



Finanzgruppe

Sparkassenstiftung für
internationale Kooperation

“TYM Impact Assessment 2012” –
A case study-based approach to understanding
the hows and whys



Finanzgruppe

Sparkassenstiftung für
internationale Kooperation

Sparkassen (Savings Banks) and Microfinance

Some 200 years ago, Europe experienced an economic and social turning point: the start of the Industrial Revolution. Catchwords such as population explosion, mass poverty, hunger, urbanisation, exploitation and child labour characterised this era. The situation got even worse, when at the same time the traditional society structures dissolved and many traditional welfare institutions disappeared.

At this time, the foundation of Sparkassen (savings banks) was an innovative approach to improve the population's living conditions. The aim was to particularly give the poorer strata of the population the opportunity to invest their savings on safe and interest-bearing terms. To be able to pay interest, the savings banks had to invest the collected savings. This was done by granting small loans to local craftsmen, traders and farmers as well as by financing the set-up of local infrastructures. In so doing, the Sparkassen and their affiliated lending institutions – so to speak the credit departments of the savings banks – generated own interest yields and at the same time promoted the development of the local economy as side benefit.

Back then and now, the tool “savings bank” – or as it is called today: microfinance – is an important and successful module of economic and social development.

Sparkassen (savings banks) and development aid

In the mid 60s the German Sparkassen-Finanzgruppe (Savings Banks Finance Group) was first approached by microfinance institutions and regional banks in Africa and Latin America and asked for advice and support with regard to institutional structure and development. This was the launch of the intensive

and sustainable development-policy commitment of the German Sparkassen-Finanzgruppe. For many years, the Deutscher Sparkassen- und Giroverband (German Savings Banks Association – DSGV) has accomplished this task, but with the foundation of the Sparkassenstiftung für internationale Kooperation in 1992, this commitment was expanded, systemised and professionalised.

Sparkassenstiftung für internationale Kooperation (Savings Banks Foundation for International Cooperation – SBFIC)

Since 1992, Sparkassenstiftung is supporting financial institutions in developing, emerging and transition countries, which promote the economic and social development in their respective countries by offering needs-oriented financial services. Sparkassenstiftung pursues the objective to enhance the professionalism of its partner institutions, thus enabling them to offer their customers a permanent access to financial products. In particular small and medium-sized enterprises (SME) contribute essentially to the economic development and the creation of new jobs. But also small and medium income earners, poor people and social fringe groups are targeted by Sparkassenstiftung's partner institutions. Thus, microfinancing is an essential pillar of a country's economic development and stability.

Since more than 200 years, the German Sparkassen have proven that sustainable and successful microfinancing is possible, but requires an efficient organisation and professionalism. These are the central factors of success that Sparkassenstiftung imparts to its project partners.

Today, Sparkassenstiftung is one of the largest private development-policy institutions in Germany. It employs over 150 staff members, 22 at its headquarters in Bonn, and some 130 international and local experts are working as on-site consultants within the scope of the projects. Furthermore, Sparkassenstiftung annually seconds over 50 employees of German Sparkassen per year to work as short-term advisors in the projects in developing, emerging and transition countries.

Since its foundation, the number of staff at Sparkassenstiftung's Bonn headquarters has been doubled; the annual project volume has almost increased fivefold to more than EUR 10 million. By now, Sparkassenstiftung looks back on over 150 long-term projects in more than 60 countries. All these projects are financed from returns on Sparkassenstiftung's equity capital, donations from the German Sparkassen-Finanzgruppe (Savings Banks Finance Group) as well as from external development funds, among others provided by the German Federal Ministry for Economic Cooperation and Development (BMZ), the European Bank for Reconstruction and Development and the KfW Banking Group.



Finanzgruppe

Sparkassenstiftung für
internationale Kooperation

“TYM Impact Assessment 2012” – A case study-based approach to understanding the hows and whys

by Say Gui Deng, Dr. Michael Gielnik



Financed by Bundesministerium für
wirtschaftliche Zusammenarbeit und Entwicklung (BMZ)



Federal Ministry
for Economic Cooperation
and Development

Acknowledgements

At the time of finishing this report, I received tragic news that Nghe An, one of the provinces in which this study was conducted, was severely flooded – to the extent that it is expected some clients of TYM will lose up to seventy percent of their crop harvest in addition to physical injuries and possible loss of life. This study is a tribute to the clients of Nghe An province and especially to those who have given up their precious time for interviews during the busy harvest period. I pray for their safety.

In addition, I would like to thank Dr. Michael Gielnik and Professor Michael Frese for their invaluable guidance, insights and opportunity to take up this study. Their comments on entrepreneurship research in developing countries gave me much inspiration for my analysis work. Many thanks to Mrs. Nicole Brand for rendering her unwavering support from Sparkassenstiftung. To TYM and its staff for their warm hospitality and for ensuring that the research proceeded smoothly and professionally.

