Gordon Institute of Business Science
University of Pretoria

A structured review of savings group literature

21849324

A research proposal submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Philosophy in Evidence Based Management.

11 December 2022

## Abstract

**Purpose:** The purpose of this paper is to identify prevalent savings group approaches and to determine their subsequent thematic and theoretical underpinnings by reviewing a cross-section of interdisciplinary literature.

**Methodology:** A structured semi-systematic review that adopts an inductive content analysis is used to uncover the concepts.

**Findings**: The review proffers the Rotating savings and credit association (ROSCA) and the Village Savings and loan association as the two most prevalent savings group approaches. It further determines that the unmet need for social security is the main driver behind savings group formation. Reciprocity, communal culture, trust and collective action emerge as some of the key theoretical underpinnings of savings groups. Whereas, social wellbeing, flexibility, ease of use and customised services emerge as drivers of savings group growth.

**Limitations**: A singularly authored semi-structured review that uses inductive content analysis lacks inter-coder reliability and introduces subjectivity.

**Contribution:** The study contributes to knowledge by addressing the gap for an overview of savings group approaches that determines prevalent savings group models, emergent themes, and theoretical drivers that add to savings group literature. Management practitioners will have a fuller understanding of savings groups and make better decision on how to position themselves or their products and services in this segment.

**Keywords: savings group, VSLA, ROSCA, financial inclusion, social capital.**

# Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Philosophy in Evidence Based Management at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

______________________ ________________

Name & Surname Signature

# Contents

**TABLES**

# Chapter Introduction

## 1.1 Background

Universal access to financial services through which payments, savings and access to credit are provided is the gateway to global socio-economic development. However it remains an elusive goal for 1.4 billion adults in the world (Demirgüç-Kunt et al., 2021). To be financially included, one has to have access to and fully utilise a bank account. (Demirgüç-Kunt et al., 2021). Adults who fail to access such formal financial services, are excluded from adequately participating in, and benefiting from, formal systems through which government led socio-development programs are disseminated (le Polain et al., 2018).

The majority of the financially excluded are low income individuals that are situated in developing countries across the world where access to bank accounts is limited due to underdeveloped formal financial systems (Cassidy & Fafchamps, 2020). As part of the world's poor, the financially excluded are usually unemployed, and rely heavily on the informal sector to make an income in either smallholder agriculture or micro-entrepreneurship, inter alia (Mader, 2018). Without adequate financial services, these low income consumers struggle to extricate themselves out of extreme poverty (Agarwal et al., 2017). Though efforts to attain universal financial inclusion are underway numerous barriers persist.

From the consumers perspective, exclusionary factors from formal financial participation include inadequate funds, financial illiteracy, mistrust of financial institutions and inaccessible financial services inter alia (Abaho et al., 2022; Demirgüç-Kunt et al., 2021; Deubel & Boyer, 2020). Low income consumers also tend to lack of awareness of available financial services and if aware, find the transaction costs and collateral requirements prohibitive (Bonan et al., 2019; Landman & Mthombeni, 2020). Aside from being forcibly financially excluded due to socio-economic limitations, some consumers with financial capability, simply opt to be excluded from formal financing systems in preference for alternate financing mechanisms (Agarwal et al., 2017; Ksoll et al., 2016).

In addition, the majority of financially excluded consumers are domiciled in rural or geographically remote areas with minimal supporting infrastructure (Demirgüç-Kunt et al., 2021). These areas usually lack good road access, electricity and water connectivity inter alia (Atiase & Botchie, 2018). In-order to offer accessible financial services, providers would be required to invest heavily in overcoming these institutional voids. Furthermore, the low-income status of financially excluded consumers restricts them to only accessing low cost financial services hence providing low profit margins. Suppliers of formal financial services such as banks, microfinance institutions (MFIs), and insurance companies among others, find that providing financial services to low income consumers is rarely profitable (George et al., 2016). This makes the notion of banking the unbanked unattractive to profit making organisations unless costs of entry can be reduced through innovation such as mobile banking.

Mobile technology uptake in low income countries has been remarkable, thus opening up access to previously inaccessible segments (Francois & Squires, 2021). The introduction and uptake of mobile money services cemented the mobile phone as a potential provider of financial services. However, while mobile payments are also enjoying success, the digital prowess required to elevate users from mobile money usage to mobile banking remains elusive for the unbanked segment (Demirgüç-Kunt et al., 2021; Whittaker & Kruger, 2019).

In addition, the continued reliance on cash payments for developing countries means that mobile payments still require cash outlets within the informal sector. The cost of cash outlets for mobile money or mobile banking agents is not dissimilar to the continued need for brick and mortar outlets of classic banking outlets, thus until mobile phone payments cease to rely on cash outlets, the infiltration of mobile banking services remains challenged (Mehmood et al., 2019). The continued need for infrastructural development makes investing in this low income segment an unattractive option for financial institutions (George et al., 2016).

In a bid to address these profit limitations, non-profit microfinance institutions (MFIs) were introduced with a social mission to address these challenges through the provision of subsidised access to credit for the financially excluded (Ahlin et al., 2020; Ahlin & Waters, 2016). Despite the removal of the profit motive, MFIs still have to contend with operational challenges such as lack of adequate documentation, lack of collateral and lack of formal employment of borrowers which makes loan recovery difficult of risk for credit default high.

To address this information asymmetry, the MFI lending model evolved from individual lending to joint liability lending (Ahlin et al., 2020). In joint liability lending, individuals self-select into groups of peers and agree to borrow as a unit (Ahlin & Waters, 2016). The credit rating of the group is dependent on their ability to honour repayments and those that perform consistently well, then graduate to become individual borrowers, whereas those that default do not (Ahlin & Suandi, 2019). MFIs were hailed as the perfect solution to universal access to credit, however, over time their success have been called into question (de Quidt et al., 2018). Critiqued for excluding savings and focusing on lending , sceptics question the effectiveness of MFIS as a poverty alleviation strategy, stating that their outcomes have often left borrowers in greater debt than before (Ahlin & Suandi, 2019; Mader, 2018).

The continued inadequacy of formal financial institutions to provide suitable services to all bankable adults is one of the drivers for the persistence of informal financing alternatives (Degryse et al., 2016). Informal finance encompasses all forms of unlicenced, unregulated and un-institutionalised financial intermediary services that are utilised to address unmet financial needs (Chai et al., 2019). Informal finance is usually undertaken in communities where information is shared and social ties are prevalent (Allen et al., 2019). The forms of informal finance vary depending on the need being addressed, for instance some of the most notable forms include savings groups, money lenders, borrowing from family or friends or trade credit (Allen et al., 2019; Karaivanov & Kessler, 2018).

Formal financial system models assume that once universal access to financial services is achieved, the need for informal finance will be eradicated , however, this theory has been disproved and informal finance has persisted globally in varying degrees (Dabalen et al., 2017; Mader, 2018). Scholarship does not agree on whether informal finance complements or substitutes formal financing, however, the role it plays in supporting the financially excluded is well articulated (Tsai, 2017). For instance, the complementary role of trade credit is widespread at both the meso and macro levels, and has been a focus of extensive scholarship with some scholars even considering it as an extension of formal financing (An, 2020; Karaivanov & Kessler, 2018). The role of the remaining forms of informal finance such as savings groups, intrapersonal lending and moneylenders remains unclear and contextual as they tend to operate at the micro level (Demont, 2016). These forms of informal financing have not enjoyed the same level of scholarly attention as trade credit (Du & Cheng, 2022; Mookherjee & Motta, 2016).

In recognition of the role that informal finance continues to play, formal institutions have introduced semi-formal financing institutions whose aim is to provide bridging facilities for excluded consumers. One well known and well-studied model is that of the Grameen Bank, in this approach, low income consumers are congregated in sponsored self-help groups that are linked to formal financial institutions (Cervantes et al., 2017; Light, 2021). These self-help groups maintain a symbiotic relationship with their sponsoring organisation, whose aim is to improve the social-economic status of their participants (Light, 2021). The self-help group is treated as a social platform upon which numerous sustainable development efforts are applied (Hoffmann et al., 2021). However, the Grameen bank model of self-help groups though successful in India, has not permeated other contexts with ease (Light, 2021).

On the other hand, community based group financing approaches have not only persisted over time but continue to grow in the financially excluded community at an unprecedented rate (Demirgüç-Kunt et al., 2021; le Polain et al., 2018; Panman et al., 2022). These groups are self-financed, self-selected, community led financial intermediaries that avail customised solutions to their socially connected members in a flexible and timely manner (Cassidy & Fafchamps, 2020; Landman & Mthombeni, 2021) . Scholarship recognises several variations based on this premise and as a result, the terminology to describe these groups is diverse ranging from savings groups, community based finance, solidarity groups and lending groups among others (Pamuk et al., 2021; Zennou et al., 2022). For consistency, this paper will refer to these group based informal financing approaches as savings groups

A savings group is defined as a community based financial intermediation initiative within which members share a common desire to meet unsatisfied financial needs by pooling together their financial resources with the intent of reaping from the synergistic benefits (Han et al., 2020; Panman et al., 2022). Cassidy & Fafchamps (2020) and Rahman & Ley (2020) posit that savings groups have the potential to scale up and become self-sufficient and sustainable financial intermediation institutions if modelled correctly.

Governments and development institutions therefore encourage and promote the permeation of savings groups as they are perceived as a stepping stone towards financial inclusion for the unbanked masses (Alesane et al., 2020; Zennou et al., 2022). In view of this, efforts to incorporate savings groups into the formal system, are underway (Ghosh & Vinod, 2017). These efforts are premised on neoclassical economic theory that posit that the higher the formal financial inclusion, the better the socio-economic development factors for all (Tan & Savani, 2022).

## 1.2 Problem statement

Savings groups have been hailed as the fastest growing informal financial institution amongst both rural and urban consumers (Chivasa, 2018; Gonzales et al., 2021). The Global Findex Report 2021 also acknowledges the renewed growth and expansion of savings groups within developing economies (Demirgüç-Kunt et al., 2021). Though the presence of savings groups in developing countries in itself is not unusual, the increased growth and permeation presents an area of scholarly interest (Chidimbah Munthali et al., 2022; Wu et al., 2022).

As a recognised and acknowledged informal financial institution, whose acceleration has far reaching effect, further studies on savings group would contribute to their deeper understanding (Demirgüç-Kunt et al., 2021; Gonzales et al., 2021).

Current literature on savings groups is disaggregated under numerous disciplines (Gash, 2017) and referred to under different names (Adegbite et al., 2022). Studies tend to be localised and limited to specific contextual settings (Green, 2019a; Lappeman et al., 2020). The literature also tends to focus on one type of savings group approach at a time, with those that provide an aggregated approach doing so within a particular area of interest (Cassidy & Fafchamps, 2020; Landman & Mthombeni, 2021).

Therefore in cognisance of the interdisciplinary nature of savings groups, as well as the numerous names, approaches and contexts within which they fall under an overview would help to clarify the current state of literature whilst highlighting pertinent issues within it. (Gupta et al., 2020).

## 1.3 Prior Studies

There have been four prior efforts to comprehensively review literature on savings groups as outlined in Table 1. Gash (2017) provides a learning brief, in the form of a systematic review of savings group, from a sponsored social development perspective. Jahangir et al. (2022) provides a focused review of the evolution and formalisation of a rotational savings group with a property development lens. Lukwa et al. (2022) on the other hand acknowledge and study the importance of savings groups in urban areas as a socio-economic development avenue. Whereas, Adegbite et al. (2022) determine the innovation and resilience of women only savings groups when faced with shocks particularly, the Covid 19 pandemic.

**Table 1: Prior reviews on savings groups**

| **Study Name** | **Study Type** | **Author** | **Focus** |
|---|---|---|---|
| Understanding the impact of savings | Systematic Review | Gash, 2017 | Overview |
| Evolvement of ROSCA to real property acquisition as a form of interest-free SBF model: a PRISMA-compliant systematic review | Systematic Review | Jahangir et al., 2022 | Evolution |
| Can Informal Savings Groups Promote Food Security and Social, Economic and Health Transformations, Especially among Women in Urban Sub-Saharan Africa: A Narrative Systematic Review | Narrative Systematic Review | Lukwa et al., 2022 | Outcomes |
| Women's groups and COVID-19: An evidence review on savings groups in Africa | Evidence review | Adegbite et al 2022 | Women studies |

**Source: Author**

## 1.4 Study Rationale

Of the four reviews, Lukwa et al. (2022) proffers an overview of urban savings groups that also incorporates more than one type of approach, however, they do not include rural savings groups in their study, thus limiting the generalizability of their findings. Lukwa et al. (2022) recommends further studies to incorporate both urban and rural savings groups.

In cognisance of the need for further studies on savings groups and in response to the call by Lukwa et al. (2022) this paper seeks to provide a holistic overview of savings groups, their approaches, processes and outcomes. Currently there is no comprehensive review and therefore lack of clarity on what constitutes savings groups.

In view of the cross-contextual growth of savings groups, a new review to provide a holistic understanding of savings groups, their theoretical foundations, emerging themes and future study areas is therefore warranted (Lukwa et al., 2022; Tsai, 2017).

## 1.5 Review Questions

Prior reviews have shown that savings group literature is interdisciplinary and multi-contextual (Gash, 2017; Lukwa et al., 2022). Without repeating prior studies this review intends to address the following questions:

1. What are the prevalent savings group approaches?
2. What are the emergent themes from savings group literature?
3. What theoretical underpinnings guide savings group literature?

The remainder of this paper continues as follows; Chapter 2 outlines the chosen research methodology and the rationale behind its selection. Chapter 3 provides the multidisciplinary literature review. Chapter 4 discusses the evidence from the literature review and synthesises the results to offer new insights. Chapter 5 provides the areas of future research, outlines study limitations and the concludes the paper.

## Chapter 2 Method and Analysis

In order to attain an aggregated synthesis of savings group literature, several methods were considered that would attain the aim of this paper. The selected method had to have the ability to objectively and transparently select relevant literature, without overly focusing on one discipline but also uncover the pertinent information in a meaningful manner. It became apparent that a review would be the ideal methodology, particularly a systematic review that would allow for an unbiased, wide reaching and replicable of finding and analysis of pertinent literature (Snyder, 2019; Tranfield et al., 2003).

To adequately answer the questions posited in Chapter 1, the review had to be systematic but also flexible enough to establish thematic and theoretical outcomes (Gupta et al., 2020). Three main review styles as posited by Snyder (2019), were considered namely, systematic, semi-systematic and integrated approaches. A systematic review was disregarded due to its rigid intent to synthesise quantitative study outcomes only (Pournader et al., 2020). Whereas, an integrated review was disregarded due to its intent to produce a conceptual or theoretical framework which would exceed the scope of this study (Tranfield et al., 2003). The semi-systematic review on the other hand allowed for the transparent selection and analysis of both quantitative and qualitative studies , the outcome of which would be a mapping of the literature, a thematic understanding of the articles and recommendations for future studies (Snyder, 2019). Thus the semi-systematic approach was selected as it best matched the outcomes sought by the research questions (Denyer et al., 2008; Snyder, 2019; Tranfield et al., 2003).

The rigor applied in the search and selection strategy of the semi-systematic review also added a layer of reliability to the study. Furthermore, in line with the interdisciplinary nature of savings group literature (Lukwa et al., 2022), the semi-systematic review approach did not require all articles to be reviewed, but instead encouraged a collation of pertinent articles from each discipline and context for a holistic review (Snyder, 2019). The semi-systematic review approach was also suited to a singular researcher in that it did not require the labour intensive synthesis of all studies as does a systematic review, nor did it require an analysis of a broad range of literature, often including grey literature, as does an integrated review (Snyder, 2019). In the end, the semi-systematic review allowed this review to conduct a transparent search and selection criteria, whilst also applying a qualitative approach to data synthesis (Snyder, 2019; Tranfield et al., 2003). This methodology provided a mid-point hybrid approach that adequately addressed the posited questions (Snyder, 2019).

## 2.1 Search strategy

In the proposal stage of this review, the construct was called self-financed group lending, however, after deeper engagement with the literature, the construct name changed to savings group. Though the name of the construct was narrowed, the intent and meaning behind it did not change. However, the name change occurred when it became apparent that the term savings group produced better search results as it was the more commonly used term to describe the self-financed community based financial groups. This change in terminology is a reflection of the iterative and evolutionary nature of a semi-systematic review (Snyder, 2019; Tranfield et al., 2003).

In cognizance of the numerous terms used to describe savings groups, this study mined the prior reviews of Gash (2017) and Lukwa et al. (2022) taking note of recurring key terms within each study. The analysis resulted in the following search terms : savings group OR group lending OR savings and loan association OR savings and credit association OR stokvel. The search terms were also a result of earlier scoping studies of the construct under review (Tranfield et al., 2003). The Boolean term OR was used to widen the search scope in order to incorporate as many savings group related studies as possible (Henry & Foss, 2015).

For objectivity in identifying literature, database selection included all major databases as guided by the findings of prior reviews, on this premise, regional databases such as Sabinet which had yielded pertinent results in prior studies were also incorporated (Lukwa et al., 2022). This resulted in searches in the following databases: Sabinet; Ebscohost; Proquest; Scopus; Emerald Insights and Science Direct. Google scholar was excluded from the search criteria as it was found to be less flexible and not prone to manipulation, resulting in very high numbers of search results. However, in cases where a downloadable article was not accessible using the database, Google scholar was used to find the article. Hence it was used as a secondary database for missing articles. If an article was not available in the database or on Google scholar, it was deemed unavailable and eliminated from the study. All searches were conducted on the University of Pretoria's Info Central resource centre.

## 2.2 Search Scope

The rapid growth and diffusion of savings groups and the implications thereof are at the core of this study, in cognisance of the fact that this rapid growth is of a fairly recent nature, a decision to limit the search period to the past five years was made (Demirgüç-Kunt et al., 2021; Gaur & Kumar, 2018; K. Gupta & Krishnamurti, 2018). This resulted in a search period of 2018 to 2022 to ensure that mainly prevalent themes were captured. The original intent was to begin from 2017, however, when queried for a study range of five years, databases proffered 2018 as the start point. The review found that the scope of 2018 to 2022 provided adequate material for its purposes. There was however, one exception to the rule, it was discovered that a notable number of articles made reference to Ksoll et al. (2016) and Karlan et al. (2017). The recurrent referencing of the two articles in the literature led to the decision to treat them as seminal articles, and to therefore include them in the study for review (Colquitt & Zapata-Phelan, 2007).

