

**Knowledge Network  
Dutch Consortium for Rehabilitation  
Research Brief #6**

# **Illiteracy: a barrier to the socio-economic development of households?**

The influence of literacy levels on the socio-economic development of the members of Solidarity Groups and the members of Multiplying Seed Groups

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This brief is part of a series of research briefs of the DCR consortium. The purpose is to communicate lessons and corresponding recommendations for programme quality improvement. For information on the research methodology please refer to the full report, available upon request.

This research focused on two activities that are carried out by CARE Burundi in Muyinga Province, in the context of the DCR Pamoja program:

- **Multiplying Seed Groups (MSGs)** consisting of 20 to 30 members. The MSGs aim to fight against food insecurity through a sustainable increase in food production and through securing seeds. It does so by improving production techniques and by the multiplication and conditioning of quality seeds (beans, sweet potatoes and rice).
- **Solidarity Groups (SGs)** consisting of 20 to 30 members. The SGs consist of several individuals who aim to save together and to obtain individual loans, with the purpose of developing an Income Generating Activity (IGA). This savings and loans approach is called Nawe Nuze ("come join us") with the main goal to increase household incomes. The SGs also aim at social inclusion of vulnerable households, by facilitating interaction and access to information within the community through weekly SG meetings.

The MSG and the SG are two distinct activities. However, CARE and its partner RBU 2000+ consider these activities as two complementing approaches and therefore encourage, to a certain extent, the integration of the Nawe Nuze approach in the MSG. The overall goal of these two activities is to improve households' living conditions. However, there are challenges to reaching this goal. While all MSGs involved in Pamoja receive the same support, some of the MSGs develop significantly (in terms of increased income from production), while others do not experience significant growth. In addition, there are important differences in the evolution of individual members within each MSG in terms of their economic and social status. It appears that some households fail to significantly improve their living conditions. Finally, a major challenge at the individual level arises in the SGs; important differences in the socio-economic development between members are noted, also within the same SG. The reasons for these differences in socio-economic development remain unclear, which makes it difficult for CARE to address these challenges in order to achieve the objective of the Pamoja project.

The main underlying assumption of this study, as formulated by CARE Burundi and its partner RBU 2000+, is the following: **the different literacy levels of SG or MSG members are the main contributing factor to the differences in MSGs' development, as well as the different socio-economic development of MSG and/or SG members at the individual level.** The present study aimed to test this principal assumption, while remaining open to additional explanatory factors. The following research questions have been addressed:

Concerning the MSGs:

1. To what extent do literacy levels of MSG members influence MSGs' development and what are the other factors influencing their development?
2. To what extent is illiteracy a barrier to the socio-economic development of certain MSG members at the individual level?

Concerning the SGs:

To what extent is illiteracy an obstacle to the socio-economic development of certain SG members, and what are the other barriers that prevent development?

This study was conducted in the province of Muyinga<sup>1</sup>, in a sample of three MSGs and three SGs.<sup>2</sup> In total, 114 literacy tests, six focus group discussions (one for each group observed), 76 in-depth questionnaires (30 with MSG members and 46 with SG members) and 19 individual interviews with leaders of the associations and members were conducted.

The results of this study seem to indicate that the literacy levels of the members influence certain factors and indicators of the socio-economic development of the MSGs, and of the SG and MSG members at individual level. This is presented in lesson 1, 2 and 4. However, similarities were also noted between literates and illiterates. Other factors that may explain the differences in socio-economic development were also identified (see lesson 1, 3 and 5). Based on these results, several recommendations have been formulated.

*Lesson 1: The extent to which a MSG is developed seems to be correlated to the literacy level of its representatives, but also to other factors: the diversification of its activities, whether or not investments are realized, the quality of its governance, its seed management, and whether or not the MSG is coached by CARE/RBU 2000+*

The extent to which a MSG is developed was measured at organizational, economic, financial, and technical levels. The study highlights several differences between MSGs that develop well and MSGs that face difficulties in their development. Several parameters are identified that could serve as **explanatory factors** for the differences in the development of MSGs (mostly at production level). These potential explanatory factors are:

*-The literacy level of GM's executive committee members:* MSG1 and MSG2 have a majority of literate representatives in their executive committee, in contrast to MSG3.