Finally, my heartfelt appreciation to my research team in the countless ways they have supported me. To Hanh, Hien and Trang, I thank you all for your complementary skills, professionalism, hard work and dedication. Your high spirits made the research enjoyable. Special thanks to Trang who continued supporting the research in her personal time in various ways. The research would not have been possible without you.

Table of Contents

Acknowledgements	5
List of Abbreviations	9
Section 1. Introduction	11
Section 2. Methodology	13
2.1 Case study approach	13
2.2 Interview sample	14
2.3 Field conduct	15
2.3.1 Interview setups	15
2.3.2 Post interview work	16
2.3.3 Potential spurious information	16
2.3.4 Data processing and analysis	17
2.3.5 Assigning aliases	17
Section 3. Case studies	19
3.1 Successful client: Microcredit as an enabler for the astute businesswoman	21
3.1.1 Case analysis and the role of TYM	26
3.2 Client in difficulty: Combined effects of old age, calamities and childlessness	29
3.2.1 Case analysis and the role of TYM	33
3.3 Impact of TYM on child of client: Helping to overcome negative social perceptions to self-employment	36
3.3.1 Case analysis and the role of TYM	39

3.4	Women active in the community: Leadership development opportunities from the non-financial activities of microfinance programs	43
3.4.1	Case analysis and the role of TYM	47
3.5	Rural recycler: Perception of loan ownership	50
3.5.1	Case analysis and the role of TYM	53
3.6	Child of client: Thoughts on women's role in the community, workplace and family	55
3.6.1	Case analysis and impact of TYM	59
3.7	Health implications on productivity and loan management of a client	61
3.7.1	Case analysis and the role of TYM	65
Section 4. Cross-case analysis		69
4.1	Savings mentality of clients	69
4.2	Loan usage as a dynamic process: Entrepreneurship, cashflow management and consumption	70
4.3	Repayment norm	72
4.4	Personal initiative occurrence and knowledge	73
4.5	Training effectiveness is related to perception of purpose	75
4.6	Branding of TYM among clients and ensuring loyalty	77
Section 5. Conclusion		81
Section 6. References		85
Section 7. Appendix		87
7.1	Preliminary theoretical considerations for choice of interviewees (1)	87
7.2	Preliminary theoretical considerations for choice of interviewees (2)	89

List of Abbreviations

1 K	One Thousand
1 M	One Million
ASA	Association for Social Advancement
PI	Personal Initiative
SPI	Social Performance Indicator
SPM	Social Performance Management
TYM	Tao Yeu May
USD	US Dollar
VBARD	Vietnam Bank for Agriculture and Rural Development
VBSP	Vietnam Bank for Social Policy
VND	Vietnamese Dong
VWU	Vietnam Women's Union

Section 1. Introduction

Tinh Thuong One-member Limited Liability Microfinance Institution or TYM, is a renowned institution in Vietnam especially among the rural poor. Having been in operation for the past twenty years, its microfinance activities have undoubtedly changed the lives of tens of thousands. Yet as it professionalizes its operations, navigates through hard governmental regulations and requirements and expands its capabilities and infrastructure to serve more clients, TYM strives to remain loyal to its social mission of providing quick, reliable and easy access to financial services to its clients.

As of fall 2012, TYM provides for 80,000 poor and low-income women and their families, predominantly in rural areas of Northern Vietnam, with basic financial services such as small savings (starting with amounts of VND 10 K or USD 0.50), loans for income generating activities (average amount of VND 5 million or USD 250) and micro-insurance for members and their siblings. Clients also receive basic financial education at weekly or monthly meetings and more formal training on business skills, risk management, health, gender and other issues. Starting as a social project of the Vietnam Women's Union in 1992, TYM originally followed the Grameen banking model, which was adapted to the context of Vietnam. Over the years, TYM has developed into a leading professional microfinance organization of Vietnam, currently employing almost 350 devoted staff and at the same time retaining its unique features. A major milestone has been the granting of the license as first official microfinance institution by the State Bank of Vietnam (central bank) in 2010.

In the context of international developments in microfinance and TYM's own transformation into a recognized member of Vietnam's finance "industry", TYM has responded not only by maintaining its social mission, but also by measur-

ing the impact of its activities on the community. TYM has put Social Performance Management (SPM) high on its agenda, conducted trainings for its staff and adopted a Client Protection Policy. It was subjected to the Social Rating by Planet Rating in 2010 (resulting in a grade of “4-, Convincing”), performed a Social Performance Indicator assessment (SPI) in 2011, and signed up for the “Smart Campaign”. The current Assessment is part of this movement to promote the best practices in microfinance. It also continues the good tradition of conducting external impact assessments every five years.

In conjunction with TYM's 20th Anniversary, this research was commissioned to evaluate how and why these socio-economic changes occur to TYM's clients. Its aims were to investigate, through the use of detailed case studies, the changes in the economic status of families of TYM clients; the changes in the income of clients in terms of sources, diversity and size; the changes in the kinds of economic activities that clients engage in; the changes in the family position of women; the changes in the social roles and participation of women in their communities and to provide lessons and conclusion for TYM's future activities.