## 2.3 Inclusion criteria

As a quality measure, only peer reviewed articles were included in the results (Gupta et al., 2020; Rasel & Win, 2020). Initially a second quality measure of restricting results to articles from journals ranked above three by the Academic Journal Guide was in place, however, it transpired that only a limited number of results were of that calibre. In order to maintain representation of scholarship, a decision was made to therefore include all peer reviewed articles that fell within the five year time frame, the ranking of the journals was therefore disregarded as an inclusion factor. Due to the interdisciplinary nature of savings group literature, the search did not discriminate on study areas and occurred across various fields such as finance, economics, social science, health and agriculture inter alia (Gash, 2017). Peer-reviewed articles with a focal point on savings groups published between 2018 and 2022 were deemed valid and therefore included. This included articles on the determinants, processes, outcomes and uses of savings groups. Comparative studies were also included.

## 2.4 Exclusion Criteria

The selected search terms returned a lot of articles that pertained to Grameen model self-help groups, however, it was determined that the reliance on external funding in self-help groups differentiates them significantly from savings groups, hence all self-help group literature was eliminated (Light, 2021). Another common topic in the results was literature on microfinance led joint liability lending. By its nature, joint liability is a form of semi-formal lending model where a formal microfinance institution interacts with an informal group to provide financial solutions (Ahlin, 2015). Similarly, this approach was deemed significantly different from savings groups for two reasons, firstly joint liability financing is provided by the microfinance institution, secondly joint liability groups do not have management autonomy and have to defer to their parent institutions for decision making (Ahlin & Waters, 2016; Demont, 2016). For this reason, literature on sponsored self-help groups and joint liability lending was excluded from the results.

In order to determine the composition of savings groups the review focused on all articles that had variations of self-financed, self-managed and self-selected savings groups at the core of the study (Gaur & Kumar, 2018). The abstracts of each article were read to determine their relevance to answering the study questions and contributing towards thematic or theoretical understanding, those whose focal point was not savings group or a variation thereof were excluded from the review (Gupta et al., 2020). The review also opted to remove books, book reviews, editorials, letters and all grey literature to contain the search results to a manageable figure and to maintain a modicum of consistency (Gaur & Kumar, 2018)

Table 2 outlines the execution of the search strategy, highlighting the remaining number of articles at each stage and the final number of selected articles.

**Table 2 Search and selection strategy**

| Stage | Filtering Criteria | Eliminated | Accepted |
|---|---|---|---|
| 1 | Initial results | | 26,139 |
| 2 | 2018 to 2022 | 16,824 | 9,315 |
| 3 | Peer reviewed | 7,194 | 2,121 |
| 4 | Savings group focus | 1,949 | 172 |
| 5 | Duplicates | 75 | 97 |
| 6 | Remainder | - | **97** |

**Source: Author**

## 2.5 Data Abstraction

Each of the 97 articles in the review was populated into an excel spreadsheet within which information on authorship; year of publication; journal titles; study contexts; research methodology; study type; savings group approach; unit of analysis; sampling approach and alternate names was computed (Rynes et al., 2007; Vincent et al., 2007). The spreadsheet was populated with pertinent information including a summary of the findings and the reviewers' initial impressions and comments of each article. The information was later aggregated into tables and images to depict the findings as below.

Table 3 depicts the number of articles on savings groups from 01/01/2018 to 31/10/2022, the trend shows an increase in the number of articles over time. The articles peak in 2020 and dip slightly during the pandemic era. Considering that 2022 is still in play, a continuation of increased growth of scholarly interest in savings groups is anticipated.

**Table 3 Frequency of Savings Group studies**

| Year | Frequency | Percentage (%) |
|---|---|---|
| 2018 | 17 | 17 |
| 2019 | 18 | 18 |
| 2020 | 22 | 23 |
| 2021 | 20 | 21 |
| 2022 | 20 | 21 |

**Source: Author**

Table 4 presents the research methodology used, its frequency and the percentage. The majority of the studies in the review are quantitative, however all the key methodological approaches are present. Empirical studies are in abundance with very few theoretical/conceptual papers.

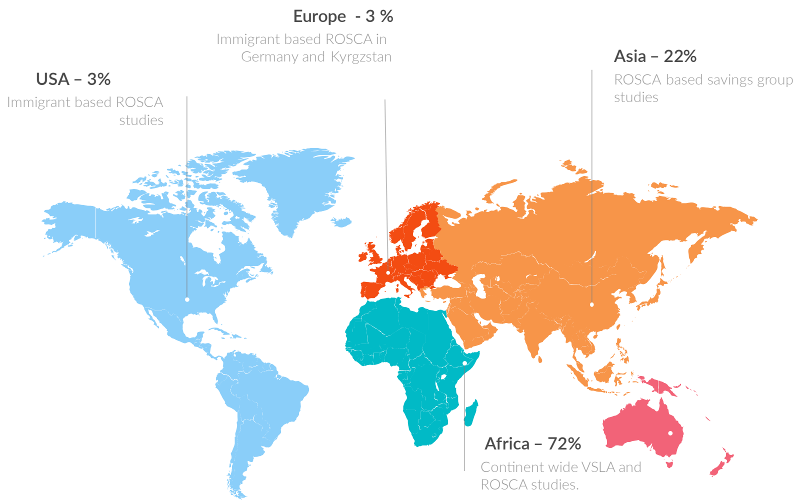
**Table 4 Methods used by Savings group studies**

| Research Methodology | Study Methods and Tools | Frequency | Percentage |
|---|---|---|---|
| Qualitative | Unstructured and semi-structured interviews. Observation-participatory and direct, action research ethnography, content analysis, case study, narrative review, focus groups. analysis | 31 | 32% |
| Quantitative | Regression analysis, descriptive statistics, T-test, PRISMA Centric systematic review, pre and post-test experiments, census. Randomised control trials, | 48 | 49% |
| Mixed Methodology | Interviews, questionnaires, focus groups, bibliometrics, thematic analysis | 10 | 11% |
| Theoretical conception | conceptual model | 8 | 8% |

**Source: Author**

Figure 1 depicts the context of savings group studies as well as the general content therein. A percentage representing the number of studies in a context is also provided. The literature is saturated with African studies with Asia deserving a noteworthy mention. The USA and Europe have an insignificant number of studies and it is worth noting that most of the studies therein refer to immigrant led savings groups. Savings group literature is therefore prevalent in Africa and to a lesser extent Asia with passing mention in Europe and USA.

**Figure 1 Study composition by Region**




## 2.6 Inductive Content Analysis

The review sought to determine prevalent approaches, emergent themes, theoretical underpinnings as well as to identify research gaps for future study. A qualitative methodology enabled the appropriate extraction of the relevant data required to respond to the posited review questions (Gaur & Kumar, 2018; Vaismoradi et al., 2016). The semi systematic approach as posited by Snyder (2019) proposes the use of thematic or content analysis in order to identify and develop themes from the chosen literature.

In differentiating between thematic and inductive content analysis Vears & Gillam (2022) posits that thematic analysis tends to follow a deductive approach where a priori themes are populated and coding involves matching segments to existing themes. Whereas, inductive content analysis allows for themes to be assigned inductively as and when they are discovered in an iterative interaction with the literature (Gaur & Kumar, 2018). Between the two methods, content analysis, particularly inductive content analysis was chosen as the preferred approach. An inductive content analysis was deemed more suitable as it would allow for prevalent savings group approaches to emerge without bias, whilst uncovering new interdisciplinary themes and theories (Vears & Gillam, 2022).

The data analysis process began by reading all articles iteratively for understanding and discernment (Vaismoradi et al., 2016). Once the initial reading was completed, all selected articles were re-read in full for non-theory based manual coding (Gaur & Kumar, 2018). A combination of line by line and passage analysis of each paper in search of pertinent recurrent themes and theories was undertaken (Chenail, 2012). Notable words, sections or sentences that held important meaning were highlighted and given short descriptive codes to indicate their focus area as a reference point during further analysis (Chenail, 2012).

The codes were then aggregated into categories based on their content, similarity and relatability to other similar codes (Gaur & Kumar, 2018; Vears & Gillam, 2022). Categories were cross-analysed for emerging patterns which later became themes that were common across the studies (Vincent et al., 2007). Some outlying themes were also highlighted due to their uniqueness and potential for future study. The categories that emerged at the end of the study were: study objectives, research questions, savings group definitions; group characteristics, underpinning theory, barriers to inclusion, drivers to exclusion, limitations to success, impacts and outcomes, contributions to practice, future outlook, formalisation efforts and emerging concepts, unique findings. The pertinent findings of the content analysis are presented in Chapter 3 as part of the literature review.

## 2.7 Limitations of research design

A semi-systematic literature review is expected to provide a replicable, transparent and reliable manner of selecting, abstracting and synthesizing information with minimal bias (Denyer et al., 2008; Snyder, 2019). However, in order to achieve this, a semi-systematic literature review requires multiple scholars to provide intercoder reliability of work in progress (Gaur & Kumar, 2018; Tranfield et al., 2003). This approach allows for processes and findings to be cross-referenced for accuracy whilst maintaining rigour in the systematic approach. This paper was singularly authored albeit under supervision therefore, it did not incorporate peer reviews, cross-referencing and code matching to ensure uniformity. Attaining inter-coder validity was therefore not feasible, resulting in possible researcher bias and subjectivity in the code determination (Vaismoradi et al., 2013). Consequently, as the literature was analysed by a single reviewer, no coding mismatch occurred.

To mitigate against the lack of peer review, all steps taken during the review process are clearly explained to allow others to follow the logic applied per decision (Tranfield et al., 2003). This form of reflexivity allows for transparency of thought and process allowing for better assessment by external reviewers of the quality and rigor of the process followed (Johnson et al., 2020).

The lack of a second or third reviewer in the study to crosscheck and confirm decisions goes against the set rules in a semi-systematic review (Snyder, 2019). To call this review a semi-systematic review would therefore not be justified, hence in-order to avoid misrepresented the study to others, the title of the paper will be termed: A **structured** review of savings group literature. In addition, the abstract will highlight that this is a singularly authored review.

The review experienced a few false starts in identifying the right keywords to be included in the search strategy. As previously indicated, some of the terms used to describe savings groups are; lending groups or group lending, community based finance, self-financed groups and savings and credit groups inter alia. Savings groups can be referred by the particular model they emulate such as rotating savings and credit association or village savings and loan associations among others (Bophela & Khumalo, 2019; Burlando & Canidio, 2017; Lukwa et al., 2022; Moret et al., 2021). Furthermore, some studies purely refer to studies by their contextual name as was the case with Stokvels (Koenane, 2019) or Esusu (Iwara et al., 2020b) inter alia.

Those search terms that were not readily recognised by scholarship, produced a lot of irrelevant search results (Torraco, 2005). A lot of time was spent reviewing and excluded the numerous search terms such as; informal finance, informal lending groups, informal credit, informal financing, informal borrowing and informal loan inter alia for not producing appropriate results. The term group lending gave mixed results with the majority of the articles pertaining to microfinance led, joint liability lending groups but was included as it also provided relevant results.

Therefore, due to the diversity of terms used to describe the notion of savings groups presented in this paper, it is probable that some relevant studies have been overlooked. Furthermore, the possibility of a more productive search term in order to attain the best results remains a real possibility. However, Snyder (2019) posits that in a semi-systematic review methodology, the review does not seek to incorporate all studies but a fair representation thereof. The wide scope of literature presented in this review is indicative of a successful attempt to provide relevant papers.

Some of the studies under review had very small samples making their findings questionable, such types of studies were treated as sources of information for descriptive analyses pertaining to context, methodology and design but not as key thematic contributors.

The next chapter will provide a literature review of the selected articles. This will be followed by a discussion of the literature in Chapter 4 and recommendations, limitations and the conclusion in Chapter 5.

# Chapter 3 Literature Review

## 3.1 Savings groups approaches

The review began with an analysis of savings group definitions in response to the question about which savings groups approaches are prevalent in the literature. The results show that there are two main types of savings groups that are similar in premise but differ in process and outcomes. The first and older approach is an interest free savings group where members come together to contribute a set amount either monthly or weekly, the aggregated contributions are given to one recipient at a time on a rotational bases (Han et al., 2020; Lee et al., 2020). In the second type of savings group, funds are pooled together on a weekly or monthly basis and allowed accumulate for a short spell and then used by members to access loans at an agreed upon interest rate, at the end of the cycle contributions and interest earned from loans are share proportionately (Cassidy & Fafchamps, 2020; Deubel & Boyer, 2020; Karlan et al., 2017). Table 5 provides a list of savings group definitions demarcated based on their fund disbursement strategy as either the interest free, rotational approach or the loan based approach with interest applied.

**Table 5: Savings group definitions and approaches**

| **Savings group definition** | **Savings group approach** | **Region** |
|---|---|---|
| "ROSCAs are informal financial institutions that exist worldwide, in which all participants contribute to a common fund and take turns to receive a return" – (Koike et al., 2018, p.1) | Rotational and Interest free | Japan |
| "Housing finance through community savings can be explained as a model that includes both community based savings groups (settlement specific self-managed small group) and large-scale community funds, which combine the savings of settlement specific community groups and also includes the support from international agencies, NGOs and government organisations" (Rahman & Ley, 2020b, p.2) | Loan based with interest applied | Bangladesh |
| "A Village Savings and Loan Association (VSLA) is a group of people who save together, take loans (credits) from the deposited savings, and share generated interests by loans according the rules and regulations made by and for the members of the group" (Ndagijimana et al., 2020, p.23) | Loan based with interest applied | Burundi |
| "ROSCA is one kind of non-interest lending and called as micro-loaning" (J. S. Lee et al., 2020, p.1073) | Rotational and Interest free | China |
| "Societies can be defined as an informal mode of group rotating credit funding in raised between peers in a socially related homogenous groups, based on no interest" (Al Ajlouni, 2019, p.30) | Rotational and Interest free | Egypt |

| | | |
|---|---|---|
| " Savings groups are an economic strengthening intervention used to enhance the well-being of vulnerable groups" (Lorenzetti et al., 2021,p.308) | Loan based with interest applied | Ethiopia |
| "ROSCAs consist of people who decide to meet a predetermined number of times to contribute a fixed amount of money at every meeting and make the total amount available to one member of the group and to continue to do the same until every member of the ROSCA has once received the total sum" (Yimer et al., 2018, p.96) | Rotational and Interest free | Ethiopia |
| "The ASCA resembles credit cooperatives or credit unions. In an ASCA, just as in a SAVA, the pooled savings are not directly redistributed, but they accumulate in a fund for a specific time. The difference is that the fund created in an ASCA can be used partly or completely to provide loans either to members only or less commonly to non-members." (Smets, 2019, p.594) | Loan based with interest applied | India |
| "Rotating Savings and Credit Associations (ROSCAs) are informal financial institutions that are formed when individuals gather at regular intervals to mobilize savings and to borrow from each other" (Acquah & Dahal, 2018, p.1223) | Rotational and Interest free | Indonesia |
| "Informal banks are well known globally as Rotating Savings and Credit Associations (ROSCAs) which are systems that provide quick access to savings and credit systems for people, mostly women, who are excluded from formal micro banking channels" (David et al., 2020, p.31) | Rotational and Interest free/ Loan based with interest applied | Nigeria |
| "Stokvel is South Africa's indigenous version of Accumulating Savings and Credit Associations (ACSAs) also known as Rotating Savings and Credit Associations (ROSCAs)" (Iwara & Netshandama, 2020, p.2) | Rotational and Interest free | South Africa |
| "Stokvel is South Africa's version of Rotating Savings and Credit Associations (ROSCAs) or/and Accumulating Savings and Credit Associations (ACSAs) - an initiative wherein group of individuals who share the same vision contribute to informal savings and credit associations for their mutual benefit" (Iwara et al., 2020b, p.2) | Rotational and Interest free | South Africa |
| "Stokvels are clubs of only twelve or more people and serve as rotating credit associations or saving schemes in South Africa where members contribute an agreed amount monthly from which they receive a lump sum payment in an agreed time frame (usually at the end of the year)" (Koenane, 2019, p.113) | Rotational and Interest free | South Africa |
| "An informal social savings group that, in South Africa, contributes a fixed amount of money at regular intervals throughout the year into a lump sum fund." (Lappeman et al., 2020,p.332) | Rotational and Interest free | South Africa |
| "A stokvel can be described as a type of credit union in which a group of members agree to contribute a fixed amount of money to a common pool either weekly, fortnightly, or monthly" (Mokoena et al., 2021,p.2) | Rotational and Interest free | South Africa |

| | | |
|---|---|---|
| "ROSCAs are created by groups of individuals who regularly contribute a fixed sum of money to a common pot and pay it out as a lump sum to a distinct member each time they meet" (Bauchet & Larsen, 2018. p.1483) | Rotational and Interest free | Taiwan |
| "Savings groups are informal, self-managed groups of individuals who meet regularly to securely save together, usually with the option to borrow from the group's pooled savings" (Moret et al., 2021, p.462) | Loan based with interest applied | Tanzania |
| "Indigenous savings/credit groups are informal community-based voluntary associations of mutually trusted friends, family members and/or neighbours that exist in different structures in developing countries" (Sithole et al., 2021, p.381) | Loan based with interest applied | Tanzania |
| "ROSCAs are informal financial networks formed by a group of participants who make regular contributions to a revolving fund, which is given to each contributor in rotation until each participant receives the funds" (Ibrahim, 2020, p.320) | Rotational and Interest free | USA |
| "ROSCAs are an agreement between members of the community to cooperatively save a pool of capital typically paying a fee during each week or month. A percentage of this pool is randomly to a member of the association during each period" (Zambrano et al., 2022, p.1) | Rotational and Interest free | Theoretical Paper |
| "savings groups (SGs): voluntary, local, self-help groups where each member saves money on a regular basis, thereby growing a fund from which members may take loans and repay with modest (group-determined) interest." (Rutherford & Ejeta, 2021, p.21) | Loan based with interest applied | Ethiopia |
| | | |

**Source: Author**

In summary, a savings group is an informal ,self-financed, self-managed and voluntary association in which members continuously pool funds which are disbursed in a rotational or loan based manner within a limited time period (Cassidy & Fafchamps, 2020; Ibrahim, 2019; Lorenzetti et al., 2021).