*-The governance of the MSG:* MSG1 and MSG2 elect their representatives on a regular basis, while MSG3 has had the same representatives since 2008 without an election expected soon.

*-The diversification of activities by MSG1 and MSG2, in contrast to MSG3:* MSG1 and MSG2 combine the 'Nawe Nuze' savings and loans

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<sup>1</sup>The province of Muyinga was preferred above Gitega province, due to the age of Muyinga's MSG. The MSGs in Gitega were identified very recently, and support by CARE started in 2013. Thus it would have been difficult in Gitega to observe a development of the groups and their members based on the intervention of CARE.

<sup>2</sup>The MSGs were selected in order to represent a diversity of MSGs' characteristics and development levels. The SGs were selected in the same communities as the MSGs, for practical and financial reasons.

## **Recommendations concerning the MSGs:**

### **To reinforce the good governance of MSGs:**

- 1) Encourage organization of regular elections for the MSG representatives.
- 2) Strengthen the capacity of participation of the ordinary members in the process of decision making, through:
  - Functional Adult Literacy Programme
  - The development of adapted tools and/or modules for illiterates
  - Peer education (between illiterates and between literates)
  - Combine actions with the literacy program of the government
  - Lobby towards the government in order to increase the access of members of the GM to this programme

### **To promote the development of the MSGs and the socio-economic development of their members:**

- 3) Encourage the Nawe Nuze approach within the MSGs, as well as the development of SG towards the MSGs.

And/or: Encourage the participation of MSG members in a SG.

approach with their agricultural activity (seed multiplication). MSG1 also conducts livestock activities. On the contrary, MSG3 only performs agricultural activities.

—*Investments* such as the purchase of livestock or arable land are made by MSG1 and MSG2, while MSG3 does not invest.

— *The management of seeds*: MSG3 does not renew its seeds on a regular base, with the risk that the seeds become degenerated.

—*The support issued by CARE / RBU 2000+, in the context of the Pamoja project*: MSG1 is the most advanced MSG included in this study, in terms of production level and diversification of activities. MSG1 receives follow-up support (designed for MSGs) from CARE under Pamoja. MSG2 was previously a SG and evolved into a MSG. MSG2 is less advanced in its activities than MSG1, and only receives coaching from CARE for its SG related activities. Finally, MSG3, which faces most difficulties in its development, has not received any follow-up coaching since 2011.<sup>3</sup>

**Several challenges similar for all MGSs** were also noted:

- Several members from all three MGSs feel that they are not included in the decision-making process, which comprises the calculation of the selling price of quality seeds and decisions about the quantity of the harvest that needs to be sold, preserved or shared. The fact that some members, whether literate or illiterate, do not feel included in this process goes against MSG's goal of enhancing participatory governance.

- MSGs have difficulty finding opportunities to sell their quality seeds, because the majority of the community considers these seeds too expensive compared to the seeds that they can purchase at the market (even though the latter have lower quality)

**Lesson 2: The literate members of the MSGs produce more than illiterate members and a larger proportion of literate members sell part of their harvest. Their literacy level seems to influence some of their agricultural practices, which may be an explanatory factor for these differences**

Literate members of the MSGs produce a higher yield per square meter on their own field than the illiterate members and a larger proportion of literate members sell part of their harvest. Looking to the potential explanatory factors (related to the literacy level) for these differences, it is noted that literates use more modern agricultural techniques and have greater access to chemical fertilizers than illiterates. In addition, literates distinguish themselves with

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<sup>3</sup> The reasons why these 3 GMs selected for this study are not currently supported the same way are explained in the full report (Sections 1.2.1. and 5.1).

### **Recommendations concerning the MSGs:**

4) Technical support to all MSGs in the intervention area of the Pamoja project

5) Sensitize communities on the benefits of using quality seeds, through exchange of experiences

### **To be able to follow up on the development of MSGs and their members:**

6) Monitor and maintain a database about the development of MSGs. Define clear indicators that define the MSG development at organizational, economic, financial and technical levels.