This research is timely as it is situated in a period where the impact of microfinance is hotly debated by academics, practitioners and other stakeholders. This research is not aimed at taking sides of the argument. Being in the field and physically observing TYM clients and listening to their stories, the researcher is convinced that there are both sides to the story. This study tries to answer the following general question: How and why microfinance work for some clients? How and why would it not work for others?

This paper is structured as follows. Section Two describes the methodology used for this research. Section Three uses seven case studies to highlight a range of issues that are important to understanding TYM's specific context that influences client development and presents learning points for TYM. Section Four uses cross-case analyses to derive further insights into overarching themes linking the phenomenon highlighted in Section Three and offers recommendations for further action by TYM. It also shows more clearly the circumstances in which TYM's clients could benefit from its services. Section Five concludes this paper.

Section 2. Methodology

2.1 Case study approach

In order to have an in-depth understanding on the thought processes of TYM's clients, a case study research approach was used for this impact assessment.

This is an appropriate tool to achieve a deeper understanding on the “hows” and “whys” of TYM's impact in this study through the analysis of rich and highly context specific data, in this case the rural poor in Vietnam. Moreover, the method is able to incorporate a full variety of evidence (documents, interviews and observations) and to capture thought and decision processes that fall outside of theoretical expectations and quantitative data (Remenyi, 2012). Recorded numbers do not tell the full story. For example, a client who maintains her loan size over the years does not mean her livelihood is not improving. It could be considered as a form of contentment or that she has begun taking loans elsewhere. Or for example a client declares that she is able to meet weekly repayment punctually. Yet the timely repayment could mask how clients actually cope with repayment, or how they perceive repayment as part of social acceptance within their center. These are issues that cannot be identified through numerical data, yet they certainly have policy implications for TYM if TYM were to design more client-centric policies to stay competitive in the current microfinance landscape in Vietnam. With this method, it is also possible to derive an understanding behind the numbers (e.g. loan size, evaluated asset value, income) so frequently utilized for impact assessments.

The data is generalizable in the theoretical sense (Remenyi, 2012, and Eisenhardt and Graebner, 2007), i.e. the number and diversity of the participants studied and observed can paint a good picture of how most clients perceive

their life has changed and what were the driving factors / actions they have done, but not in a statistical sense of how much was the impact or whether or not we can statistically say impact has happened over the entire population of clients. This approach can be used to answer the following research questions that were used to guide this study:

Main research question:

How (and why) has microfinance produced sustained transformation in the socio-economic status of female mature TYM clients in rural Vietnam?

Research sub-question 1:

How (and why) has microfinance-assisted entrepreneurial activity impacted the economic status of clients over time?

Research sub-question 2:

How (and why) has the social status of female clients in the family and community been impacted through microfinance and TYM activities over time?

2.2 Interview sample

In accordance with the requirements of Sparkassenstiftung for this impact assessment, a diverse group of clients with various characteristics was interviewed. In total, 23 interviews were conducted; of which 6 were TYM branch directors and technical officers in order to fully appreciate location specific and operational factors. The remaining 17 interviewees fall into the 6 categories of “Successful clients”, “Unsuccessful clients”, “Women active in community”, “Children of clients”, “Normal (average) clients” and “Quit TYM” (see table 1). Note here that “successful” and “unsuccessful” are relative terms and used only to distinguish between clients who are doing well and clients who face difficulties. Specific selection criteria and the rationale for the choice of such clients are included in Appendix A. These criteria were then given to TYM and with the help of the Operations and Research Department liaising with the local branch offices, the respective interviewees were selected.

Table 2.1. Breakdown of interviews conducted

Successful clients	Unsuccessful clients	Women in community	Children of clients	Technical officer, Branch director, Training Dept	Normal (average) clients	Quit TYM	Total
5	2	3	3	6	3	1	<u>23</u>

Although the original intent was to conduct 8-10 interviews, the number of interviews was increased to the point where saturation has occurred whereby issues and findings started to be repetitive.

At this point, the researcher would like to make a distinction between the notion of statistical representation and theoretical transferability or credibility in this instance. It is important to appreciate that case studies are not meant to be replicated as would be done in an experimental research and thus, there is therefore no requirement to find a random or a representative sample. Larger samples may not necessarily enrich our understanding of the situation being studied but they can generally increase the level of confidence with which we can claim the findings. In other words, a few vivid, rich, well-studied cases could represent the entirety of the decision processes and motivations of microcredit clients as well as interviews of a hundred cases would for example (Remenyi, 2012, and Eisenhardt and Graebner, 2007).

2.3 Field conduct

2.3.1 Interview setups

In total, four members formed the research team involved in the data collection process. This included the researcher, two interpreters (one independent and one from TYM) and a secretary. Only the researcher was non-Vietnamese. Everyone had a specific role to carry out during each interview. One interpreter assumed the role as lead interviewer, following the interview schedule relatively closely, conversing in Vietnamese with the clients. The other interpreter was situated beside the researcher, interpreting in real-time the conversation between the lead interviewer and interviewee to the researcher. This gave the researcher the opportunity to probe deeper on specific issues of interest and thereby guide the flow of the interview through interjections. Finally the last team member took down the notes and responses during the interview.