The literature under review also revealed numerous localised names to refer to either the interest free, rotational savings group type or the loan based, interest applied approach.  Table 6 highlights the most common names within the literature, the country in which they are used and the savings group approach to which they are aligned.

**Table 6: Savings group names and approaches per country**

| Country | Rotational and interest free | Loan based with interest applied |
|---|---|---|
| Bangladesh | | Community group savings |
| Benin | nuje me ji gbe | |
| Burundi | | Village Savings and Loan Association (VSLA) |
| Cambodia | | Savings groups |
| China | Hui | |
| DRC | Rotating Savings and Credit Association (ROSCA) | Saving group, VSLA |
| Egypt | Jamey'ah, | VSLA |
| Ethiopia | Eqqub | |
| Germany | ROSCA | |
| Ghana | Savings groups | Susu, Pagwuni, VSLA |
| India | ROSCA | VSLA, Accumulating Savings and Credit Associations (ASCA) |
| Indonesia | Arisan | |
| Japan | Mujin, Tanomoshi, Kou | |
| Kenya | | Chama |
| Kyrgyzstan and Uzbekistan | ROSCA | |
| Malawi | | Bank M’mudzi, VSLA |
| Mali | | Benkadi, savings group |
| Mozambique | | VSLA |
| Nigeria | | Esusu |
| Pakistan | ROSCA | |
| Philippines | | Accumulating Savings and Credit Associations (ASCRA) |
| South Africa | Stokvel, Mashonisas | |
| Taiwan | ROSCA | |
| Tanzania | Michezo | Village community banks (VICOBA), Savings and Internal Lending Communities (SILC), VSLA |
| Turkey | Altın Günü (The Day of Gold) | |

| | | |
|---|---|---|
| Uganda | | Savings group |
| USA | ROSCA | |
| Zambia | | SILC |
| Zimbabwe | | Mukando |

**Source: Author**

Table 6 shows that the interest free version of savings groups is frequently referred to as Rotating savings and credit associations (ROSCA), similarly the Village savings and loan association (VSLA) is the most commonly used term for loan based savings groups. There is a lack of uniformity within the literature in naming either the interest free, rotational approach or the loan based, interest bearing approach, therefore for ease of reference, this review adopts ROSCA and VSLA to refer to the two savings group approaches as they emerge in the literature. It is notable that some countries have both approaches. In reviewing the literature the similarities and differences of the two savings group approaches are apparent. The rest of the chapter reviews each approach separately first, and later provides emergent themes and theoretical underpinnings from a holistic perspective.

## 3.2 Rotating Savings and Credit Association (ROSCA)

### 3.2.1 Definition and Origin

ROSCAs consists of a group of people that agree to contribute a set amount of money on a monthly basis to a common pool that is granted to one member per month on a rotational basis, until all members receive the fund (Bonan et al., 2019; Han et al., 2020). Ajija & Siddiqui (2021) posit that the earliest mention of ROSCAs is centuries old, dating back as far as 200BC, whereas records of the practice in Japan can be found from 1275 AD.

Aside from these early records, in some contexts, the birth of ROSCAs is assimilated as part of local history, for instance Hutchison (2020) and Lappeman et al. (2020) posit that the South African ROSCA originated at stock markets in the 19th century, hence the name 'Stokvel' describing the group based rotational capital mobilisation approach of buying cattle (Nyandoro, 2018). On the other hand Imami et al. (2020) posit that building societies which were originally used to buy land from communal funds in the UK, are actually formalised ROSCAs who over time in addition to serving core clients, extended services to non-members. This lack of consensus on the origins of ROSCAs persists throughout the literature with different histories being proffered.

### 3.2.2 ROSCA member profile

ROSCAs consist of a cross-section of members ranging from low, middle to high income segments all with different motivations (Light, 2021; Yimer et al., 2018). ROSCAs are present in both urban and rural communities (Bophela & Khumalo, 2019) and the aspects under consideration when selecting members to participate include proximity, income level, financial intentions and gender. Where information is lacking unknown members are also included on referral from current group members (Mehmood et al., 2019). Membership tends to vary depending on the cultural attributes of the context in question, for instance, in South Africa women dominate stokvels whereas in China men are more active participants (Han et al., 2020). Mokoena et al. (2021)

### 3.2.3 Drivers for ROSCA formation

In pooling resources, ROSCAs enable the quick mobilisation of capital for purchases of large assets such as houses and vehicles (Ajija & Siddiqui, 2021). Ibrahim (2019) and Light (2021) find that immigrant communities who feel excluded from their host country financial systems rely on ROSCAs to mobilise interest free capital as well as to bond and support one another through shared experiences (Ibrahim, 2019; Light, 2021).

ROSCAs have been formed for specific purposes such as funeral cover in Benin and South Africa (Bonan et al., 2019). In this instance, savings are not rotated but shared upon the loss of a spouse, child or close relative as per pre-agreed stipulations (Ngcobo & Chisasa, 2018). Also called burial societies, this form of ROSCA provides relief from exorbitant funeral costs arising from having to travel cross-country to bury migrated members in their homeland (Hutchison, 2020; Lappeman et al., 2020).

In addition to funeral cover these savings groups can be specialised to avail non-financial returns but instead, to offer material goods such as groceries (Bonan et al., 2019). In this case accrued funds are used to buy groceries in bulk and shared amongst members at the end of the cycle, however, members are allowed to borrow from the fund as they await disbandment (Hutchison, 2020; Koenane, 2019). In the meantime the accumulated funds are kept in a bank (Lappeman et al., 2020). Another form of ROSCA involves members pooling funds for a capital investment in a given venture, and sharing the profits accrued thereafter, the difference being that the capital amount is not returned to members but kept for further reinvestment (Iwara et al., 2020a).

### 3.2.4 ROSCA process

In general ROSCAs do not charge interest, as the pooled resources are shared as a whole to each member in turn (Bonan et al., 2019). This lack of interest makes ROSCAs the ideal informal financing vehicles for contexts that follow Islamic guidelines (Al Ajlouni, 2019).

The pooled resources are usually allocated to one recipient at a time, however, in large groupings, multiple recipients may occur. The pool usually consists of the whole amount saved by the group, however, in other contexts, a pre-arranged percentage is shared (Ke & Ye, 2019). Sharing of the pot can occur randomly, that is, members draw lots with numbers showing the sequence of allocation, either at the beginning of each cycle or at each meeting, the rotation schedule can therefore be fixed or bid upon (Bauchet & Larsen, 2018; Mcnabb et al., 2021). Where lot allocation is done per meeting, previous recipients are excluded to allow for all outstanding members to receive a turn.

In Asian countries, ROSCAs tend to adopt a bidding approach where members compete for the pot by proposing an additional amount that they are willing to pay in order to be the first recipient (Bauchet & Larsen, 2018; Ke & Ye, 2019). The person with the largest bid is allocated the pot, and the contribution is reduced for those who have not yet received the pot by the top up amount proffered by the winning bid (Bauchet & Larsen, 2018). Alternatively, the bid amount is paid as interest at each subsequent session by the winner (Ke & Ye, 2019). For the bidder, the value of the bid represents the cost accrued for attaining the lumpsum immediately, whereas for the saver, the reduced contribution is the net earnings from receiving a late pot and hence, saving through the ROSCA (Bauchet & Larsen, 2018).\. Han et al. (2020) posits that the profiles and intentions of early bidders and late bidders differ, with the former being seen as absolute borrowers and the latter as absolute lenders.

Fixed rotation is the other ROSCA fund allocation strategy, wherein a members position is determined by either the urgency of their need, their seniority or their commitment to meeting attendance, inter alia (Mcnabb et al., 2021). A key advantage of fixed rotation ROSCAs is the flexibility of members to switch positions depending on emergent needs such as weddings, illness or funerals (Mehmood et al., 2019).

At the end of each cycle, a ROSCA is disbanded amicably, however, members can also leave prematurely due to loan default, failure to attend meetings, failure to buy shares and health challenges (Moret et al., 2021). With each successful ROSCA cycle the level of trust amongst participants, increases thus increasing the likelihood of a repeat performance (Light, 2021; Mcnabb et al., 2021).

### 3.2.5 ROSCA limitations

The greatest challenge in a ROSCA is members that default after receiving the pot as they stand to derail the whole cycle, forcing subsequent recipients to receive a reduced amount (Mehmood et al., 2019). To mitigate against this, in some ROSCAs, the convener is responsible for selecting members and thus is held accountable for all defaulters (Han et al., 2020). Furthermore there is an expectation that conveners pay the defaulted amount on time and in full (Mehmood et al., 2019). It is therefore not uncommon for the convener to demand collateral from members whether it be through a guarantor, a physical asset or a signed cheque book (Al Ajlouni, 2019; Yimer et al., 2018).

For most ROSCAs, if a participant misses a payment, the aggrieved party can also reciprocate by not contributing to the defaulter when their turn comes (Mcnabb et al., 2021). However, in cases where the defaulter has already received the funds, participants tend to confiscate property that matches the defaulted value (Hutchison, 2020; Mcnabb et al., 2021).

Another cited weakness of the ROSCA approach is the rigid contribution amount. Members with more funds, fail to increase their investment and those with less funds have no choice but to comply with the set amount (Onda, 2021). This may lead to potential savings being underutilised as members are restricted to the set amount or members defaulting due to lack of payment flexibility respectively (Nkem & Tengeh, 2018).

### 3.2.6 ROSCA outcomes

The positive outcomes of ROSCA participation are evident in the improved asset profiles of members across the studies. Both economic and social improvements are noted and expected, and the literature does not question their impact. If anything, the assessment of ROSCA outcomes appears superficial as the majority of the studies limit their assessments to mainly economic effects.

The potential for ROSCAs to be scaled into capital mobilization tools for large assets, or even community projects is also highlighted. The communal spirit that ROSCAs promote is acknowledged and appreciated by members. The key outcome of ROSCAs in the literature appears to be the minimisation of risks associated with inadequate social security.

## 3.3 Village Savings and Loan Association (VSLA)

### 3.3.1 Definition and Origin

A VSLA is a community based, self-funded, self-organised and self-managed savings group within which participants pool funds for future lending (Bannor et al., 2020; Cassidy & Fafchamps, 2020). Scholarship agrees that the VSLA approach originated in 1991, from the financial inclusion efforts of the Cooperative for Assistance and Relief Everywhere International (CARE), in Niger, where a group based saving and lending club with set rules was introduced (Adegbite et al., 2022; Bophela & Khumalo, 2019; Gonzales et al., 2021). The CARE initiative was christened 'Village savings and loan associations (VSLA) and since then, versions of it have been replicated globally by various institutions such as the Catholic Relief Services, OXFAM and Plan International, inter alia (Gonzales Martinez et al., 2021; Koenane, 2019; Panman et al., 2022).

### 3.3.2 Member profile

Literature presents VSLAs as tools for financial inclusion aimed at low income segments in rural areas (Gonzales et al., 2021; Panman et al., 2022). Resultantly due to their exclusion, marginalised women make up the majority of VSLA membership across the world (Flax et al., 2019). Though, women tend to overwhelm VSLAs, several studies indicate a proliferation of unemployed urban men into these groups (Alesane et al., 2020; Chidimbah Munthali et al., 2022). VSLA members comprise of both the educated and uneducated, with the former increasing as groups permeate urban areas (Bannor et al., 2020; Chidimbah Munthali et al., 2022).

### 3.3.3 Drivers for formation

Instead of the economic opportunity presented, women often cite the communal nature of VSLAs as the main attraction (Flax et al., 2019). Kaumba et al. (2021) posits that women also gain social capital and skills which translate to improved micro-entrepreneurial outcomes.

### 3.3.4 VSLA Process

A typical VSLA is comprised of between 10 to 30 members situated within a community where people have social ties (Cassidy & Fafchamps, 2020; Panman et al., 2022). Once membership has been established, the group meets to agree on their modus operandi. Meetings, are usually held either weekly or monthly during which members elect leaders, agree on a share price amount and discuss sanctions for non-payment, default or meeting unattendance inter alia (Alesane et al., 2020; Green, 2019). However, due to the low levels of literacy amongst members, it is not uncommon for groups to be championed by a separate agent from a sponsoring institution or by an external expert whom the group compensates financially (Cassidy & Fafchamps, 2020) Agents tend to have an expiry or graduation date determined by the ability of members to adequately adopt the skills to self-manage.

To build savings, members determine a minimum and maximum share amount that each member is expected to buy at scheduled meetings (Tura et al., 2020). The agreed share price is usually low, to allow for lower income participants to partake, and capped to avoid monopolies within the group (Cassidy & Fafchamps, 2020). The group then saves for a period of up to three months where no lending occurs, to build up the lending base (Flax et al., 2019). Funds collected are usually kept in a cash box that is controlled by three custodians (Shaaban, 2022). (Cassidy & Fafchamps, 2020). Once the saving period is complete, interested members can publicly apply for a loan of up to three times of their current savings amount (Panman et al., 2022).

Loan disbursement is based upon the shared knowledge that the group has of the individual, regarding capabilities and perceived weaknesses (Pamuk et al., 2021). Peer monitoring plays a key role in determining a borrowers trustworthiness and capability and at times a guarantor is required (Oraro & Wyss, 2018; Pamuk et al., 2021). These loans are usually repaid within a three month period at relatively low rates of 5% to 20% (Cassidy & Fafchamps, 2020; Karakara et al., 2021). Lending ceases three months prior to the closing of the cycle to enable all borrowers adequate time to repay their loans (Bannor et al., 2020).

In order to discourage the overextension of VSLA savings base, most groups have a separate fund for emergencies such as health, funerals or weddings. Commonly referred to as a social or credit fund, this pot is offered as a loan to members at zero interest and is expected to be repaid faster than normal in order to allow others to access it as needed (Moret et al., 2021). The social fund acts as a non-refundable insurance service and enables members to continue to build the main pot without being deterred by day to day economic challenges (Reichel, 2020).

### 3.3.5 VSLA limitations

VSLAs tend to have low share amounts thus the level of contributions is typically low (Pamuk et al., 2021). In this case if a group consists of members who all want credit, the saved amount is usually inadequate to match the requirements of all, this leads to delays in accessing loans as members take turns until the pot is refilled (Cassidy & Fafchamps, 2020). As expected in a savings group, member default is also a concern, however, this is mitigated to a certain extent by the borrower’s savings (Shaaban, 2022).

The complexity of the savings group recordkeeping, accounting process and interest calculations have also been questioned in cognizance of the mainly low levels of literacy of their members (Jahns-Harms & Wilson, 2018; Panman et al., 2022).

### 3.3.6 VSLA outcomes

As potential tools of financial inclusion and savings mobilisation the economic outcomes of VSLAs remain alarmingly inconsistent, (Alesane et al., 2020). Some studies find in favour of income increments whereas others do not (Ajija & Siddiqui, 2021; le Polain et al., 2018). There is however, general consensus on the positive impact of savings groups on the social welfare of members. Thus, in addition to studying outcomes on in income or assets, a notable amount of the literature covers the potential synergies of using VSLAs as a platform for social economic development in which savings groups are perceived as the "nucleus of social support" (Lorenzetti et al., 2021, p.318).

## 3.4 Emergent themes on antecedents

### 3.4.1 Social security

The absence of social protection or social security has been cited by several scholars as the main antecedent for savings group formation (Dube & Edwell, 2018). Low income communities in both urban and rural settings feel vulnerable to unemployment, inadequate healthcare or hunger and opt to join together to address shared challenges through the pooling of monetary and non-monetary resources (Bophela & Khumalo, 2019; Deubel & Boyer, 2020). This need for social security can be traced back to 200 BC when communities pooled resources together to address shared social challenges (Han et al., 2020; Reito, 2020; Sithole et al., 2021).

The desire to attain social security is also evident in the creation of insurance based products such as the social or emergency fund in VSLAs or the creation of funeral or grocery based ROSCAs (Dube & Edwell, 2018; Oraro & Wyss, 2018). These risk minimising efforts demonstrate the need for better social security or insurance cover (Ndagijimana et al., 2020; Oraro & Wyss, 2018; Ryu & Suzuki, 2021). Most formal financial institutions fail to cater for diverse insurance needs, resulting in consumers seeking social protection from alternate sources, particularly savings groups (Oraro & Wyss, 2018; Ryu & Suzuki, 2021). Although the need for a wide range of flexible and accessible insurance products that cover health, death, education and agricultural inputs is apparent in both savings group approaches, the inadequacy of social security from formal institutions is rarely addressed as a study area (Bilecen, 2019; Dube & Edwell, 2018; Ryu & Suzuki, 2021).

In cases where social protection services are available, the formality and rigidity of formal financial institutions also deters low income members who prefer the accessibility, flexibility and inclusivity of savings groups (Abaho et al., 2022). Where formal financial institutions require documentation and collateral, inter alia, savings groups only require on social interconnections to transact (Kim, 2020). The appeal of forming a savings group to address social security issues lies in the fact that they are self-financed, self-governed, unregulated, unlicensed and un-institutionalised and therefore flexible and approachable (Mokoena et al., 2021).

### 3.4.2. Social ties

The interconnections that exist between people in a community enable the formation of a savings group among them. Social ties result from sharing a communal space, or working in the same occupation or even belonging to the same ethnicity or tribe (Kim, 2020). When selecting saving group members, social ties determine who is considered and these ties can be interpersonal such as having extended family in the vicinity or even having economic ties such as property (Deubel & Boyer, 2020).

Social ties, social interconnectedness or social connections are a prerequisite to the formation of a savings group, a form of connection has to be apparent for members to trust one another financially (Bophela & Khumalo, 2019; Ryu & Suzuki, 2021). However, experiments to form savings groups without social ties indicate that ties can be replaced by proximity (Kim, 2020).