7) Conduct a baseline study for the new producer groups in Gitega, concerning the socio-economic situation of their members (IGA, production, partition of harvest, satisfaction of input needs, health, education, etc.)

8) Collect data every season on a sample of members, and conduct a study that identifies the impact of other activities on the socio-economic situation of MSG members. This will allow isolating and measuring more precisely the impact of their participation in a MSG.

regard to their method of selecting quality seeds; they judge their quality not only by looking at their color but also by observing the planted seeds in the fields of their neighbors. It is however not certain whether they use their calculation skills for the latter; this could be done only by observing.

In addition, literates seem to better manage their harvest than the illiterates. More literates sell their harvest which would not only be due to the fact that they produce more on average, but also to their different priorities with regard to the use of their harvest (not using everything for consumption).

***Lesson 3: Literates and illiterates also face certain similar challenges. Factors other than literacy therefore exist for explaining the differences in socio-economic development that are experienced by MSG members***

All MSG members, regardless of their literacy level, are unable to use new production methods on every part of their land and only use them on certain parts. This could be due to the fact that practicing the new techniques on all their lands requires too much effort, and thus may require hiring additional workforce and/or buying new livestock to produce manure. Neither the literate nor the illiterate MSG members seem to have the financial capacities to do so. This limits the growth of their agricultural production and thus their economic development. In addition, all individuals seem to know the size of their land and to have increased access to inputs, such as organic manure and improved seeds, through their participation in the MSG. However, the vast majority of them, literates and illiterates, do not seem to know how to calculate the quantity of the seeds (beans) and the fertilizers that need to be used for a given area. It appears that even the literate members lack the knowledge to apply their calculation skills in order to increase their agricultural productivity in the most efficient way.

To explain the differences in socio-economic development of MSG members, influencing factors other than literacy levels have been postulated, namely: the socio-economic situation of MSG members before participating in a MSG, activities that are conducted besides the participation in a MSG, the participation in a SG in order to develop an IGA, and the level of development of a MSG in which the member participates<sup>4</sup>.

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<sup>4</sup> However the cause-effect relationship for this last factor is not clear: is it because of the membership to a MSG with little development (in terms of production) that individual members have a low production? Or is it because of the less advanced socio-economic situation of its members that a MSG is itself less developed and evolves more slowly?

***Recommendations concerning the SGs:***

1) Establish a programme of functional adult literacy training for the illiterates and non-functional literates (who only know how to read and write). This programme should:

- Develop calculation capacities for the management of an IGA
- Enhance the understanding of the need to use an economic loan only for investment purposes (developing an IGA)
- Develop adapted tools and/or manuals for illiterates

2) Encourage peer education:

- For restitution of trainings
- Advice of literates to illiterates about the implementation of an IGA, its profitability, etc.
- Exchange between SG members concerning IGA practices and experiences

***Lesson 4: Illiteracy of some Solidarity Group (SG) members is an obstacle to their socio-economic development at individual level, particularly in terms of credit management and the management of generated revenues to develop an IGA***

Literate SG members seem to take on average more loans than illiterate members. A loan is seen as an essential element in the 'Nawe Nuze' approach to achieving improved living conditions. However, various reasons are given by the illiterates who don't take a loan, including not having any specific plan to set up an IGA.

The functionally literate members<sup>5</sup> of the SGs distinguish themselves from other SG members regarding their capacity to manage a credit and to generate revenues by their IGA. Their calculation skills seem to help them to monitor the income and expenditure related to their IGA, to know when they realize a loss and to analyze the origin of loss. It also seems to help them in managing a larger credit and in managing the generated revenues of their IGA in order to continue their business. On the contrary, illiterate and non-functional literate members are more likely to stop their activity, because they do not know how to reinvest their revenues in order to further develop their activities.

In addition, it is mainly the literate members have direct access to the trainings given by CARE. The members that participate in these trainings are meant to recapitulate the training to the other literate and illiterate members of the SGs, together with one field staff from CARE. However, these 'informal' trainings do not seem to have the same effect as the formal trainings given by CARE, especially since there are no adapted tools for illiterates to enhance their understanding.