This interview setup, unlike the traditional setup of any cross-cultural research that depends on only one interpreter, had several advantages. Firstly, it allowed more interview questions to be asked, as the lead interviewer did not have to interpret back and forth to the researcher for most of the time. Secondly, the validity of interpretations was increased due to language counter-checking between both interpreters. Moreover, the presence of an independent interpreter helped to remove potential organizational biasedness. Having two interpreters reduced the interpretation load on each interpreter as it has been observed that the accuracy and data retention generally declines after thirty minutes due to fatigue. Thirdly, the researcher could focus and dig deeper into interesting nuggets of information that arose from the conversation, verifying any seemingly unclear or contradictory information from the interviewees first hand. The researcher trained the team thoroughly regarding all aspects of the required research methods, interview techniques the research objectives. Additionally, several role-plays were conducted prior to the interviews to streamline the interview process.

The interviews were therefore semi-structured but supported by a structured interview guide. Each interview provided the opportunity for a better-targeted and more relevant subsequent interview as more pertinent issues surfaced. Each interview lasted between ninety minutes to a hundred minutes.

2.3.2 Post interview work

Each team member made his or her own field notes in a form of impressions, observations and responses to the interview questions. Field notes served as a supporting source of information to the main interview transcripts and were entered independently into a centralized database (Google documents) at the end of each day. Moreover at the end of each interview, a discussion and reflection session was conducted between the members to solicit their thoughts and impressions. This session focused mainly on what else was observed instead of debating on why certain phenomena occurred in order to avoid influencing one another and prematurely jumping to conclusions.

2.3.3 Potential spurious information

Some interviewees appeared to be giving contradictory information or information that did not truly reflect their thoughts. All members of the research team noticed this fairly early in the interview stage, as some responses

seemed overly politically correct and identical to be coincidental. This discrepancy was ascertained through deeper probing and paraphrasing of the same question in multiple ways where interviewees had difficulty elaborating further and justifying their initial statements. Through interviews and conversations with TYM ground staff in the branches, it was found that interviewees and branch staff were informed about “an independent expert visiting TYM branches to conduct an impact evaluation in commemoration of TYM’s 20th anniversary”. Although not explicitly stated, it seemed many had the impression that punitive effects to TYM would follow should there be negative findings.

Decisive actions were taken to correct the misconception. This finding was highlighted to TYM management, namely the operations director whose department supported the research. Subsequent interviewees were reassured regarding the true intent of the research and the learning objective was emphasized. New interviewees were selected and the direct involvement of technical officers and other branch staff was minimized.

2.3.4 Data processing and analysis

The recorded interviews were then transcribed and translated simultaneously from Vietnamese to English by the interpreters. Field notes and transcripts were compared, integrated and the facts were verified with TYM and interviewees whenever necessary. Together with relevant secondary information such as TYM training materials for clients, loan records and other organizational documents, a case write-up was created for each interviewee and used for the next step of coding. Both deductive and inductive approaches to coding were utilized along with reference to existing literature on microfinance and entrepreneurship. Atlas.ti, a widely used software for qualitative data analysis was used to support the process of coding and theory construction to facilitate subsequent data analysis. For the purpose of this report, 7 case studies will be depicted in the subsequent section while the research findings will involve data analysis and integration of all 23 interviewees’ responses. The appendix section (see 7.2) provides a summary of the findings from the remaining cases pertaining to TYM clients.

2.3.5 Assigning aliases

As the old saying goes, it is easier to remember nicknames than names. Throughout the research, the research team found it convenient to assign

aliases or nicknames to the interviewees so that the cases could be referred to more conveniently during post-interview work. More importantly, the nicknames created mental tags, which helped personalize the interviewees and brought the team closer to the cases. The table below shows the aliases used. It is hoped that the reader will also be able to better associate the alias to pertinent facts of the cases.

Table 2.2 List of interviewee aliases

No.	Name	Alias	Reason
1.	Đặng Thị La	Three moral codes	Suggested Ho Chi Minh's three moral codes
2.	Nguyễn Thị Lan	Grocery Explosion	Experienced motorbike explosion and sells groceries now
3.	Nguyễn Thị Nghĩa	Church lady	Strongly motivated to support church
4.	Nguyễn Thị Nhi	Kidney couple	Both husband and wife had kidney disease
5.	Nguyễn Thị Nữ	Recycler	Her business is recycling and scrap metal
6.	Hoàng Thị Kỳ	Kindergarten	She operates a rural kindergarten
7.	Nguyễn Thị Tuyết	Confectionary mom	She is the mother of a son who runs a confectionery business
8.	Võ Thị Tuyết	Construction lady	She owns a construction business with her husband
9.	Nguyễn Thị An*	Transparent technical officer	The technical officer who was also the child of a client and was transparent with her views
10.	Dương Thị Tuyết	Copper laureate	Winner of Microfinance award running a copper casting business
11.	Nguyễn Thanh Tĩnh*	Confectionery son	Child of client who set up a confectionery business
12.	Trần Thị Yên	Political lady	She changed from self-employment to a political career
13.	Đậu Thị Thìn	Fish-scolding divorcee	A fish monger, divorced and scolded the research team for asking the same questions
14.	Trần Thị Thanh Thủy	Pigeon-chicken lady	She expanded her chicken business and even included rearing pigeons
15.	Trần Thị Tịch	Mosquito-widow	Mosquitoes in her house attacked the research team; she is widowed
16.	Đình Thị Sinh	Butchery mother	Client who runs a butchery business
17.	Đình Quang Trung *	Butchery father	Husband of 'butchery mother'
18.	Đình Thị Mai*	Butchery child	Child of 'butchery mother'