### 3.4.3 Economic wellbeing

Participants of savings groups seek to increase their income by building up on their savings and accessing loans for either entrepreneurial, agricultural or household activities (Sedai et al., 2021). This need is resultant of inadequate formal financial service provision for low income individuals who are financially excluded (Cassidy & Fafchamps, 2020). However, literature attributes both economic and social drivers as the motivators for participating in savings groups with social needs prevailing as the main driver (Acquah & Dahal, 2018; Abaho et al. (2022)). Socially, savings groups are a haven of support, networking, skills development and cohesion (Sedai et al., 2021; Shaaban, 2019). The social wellbeing that accrues from participating in savings groups has consistently emerged in the literature as a key determinant for participation and formation (Acquah & Dahal, 2018; Sato et al., 2019; Shaaban, 2022). However, the need for economic wellbeing persists.

### 3.4.4 Commitment Savings Device

Cassidy & Fafchamps (2020) note that the motivation to participate in savings groups is not always credit driven and that others seek to use them as a commitment savings device. In seeking to satisfy this need, home based saving is disregarded due to the lack of restrictions in accessing the funds when needed (Mcnabb et al., 2021).  Savers therefore seek solutions that would force them to save regularly whilst limiting the availability of the funds, both ROSCAs and VSLAs satisfy this requirement (Landman & Mthombeni, 2021).

Most members admit to lacking the discipline required to refrain from using savings for emerging demands, hence, peer pressure from fellow members forces saving compliance thus behaving as a commitment device (Bonan et al., 2019)  Landman & Mthombeni (2021) determine that savings groups though flexible and cost effective, do limit access to savings, thus making them ideal commitment savings devices. For procrastinators, savings groups provide the push required to force them to save (Mehmood et al., 2019; Zambrano et al., 2022).

The fixed amount that ROSCA members agree to pay has been criticised for limiting flexibility as it does not account for changing circumstances, however, this inflexibility serves ROSCAs well as a commitment savings device (Bonan et al., 2019). Conversely VSLAs set low share prices to encourage continuous contributions even in lean times. The discipline and inflexibility of ROSCA contribution amounts vis a vis the flexible low share price in VSLAs both enable commitment savings (Landman & Mthombeni, 2021). It would seem that one group inadvertently motivates using inflexibility as a stick and the other, flexibility as a carrot, to attain savings compliance.

### 3.4.5 Women's autonomy

The majority of  studies show that women drive savings groups and in return savings groups are perceived as a social safety net for women who are excluded due to cultural, social and economic limitations (Nyandoro, 2018; Shaaban, 2022). According to Nyandoro (2018) the economic advantages derived from savings group membership have provided women with a financial gateway out of poverty. Mantsios et al. (2018) finds that by forming a savings group, female sex workers were able to use the platform to collude on pricing by agreeing to uniform charges for patrons. The camaraderie accorded within the savings group transcended rivalry caused by competing for the same clients and allowed the female sex workers to unite for a greater cause, that is, their overall welfare (Mantsios et al., 2018). Drawing from the economic strength of participating in the savings group gave participants the crutch needed to negotiate for better fees and to forfeit customers who refused to use condoms (Mantsios et al., 2018). Similarly, Shaaban

(2022) finds that savings groups dramatically increase rural Egyptian women's awareness of their rights thus increasing their agency in a culturally restrictive society.

Citing the inconclusiveness of micro-credit effectiveness, Sedai et al., (2021) posits that savings groups are better at developing women agency than microfinance led self-help groups. Savings groups have been attributed to building's women's agency by availing them a safe place to speak freely, to lead and to have economic empowerment (Tura et al., 2020). The effects of leadership roles that women embrace in savings groups have overflowed into their daily lives granting them authority to speak on matters of concern beyond the groups (Thophilus & Paul, 2019; Zennou et al., 2022). Though these results may be perceived as outcomes of savings groups, the fact that women opt to join groups to attain them positions them as drivers of savings group formation.

For marginalised women, formal options of financing are limited forcing them to resort to moneylenders who can pose a threat to their safety (Deubel & Boyer, 2020; Nyandoro, 2018). Some women therefore join savings groups to hide savings from their husbands, who are perceived to prefer immediate consumption to savings (Bonan et al., 2019; Thophilus & Paul, 2019; Zennou et al., 2022). In effect savings groups may not be a ground breaking empowerment approach for women but rather a coping mechanism for the hand they are dealt (Nyandoro, 2018).

Savings groups strengthen communal bonds within women, hence increasing solidarity amongst them, this has been found to lead to unified communal developments such as school building inter alia (Zennou et al., 2022). This consolidation of feminist economic power has led to revolutionary changes that positively affect property rights and equal pay demands inter alia (Zennou et al., 2022).

## 3.5 Emergent themes on limitations

### 3.5.1 Group Management

The presentation of savings groups as constantly harmonious and all-embracing as per the literature is exposed for being idealistic and unrealistic, positing instead that fund allocation decisions, default incidences and dissatisfaction with group management are all areas of potential discontent (Jahns-Harms & Wilson, 2018).

Seemingly in support of this assertion Mantsios et al. (2018) whilst studying a savings group of female sex workers, finds that participants that competed for the same customers, tended to disagree frequently within the group thus causing conflict. le Polain et al. (2018) finds that credit allocation decisions are not always rationally made to attain the greatest outcome, but could be based on group members perceptions of fairness or the relationship between group leader and borrower. There is a  mismatch between expected behaviour in a savings group and actual behaviour (Jahns-Harms & Wilson, 2018).

Alesane et al. (2020) refers to a different viewpoint in Ghana where the notion of earning interest is foreign, in this context, savers usually give their money to a money-keeper who charges a fee for the safekeeping meaning that upon collection, the saver gets less than what was saved due to transaction fees. This community therefore balks at the notion of being paid for borrowing thus rejects the interest payment (Alesane et al., 2020).  Cultural norms and traditions do not always match the models and characteristics of savings groups (Ajija & Siddiqui, 2021).

All these examples show that managing a savings group is wrought with various hurdles, one of the most cited of which is member default or non-payment (Abaho et al., 2022). When members default, the group proffers several sanctions that can be economic such as fines or social which could mean social exclusion .  Fines are usually avoided as burdening a struggling member with further economic sanctions rarely achieves the desired result, instead, peer pressure is applied to the person or close family members.  Pamuk et al. (2021) finds that closely knit savings groups, such as within families, tend to be lenient and struggle to enforce payments, similarly, members that are too far removed from the leadership of a savings group also pose an enforcement challenge (Pamuk et al., 2021). It appears that there is a delicate balance when determining the social distance required for optimal effectiveness of savings groups.  Zambrano et al. (2022) propose that upon commencement of the group, each member contribute an additional agreed upon percentage to act as insurance towards defaulters. In this case, when a default occurs, funds would be collected from the insurance pot to cover the lost payment for the remaining members (Zambrano et al., 2022).

### 3.5.2 Group size

Savings groups function better when the group size is manageable and members can monitor one another's activities as input into default management or lending criteria assessments (Imami et al., 2020). Smaller groups enable participants to keep a mental track record of the successes and failures of peers thus according them the required information to make informed lending decisions as a group (Cassidy & Fafchamps, 2020).

In a larger group, the social ties are stretched making it difficult for peer monitoring to continue, this information asymmetry results in increased defaults (Ajija & Siddiqui, 2021). To mitigate against this, members create and participate in multiple savings groups at a time, to ensure that if there is a default in one, they are covered by their participation in others (Acquah & Dahal 2018).

By participating in several groups diversity is increased and homophily time reduced, however, multiple subscriptions increase the chances of default across the board which could cause a domino effect that leads to multiple savings group collapsing (Han et al., 2020). Mehmood et al. (2019) finds that low income individuals prefer smaller groups for a faster turnaround, whereas high income individuals prefer larger groups for a more significant pay-out, making it apparent that savings group preferences differ across classes.

The low contribution amounts in savings groups do limit their scalability as the pot tends to be quite small. In addition to low contributions, inconsistent attendance of mandatory meetings or failure to meet monthly contributions greatly limits the growth of the pooled resources (Abaho et al., 2022). The low level of savings against the high demand for loans is likely to lead to dissatisfaction within groups thus limiting its attractiveness to newcomers (Jahns-Harms & Wilson, 2018).

Scalability remains a key limitation to savings groups in their current form. To mitigate against this, Cassidy & Fafchamps (2020) propose incorporating savings groups into formal credit institutions in order to avail them with stop-gap financing in time of need. To successfully do so, the formal credit institution would likely have to maintain the loan processing or disbursement speed of a savings group, remove the processing fees and be flexible in terms of documentation and collateral requirements.

### 3.5.3 Formalisation

A notable segment of the literature under review propose some form of formalisation as the next step in the evolution of savings groups processes. Mehmood et al. (2019) defines formalisation as the incorporation of savings groups into regulated, licensed and fully liable institutions which cease to rely on social capital as a formation prerequisite. Though the majority of the literature recommend formalisation, most do not outline how it can be achieved, Landman & Mthombeni (2021) offer guidance to formal institutions that seek to target low income consumers to ensure that they follow a customer centric approach that incorporates the preferences of the consumer albeit, within reason.

Several attempts to incorporate bank processes in savings groups are undertaken or analysed in the studies, however, they are focused on linking savings groups to existing financial institutions. Gonzales et al. (2021) posits that groups that have graduated from agent or institutional support perform better than those that are still reliant on external assistance. This poses a conundrum for efforts aimed at formalisation of savings groups by linking them to formal financial institutions in that groups perform better without formal institution interference, however, formalisation requires that they be linked to institution (Cassidy & Fafchamps, 2020).

In contexts where savings group members do have access to formal banking service but choose savings groups as an alternative like Asia, the formalisation process is probable and may be preferred (Dinç et al., 2022; Lee et al., 2022). In the South African context, savings groups already exhibit signs of interaction with formal institutions where the group as a whole has a bank account and uses electronic funds transfers to  make contributions (Hutchison, 2020). Extending banking services to the remainder of the group for ease of process in this scenario is acceptable and encouraged (Hutchison, 2020). However, for the lower income segment that lack financial literacy, literature does not adequately address the pre-requisites for formalisation nor the intended process to enable it. Studies on the impact of formalisation on such savings groups members are also lacking.

### 3.5.4 Digitalisation

"Digitalization apparently improves the efficiency and flexibility of financial services" (Lee et al., 2020, p.2073) Similar to formalisation, a common thread within the recommendations for future studies is the incorporation of technology into savings group formation and operations. Digitalisation differs from formalisation in that it involves conducting or upgrading savings group activities to technological platforms, however, it does not always result in the formalisation of the group (Mehmood et al., 2019).  Potential areas of digitalisation in a savings group include member recruitment, accounting, payment and disbursement of contributions inter alia (Mehmood et al., 2019).

Several scholars have conducted experiments on digital upgrades of savings groups; however, none have been implemented practically yet. For instance,  Francois & Squires (2021)  create and test an experimental SMS based ROSCA cycle on market workers, to determine whether participants would honour their commitments in the absence of face to face meetings and the accompanying peer pressure.  Despite the limitations of an experimental approach, their results display the potential of mobile applications as the next step towards ROSCA formalisation amongst the lower income groups. Similarly, Mehmood et al. (2019) develop a smart phone app that enhances an existing mobile money app by allowing savings group members to eliminate cash use and keep track of records. The immediate critique of both approaches is the need for technology in the form of personal cellular or smart phones for implementation. For low income individuals this remains a tall order.

Based on the studies under review, digitalisation appears to be limited by contextual capabilities with Asia proffering high technology solutions and Africa relying on archaic platforms (Francois & Squires, 2021; J. S. Lee et al., 2020), further studies to overcome the digital divide in savings groups would offer better direction. One aspect that digitalisation has failed to incorporate within the literature is the maintenance of social capital, social cohesiveness and networking that occur during face to face interactions of low income savings groups (Tan & Savani, 2022).

### 3.5.5 Legal recourse

As unlicenced, unincorporated and unregulated associations, the majority of countries do not legally recognise the operations of savings groups as financial intermediaries, however, a few countries have made progress in attaining legal cover (Hutchison, 2020; Mokoena et al., 2021). It is apparent that the type of legal recourse available to members is contextual and dependent on how the government in that country positions the relevance of savings groups to its financial policies (Mokoena et al., 2021). Light (2021) posits that the legalisation of savings groups affords members legal recourse when managing defaulters, and would thus reduce reliance on social capital as a prerequisite to their formation. However, Light (2021) also warns of a potential side effect of legalising savings groups, that is, it would create fierce competition for banks and insurance companies.

Within savings groups, inherent binding rules of engagement are read out during initial meetings and seldom written down, relying instead on participants verbal assent as a sign of commitment (Mehmood et al., 2019). Groups with foresight to keep records in the form of cards and record books are rewarded with recognition from state law (Hutchison, 2020; Yimer et al., 2018). However, in the absence of legal recognition, savings groups adapt to survive. Yimer et al. (2018) notes that when state laws fail to recognise the collateral arrangements and enforcements in some savings groups, members are able to rely on customary laws to make claims in cases of default. In other contexts, members proactively give a copy of their signed constitution to the police as a premise for their right to repossess property in case of default, to pre-empt the defaulter from reporting the repossession as an illegal act (Iwara et al., 2020b).

### 3.5.6 Social sanctions

The lack of legal recourse for unlicenced and unregulated savings group has led to reliance on social sanctions as a default management mechanism. These sanctions range from paying fines, to community ostracising.

In cases where a member defaults and there is no collateral present, the convener ensures that the untrustworthiness of the defaulter is communicated across the community as a warning to others to socially exclude such members from future groups (Han et al., 2020). Though, it is not uncommon for the property of defaulters to be confiscated in payment of their debt, however, the legality of this form of recourse remains questionable leaving social pressure as the legal option (Hutchison, 2020; Yimer et al., 2018).

In close knit communities, knowledge of one's failure to adhere to set rules is quickly disseminated to shame the defaulter and deter others from following suit (Abaho et al., 2022).  The impact of a default is not limited to the defaulter but can be extended to family members, prior vetting is therefore a critical part of member selection. (Han et al., 2020; Koike et al., 2018). In other cases, tribal community leaders such as chiefs are consulted for mitigation (Iwara et al., 2020a; Oraro & Wyss, 2018).

Reito (2020) posits that savings groups can survive without social sanctions and posits alternative default risk management strategies thus opening up an area of further study. Though there is general consensus by scholarship on the need for legal recourse for savings groups, there remains a disproportionate amount of literature to support this assertion.

### 3.5.7 Accounting and record keeping

As mainly low income groups, VSLAs members tend to be illiterate making book keeping difficult to maintain (Abaho et al., 2022; Dube & Edwell, 2018). To counter this, oral accounting occurs during the meetings where the leadership reads out the shares, loans and outstanding balances of each member (Deubel & Boyer, 2020). This approach promotes transparency within the group and members are able to audit the accuracy of the main records against their own (le Polain et al., 2018).

A recurrent outcome for VSLAs has been the lack of improvement on income or poverty variables, this undermines the assumption that income from fines, bids and interest of loans inter alia, adds economic value or whether the interest charging approach is indeed profitable or necessary (Ajija & Siddiqui, 2021; Jahns-Harms & Wilson, 2018; le Polain et al., 2018). Jahns-Harms & Wilson (2018) also note that frequent borrowers with minimal shares could be responsible for the majority of interest earnings however, after funds are divided to all members including nonborrowers, the frequent borrower could in-effect earn negative interest on their savings. However, savings groups fail to account for that, hence, Jahns-Harms & Wilson  (2018) notes that the complexity of interest calculations for disbursed loans and end of year profit sharing out is often overlooked in literature.

Comparative studies between on the economic outcomes of interest based vs non-interest based savings groups would be enlightening.

### 3.5.7 Sustainability

Savings groups have a cyclical nature after which members disband and continuance is optional (Imami et al., 2020). Scholars cite loan default, low savings and meeting unattendance as the main threats to the sustainability of savings groups and propose that good leadership, fair interest rates and avoidance of frequent meetings would mitigate against these (Dube & Edwell, 2018; Moret et al., 2021; Panman et al., 2022). Iwara & Netshandama (2020) and Tan & Savani (2022) also offer prescriptive best practice solutions to savings group sustainability that however, do not adequately account for contextual differences and preferences. Moret et al. (2021) in turn finds that following best practice does not lead to sustainability, but that sustainability is attained by allowing groups to evolve to suit local contexts and member preferences. In turn, the review indicates that savings group goals between members and sponsors are not always aligned thus making their customisation difficult.

For instance, Jahns-Harms & Wilson (2018) posit that while drivers of financial inclusion seek to digitalise or formalise savings groups, the actual preferences of participants are often overlooked and that such efforts could for instance exclude those that are digitally illiterate and negatively affect group sustainability. le Polain et al. (2018) also highlights the different agendas at play between savings group practitioners who are driven by development agendas and group members who are seeking access to credit calling into question the decision making autonomy of sponsored groups (Jahns-Harms & Wilson, 2018).

One of the notable challenges to savings group sustainability has been the Covid 19 pandemic, however literature covering the covid 19 pandemic is scarce due to its recency. The few studies available note the resilience and adaptability of savings groups in times of massive losses of income and depletion of savings (Adegbite et al., 2022; Chidimbah Munthali et al., 2022; Chivasa, 2020). In compliance with pandemic restrictions, some groups opted to digitise payments and disbursement, thus embracing innovation to preserve sustainability (Adegbite et al., 2022; Zennou et al., 2022). (Zennou et al., 2022). Literature shows that low income members were more affected by the Covid 19 pandemic than the medium or high segments, this is expected due to their low resilience to shocks (Chidimbah Munthali et al., 2022; Wu et al., 2022). Interestingly, the profile of a savings group member evolved from low income women to educated but unemployed men which had a direct positive impact on group sustainability (Chidimbah Munthali et al., 2022). Though scholarship has previously stressed the importance of regular meetings for saving group sustainability, however, during the pandemic it was discovered that meeting frequency was not critical to sustainability (Chidimbah Munthali et al., 2022; Wu et al., 2022). The interesting findings of the pandemic studies regarding member profiles and meeting frequencies deserve further attention.

