity being increasingly suppressed. However, the country programme's increased emphasis on collaboration with government institutions for agriculture has helped to partly mitigate these challenges.

Senegal: social safety nets woven by women

Two features are especially striking about Solidarity Groups in Senegal. First, whereas groups in other countries are roughly gender-equal, 86 percent of members in Senegal are women. Second, while in other countries members contribute mutually agreed equal amounts into the group fund, the Senegalese groups are funded via a unique and fascinating system.



The calabash, into which members place their contribution, is covered with white cloth, symbolising peace of the heart

Solidarity Groups in Senegal represent women-run local social safety nets, which distribute resources from those who have more to those who are most in need, either via interest-free loans or, in cases of extreme hardship, also grants of food or money from the group. Religion is very important, and the groups strongly emphasise that loans must be interest-free. As a result, village religious leaders often endorse participation in Solidarity Groups instead of microfinance or village banking programmes.

In terms of their public perception, Solidarity Groups in Senegal are strongly associated with women's leadership, and they provide a space for women members to exercise agency and autonomy. In order to help their members' households to do better, many Solidarity Groups organise bulk purchases and local sales of food and basic household goods at low prices, which they call "fair trade". Some groups have turned these activities into *de facto* small community-owned, usually women-run, enterprises whose proceeds further strengthen the group's funds.

Solidarity Groups in Senegal are strongly associated with women's leadership.

The other striking feature of Senegal is its "calabash" funding system. The groups are locally known as "solidarity calabashes", because they hold their meetings around a hollowed-out calabash (a large dried gourd fruit), which they cover with a white cloth. Each member slides their hand in to put an unspecified and unknown amount of money – or nothing at all, or just a pebble, if they have nothing to give – inside the calabash. The group's fund thus accumulates purely through anonymous, voluntarily payments from the members. This funding model allows the poorest to partake without shame, making smaller contributions, while others who have more to give contribute more. Surprisingly, this donation-like funding mechanism – which, in members' perception, combine aspects of a fee, a donation, and a savings deposit – has led many Solidarity Groups to accumulate relatively substantial funds. On average, groups have around €300 in shared monetary resources. As focus group discussions during the impact evaluation showed, many members perceive the "from-all-according-to-their-means" logic of their contributions to be the essential expression of their solidarity with each other. One member categorically explained:

If you ever see a calabash that no longer has the anonymous voluntary contribution, know that it can no longer be called a calabash of solidarity!

Madagascar: community building for extremely poor and vulnerable families

Measured by per-capita income, Madagascar is the poorest of the three countries. Solidarity Groups here facilitate savings as well as community-building and collective action where often no other help arrives. Rule of law is weak, making physical insecurity a feature of daily life in Madagascar, especially for rural residents, who are vulnerable to banditry and violent cattle robbery. Natural hazards, in particular droughts and tropical cyclones, are also a major problem for Malagasy people.

Many of the villages and hamlets in which the Solidarity Groups programme works are very remote. Many can only be reached on foot. In such circumstances, where the state does not provide any security or amenities, Solidarity Groups play a key role in uniting communities and enabling them to develop alternative self-help solutions. Although the groups themselves are not able to ensure physical security and rule of law, they can

positively integrate communities in ways that ameliorate sources of social strife. In the impact evaluation, members regarded the fact of discussing problems together in the group as a key impact. In some places, Solidarity Groups have even become recognised as the quasi-official representatives of their villages:

In some places, Solidarity Groups have even become recognised as the quasi-official representatives of their villages.

We ensure the reception of outsiders and visitors. On arrival, these people go directly to us.

Members also mentioned multiple examples of how their Solidarity Group helped people recover from setbacks, such as recurring natural disasters. For example, one member explained:

After the cyclone at the end of 2017, the damage to housing was rehabilitated by all members. There is collaboration among members and we have recovered more easily. The house of one of the members was destroyed and each member contributed to the reconstruction; some helped with the roof, the others with the walls....

In Madagascar, as in India, groups collect equal savings amounts from their members. They agree on the lowest amount that all members can afford. The single largest impact in Madagascar experienced by members is having a safe place to save. As the evaluation found, saving in the Solidarity Group is the most important way in which members save money, while non-members are likelier to have no safe place to save at all. Thanks to the group's savings fund, members can borrow interest-free or at very low interest when the need arises, which helps them avoid losses.



Another important way in which Solidarity Groups in Madagascar help their members avoid losses is through organising mutual aid in farming. Working on each other's fields helps members to earn more by avoiding spending on labour and by distributing work more fairly within the rural community. Groups also help their members store harvest and keep seeds, to avoid post-harvest sales when prices for produce are low and expensive purchases of seeds for the next crop.

Sharing the work of farming helps members keep more of the harvest from their small plots of land

5. Conclusions

The Solidarity Groups approaches supported by Fastenopfer in India, Madagascar and Senegal are diverse, and each is adapted to its own context. They are united by their core focus on combating exploitation and reducing the vulnerability of extremely poor and marginalised people. Solidarity Groups help their members to strengthen their household economy and build more solidaric, resilient communities. They use savings and lending as a starting point for a holistic process of community-led empowerment, leaving no one behind.

No single intervention can resolve extreme poverty and marginalisation on its own, and what communities can achieve through self-help may not always be sufficient to fully overcome poverty and marginalisation. However, Solidarity Groups work to strengthen communities so that they provide their members a bedrock of security on which they can build their own efforts to overcome poverty and marginalisation. Rather than transferring resources, Solidarity Groups fix the "leaky bucket", so that members can accrue their own resources, individually and collectively. This enables them to live self-determined lives and engage with development opportunities from a position of greater strength.

This Brief was written by Dr Philip Mader, Research Fellow, IDS.

About Fastenopfer: Fastenopfer (French: *Action de Carême*) is a Catholic church-affiliated NGO based in Switzerland. Founded in 1961, it works in 14 countries, with a focus on empowering people as well as strengthening civil society and social movements. Fastenopfer began working with Solidarity Groups approaches more than 20 years ago. The organisation supports Solidarity Groups in India, Madagascar and Senegal by working with local partner organisations. In total, 11 out of Fastenopfer's 14 Country Programmes have at least one project with group-based savings as a component, but the objectives, target groups, and approaches vary from country to country. Solidarity Groups thus make up a sub-set of the group savings schemes that Fastenopfer supports.

About IDS: The Institute of Development Studies (IDS) is a global research and learning organisation headquartered in Brighton, UK. Founded in 1966, the Institute is home to over 200 staff and 300 students. IDS conducts academic and applied research on global development, often working in close collaboration with local civil society, governments, international NGOs, citizens, donors, researchers and many others. In partnership with the University of Sussex, IDS is ranked first in the world for Development Studies.

Further resources:

- Policy Brief: Impact Evaluation of Fastenopfer's Solidarity Group Approaches in Madagascar and Senegal, April 2018 (6 pages) – [weblink](#)
- Full Report: Impact Evaluation of Fastenopfer's Solidarity Group Approaches in Madagascar and Senegal, February 2018 (93 pages) – on request
- On Contribution Scores as impact evaluation methodology, see: Ton, G., and others, (2019) 'Contribution Analysis and Estimating the Size of Effects: Can We Reconcile the Possible with the Impossible?' *CDI Practice Paper 20*, January 2019, Institute of Development Studies, Brighton (11 pages) – [weblink](#)