*Denotes non-clients, i.e. family of TYM clients

Section 3. Case studies

In this section, seven case studies will be described in detail. Following each case study will be a section “Case analysis and the role of TYM” which investigates within each unique case the clients’ behaviors, decisions and emotions with respect to the specific circumstances they are situated in and how TYM has contributed to their current state. Also in each case study, key issues – some pertaining only to the clients’ households, while others involving their center, TYM and even society in general will be highlighted and discussed. These issues will then be collectively studied during the cross-case analysis section in an attempt to answer the research questions for this study and to identify implications for TYM and provide some recommendations for further work.

Seven case studies were chosen because they are sufficient to allow the reader to fully appreciate the various issues uncovered through this research and to explore the nature of TYM’s clients without experiencing unnecessary repetitiveness. This is not to say that the other cases are not important. On the contrary, the remaining cases verify the research team’s understanding of the various cognitive, behavioral and economic processes that clients undergo. The choice of seven case studies out of seventeen interviews with TYM clients was not an easy task. Behind each client there is a fascinating story that represents one piece of the puzzle in understanding the socio-economic impact of TYM’s financial and non-financial activities on its clients. Each story is unique and worthy of investigation. To give a sense of this uniqueness, consider that for each case, there are several actors (including the client, family members, neighbors, former group members etc.) and the roles these actors play in a client’s life undoubtedly influence how they perceive, use, and react to TYM’s microfinance services and non-financial activities. Therefore in this research each individual is not “just another data point” as is usual for quantitative research.

Each case was selected based on a number of criteria. First and foremost, it had to fit one of the categories specified by Sparkassenstiftung, i.e. clients who started a small business; clients who did not make any improvement; clients whose children made a good career; and clients who became active in social and community activities. Next, the cases were chosen so that they were as distinct from one another as possible in terms of general background or simply put their “story”. This allows the reader to have a better appreciation of the different client types forming the clientele of TYM. Thirdly, the cases were chosen on the basis of quality of facts and account of stories. This was particularly important given that the research team had strong reasons to believe that some of the clients were intentionally hiding some information or giving false information for whatever reasons, often resulting in conflicting information even after the necessary steps have been taken to minimize and correct for recall errors or telescoping biases typical in any interview-based research. Finally after reviewing interview transcripts, field notes, secondary documents, the cases are chosen with a view to their relevance to our research question, i.e. their individual and combined ability to help answer our research question.

At this point, the researcher would like to highlight some important events that happened in 2010 that would be important to consider for this research. 2010 was a significant year for TYM and its clients. During that year, TYM became an officially licensed microfinance institution. While most clients do not feel any difference between the status change (some of them understanding that now TYM can mobilize savings from non-members), becoming a licensed microfinance institution saw TYM actively getting its clients to save more, thus altering clients’ financial behavior through its subsequent strategies to motivate its clients. The second major impact is the change from a group borrowing system to the individual system. This meant that all clients of TYM now have to repay loans personally to TYM rather than rely on a group leader. Joint liability has been replaced by individual and family liability. So it is expected that during the time of research conduct the clients of TYM are still in the transition and adjustment phase. Therefore the reader and TYM have to take into account that a time lag exists between some changes in 2010 and whether the effects could be observed in 2012.

3.1 Successful client: Microcredit as an enabler for the astute businesswoman

“Without TYM, I believe I can still achieve what I set out to do ... but it would be much more difficult”. Nguyễn Thị Lan, Citi Entrepreneur of the Year 2010



Background

Mrs. Nguyễn Thị Lan of Nghe An province, Hung Trung commune, has been in the grocery business since 2009. She owns a shop selling daily products one might typically find in a small supermarket. Yet, trading on groceries was not her first passion. Previously, her husband and she owned a relatively successful motor bicycle business, selling Chinese brand motorbikes, component parts and providing repair services. It was an unfortunate incident in 2006 that changed her life. An explosion occurred in her garage, nearly killing her husband who tried to extinguish the fire and wiping out most of her assets including fifty motorbikes. That was the beginning of her struggle to rebuild her life and livelihood.

