

**Responding to the voices of poor people through microfinance in  
Sub-Saharan Africa:  
an Action Research Study in Zimbabwe and Zambia.**

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**Abstract**

Poverty reduction through microfinance is tied to the belief that access to credit enables poor people to increase business earnings and improve livelihoods. Indeed, the church has often embraced microfinance as part of its theology of social transformation. Microfinance practitioners therefore, have to prudently manage their institutions and ensure improvements in poor people's lives- a complex combination given that livelihood changes can only be confirmed by people experiencing poverty.

This action research aimed to investigate how poor people can inform microfinance practitioners for improved livelihoods. In assessing the efficacy of poor people's voices, two initial case studies analysed and compared data from the Chinyika Community in rural Zimbabwe, which achieved food security against famine; and the COSUN women's group of peri-urban Zambia, which was part of a community-driven microfinance initiative. In the next phase of the research, the COSUN group designed and accessed a loan.

An innovative aspect of the research is the use of activity theory to frame and theorise the wider social and cultural context of microfinance dialogues and exchanges.

The key finding of the research is the value of genuine 'dialogue space' where poor people can influence beneficial actions. However, due to limited capacity to recognise root causes of poverty, and lack of informed competence to negotiate livelihood solutions, the efficacy of poor people's voices will be compromised even where notional dialogue space is afforded. Thus the research identified the need for community dialogue spaces characterised by: enabling contexts for individual and collective agency; structures that enable recourse; alignment of object motives towards benevolent outcomes; capacity to identify root problems; and action triggers before livelihoods deteriorate.

The research also identified the need for dialogue spaces between microfinance institutions and community structures in order to respond with appropriate financial products and services that would lead to transformation. The research recommends

partnerships with community institutions like the Church who can galvanise social capital and create empowering community dialogue spaces.