## 3.6 Emergent themes on outcomes

### 3.6.1 Social capital

Social capital can be defined as the free goodwill accumulated from human interactions that results in social gains (Lee et al., 2022). Oraro & Wyss (2018) describe social capital as being comprised of "trust, reciprocity and collective strength" (p.2). Light (2021) notes that the antecedents for social capital are not always present in a community, thus explaining why savings groups thrive in some cultures and not others. Citing the prevalence of savings group use amongst black immigrant communities in the USA but not amongst their African American counterparts, Light (2021) deduces that savings groups are a form of untransferable traditional solidarity.

Social capital is repeatedly claimed within the literature, as an outcome of successful savings groups. The literature reveals two types of social capital; social capital that develops amongst kin, peers or people with shared characteristics is called bonding social capital; whereas that occurring amongst individuals who have no discernible similarities is called bridging social capital (Kim, 2020). Kim (2020) concludes that the lower the class of individuals, the higher their likelihood to rely on bonding social capital when forming savings groups as they prefer to mix with their own. However, sustainability in a savings group can only be attained if members actively seek bridging social capital as that encourages heterogeneity and minimises risks of defaults. The larger the group, the less the social ties, that is the lower the potential for social capital (Smets, 2019). Interestingly Mehmood et al. (2019) found that in a convenor led ROSCA, group size need not be limited as social capital is only required between the leader and the members for the group to function well.

Experiments deemed to test the cruciality of social capital in savings group formation and execution find that it is not a prerequisite (Kim, 2020). However, there appears to be a certain amount of confusion between the role and definition of social ties, and social capital warranting further clarity.

### 3.6.2 Socio-economic wellbeing

Literature demonstrates the multitude of pathways through which sustainable development efforts can be attained using savings groups as a conduit (Lorenzetti et al., 2021). Rutherford & Ejeta

(2021) trace the economic empowerment of savings groups to better health care access, better food diversity and ultimately better adolescent child care (Gash, 2017; Lukwa et al., 2022). On their part, Sato et al. (2019) find that in an advanced economy like Japan, savings groups are driven more by social than economic benefits with members participating to maintain the mental agility of elderly members (Sato et al., 2019), or to attain a feeling of inclusivity (Lorenzetti et al., 2021).

Although, scholars concede that both the ROSCA and the VSLA approaches are beneficial to the social-economic development of their members, the mixed results on VSLAs are concerning especially when longitudinal studies proffer discouraging results (Moret et al., 2021). In their cross-country study Flynn & Sumberg (2018) note unimpressive short term results and caution against the overemphasis of the impact of savings groups. The inconclusiveness regarding the outcomes of VSLAs is disconcerting and should encourage further studies, taking lessons from the cautionary tale of the microfinance approach in which the level of global investment far exceeded the actual outcomes (de Quidt et al., 2018). On the other hand there is scholarly silence on the long term effects of ROSCA participation. The notable difference in outcomes is worthy of further interrogation.

### 3.6.3 Capital mobilisation

A consistent positive outcome of savings group participation is the increase in asset base for its members (Iwara & Netshandama, 2020; Shoaib & Siddiqui, 2020). Several scholars highlight the utility of savings groups in starting businesses, financing housing and even undertaking largescale community projects such as road building.

Smets (2019) posits that western financing approaches that promote individualistic banking approaches are not an easy fit for all non-western contexts especially in communities which would benefit from community based financing approaches like savings groups. Savings groups thus address the financing gap arising from the low individual savings capability of low income consumers, the lack of appropriate bank products and inadequate government interventions (Adegbite et al., 2022; Gonzales et al., 2021). Through savings groups, communities can access household finance to purchase or maintain property (Smets, 2019).

However in order to do so, the savings group cycle needs to continue in perpetuity thus allowing for the accumulating of larger amounts, these funds can also be used to undertake individual building projects or shared infrastructure building projects such as road building inter alia (Rahman & Ley, 2020a; Smets, 2019)

### 3.6.4 Political empowerment

Large scale community savings groups such as those aiming to mobilise capital for housing development, develop an unanticipated side effect of political empowerment (Rahman & Ley, 2020a). The collective unity of purpose accords savings group members the voice and platform to interact with key government representatives and to lobby for community development initiatives (Rahman & Ley, 2020). Studies show that marginalised communities, gain access to government leaders or local politicians, especially in cases where savings groups are utilised as vehicles for community based finance (Rahman & Ley, 2020b) . By scaling the impact of savings groups through partnerships with NGO's, savings groups enable members to be acknowledged as valuable members of society (Lee et al., 2022; Smets, 2019).

Similarly, savings groups that are formed to provide funeral cover or to buy groceries have been found to partner with relevant suppliers to provide the intended services (Bonan et al., 2019). This approach has inadvertently empowered members by giving them large buying power thus enabling them to negotiate for favourable terms as a group (Bonan et al., 2019; Dube & Edwell, 2018; Iwara & Netshandama, 2020).

## 3.7 Theoretical Underpinnings of Savings Groups

### 3.7.1 Reciprocity

Reciprocity, is premised on the belief that one good turn deserves another (Tan & Savani, 2022). The cultural belief that investing in the welfare of others will lead to similar future investment in one's welfare is what the spirit of reciprocity is about (Dinç et al., 2022). The anthropological studies within the review note that this mentality is particular to certain cultures, particularly those that contain a strong moral compass (Han et al., 2020). Anthropological studies on savings groups cite Yui and Ubuntu as the theoretical underpinnings of reciprocal savings group tendencies (Onda, 2021; Sithole et al., 2021). Yui is described as the exchange of labour where one neighbour would assist another in anticipation of similar help in future whereas Ubuntu is the spirit of community in which problems are shared and the success of one is the success of all, thus in both cases, people work towards the common good (Koenane, 2019; Onda, 2021; Sithole et al., 2021).

Under this notion, communities help one another by pooling resources to ensure a fair chance to survive and thrive is accorded to all. Light (2021) posits that in the absence of reciprocity, savings groups will not form nor thrive and thus individualism will prevail. Not all cultural leanings promote a cohesive and communal approach to progress with developed countries displaying individualistic tendencies, and thus exhibiting a lack of savings group presence (Imami et al., 2020).

Reciprocity can also be negative, with members retaliating against defaulters by withholding contributions to those who did not contribute in turn (Koike et al., 2018). Reciprocity or the anticipation thereof is said to be inherently passed on from living cultural traditions that are indigenous to certain cultures (Light, 2021; Sithole et al., 2021). The behaviours evident in savings groups are said to be reminiscent of tribal and clan based relationships where community relationships guide financing processes (Danso-Wiredu, 2021; Oraro & Wyss, 2018)

### 3.7.2 Cooperation and collective action

Following closely from the notion of reciprocity is the inclination for collective action. The origins of savings groups are premised on collective action where communities join forces to address communal challenges (Zennou et al., 2022). Chivasa (2020) notes savings groups members acknowledgement, of the futility of individualistic approaches to problem solving in preference for communal drives. Onda (2021) through an anthropological lens posits that it was not unusual for communities to pool resources to help one another with the harvest, building homes or even constructing roads in areas where no formal organisation was available to do so. The inherent knowledge that communities possess of the possible synergies of forming a savings groups are premised on the theory of collective action, that is it is only those that practice collective action that recognise the synergies it bears (Pal & Singh, 2021; Panman et al., 2022)

Intragroup cooperation emerges in the literature as the glue which holds savings groups together, without which, collective action would be impossible. Tan & Savani (2022) posit that savings groups require cooperation in order to agree on fair distribution of the usually low supply of credit. Chivasa (2020) describes a savings group formed in a conflict zone as a haven of peace within which cooperation allowed for conflict resolution and shared goals to prevail. Similarly, for wives of miners in South Africa who had no means of earning a fair wage, savings groups premised on cooperation provided a lifeline for urban survival that transcended tribal and ethnic divisions (Lappeman et al., 2020). Group members have been known to ignore small infractions preferring to bypassing saving group guidelines, in order to maintain group cooperation (Tan & Savani, 2022). Savings groups therefore rely on cooperation in order to execute collective actions.

Savings group members need to have cooperation in order to agree on a set of rules to govern them, a contribution amount that is agreeable to all and a fund dissemination approach whether it be rotational or need based. However, a knowledge gap on what drives cooperation is apparent from the review as is the required level of cooperation for success.

### 3.7.3 Homophily

A commonly cited finding in the review literature is the lack of diversity of member profiles within savings groups (Cassidy & Fafchamps, 2020). Savings group members tend to subconsciously self-select into groups of their peers by partnering with ethnically or tribally similar members and where that is not possible, neighbours in a community automatically band together (Kim, 2020). The tendency to congregate with peers or similar members is called homophily, where there is free reign, self-selection tends to occur amongst family members, friends, neighbours and peers (Gonzales Martinez et al., 2021). Homophily is a naturally occurring phenomena in savings group formation, Oraro & Wyss (2018) view it as a re-enactment of close social ties that are prevalent in certain contexts such as Africa.

The disadvantage of homophily in savings groups is that similar members seek similar outcomes, for instance, Cassidy & Fafchamps (2020) find that groups who are inadvertently comprised of savers only, fail to grow their fund as they lack borrowers thus forcing them to lend to high risk non-members. Similarly, a group consisting of non-farmers who experience shocks, have universal demand for emergency funding however creating a diverse group of farmers who mainly seek to save and non-farmers is less prone to a savings wipe out. Acquah & Dahal (2018) encourage members to practice heterogeneity instead of homophily, that means joining several groups to spread risks.

A notable outcome of homophily in savings groups is compulsory borrowing for all members. In a group of savers, such unplanned forced borrowing leads to higher default rates as members borrow to comply and not to invest l(le Polain et al., 2018). Homophily therefore discourages pure savers. Subsequently, Cassidy & Fafchamps (2020) suggest matching borrowers with savers when forming a group to improve the availability of funds when required. Kim (2020) posits that to minimise the impact of shocks, savings group members need to deliberately apply bridging social capital in their self-selection efforts, in doing so, they partner with diverse members who exhibit a lower risk of experiencing similar shocks.

### 3.7.4 Ethno finance and ritualism

The literatures makes several references to indigenous financial knowledge that is passed down from generation to generation within tribal and cultural confines (Deubel & Boyer, 2020; Han et al., 2020; Light, 2021). Sithole et al. (2021) uses the term ethno-finance to describe the culture based financial practices that arise from financial management traditions that are particular to given contexts, these indigenous financial intermediaries are premised on communal wellbeing, clan relationship and social ties. Savings groups are therefore described as a provider of such indigenous financial intermediaries that incorporate all the contextual, cultural and tribal elements of their members to provide customised services that are aligned with members need (Koenane, 2019).

Building on the notion of cultural financing, Green (2019) posits that ease of diffusion of savings groups is as a result of the similarities in process, rules and structure that is evidence of a shared rituals. Ritualism easily transcend contexts, as it demands adherence to set rules with limited deviation hence it drives the success of savings groups. Though the ritualistic aspect of savings groups helps with their dissemination it would limit their assimilation into formal institutions. The notion of an indigenous financial approach and savings groups as a ritual based approach is alluded to in the studies but not adequately addressed.

### 3.7.5 Communal Culture

Koenane (2019) posits that the spirit of community described as Ubuntu in the African context and Kou or Moyai in the Asian is reflected in the concept of savings groups where communities pool resources together for the good of all (Dinç et al., 2022). In addition to pooling resources, members of this communal culture are willing to forego their immediate needs to save in order to avail another member the financing they require. In their study on the importation of savings groups by immigrants into developed countries such as the USA, Ibrahim (2019) find that immigrants maintain their communal culture even when faced with individualistic contexts.

Positing similar findings, Imami et al. (2020) found that under the socialist rule, savings groups were rampant in Eastern Europe as people tended to utilise them as a networking and inclusion tool across social strata. Communal cohesion was a key enabler of savings group success, as members shared a belief in the common good (Imami et al., 2020). Onda (2021) states that an increase in government led social protection leads to the erosion of community spirit, as reliance on one another becomes unnecessary, thus changing the focal point of savings groups from socio-economic to purely economic. Subsequently, the disruption of the socialist approach for a capitalist rule was mirrored by a reduction of savings group presence, where surviving group limited membership to family only. Over the years, individualistic tendencies have eroded the communal spirit that drove savings groups in developed countries and where they still survive, they have evolved into a capitalist tool of promoting self-interest (Onda, 2021).

Light (2021) posits that only those communities that are predisposed to developing social capital and have inherent cultural understanding of saving group operations will consider using them as a poverty alleviation tool. In other words, the tendency to form a savings group is embedded in one's traditional and cultural instincts, thus savings groups are heavily influenced by the prevalent norms in their contexts (Ajija & Siddiqui, 2021)

Wu et al. (2022) draws parallels between the theory of shared economy and communal culture, shared economy is defined as "a socio-economic system enabling an intermediated set of exchanges of goods and services between individuals and organizations which aim to increase efficiency and optimization of sub-utilized resources in society" (Wu et al., 2022, p.1). In a savings group, that is akin to pooling resources and redistributing them for the best outcome of a community.

### 3.7.6 Trust

Trust recurs throughout the literature as a critical component of savings groups. It is proffered as an antecedent during self-selection as members select those they trust. It is also proffered as part of the savings group processes (Deubel & Boyer, 2020) . Considering that savings group lack legal recourse, trust plays the role of guarantor when funds are disbursed, members have to trust that others will repay (Iwara et al., 2020b).

In Asian ROSCAs especially, the value assigned to one's reputation and the lengths they would go to maintain it, enhances trust and lowers the perceived risk of default (Han et al., 2020; Ke & Ye, 2019), thus highlighting the role trust plays in savings group characteristics.

Trust networks and being trusted has been cited as a key outcome for participating in savings groups (Deubel & Boyer, 2020). Trust is often cited alongside reciprocity and collective action as the premise for social capital, however, aside from being acknowledged as a key aspect, only one article focused on it particularly (Deubel & Boyer, 2020).

## 3.8 Drivers of savings group growth

In view of the noted growth and diffusion of savings groups, the literature was assessed for potential drivers of growth, though no studies particularly focus on savings group growth, the following concepts emerged:

### 3.8.1 Social Wellbeing

Savings group growth is driven by the unmet need for social wellbeing and social security from formal systems (Lorenzetti et al., 2021; Sithole et al., 2021). Perceived from a ROSCA perspective this appears as lack of formal financing, employment and insurance (Ryu & Suzuki, 2021). On the other hand, from a VSLA angle, growth is driven by the need for social wellbeing, social capital and economic growth (Lorenzetti et al., 2021). The social benefits such as trust, social capital and social belonging accrued from participating in a savings group make them preferable to banks where customer relationships tend to be professionally driven (Lukwa et al., 2022)

### 3.8.2 Ease of Use

Savings groups do not require physical infrastructure to set up as meetings can be held at any location from a restaurant to under a tree (Bilecen, 2019; Cassidy & Fafchamps, 2020). With the exception of agent aided savings groups, there are no operational costs in running a savings groups as members self-manage through internally elected leader or conveners (Mehmood et al., 2019; Moret et al., 2021). Savings groups have been simplified to even allow illiterate members to replicate them, the ease of set up and flexibility of savings groups works in their favour and drives their diffusion (Deubel & Boyer, 2020; Shaaban, 2022).

### 3.8.3 Flexibility

A key aspect to funding through savings groups is the speed with which members need can be addressed. In a ROSCA, members are able to switch turns in case of emergencies and in a VSLA, loans can be availed dependent on need and not always rationality (Dinç et al., 2022; Jahns-Harms & Wilson, 2018). The speed with which funds are disbursed without bureaucratic processes make It preferable to formal insurance option (Bophela & Khumalo, 2019; Ngcobo & Chisasa, 2018).

### 3.8.4 Customer Centric

In seeking to address insurance needs, the main advantage of the savings group approach over formal insurance is the perpetuation of saved funds until a claim is made, therefore members do not lose unclaimed funds at the end of a year (Bonan et al., 2019). Due to the unpredictability of deaths, contributions are withdrawn with haste as per prior arrangement when required (Mokoena et al., 2021; Ngcobo & Chisasa, 2018). The social fund in VSLAs and the ROSCA burial society inter alia are demonstrable examples of the responsiveness of savings groups to customers emerging needs (Dube & Edwell, 2018; le Polain et al., 2018)

## 3.9 Conclusion of literature review

This chapter highlighted the prevalent approaches of savings group literature and gave an overview of their drivers, processes and outcomes. It then grouped emergent themes into antecedents, processes and their limitations, outcomes, theoretical underpinnings and ended with a passing mention of the notable reasons for growth of savings groups. The next chapter will provide a commentary and discussion of each topic that has been reviewed, thereafter the paper will conclude with a summary and future study questions.

# Chapter 4 Discussion of Literature Review

## 4.1 Renaming savings groups

Despite the numerous names outlined in Table 5, there is general agreement that a savings group entails a communal gathering of like-minded individuals who utilise their social connectedness to pool together resources for future dissemination amongst themselves (Kim, 2020; Light, 2021). Furthermore, there is general consensus that savings groups are premised on trust, social ties and reciprocity inter alia (le Polain et al., 2018; H. E. Lee et al., 2022). In view of this consensus on savings group definition, premise and approaches, it is imperative that future studies focus on identifying one term to capture the essence of savings groups. Without a common term or name, aggregating relevant literature and following scholarly progress on the subject remains a challenge. The lack of consensus regarding the naming of savings groups withstanding, scholarship is clear on the two main types of savings groups, that is the rotational interest free approach (ROSCA) or loan based interest charging approach (VSLA) (Appiah-Twumasi et al., 2020; Cassidy & Fafchamps, 2020; Landman & Mthombeni, 2021).

The review shows that the savings groups are considered local financial intermediaries thus, it is not unusual for them to be given local names, or to adopt the names given by their originating institutions (Lee et al 2021). This personalisation of savings groups leads to some scholars making claims that the notion of these associations was conceived in their contexts, for instance Lappeman et al. (2020) positing that ROSCAs – stokvels originated in South Africa due to racial segregation and were driven by the consequences of urbanization. However, while an overview shows that though unique variations of ROSCAs such as the grocery ROSCA did initiate in South Africa, the review shows that the core aspects of savings group predate the South African context by several centuries (Onda, 2021). This historical inaccuracy is another example of the need for future scholars to retain one name, so that savings groups records have traceability.