Grocery trading and other income sources

Many reasons guided Lan’s decision to embark on grocery trading. Left with nothing after the accident, she did not have enough capital to restart her motorbike business and selling groceries seemed a much less capital-intensive choice. Furthermore, she recognized that the location of her house was strategic as it was near the market, providing good traffic of passing custom-

ers. Moreover, she felt that selling grocery items was relatively simple and the items could be used for her own household consumption, thus helping her save on daily living costs. Perhaps the most important reason was related to her husband's health condition. Ever since the accident, he lost eighty percent of his labor capacity and was stricken with poor health. The grocery business allowed him to be involved without further aggravating his condition. She lamented that he used to be adept in repairing mechanical parts but this was no longer possible given the condition of his arm. Besides her husband, Lan also has three children between the ages of nine to twelve, all of whom help her out in her business currently.

While selling groceries provided her with stable income, her exposure to the motor vehicle business motivated her to purchase a truck not only for delivering goods but also to use as a transport service for other households and businesses for other districts as well. Her philosophy was "if anyone needs the service, we will provide it". Supporting her in this truck business was her uncle who was the driver and her husband as assistant. Yet, they still hope to return to the transport business one day as she admitted that the profit margin in her grocery business is very small, typically between VND 500-1,000 for each item and that she has to pay her suppliers daily. All these hassles made her feel that her business was not worth the amount of effort she put in and she could achieve more. She believes that high risk brings high returns and has plans to purchase a thirty-seater bus coach because she recognized that such services are in great demand with growth potential. "Given the capital, I will buy the coach straight away. The coach business is booming because now people are wealthier and they travel more".

TYM's involvement

TYM came into Lan's life in 2001 and she used her first loan of VND 1 M for the motorbike shop to expand the business. "Before 2001, I wanted to expand my business and sell more varieties of bike components but I could not get capital easily. Because of this, I lost some business opportunities. In business, you have to be aware that who moves first will win. What I like about TYM is that no collateral is required. The cycle is around one year and I can finish the repayment in one year and need not care about that anymore", she piped. Lan knows that she has the entrepreneurial streak in her since before she joined TYM. "I have had many business ideas a long time ago. But since I joined TYM I became more active and am able to realize my plans. Or maybe, the free training for businesswomen helped. I liked the training a lot", she added. She maintains a good relationship with her technical officer despite both their busy schedules. Occasionally, they communicate by phone, as their opportunities to meet are limited.

Loan management

Loan size

To Lan, taking on loans is nothing new. Previously before joining TYM, her uncle was her main source of accessing bank loans because she had no collateral. Through him, she borrowed VND 7 M from Vietnam Bank for Agriculture and Rural Development (VBARD) and set up her motorbike business and sent her husband to a technician course. “When we set up the business, we must calculate carefully so that we can make a profit to repay”, she cautioned. After joining TYM, she felt happy that she was able to legitimately take on loans without having to impose on anyone. She relished her newfound freedom of not having to be accountable to anyone else other than herself.

When asked if she would like to receive more loans from TYM, Lan agreed eagerly. Yet, she understood that she has already obtained the maximum loan size of VND 31 M. “I recently had a chat with our technical officer, Teacher Thao, if TYM can increase the loan size to 50 M VND, repayment period between six months to one year. I don’t like the long-term loan. It will be better for me. I bet my loan is bigger than anyone else’s in this center”, she exclaimed.

There were times in the initial periods of her business when she did not have enough capital so she borrowed from her friends who were also involved in trading. To her, she felt that they had “free money” and since they have not used it, she would borrow it and repay within the next few days. Even with collateral available to borrow from banks, Lan insisted that she would not leave the program. She liked borrowing from TYM because the process is simple and that she feels a sense of loyalty towards TYM.

Repayment

Lan feels that compared to a few years ago when her business was new, it was much easier to make the weekly repayment. She attributed this to the nature of her trading business where she always has cash available from daily transactions and to carefully setting aside an amount daily for the repayment. Since she joined TYM, she never has to borrow from others to make the repayment nor was she ever late. Sometimes, her busy schedule prevented her from making a trip personally to the center for the weekly repayment and hence her husband would go on her behalf.

Savings

For Lan, her personal savings are tied closely to that of her business. She does not save with any banks. Instead, she participates in rotating savings where she invests amounts like VND 18 M and earns VND 1 M a month as interest. She

also buys insurance policies of sixteen and twelve years respectively for all her family members. Compared to many of her peers, Lan appreciates the gravity of unfortunate events and the true importance of having insurance since her accident. To her, insurance and savings are nearly one and the same as they are meant for rainy days and should not be neglected. After joining TYM, she felt that her attitude towards savings has changed slightly, facilitated by the technical officer's advice. She makes a point to withdraw her TYM savings once the deposits reached VND 3-4 M to spend on her children's needs such as paying for tuition fees. Her voluntary savings with TYM however is less consistent and depends on whether or not she has spare cash.