Finally, literate members are more likely to take up leading roles within their SG and/or their community, and contribute to their inclusion and social development.

***Lesson 5: Literates also face difficulties within the SGs - sometimes similar to the difficulties of illiterates. Other factors than literacy may explain the differences in socio-economic development between its members***

Among those who take a credit, it appeared that the majority of literates and illiterates take a loan that is meant to be used for investment purposes. However, the loans are not always used for this purpose. Some individuals, mostly literates, appear to use their loan for consumption. Besides, the vast majority of members,

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<sup>5</sup> A 'functional literate' knows how to read and write, has calculation skills and is capable of applying these competences in his/her daily activities. A functional literate member of the SG knows for example how to calculate the costs and benefits of an IGA.

***Recommendations concerning the SGs:***

3) Combine actions with the literacy program of the government and lobby towards the government to increase the access of SG members to this program. Ensure this is a Functional Adult Literacy Programme.

4) Encourage SG members to work in groups (e.g. to set up an IGA at group level)

5) Encourage the implementation of SGs in which members could save different amounts (and/or buy shares) according to their wish and economic situation

***Recommendations for the SGs and MSGs:***

Perform further studies on the additional causes of the differences in individual development of the members of SGs and of MSGs, as well as differences in development between the different MSGs (at group level):

- Explore the factors that emerged from this study in more detail

- Study the historic, social and economic environment of the SGs and MSGs

- Use M&E data of CARE

regardless of their literacy level, seem to have difficulties in calculating the costs and benefits of their IGA. Being literate or not, some members lack the knowledge about how to run a profitable project based on a loan.

Moreover, it appeared that the majority of the illiterates and literates currently do not practice an IGA set up by a loan taken through the SG. One main explanation seems to be that the maximum amount of the loan appears insufficient to initiate or develop an IGA; extra resources need to be added to the loan according to the majority of respondents.

Finally, this study confirmed that, in comparison to illiterate members, literate members rely more on several different IGAs to generate revenues. This enables literates to reach a more advanced level of economic development than illiterates. However, this is not necessarily due to their participation in the SG but rather to their additional financial resources. In most cases, proper resources are needed to initiate and/or to run an IGA. An alternative for the use of proper resources is to successively take several small loans. However, this requires significant financial management capacities and calculation skills, which the illiterates and non-functional literates do not have.

### ***Implication of research findings for DCR program implementation***

*This section was completed by Thaddée CIVUZE, Project Coordinator Pamoja for CARE International in Burundi, in collaboration with Longin Nzeyimana, responsible for the Pamoja program at Réseau Burundi 2000+*

The research on the influence of the literacy level of the members of the Solidarity Groups and Multiplying Seed Groups on their socio-economic development was relevant in the context of the DCR program. The results and recommendations from this study continue to inspire the implementation of the programme. The strategies that have been integrated in the implementation of activities for 2014 are:

1. Promote access to production techniques, conditioning and multiplication of seeds through field schools, where all MSGs members (literate and illiterate) can strengthen their skills while learning from practical demonstrations.
2. Address the challenges of MSGs' training, so that all MSGs are coached and to enhance the understanding of the training by literates and illiterates, especially in terms of using calculation skills so as to improve the productivity of farming activities. To do so, the programme works closely with the agricultural service of the government (the DPAA, Provincial Department for Agriculture and Livestock) to ensure that the government agronomists support the GM members on the land where they produce seeds.
3. To promote literacy, the DCR programme is lobbying towards the Provincial Committees for Development to ensure that members of the SGs and MSGs access the national literacy programme for adults.
4. Because the differences in socio-economic development are not only caused by differences in literacy, the programme has planned for the capacity building of MSGs and SGs members regarding the development of an IGA. In this respect, members of the MSGs and SGs will acquire practical skills in the design of sustainable and profitable IGAs.

In short, the DCR program is currently promoting practical learning, while involving government services to ensure the sustainability of this learning. Strengthening members' capacities to develop IGAs together with promoting their literacy capacities will enable members of SGs and MSGs to be more creative in capturing other socio-economic opportunities.