## 4.2 Acknowledgement of savings group approaches

The prevalence of two savings group approaches though acknowledged in a few studies is not adequately studied in unison but heavily studied in isolation. Through the review we find that some contexts have provided studies on both approaches albeit, separately with barely a mention of the other. In most cases, there is simply no acknowledgement of another approach, even in contexts where both are present (Alesane et al., 2020; Appiah-Twumasi et al., 2020). This review highlighted the ROSCA and VSLA approaches primarily based on the search terms entered and the literature captured, however, knowledge on the entire range of saving group approaches is scarce.  From the articles it is apparent that these are the most prevalent approaches (Gash, 2017; Lukwa et al., 2022), and that prior to this review, there was a indeed a gap in the literature with regards to providing a holistic overview and a comparative analysis of savings group approaches or models.

From a historic perspective, scholars tend to place both savings groups approaches on a continuum beginning from the early approaches of  Kou or Moyai to ROSCAs  and then to VSLAs (Cassidy & Fafchamps, 2020; Dagunga et al., 2020; Han et al., 2020; Jahangir et al., 2022; Lee et al., 2022).. It is however clear that even if VSLAs were conceptualised on the premise of ROSCAs, or other indigenous models, one has not replaced the other. The notion of a continuum is therefore discredited as both approaches remain prevalent and are both growing albeit in different contexts.  The review shows that ROSCAs – stokvels are prevalent in South Africa, Turkey and Asia inter alia, and VSLAs are prevalent in the rest of Africa and Latin America (Bilecen, 2019; Green, 2019; Landman & Mthombeni, 2021; Light, 2021; Thophilus & Paul, 2019). However, the review does not show why these approaches are prevalent in their particular contexts and why there has been no cross-contamination of approaches or mention thereof. Apart from noting the presence of both approaches in a few contexts during the name analysis, literature on both approaches remains scarce.

An apparent difference in member profiles exists between ROSCAs and VSLAs, with one being urban and banked and the other primarily being rural and unbanked (Bophela & Khumalo, 2019; Cassidy & Fafchamps, 2020; Landman & Mthombeni, 2021). There is evidence of VSLA permeation into peri-urban areas, however, studies to identify the profile of these members are lacking. It would be interesting to learn whether the changing profile of a VSLA member would affect the economic outcomes.

By highlighting the drivers it is apparent that these approaches address different levels of need with ROSCAs being skewed towards capital mobilization and VSLAs tending towards smoothing consumption (Cassidy & Fafchamps, 2020; Iwara & Netshandama, 2020; Tan & Savani, 2022). It is also worth noting that in a ROSCA, a member has access to a much larger lumpsum which can be put to better use in an entrepreneurial capacity (Iwara et al., 2020b) whereas  VSLAs member is limited to borrow 300% of what they save which for low income savers might not amount to much. The difference in the amount and use of funds could account for the difference in outcome determination, in that assets are easy to review whereas, daily improvements in life are harder to discern, this difference in economic outcomes should not be taken at face value but deserves a deeper dive in which the opportunity costs of each approach are assessed and compared on a level playing field.

## 4.3 Reviewing savings Group Antecedents

The review does not have studies targeted specifically to antecedents of savings groups in their entirety, however, social insecurity, social ties, socio-economic wellbeing, commitment savings and women's autonomy emerge from the literature as drivers (Bilecen, 2019; Dube & Edwell, 2018; Kim, 2020; Mantsios et al., 2018). A recurrent theme behind the development of savings group is the unsatisfied need for social security or social protection. Bophela (2022b) likens the fulfilment of needs in a savings group to the satisfaction of Maslow's hierarchy of needs, thus supporting the assertion savings groups address a myriad of social and economic needs. Viewing savings groups as a consequence of inadequate social security inter alia, changes the lens through which they are perceived and encourages a holistic approach to addressing the needs of their members. This is important knowledge for proponents of financial inclusion and for financial service providers, as the former need to recognise the complexity and reach of savings groups, while the latter need to incorporate social security needs in their products.

Secondly, most of the subsequent antecedents can also be tied back to the need for social security, for instance, members feel the need to use savings groups as a commitment savings device in order to mitigate against unknown risks (Al Ajlouni, 2019). Most of the studies focus on the credit or lending aspects with only a handful taking on the savings aspect of savings groups (Pamuk et al., 2021). As a result, the desire by low income consumers to save has emerged as an unexpected by-product of several studies, and the reasons given allude to the desire for insurance against unexpected shocks. Landman & Mthombeni (2021) adequately cover this gap however, the gap in studying savings groups as commitment savings devices lies in determining how to guide savers into the right groups to avoid homophily leading to compulsory borrowing to maximise on the intermediation therein. particularly for the VSLA approach (Cassidy & Fafchamps, 2020)..

Thirdly, the desire for women's emancipation is found to be a driver for saving group perpetuation, women seek emancipation and validity through the social security availed in participating in a savings group (Al Ajlouni, 2019; Bilecen, 2019). Though the need for universal financial inclusion drove this review, literature shows that the desire for social inclusion, social networking and social capital transcends economic drivers thus expanding the relevance, contribution and potential utility of savings groups as a whole.

There is an overlap between social ties and social capital, where the former is akin to networking, and the latter is akin to having a positive reputation and being considered trustworthy, however, some studies treat these as one. Studies on social ties in the literature tend to focus on proximity of members to one another and find that proximity or social connectedness is another determinant of savings group formation (Appiah-Twumasi et al., 2020; Rahman & Ley, 2020a). However, a deeper analysis of the literature reveals that social ties lead to savings group formation within which social capital blossoms and grows to become an outcome (Kim, 2020). Literature shows that finding the right balance is critical to success as overly close connections have been found to aid default, whereas too much distance can also enable default (Han et al., 2020; Kim, 2020; H. E. Lee et al., 2022). Social ties are adequately covered in the literature.

With regards to trust, literature agrees that it is a prerequisite to savings group formation. Members use trust to self-select, untrustworthy members tend to be either excluded entirely or considered as a high risk and therefore lent to last (Bauchet & Larsen, 2018). Trust and social capital appear to be two sides of the same coin. Trust appears to be a component of social capital, however, Francois & Squires (2021) and Kim (2020) demonstrate the viability of forming and maintaining a successful savings group without trust, leaving its positioning vulnerable. It would be of interest to scholarship to determine how trust forms amongst members and whether digitalisation and automation of savings group processes can replace trust.

## 4.4 Theoretical linkages

One of the objectives of this study was to determine the disciplines that drive the theoretical underpinnings of savings groups. From the review it is apparent that with themes such as reciprocity, communal culture, trust, cooperation and collective action, the theoretical underpinnings of savings group literature are anthropologically driven (Deubel & Boyer, 2020; Green, 2019a; Yimer et al., 2018).

These theories are mainly situated in historic, cultural, and traditional studies thus emphasising that savings group models predate modern financial systems (Han et al., 2020; Jahangir et al., 2022; Sato et al., 2019). Literature shows that reciprocity, or the desire to return a good turn called ubuntu, moyai or Kou need to be inherently present within members in order for a saving group to thrive (Koenane, 2019; Onda, 2021). Reciprocity shares connections with collective action and the shared economy theory where the goal is to build the common good by redistributing resources (Wu et al., 2022). These theories all revolve around a common theme – the coming together of individuals to overcome personal obstacles.

There also appears to be similarities between the concept of reciprocity and that of social capital. Reciprocity assumes that a recipient of a resource or service is bound to repay the resource or service at a later date when the giver requires it meaning that the recipient is bound to honour a commitment to the provider (Onda, 2021). In this instance, social capital can be defined as the expectation of reciprocity which the giver expects, these are future gains arising from performing an act that will result in the attainment of the common good. (Han et al., 2020; Kim, 2020; Onda, 2021)

On the other hand, reciprocity and individualism appear to be opposing concepts within the literature. Reciprocity is deemed to be cultural and contextual and not present in all communities but it is present in communal cultures and is a key driver thereof (Green, 2019b) . Ethno-finance or indigenous financial intermediaries are considered to be derivatives of communal cultures where individualism does not prosper (Light, 2021; Sithole et al., 2021). Seemingly in support of this, the literature alludes to the presence of individualism as a deterrent to savings group formation, thus providing scholarship an opportunity to test the assertion.

There also appears to be a difference in profile of savings group members between urban and rural areas, where the motivating factors do differ. In their studies of urban area savings groups, Kim (2020) find that proximity trumps trust. The forced cohesion of sharing an urban community builds connections that are strong enough to produce sustainable savings groups (Smets, 2019). This undermines the assumption that social ties should exist prior to the formation of a savings group (Rahman & Ley, 2020b). It would be of interest to scholarship to determine what other behavioural or psycho-social variables are relied on in the place of pre-existing social ties.

## 4.5 Reviewing saving group limitations

The majority of savings groups continue to rely on primitive processes such as the reliance of cash and cash boxes, giving rise to scholars efforts on digitalisation (Hutchison, 2020; Shaaban, 2019). In reviewing these attempts, it becomes apparent that there is a knowledge gap between savings group practitioners and savings group users, in which the former appears to be pushing technology to the latter (Jahns-Harms & Wilson, 2018). Studies on the various profiles of savings groups members rarely go beyond describing them as low income consumers, whether they are urban based or not . The literature acknowledges that all manner of individuals participate in savings groups however, little else is known about them. In-order for digitalisation efforts to be successful, scholars need to identify and categorise savings group member profiles in order to proffer suitable and practical solutions.

The reviewed literature tends to recommend integration of savings groups into the formal financing system, often proposing digitalisation as the way forward (Abaho et al., 2022), however only a handful outlined how the integration should occur. Savings groups appear to be seen as a standalone institution awaiting the right model to incorporate it into the formal system. The article finds a notable amount of prescriptive formalisation studies that do not adequately acknowledge the diversity of savings group members (Francois & Squires, 2021; Tan & Savani, 2022).

A typical savings group cycle regardless of approach will on average last one year, the implications of this are that with each cycle, group members and therefore group dynamics are likely to change. Whether it is by default or design, the majority of studies on savings groups are therefore cross-sectional thus limiting the ability to truly analyse long term effects or outcomes on members (Oraro & Wyss, 2018; Pal & Singh, 2021). These continuous membership changes create an outcome follow up challenge, and several of the papers do list a short cycle as a limitation to their studies. One possible way of overcoming this is to take the approach of Rutherford & Ejeta (2021)  where deliberate selection of veteran savings group participants for studies is made, to sufficiently determine long term outcomes.

Literature does not adequately acknowledge the cyclical nature of savings groups, which makes the efforts to formalise them  redundant due to hight member turnover. Moret et al. (2021) finds that members of savings groups keep a portion of their savings as a foundation for the next cycle, this therefore forces members to commit to another cycle. Whilst noting that forcing commitment to a savings group would erodes the much desired flexibility, further studies on scalability and therefore sustainability of savings groups are required to address the formalisation gap.

J. S. Lee et al. (2020) posits that the way forward for upgrading and integrating savings groups into formal systems is therefore through personalised services for their members, akin to graduating from joint liability to individual lending in microfinance lending. This would require a shift of focus from the meso to the micro within savings groups. By identifying and tracking potential individual customers, financial inclusion efforts bypass the cyclical limitation of savings groups.  Similarly, Jahns-Harms & Wilson (2018) propose a customer-centric approach to saving group formation where the focus is on the emergent needs of participants and not only best practice approaches.  Lieng et al. (2018) posit that to be sustainable, savings groups should be empowered to voice out their needs from inception.  Thus, instead of assuming formalisation is desired by all, determining the attitude of urban savings group members towards formal financing, would be of interest to scholars in assessing the effectiveness or attractiveness of formal systems (Jahns-Harms & Wilson, 2018).

## 4.6 Reviewing savings group outcomes

Scholarship has already adequately covered the outcomes of savings group participation from an economic, social wellbeing and empowerment perspective (Cassidy & Fafchamps, 2020; Dagunga et al., 2020; Deubel & Boyer, 2020; Ryu & Suzuki, 2021). It is apparent that beyond financial inclusion, governments are utilising savings groups to introduce socio-economic interventions (Dawuni et al., 2021; Lorenzetti et al., 2021). Though initially considered as a vehicle for bridging financially excluded, savings groups have evolved to become a platform for progress. This assertion applies to both VSLA and ROSCAs albeit in a different manner bearing in mind the contextual differences in which the two approaches are domiciled. The numerous impact and pathway studies are overwhelmingly skewed towards the VSLA approach, pathway analysis applied to ROSCAs would provide a deeper understanding of their reach in households and communities (Lorenzetti et al., 2021; Zennou et al., 2022).

## 4.7 Reviewing drivers of growth

The emergent growth drivers were gleaned from studies with other primary focus areas, they represent a high level scope and further studies that would focus entirely on the determinants of growth are warranted. In any case, based on the social needs and speed of responsiveness, savings groups can satisfy both social and economic needs in a unique manner that will be difficult for formal institutions to replicate.

## 4.8 Conclusion to literature review discussion

This chapter discussed the challenges of analysing savings group literature in view of the numerous terms used to describe it. A review of the emergent themes and their potential impact to scholarship and practice was also undertaken, highlighting potential areas of study. The next chapter will conclude with a few questions that are of interest from a business management perspective.

# Chapter 6 Conclusion

## 6.1 Summary

A structured semi-systematic review of savings group literature between the years 2018 and 2022 has revealed that savings groups are prevalent in Africa and to a lesser extent Asia. Their formation is driven by the need for social security, economic, as well as social wellbeing. Savings groups are characterised by contextual cultural traditions that can traced back to centuries old communal cultures. The communal essence brings likeminded individuals together to collectively create these semi indigenous financial service institutions that are premised on cooperation, reciprocity and shared trust. These qualities transcend contextual barriers and remain at the core of each savings group.

Despite having numerous names, literature has revealed the presence of two prevalent savings group approaches that occur in different contexts, namely ROSCA and VSLA. These group based community savings models can be distinguished by their fund disbursement strategy, that is, funds are either disbursed in a rotational and interest free manner (ROSCA) or funds are disbursed through loans with interest on a case by case basis (VSLA). The ability of both approaches to meet socio-economic needs in a customer centric manner sustains their appeal to all segments of consumers. Consecutively, the flexible financial processes easy replicability and ease of use, also ensure that savings group continue to grow and permeate rural and urban settings.

As informal institutions, savings groups have limited legal recourse in the face of member defaults and tend to rely on social sanctions as mitigating mechanisms. With the majority of savings group members belonging to the low income segment, processes remain primitive and outdated. Efforts to digitalise and formalisation savings group are underway with variable success. As cyclical institutions with low contributions, savings groups tend to remain small and localised, however, the literature shows that in appropriately matching savers and borrowers, savings groups stand to achieve scalability.

Economic outcomes of the ROSCA approach are positive and encouraging however, the VSLA approach proffers mixed outcomes with regards to income and poverty markers. Both approaches do consistently however tend to grow household assets. Social benefits in the form of social capital and agency are also consistent across the board.

The review has identified the prevalent savings group approaches, and has unearthed a wide range of emergent theories, theoretical underpinning and some drivers for savings group growth. However, as alluded to, there are several gaps in the literature that require further attention.

## 6.2 Further studies

### 6.2.1 Comparative studies

Insofar as the literature under review can ascertain, savings groups studies occur in silos with most studies focusing on either the ROSCA or the VSLA approach. There has been no direct comparison between the two savings group approaches to ascertain why each approach exists in the context that it does. Future studies can therefore address the following questions:

1. What are the contextual determinants of savings group approaches?
   i) Can savings group approaches coexist?
   ii) Which elements determine the sustainability of savings group approaches?

Such studies on the distinguishing contextual factors per saving group approach might also contribute to the formation of a hybrid conceptual framework that transcends cultural contexts thus contributing to theory. A practical contribution would be better matching by financial inclusion proponents of savings group approaches.

### 6.2.2 Effect studies

A recurrent theme within the review are the inconsistent outcomes of savings group interventions on their members. In view of the lack of consensus on the social and economic effectiveness of savings groups, there is need to conduct an evidence based assessment of both approaches separately and in comparison to determine their true effectiveness by asking:

2. What is the overall economic effect of savings group approaches on households?

This review would provide scientific evidence of the effectiveness of one approach over others and would direct development efforts accordingly.

More specifically, this review was premised on the importance of attaining a deeper understanding of savings groups as drivers of financial inclusion. However, the results indicate that savings groups economic performance is inconsistent as they evolve to be socio-economic hubs, there is need to reassess their effects by ascertaining:

3. What is the relationship between savings group approaches and financial inclusion?
   i) What is the impact of savings groups on financial inclusion?

ii) Which saving group approach proffers the best outcomes?
iii) How can savings groups be harnessed for positive socio-economic outcomes?

In addition to contributing to financial inclusion scholarship, studies on these questions would guide targeted financial inclusion efforts and formal financial institutions would use this information to leverage on the existing network of savings groups to extend more appropriate and customised products.

### 6.2.3 Profiling studies

Lastly, the growth and diffusion of savings groups into urban areas require an updated profiling of savings group membership to determine among others, the appropriate forms of digitalisation or formalisation required as well as the resultant implications on formal financial institutions.

4. What are the member profiles of the different savings group approaches?
   i) Are urban savings groups a substitute or complement of formal finance?
   ii) Does formalisation add value to urban savings group approaches?
   iii) Is savings group digitalisation feasible?

Studies to address these questions would update formal financiers of the threat or opportunity posited by savings groups, providers of digital/formalisation solutions would also be guided on how best to penetrate this segment.

## 6.3 Limitations

The literature review was limited to a five year time frame, thus potentially excluding seminal studies that would have contributed to a better understanding of the theoretical underpinnings of savings group literature. The study might have inadvertently excluded pertinent literature by not including certain keywords in the search process. Furthermore, the study excluded grey literature, books and other pertinent literature that was not peer reviewed thus limiting the scope of material for analysis.

The inclusion criteria of peer reviewed articles with no further quality filter, was applied to ensure an interdisciplinary range of literature was captured, but also noting that most studies are domiciled in lower level journals. However, as a result of this, some of the cited results may not have the desired reliability for generalisation.