Community involvement

Ever since Lan joined TYM, she felt that life has been much busier with work. This has limited the amount of leisure time available for her to socialize with others. However, she still tries her best to attend the monthly center meetings that she felt were useful as they provided a platform for members to share business ideas and experiences with one another. To her, one of the highlights of center meetings was that they often sing. There is also a social expectation regarding attendance of these meetings. "It's not good to miss any center meetings. I never miss any. If I am busy, I will ask the technical officer for permission to leave the meetings early". Her husband never prevents her from going to any of these meetings unlike some of her peers. Instead, he takes over her role. Some of the training topics discussed during these meetings include general business education and health education that she felt were applicable in her daily life.

Of the several community activities organized by TYM, the local commune and union, Lan only takes part in TYM activities. One such activity would be the recent badminton tournament. She tries to make an effort to be active although she recognized that compared to other members, she is less active. Her level of participation in community activities has increased ever since she became a TYM member. Previously, she held positions such as the center cashier but she stepped down recently because her business became much busier.

Socio-economic changes

Family economic condition

Lan recalled that life was difficult before she joined TYM particularly right after her marriage, where she lived apart from her natal family. Her parents gave her a simple house and a small piece of land, but she faced considerable difficulties in growing crops. It was then that she decided to reduce her reliance on agriculture, renting out her farming land and focused on what she did best,

selling and trading instead of producing. Between 1996-1997, her financial situation was the worst. “My eldest daughter was struck with kidney problems, so I needed to sell much of my assets to pay for the medical bill, including a motorbike and even my television. I was also making wine and raising pigs as side businesses. I did so many businesses. Life was tough”, she recalled. Thankfully her uncle obtained a VND 1 M interest-bearing loan for her to help her tide over the difficult period. To repay him, she sold pigs in the market after raising them for six months.

Lan commented that the trading business is not easy, too. Sometimes, the income from her grocery business alone is not enough for her household expenditure. TYM’s loan provided the reliability in funding she needed for her business and indirectly for her consumption. Over the years, she observed that she was able to be more generous whenever buying gifts for her natal family and other relatives. Viewing education as a necessity out of poverty, she was even willing to give VND 1-2 M for her relatives’ children’s education – something she knew that she had not been able to do formerly before joining TYM.

Role in the family

Having been married for close to twenty years, Lan admits that there were definitely periods of intense disagreements in her marriage. However, such occurrences are considered rare and the implications are not considered serious. “Actually as a woman, when my husband’s temper is not good, I refrain from reacting. I keep quiet, and then everything starts to be okay again. When his temper improves, and he realizes that he is actually a nice person, I will start to talk to him again. This is my way of managing my husband.”

Being the more entrepreneurial of the two, her husband naturally allows her to make most decisions related to money. This decision-making latitude is further reinforced by the fact that TYM loans have been helping her through the good and bad times and she knows that she alone drives the family’s economic situation and has the ultimate responsibility for making the loan repayment. On small loans she decides herself while for bigger loans she discusses with her husband and always gets his support before making the decision.

Ever since the accident, Lan has felt that her role is ever more important. She has stepped up, shouldering more responsibility and taking more control within the family. “My husband is now suffering from the physical pain and I don’t want him to be burdened with the household income. Now I myself am responsible for generating income for the family. The children are more afraid of me than their father”, she laughed.

Future Plans

Lan's only wishes are that her business will remain brisk and that her children continue to be healthy so that they can all work and make money. She also hopes to be able to upgrade her house. For her children, she wants them to study hard and work in an office environment as she felt trading and running a business is difficult. As for her business, she plans to pass it down to her daughter and not her son who she hopes will pursue a corporate career one day.

3.1.1 Case analysis and the role of TYM

Economic

Lan's economic success is largely a combination of her personality and the role of TYM as a facilitator to her business.

Personal Initiative

From the perspective of entrepreneurship theory, she has a high level of personal initiative (PI) inherent in her. People with high PI are generally self-starting, pro-active and persistent (Frese and Fay, 2001). The table below explicates Lan's personal initiative. The implication to TYM is that personal initiative can be taught and nurtured to other entrepreneurs in order to increase their effectiveness and this is currently covered only superficially in TYM's gender and business training.

Table 3.1 Exhibit of Lan's personal initiative

Characteristics for high personal initiative	Evidence
Self-starting	Develops plans and sets goals for her future coach business; self-awareness of her own strengths (trading and motor-vehicles) and organizes economic activities around them
Pro-active	Anticipates future opportunities in terms of the transport industry in the countryside; has a long-term view for business, i.e. buying a truck for multiple purposes
Persistent	Overcomes barriers, e.g. manages the family crisis, works even harder in her grocery business; uses her uncle as a source of loans (financial bootstrapping) despite not having collateral; consistently mobilizes her personal savings for her business to provide cashflow

TYM as a facilitator

From Lan's perspective, TYM's program is a source of sustainable, legitimate and collateral-free loan. This reduced her sense of obligation to her uncle and she is able to exercise more agency and decision-making for her business

plans. As a capable businesswoman, she already has the ideas and necessary will to bring her plans to fruition. TYM's entry into her life in 2001 enabled her to expand her business more quickly and capitalize on market opportunities, such as the demand for a variety of motorbike components. Given that before 2001 she has exhausted all other options for the purpose of expansion, such as securing more loans or even purchasing on credit, TYM played an important role in facilitating her business.