The use of inductive content analysis to identify themes might not be ideal for a single researcher, as theme recognition is limited to their worldview and understanding. This review used a structured semi-systematic literature review which has limited ability in assessing outcomes, the inconsistencies noted in savings group outcomes warrant a systematic review of evidence to determine the true economic outcome of savings groups.

Lastly the study was geared towards providing a comprehensive overview of savings group literature during the chosen time frame, for more depth and detail, focused studies are required.

## 6.4 Conclusion

In conclusion, the review has shown that ROSCAs and VSLAs are the most prevalent savings group approaches. In addition this review has provided a comprehensive overview of savings group literature from 2018 to 2022. Several noteworthy themes and interesting theoretical underpinnings have emerged in this review that call into question prior assumptions of regarding savings groups from a purely economic lens. Further scholarship from reputable journals would help draw attention to this important topic.

# References


Abaho, E., Mindra, R., Agasha, E., & Balunywa, A. (2022). Alternative business finance: insights from selected informal savings groups in Uganda. *African Journal of Economic and Management Studies*, *13*(2), 268–283. https://doi.org/10.1108/AJEMS-11-2021-0490

Acquah, J. K., & Dahal, R. (2018). ROSCAs as lenders of last resort after financial crises: Lessons from Indonesia. *Journal of International Development*, *30*(7), 1223–1239. https://doi.org/10.1002/jid.3366

Adegbite, O., Anderson, L., Chidiac, S., Dirisu, O., Grzeslo, J., Hakspiel, J., Holla, C., Janoch, E., Jafa, K., Jayaram, S., Majara, G., Mulyampiti, T., Namisango, E., Noble, E., Onyishi, B., Panetta, D., Siwach, G., Sulaiman, M., Walcott, R., … de Hoop, T. (2022). Women's groups and COVID-19: An evidence review on savings groups in Africa. *Gates Open Research*, *6*(47), 1–19. https://doi.org/10.12688/gatesopenres.13550.1

Agarwal, S., Chomsisengphet, S., & Lim, C. (2017). What shapes consumer choice and financial products? A review. *Annual Review of Financial Economics*, *9*, 127–146. https://doi.org/10.1146/annurev-financial-110716-032417

Ahlin, C. (2015). The role of group size in group lending. *Journal of Development Economics*, *115*, 140–155. https://doi.org/10.1016/j.jdeveco.2015.03.001

Ahlin, C., Elder, I. T., Fan, Y., Foster, J., Fox, J., Gine, X., Karaivanov, A., Ligon, E., Ravi, S., Shintani, M., Townsend, R., & Zinman, J. (2020). Group lending , matching patterns , and the mystery of microcredit : Evidence from Thailand. *Quantitative Economics*, *11*, 713–759. https://doi.org/10.3982/QE1115

Ahlin, C., & Suandi, M. (2019). A matter of experience? understanding the decline in group lending. *Oxford Bulletin of Economics and Statistics*, *81*(6), 1252–1279. https://doi.org/10.1111/obes.12305

Ahlin, C., & Waters, B. (2016). Dynamic microlending under adverse selection: Can it rival group lending? *Journal of Development Economics*, *121*, 237–257. https://doi.org/10.1016/j.jdeveco.2014.11.007

Ajija, S. R., & Siddiqui, A. I. (2021). Impact of joining rotating savings and credit association (Rosca) on household assets in Indonesia. *The Journal of Developing Areas*, *55*(3), 205–216. https://doi.org/10.1353/jda.2021.0061

Al Ajlouni, A. T. (2019). Rotating saving and credit associations as an informal finance tunnel evidence from Egypt. *Journal of Islamic Banking & Finance*, *36*(1), 28–46. http://ezproxy.kedgebs.com/login?url=https://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=135807961&site=ehost-live&scope=site

Alesane, A., Yussif, K., & Tetteh Anang, B. (2020). Determinants of village savings and loans association membership and savings amounts in Awutu Senya West District of Ghana. *Cogent Economics and Finance*, *7*(1), 1–18. https://doi.org/10.1080/23322039.2019.1707004

Allen, F., Qian, M., & Xie, J. (2019). Understanding informal financing. *Journal of Financial Intermediation*, *39*(June 2018), 19–33. https://doi.org/10.1016/j.jfi.2018.06.004

An, J. (2020). Is there an employee-based gender gap in informal financial markets? International evidence. *Journal of Corporate Finance*, *65*(August), 101737 1-25. https://doi.org/10.1016/j.jcorpfin.2020.101737

Appiah-Twumasi, M., Donkoh, S. A., & Ansah, I. G. K. (2020). Farmer innovations in financing smallholder maize production in Northern Ghana. *Agricultural Finance Review*, *80*(3), 421–436. https://doi.org/10.1108/AFR-05-2019-0059

Atiase, V. Y., & Botchie, D. (2018). Developing entrepreneurship in Africa : investigating critical resource challenges. *Journal of Small Business and Enterprise Development*, *25*(4), 644–666. https://doi.org/10.1108/JSBED-03-2017-0084

Bannor, R. K., Oppong-Kyeremeh, H., Derkyi, M., Adombila, A. Y., & Amrago, E. C. (2020). Village savings and loans association participation and impact on off-farm income among rural women. *Journal of Enterprising Communities*, *14*(4), 539–562. https://doi.org/10.1108/JEC-04-2020-0058

Bauchet, J., & Larsen, V. (2018). ROSCA Composition and Repayment: Evidence from Taiwanese bidding ROSCAs. *Journal of Development Studies*, *54*(9), 1483–1495. https://doi.org/10.1080/00220388.2017.1333107

Bilecen, B. (2019). ' Alt ı n Günü ' : migrant women ' s social protection networks. *Comparative Migration Studies*, *7*(11), 1–17.

Bonan, J., LeMay-Boucher, P., McNabb, K., & Tomavo, C. C. (2019). Time preferences and commitment devices: evidence from ROSCAs and funeral groups in Benin. *Oxford Development Studies*, *47*(3), 356–372. https://doi.org/10.1080/13600818.2019.1588958

Bophela, M. J. K., & Khumalo, N. (2019). The role of stokvels in South Africa: A case of economic transformation of a municipality. *Problems and Perspectives in Management*, *17*(4), 26–37. https://doi.org/10.21511/ppm.17(4).2019.03

Burlando, A., & Canidio, A. (2017). Does group inclusion hurt financial inclusion? Evidence from ultra-poor members of Ugandan savings groups. *Journal of Development Economics*, *128*, 24–48. https://doi.org/10.1016/j.jdeveco.2017.05.001

Cassidy, R., & Fafchamps, M. (2020). Banker my neighbour: Matching and financial intermediation in savings groups. *Journal of Development Economics*, *145*, 1–18. https://doi.org/10.1016/j.jdeveco.2020.102460

Cervantes, M., Lemus, D., & Montalvo, R. (2017). Implementing innovative financial models in different cultures: A comparative analysis of China and Mexico. *Cross Cultural and Strategic Management*, *24*(3), 508–528. https://doi.org/10.1108/CCSM-09-2016-0170

Chai, S., Chen, Y., Huang, B., & Ye, D. (2019). Social networks and informal financial inclusion in China. *Asia Pacific Journal of Management*, *36*(2), 529–563. https://doi.org/10.1007/s10490-017-9557-5

Chenail, R. J. (2012). Conducting qualitative data analysis: Reading line-by-line, but analyzing by meaningful qualitative units. *Qualitative Report*, *17*(1), 266–269. https://doi.org/10.46743/2160-3715/2012.1817

Chidimbah Munthali, G. N., Wu, X., Nambiro Woleson Dzimbiri, M., Zolo, A., K.B Mushani, J., & Banda, L. O. L. (2022). An investigation of the sustainability of Village Savings and Loans Associations (VSLAs) amidst Covid-19 and its impact on household income levels: lessons from Malawi, Sub-Saharan Africa. *BMC Public Health*, *22*(1), 1–14. https://doi.org/10.1186/s12889-022-13303-9

Chivasa, N. (2018). Village savings and loan associations schemes: Contributions to peace. *Southern African Journal of Social Work and Social Development*, *30*(2). https://doi.org/10.25159/2415-

5829/2646

Chivasa, N. (2020). Instituting village savings and loan associations scheme through action research in Zimbabwe. *International Journal of Action Research*, *16*(3), 184–201. https://doi.org/10.3224/ijar.v16i3.02

Colquitt, J. A., & Zapata-Phelan, C. P. (2007). Trends in theory building and theory testing: A five-decade study of the Academy of Management Journal. *Academy of Management Journal*, *50*(6), 1281–1303. https://doi.org/10.5465/AMJ.2007.28165855

Dabalen, A., de la Fuente, A., Goyal, A., Karamba, W., Nguyen, N. T. V., & Tanaka, T. (2017). Pathways to prosperity in rural Malawi. In *Pathways to Prosperity in Rural Malawi*. https://doi.org/10.1596/978-1-4648-0997-2

Dagunga, G., Amoakowaa, A., Ehiakpor, D. S., Mabe, F. N., & Danso-Abbeam, G. (2020). Interceding role of village saving groups on the welfare impact of agricultural technology adoption in the Upper East Region, Ghana. *Scientific African*, *8*, e00433. https://doi.org/10.1016/j.sciaf.2020.e00433

Danso-Wiredu, E. Y. (2021). Saving for one another: the informal economy of subsistence among the urban poor in Ghana. *GeoJournal*, *86*(3), 1287–1299. https://doi.org/10.1007/s10708-019-10123-0

David, I., Adubisi, O., Farouk, B., & Adehi, M. (2020). Assessing MSMEs growth through Rosca involvement using paired t-test and one sample proportion test. *Journal of Social and Economic Statistics*, *9*(2), 30–42. https://doi.org/10.2478/jses-2020-0011

Dawuni, P., Mabe, F. N., & Tahidu, O. D. (2021). Effects of village savings and loan association on agricultural value productivity in Northern Region of Ghana. *Agricultural Finance Review*, *81*(5), 657–674. https://doi.org/10.1108/AFR-02-2020-0024

de Quidt, J., Fetzer, T., & Ghatak, M. (2018). Commercialization and the decline of joint liability microcredit ☆. *Journal of Development Economics*, *134*(May), 209–225. https://doi.org/10.1016/j.jdeveco.2018.05.010

Degryse, H., Lu, L., & Ongena, S. (2016). Informal or formal financing? Evidence on the co-funding of Chinese firms. *Journal of Financial Intermediation*, *27*, 31–50. https://doi.org/10.1016/j.jfi.2016.05.003

Demirgüç-Kunt, A., Klapper, L., Singer, D., & Ansar, S. (2021). *The Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19*.

Demont, T. (2016). Microfinance spillovers: A model of competition in informal credit markets with an application to Indian villages. *European Economic Review*, *89*, 21–41.

Denyer, D., Tranfield, D., & Van Aken, J. E. (2008). Developing design propositions through research synthesis. *Organization Studies*, *29*(3), 393–413. https://doi.org/10.1177/0170840607088020

Deubel, & Boyer. (2020). Building Benkadi: The role of trust in Malian women's community savings groups. *Mande Studies*, *22*(2020), 23. https://doi.org/10.2979/mande.22.1.03

Dinç, Y., Jahangir, R., Nagayev, R., & Çakır, F. (2022). Economics of savings-based finance: an interest-free model of rotating savings and credit association in Turkey. *Journal of Islamic Accounting and Business Research*, *13*(2), 338–363. https://doi.org/10.1108/JIABR-04-2021-0115

Du, P., & Cheng, H. (2022). Banking competition and households' informal financing: Evidence from

China household finance survey. *Emerging Markets Finance and Trade*, *58*(2), 525–543. https://doi.org/10.1080/1540496X.2020.1784139

Dube, N., & Edwell, K. (2018). Strengthening informal social security to provide meaningful social protection: The case of stokvels in Soweto. *Journal of Social Development in Africa*, *33*(1), 157–181.

Flax, V. L., Chapola, J., Mokiwa, L., Mofolo, I., Swira, H., Hosseinipour, M. C., & Maman, S. (2019). Infant and young child feeding learning sessions during savings groups are feasible and acceptable for HIV-positive and HIV-negative women in Malawi. *Maternal and Child Nutrition*, *15*(3), 1–11. https://doi.org/10.1111/mcn.12765

Flory, J. A. (2016). Banking the Poor: Evidence from a savings field Experiment in Malawi. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.2852330

Flory, J. A. (2018). Formal finance and informal safety nets of the poor: Evidence from a savings field experiment. *Journal of Development Economics*, *135*(August), 517–533. https://doi.org/10.1016/j.jdeveco.2018.07.015

Flynn, J., & Sumberg, J. (2018). Are savings groups a livelihoods game changer for young people in Africa? *Development in Practice*, *28*(1), 51–64. https://doi.org/10.1080/09614524.2018.1397102

Francois, P., & Squires, M. (2021). Linking mobile money networks to “e-ROSCAs”: An experimental study. *Science Advances*, *7*(1), 1–8. https://doi.org/10.1126/sciadv.abc5831

Gash, M. (2017). Understanding the impact of savings groups. *Learning Brief: A Typology of Relationships between Savings Groups and Financial Service Providers*, 1–32. http://www.mangotree.org/files/galleries/SEEP_Understanding-the-Impact-of-Savings-Groups_20180117_FINAL-0001.pdf

Gaur, A., & Kumar, M. (2018). A systematic approach to conducting review studies: An assessment of content analysis in 25 years of IB research. *Journal of World Business*, *53*(2), 280–289. https://doi.org/10.1016/j.jwb.2017.11.003

George, G., Corbishley, C., Khayesi, J. N. O., Haas, M. R., & Tihanyi, L. (2016). From the Editors Bringing Africa in: Promising Directions for Management. *Academy of Management Journal*, *59*(2), 377–393.

Ghosh, S., & Vinod, D. (2017). What Constrains Financial Inclusion for Women? Evidence from Indian Micro data. *World Development*, *92*, 60–81. https://doi.org/10.1016/j.worlddev.2016.11.011

Gonzales Martinez, R., D’Espallier, B., & Mersland, R. (2021). Bifurcations in business profitability: An agent-based simulation of homophily in self-financing groups. *Journal of Business Research*, *129*(July 2020), 495–514. https://doi.org/10.1016/j.jbusres.2020.06.051

Gonzales, R., D’Espallier, B., & Mersland, R. (2021). What drives profits in savings groups? Bayesian data mining evidence from the SAVIX database. *Review of Development Finance*, *11*(2), 39–57.

Green, M. (2019a). Scripting development through formalization: accounting for the diffusion of village savings and loans associations in Tanzania. *Journal of the Royal Anthropological Institute*, *25*(1), 103–122. https://doi.org/10.1111/1467-9655.12966

Green, M. (2019b). Scripting development through formalization: accounting for the diffusion of village savings and loans associations in Tanzania. *Journal of the Royal Anthropological Institute*, *25*(1). https://doi.org/10.1111/1467-9655.12966

Gupta, K., & Krishnamurti, C. (2018). Does corporate social responsibility engagement benefit distressed firms? The role of moral and exchange capital. *Pacific Basin Finance Journal*, *50*, 249–262. https://doi.org/10.1016/j.pacfin.2016.10.010

Gupta, P., Chauhan, S., Paul, J., & Jaiswal, M. P. (2020). Social entrepreneurship research: A review and future research agenda. *Journal of Business Research*, *113*(April), 209–229. https://doi.org/10.1016/j.jbusres.2020.03.032

Han, S., Zhang, Q., & Liu, L. (2020). The risk management mechanism of China's bidding rotating savings and credit association: A case study of Chengnan village in Wenzhou. *Emerging Markets Finance and Trade*, *56*(13), 3095–3105. https://doi.org/10.1080/1540496X.2019.1587609

Henry, C., & Foss, L. (2015). Case sensitive? A review of the literature on the use of case method in entrepreneurship research. *International Journal of Entrepreneurial Behaviour and Research*, *21*(3), 389–409. https://doi.org/10.1108/IJEBR-03-2014-0054

Hoffmann, V., Rao, V., Surendra, V., & Datta, U. (2021). Relief from usury: Impact of a self-help group lending program in rural India. *Journal of Development Economics*, *148*(June 2012), 102567. https://doi.org/10.1016/j.jdeveco.2020.102567

Hutchison, A. (2020). Uncovering contracting norms in Khayelitsha stokvels. *Journal of Legal Pluralism and Unofficial Law*, *52*(1), 3–27. https://doi.org/10.1080/07329113.2020.1728493

Ibrahim, H. (2019). Do institutions matter?: The persistence of ROSCAs among immigrants in developed economies. *Journal of Enterprising Communities*, *13*(3), 319–332. https://doi.org/10.1108/JEC-04-2018-0027

Ibrahim, H. (2020). Structured savings and asset ownership: The role of rotating savings and credit associations among African immigrants in the United States. *Journal of Sociology and Social Welfare*, *47*(2), 29–57.

Imami, D., Rama, K., & Polese, A. (2020). Informality and access to finance during socialism and transition – the case of the rotating savings and credit schemes. *Journal of Evolutionary Economics*, *30*(5), 1367–1383. https://doi.org/10.1007/s00191-020-00679-3

Iwara, I. O., Adeola, O., & Netshandama, V. O. (2020a). Traditional savings association for entrepreneurial success in Africa: A case study of rotative stokvel enterprise. *Academy of Entrepreneurship Journal*, *27*(2), 1–15.

Iwara, I. O., Adeola, O., & Netshandama, V. O. (2020b). Traditional Savings Association For Entrepreneurial Success In Africa: A Case Study Of Rotative Stokvel Enterprise. *Academy of Entrepreneurship Journal*, *27*(2), 1–15.

Iwara, I. O., & Netshandama, V. O. (2020). Small-Enterprise Capital Mobilization And Marketing In Rural Areas: A Review Synthesis Of Stokvel Model. *Academy of Entrepreneurship Journal*, *27*(2), 1–11.

Jahangir, R., Bulut, M., & Dinc, Y. (2022). Evolvement of ROSCA to real property acquisition as a form of interest-free SBF model: a PRISMA-compliant systematic review. *Property Management*, *0263*, 1–38. https://doi.org/10.1108/PM-03-2022-0025

Jahns-Harms, E., & Wilson, K. (2018). Let's look before we leap: Challenging our ideas on how savings groups work. *Enterprise Development and Microfinance*, *29*(3–4), 287–302. https://doi.org/10.3362/1755-1986.00004

Johnson, J. L., Adkins, D., & Chauvin, S. (2020). A review of the quality indicators of rigor in qualitative research. *American Journal of Pharmaceutical Education*, *84*(1), 138–146. https://doi.org/10.5688/ajpe7120

Karaivanov, A., & Kessler, A. (2018). (Dis)advantages of informal loans – Theory and evidence. *European Economic Review*, *102*, 100–128. https://doi.org/10.1016/j.euroecorev.2017.12.005

Karakara, A. A., Osabuohien, E. S., Nwachukwu, J. C., & Osabohien, R. A. (2021). Innovations in savings behaviour and agricultural business support for women: the Ghanaian 'money-box'. *African Journal of Reproductive Health*, *25*(5s), 147–158. https://doi.org/10.29063/ajrh2021/v25i5s.14

Karlan, D., Savonitto, B., Thuysbaert, B., & Udry, C. (2017). Impact of savings groups on the lives of the poor. *Proceedings of the National Academy of Sciences of the United States of America*, *114*(12), 3079–3084. https://doi.org/10.1073/pnas.1611520114

Kaumba, A. A., Wiafe, E. A., & Chawinga, S. (2021). Performance of micro and small enterprises in Malawi: do village savings and loans associations matter? *Small Enterprise Research*, *0*(0), 1–22. https://doi.org/10.1080/13215906.2021.1989623

Ke, R., & Ye, M. (2019). The practice of rotating saving and credit associations and interest rate liberalization—A case study of Wenzhou. *Chinese Economy*, *52*(2), 155–170. https://doi.org/10.1080/10971475.2018.1545355

Kim, H. S. (2020). Co-Ethnic and neighborhood ties and financial social capital formation among the urban poor in Kenya. *Social Science Quarterly*, *101*(2), 744–758. https://doi.org/10.1111/ssqu.12778

Koenane, M. L. (2019). Economic development in Africa through the Stokvel system: 'Our' indigenous way or 'theirs'. *Filosofia Theoretica*, *8*(1), 109–124. https://doi.org/10.4314/ft.v8i1.8

Koike, S., Nakamaru, M., Otaka, T., Shimao, H., Shimomura, K. I., & Yamato, T. (2018). Reciprocity and exclusion in informal financial institutions: An experimental study of rotating savings and credit associations. *PLoS ONE*, *13*(8), 1–23. https://doi.org/10.1371/journal.pone.0202878

Ksoll, C., Lilleør, H. B., Lønborg, J. H., & Rasmussen, O. D. (2016). Impact of village savings and loan associations: Evidence from a cluster randomized trial. *Journal of Development Economics*, *120*, 70–85. https://doi.org/10.1016/j.jdeveco.2015.12.003

Landman, M., & Mthombeni, M. (2020). Determining the potential of informal savings groups as a model for formal commitment saving devices. *South African Journal of Economic and Management Sciences*, *24*(1), 1–12. https://doi.org/10.4102/%0Asajems.v24i1.3940

Landman, M., & Mthombeni, M. (2021). Determining the potential of informal savings groups as a model for formal commitment saving devices. *South African Journal of Economic and Management Sciences*, *24*(1), 1–12. https://doi.org/10.4102/sajems.v24i1.3940

Lappeman, J., Litkie, J., Bramdaw, S., & Quibell, A. (2020). Exploring retail orientated rotating savings and credit associations: festive season 'stokvels' in South Africa. *International Review of Retail, Distribution and Consumer Research*, *30*(3), 331–358. https://doi.org/10.1080/09593969.2019.1667853

le Polain, M., Sterck, O., & Nyssens, M. (2018). Interest rates in savings groups: Thrift or threat? *World Development*, *101*, 162–172. https://doi.org/10.1016/j.worlddev.2017.09.001

Lee, H. E., Veliz, P. T., Maffioli, E. M., Munro-Kramer, M. L., Sakala, I., Chiboola, N. M., Ngoma, T., Kaiser, J. L., Rockers, P. C., Scott, N. A., & Lori, J. R. (2022). The role of Savings and Internal Lending Communities (SILCs) in improving community-level household wealth, financial preparedness for birth, and utilization of reproductive health services in rural Zambia: a secondary analysis. *BMC Public Health*, *22*(1724), 1–12. https://doi.org/10.1186/s12889-022-14121-9

Lee, J. S., Chen, Y. C., Hong, W. C., Lee, K. Y., & Yang, R. K. (2020). Reputation-oriented electronic micro-loaning based on smart contract in a solidarity group. *Journal of Internet Technology*, *21*(4), 1073–1085. https://doi.org/10.3966/160792642020072104016

Lieng, S., Yagi, N., Mori, A., & Hastings, J. D. (2018). Savings-group improvements contribute to sustainable community-fisheries management: A case study in Cambodia. *Sustainability (Switzerland)*, *10*(8). https://doi.org/10.3390/su10082905

Light, I. (2021). Exiting poverty through self-employment: The Grameen model and rotating Associations as alternative strategies. *Journal of Developmental Entrepreneurship*, *26*(2), 1–18. https://doi.org/10.1142/S1084946721500126

Lorenzetti, L., Rutherford, D., & Ejeta, B. (2021). Exploring pathways to adherence and retention for HIV-positive savings group members in Ethiopia. *Development in Practice*, *31*(3), 308–322. https://doi.org/10.1080/09614524.2020.1837077

Lukwa, A. T., Odunitan-Wayas, F., Lambert, E. V., & Alaba, O. A. (2022). Can informal savings groups promote food security and social, economic and health transformations, especially among women in urban sub-Saharan Africa: A narrative systematic review. *Sustainability (Switzerland)*, *14*(6), 1–26. https://doi.org/10.3390/su14063153

Mader, P. (2018). Contesting financial inclusion. *Development and Change*, *49*(2), 461–483. https://doi.org/10.1111/dech.12368

Mantsios, A., Shembilu, C., Mbwambo, J., Likindikoki, S., Sherman, S., Kennedy, C., & Kerrigan, D. (2018). 'That's how we help each other': Community savings groups, economic empowerment and HIV risk among female sex workers in Iringa, Tanzania. *PLoS ONE*, *13*(7), 1–16. https://doi.org/10.1371/journal.pone.0199583

Mcnabb, K., Wider, U. N. U., Lemay-boucher, P., Bonan, J., & Milano, P. (2021). Enforcement problens in ROSCAS : Evidence from Benin. *The European Journal of Development Research*, *31*(5), 1389–1450.

Mehmood, H., Ahmad, T., Razaq, L., Mare, S., Usmani, M. Z., Anderson, R., & Ali Raza, A. (2019). Towards digitization of collaborative savings among low-income groups. *Proceedings of the ACM on Human-Computer Interaction*, *3*(CSCW). https://doi.org/10.1145/3359137

Mokoena, K., Dickason-Koekemoer, Z., & Ferreira-Schenk, S. (2021). Analysing the risk tolerance levels of stokvel investors. *Cogent Social Sciences*, *7*(1). https://doi.org/10.1080/23311886.2021.1943890

Mookherjee, D., & Motta, A. (2016). A theory of interactions between MFIs and informal lenders. *Journal of Development Economics*, *121*, 191–200.

Moret, W., Swann, M., & Lorenzetti, L. (2021). What happens when savings groups grow up? Examining savings group sustainability and perceived long-term benefits. *Development in Practice*, *31*(4), 462–476. https://doi.org/10.1080/09614524.2020.1856788

Ndagijimana, M., van Asseldonk, M., Kessler, A., & Ndimubandi, J. (2020). Effect of village savings and loan associations on adoption of index-based crop insurance under limited liabilities. *Journal of Agriculture and Rural Development in the Tropics and Subtropics*, *121*(1), 23–33. https://doi.org/10.17170/kobra-202002281031

Ngcobo, L., & Chisasa, J. (2018). The nature and benefits of participating in burial society stokvels in South Africa. *Acta Universitatis Danubius. Œconomica*, *15*(2), 204–216.

Nkem, L., & Tengeh, R. (2018). Immigrant-operated informal financial associations in South Africa: problems and solutions. *Financial Economics*, *14*(1), 84–98. https://doi.org/10.4337/9781785365065.00021

Nyandoro, M. (2018). Defying the odds, not the abuse: South African women's agency and rotating saving schemes, 1994-2017. *Journal of International Women's Studies*, *19*(5), 177–192.

Onda, M. (2021). Rotating savings and credit associations as traditional mutual help networks in East Asia. *International Journal of Asian Studies*, *18*(2), 271–287. https://doi.org/10.1017/S1479591421000036

Oraro, T., & Wyss, K. (2018). How does membership in local savings groups influence the determinants of national health insurance demand? A cross-sectional study in Kisumu, Kenya 14 Economics 1402 Applied Economics. *International Journal for Equity in Health*, *17*(170), 1–10. https://doi.org/10.1186/s12939-018-0889-7

Pal, A., & Singh, P. K. (2021). Do socially motivated self-help groups perform better? Exploring determinants of micro-credit groups' performance in Eastern India. *Annals of Public and Cooperative Economics*, *92*(1), 119–146. https://doi.org/10.1111/apce.12304

Pamuk, H., van Asseldonk, M., Ruben, R., Kweka, T., Wattel, C., & Hella, J. P. (2021). Social ties, access to loans, and loan repayments in savings and loan associations: evidence from rural Tanzania. *Agricultural Finance Review*, *82*(5), 777–796. https://doi.org/10.1108/AFR-03-2021-0036

Panman, A., Madison, I., Kimacha, N. N., & Falisse, J. B. (2022). Saving up for a rainy day? Savings groups and resilience to flooding in Dar es Salaam, Tanzania. *Urban Forum*, *33*(1), 13–33. https://doi.org/10.1007/s12132-021-09424-w

Pournader, M., Shi, Y., Seuring, S., & Koh, S. C. L. (2020). Blockchain applications in supply chains, transport and logistics: a systematic review of the literature. *International Journal of Production Research*, *58*(7), 2063–2081. https://doi.org/10.1080/00207543.2019.1650976

Rahman, M. A. U., & Ley, A. (2020a). Micro-credit vs. group savings – different pathways to promote affordable housing improvements in urban Bangladesh. *Habitat International*, *106*(August), 1–9. https://doi.org/10.1016/j.habitatint.2020.102292

Rahman, M. A. U., & Ley, A. (2020b). Micro-credit vs. Group savings – different pathways to promote affordable housing improvements in urban Bangladesh. *Habitat International*, *106*(December), 102292. https://doi.org/10.1016/j.habitatint.2020.102292

Rasel, M. A., & Win, S. (2020). Microfinance governance: a systematic review and future research directions. *Journal of Economic Studies*, *47*(7), 1811–1847. https://doi.org/10.1108/JES-03-2019-0109

Reichel, V. (2020). Financial inclusion for women and men in artisanal gold mining communities: A case study from the Democratic Republic of the Congo. *Extractive Industries and Society*, *7*(2), 412–419.

https://doi.org/10.1016/j.exis.2019.05.003

Reito, F. (2020). Roscas without sanctions. *Review of Social Economy*, *78*(4), 561–579. https://doi.org/10.1080/00346764.2019.1693054

Rutherford, D. D., & Ejeta, B. (2021). Pathways: how caregiver savings group participation supports child wellbeing. *Vulnerable Children and Youth Studies*, *16*(1), 20–37. https://doi.org/10.1080/17450128.2020.1742951

Rynes, S. L., Giluk, T. L., & Brown, K. G. (2007). The very separate worlds of academic and practitioner periodicals in human resource management: Implications for evidence-based management. *Academy of Management Journal*, *50*(5), 987–1008. https://doi.org/10.5465/AMJ.2007.27151939

Ryu, E. J., & Suzuki, A. (2021). ROSCAS as insurance: Comparing formal and informal methods of saving among the unskilled workers in the Ethiopian cut-flower industry. *Developing Economies*, *59*(3), 243–274. https://doi.org/10.1111/deve.12266

Sato, K., Kondo, N., & Kondo, K. (2019). Rotating savings and credit association, its members' diversity, and higher-level functional capacity: A 3-year prospective study from the Japan Gerontological Evaluation Study. *Geriatrics and Gerontology International*, *19*(12), 1268–1274. https://doi.org/10.1111/ggi.13798

Sedai, A. K., Vasudevan, R., & Alves Pena, A. (2021). Friends and benefits? Endogenous rotating savings and credit associations as alternative for women's empowerment in India. *World Development*, *145*. https://doi.org/10.1016/j.worlddev.2021.105515

Shaaban, S. (2019). Reviewing Egyptian community social fund (village savings and loans association, VSLA) as an approach for community social fund. *Horticulture International Journal*, *3*(1). https://doi.org/10.15406/hij.2019.03.00105

Shaaban, S. (2022). Can village savings and loans association (VSLA) approach achieve/promote rural sustainable development in the Egyptian community? *Journal of Chinese Economic and Foreign Trade Studies*, *15*(3), 332–349. https://doi.org/10.1108/JCEFTS-08-2021-0047

Shoaib, A., & Siddiqui, M. A. (2020). Why do people participate in ROSCA saving schemes? Findings from a qualitative empirical study. *Decision*, *47*(2), 177–189. https://doi.org/10.1007/s40622-020-00244-8

Sithole, N., Sullivan Mort, G., & D'Souza, C. (2021). Financial well-being of customer-to-customer co-creation experience: a comparative qualitative focus group study of savings/credit groups. *International Journal of Bank Marketing*, *39*(3), 381–401. https://doi.org/10.1108/IJBM-07-2020-0413

Smets, P. (2019). Indian community-based housing finance systems: potentials and pitfalls for urban development and housing improvement. *International Journal of Urban Sciences*, *23*(4), 586–600. https://doi.org/10.1080/12265934.2018.1514274

Snyder, H. (2019). Literature review as a research methodology : An overview and guidelines. *Journal of Business Research*, *104*(July), 333–339. https://doi.org/10.1016/j.jbusres.2019.07.039

Tan, S., & Savani, M. M. (2022). Making sense of sustainability: How institutional design can sustain informal savings and credit groups. *International Journal of Community and Social Development*, *4*(2), 152–179. https://doi.org/10.1177/25166026221085085

Thophilus, K. A., & Paul, S. M. (2019). The impact of savings groups on female agency: Insights from village savings and loans associations in Northern Ghana. *Asian Journal of Agriculture and Rural Development*, *9*(2). https://doi.org/10.18488/journal.1005/2019.9.2/1005.2.133.146

Torraco, R. J. (2005). Writing integrative literature reviews: Guidelines and examples. *Human Resource Development Review*, *4*(3), 356–367. https://doi.org/10.1177/1534484305278283

Tranfield, D., Denyer, D., & Smart, P. (2003). Towards a methodology for developing evidence-informed management knowledge by means of systematic review. *British Journal of Management*, *14*(3), 207–222. https://doi.org/10.1111/1467-8551.00375

Tsai, K. S. (2017). When shadow banking can be productive: Financing small and medium enterprises in China. *Journal of Development Studies*, *53*(12), 2005–2028. https://doi.org/10.1080/00220388.2016.1228877

Tura, H. T., Story, W. T., Licoze, A., Tura, H. T., Story, W. T., Community-, A. L., & Tura, H. T. (2020). Community-based savings groups , women ' s agency , and maternal health service utilisation : Evidence from Mozambique. *Global Public Health*, *15*(8), 1119–1120. https://doi.org/10.1080/17441692.2020.1751232

Vaismoradi, M., Jones, J., Turunen, H., & Snelgrove, S. (2016). Theme development in qualitative content analysis and thematic analysis. *Journal of Nursing Education and Practice*, *6*(5), 100–110. https://doi.org/10.5430/jnep.v6n5p100

Vaismoradi, M., Turunen, H., & Bondas, T. (2013). Content analysis and thematic analysis: Implications for conducting a qualitative descriptive study. *Nursing and Health Sciences*, *15*(3), 398–405. https://doi.org/10.1111/nhs.12048

Vears, D. F., & Gillam, L. (2022). Inductive content analysis: A guide for beginning qualitative researchers. *Focus on Health Professional Education: A Multi-Professional Journal*, *23*(1), 111–127. https://doi.org/10.11157/fohpe.v23i1.544

Vincent, J., Rhonda, K., & Michael, D. (2007). A content analysis of the content analysis literature in organization studies. *Organizational Research Methods*, *10*(1), 5–34.

Whittaker, L., & Kruger, G. (2019). Turning on the township: financial inclusion in South Africa. *European Business Review*, *31*(3), 420–446. https://doi.org/10.1108/EBR-01-2018-0030

Wu, X., Munthali, G. N. C., Dzimbiri, M. N. W., Aakash, A. R., Rizwan, M., Shi, Y., & Daru, G. R. (2022). Quality of life and community wellbeing of members associated with village savings and loans associations as a model of sharing economy in the least developing countries : A case of Mzuzu city in. *Frontiers in Psychology*, *13*(February), 1–17. https://doi.org/10.3389/fpsyg.2022.764959

Yimer, G. A., Decock, W., & Ghebremeskel, M. (2018). The interplay between official and unofficial laws in rotating savings and credit associations ( Eqqub ) in Tigray , Ethiopia. *The Journal of Legal Pluralism and Unofficial Law*, *50*(1), 94–113. https://doi.org/10.1080/07329113.2017.1407525

Zambrano, A. F., Giraldo, L. F., & Perdomo, M. T. (2022). *Variations of rotating savings and credit associations for community development*. 1–9.

Zennou, F., Rahamatali, A., Yao, M. P., Bagha, Z., Zennou, F., Rahamatali, A., Yao, M. P., & Bagha, Z. (2022). *Agenda Empowering women for gender equity The Village Savings and Loans Association pathway – feminist solidarity groups leverage COVID-19 to have their voices heard article The*

*Village Savings and Loans Association pathway – feminist solidarity groups le*.
https://doi.org/10.1080/10130950.2022.2112719