Perhaps the most significant impact of TYM on Lan's life can be seen after her accident. Since she lost most of her assets during the explosion of her garage, it would have been much more difficult for her to bounce back and start her grocery business had she not obtained the help of TYM loans. To a bank, she is viewed as a risky client but to TYM, she is still viewed as a good client because the technical officers have long ascertained her income-generating ability. In particular, the relative size of TYM's loan to her grocery business startup capital was large and hence it represents a sizeable source of funding. Therefore TYM's financial activities can be said to cushion the impacts of major shocks befalling existing clients. Lan is considered a serial entrepreneur, i.e. she accumulates profit from one business (grocery trading) to develop her desired business - to provide transport services - something which is close to her previous expertise in motor-vehicle trading where she could leverage on her business networks. From this point of view, TYM does not drastically change her life nor the types of economic activities but rather helped her stay on course given the uncertainties in life.

Social

Family position

Prior to joining TYM, Lan already has considerable say in the family as she is more economically active than her husband and contributes more to the household. It is also clear that she is good at managing her husband's ego, careful to respect his views while at the same time fulfilling her wife duties at home. Her ability to juggle both her work and family commitments well shows her time management and prioritizing skills, skills transferable to entrepreneurship. After the accident however, most of the financial burden became hers. She has become the key decision-maker of the household and is thus able to exercise greater agency (i.e. being able to act upon her decisions regarding strategic life choices), an important aspect of women empowerment (Malhotra et al. 2002). The increase in TYM's relative importance to the family ever since the accident further reinforces her role. Without her, the family would not be able to access a TYM loan. Even though it may be argued that officially, the husband is the guarantor of the loan, given his physical health

condition, it is clear that the responsibility to repay remains hers solely and she alone determines the outcome of her loan.

Social role and gender

To Lan, among all of TYM's non-financial activities such as center meetings, trainings, community activities and TYM events, she views TYM's non-financial activities as mainly social in nature as it provides a platform for her to take part in communal activities such as singing during center meetings. This is an important form of stress-relief for her. It should be noted however that the increased business activity has also led to personal stress and limited her time to be active within the community. While this is a matter of personal choice and priority, which, at this moment is to strengthen her economic condition, it does highlight potential problems of increasing economic responsibility without reductions in household responsibilities, all things being equal.

Also notably, Lan's preference to leave her business to her daughter while hoping her son can achieve a good education (and subsequently a corporate career) is a reflection of the challenges TYM faces in changing attitudes regarding gender equality, particularly in Vietnam where the prevailing culture still favors males. Occasionally, during the hour-long center meetings of TYM, discussion topics and training modules are conducted to increase clients' awareness of certain issues such as health, business, risk and gender. While Lan and several other clients (seen in later analysis section) find the topics interesting and helpful, the concepts do not seem internalized and hence attitudes towards gender remain unchanged. For TYM, this warrants a deeper assessment on the expectations of its training program and the intended outcomes versus actual outcomes.

3.2 Client in difficulty: Combined effects of old age, calamities and childlessness

“...my husband was sick and we had to spend a lot of money at that time. We were so sad. Looking after children makes me happier.” Madam Hoang Thi Ky, 60



Background

Walking along the alley leading to Madam Hoang Thi Ky's house, one is able to hear the children crying and laughing, typical for any childcare mixed with the quacking of ducks in the background. Ky, 60, runs a rural kindergarten for toddlers in Nghe An province, Hung Tay commune. She has been doing so since 1982 when she moved into the commune and started to take care of ten to twelve children between ten months to three years old in her house, a small, dilapidated hut with a fenced open space for children. In the last thirty years, her work remained relatively unchanged, driven by her love for children. She has no children herself and lives only with her husband.

Limited, unstable income

Ky's household income size has not improved over the years. Her husband works as a freelance coolie in Vinh city, often off-loading goods. His work is dependent on demand for labor and hence is uncertain. He complained that there were many unlucky occasions where the hirers refused to pay him after he rendered his services. When no work is available, he helps out with some simple farm chores. For Ky, she keeps herself occupied with her childcare and

raising poultry, something that she feels comfortable with. For each child she takes care of, she earns VND 150 K monthly. Over the years, she has been reluctant to raise the costs of childcare as she felt that the children's parents would not be able to afford her services. To her, VND 150 K is a considerable amount for the rural household.

Ky is the only woman in the commune to provide such childcare services and yet, she has not taken advantage of the monopolistic situation. She shared that many new mothers continually entrust their children to her because of referrals about capability and also because they could tell that she really enjoys taking care of them. She understood that managing a business is much more stressful than just simply working as an employee in a kindergarten. "If a kindergarten opens, I would like to be employed for convenience. But if that means I have to be under supervision and not be able to make certain decisions about childcare techniques, I prefer to be on my own."

When asked what she thought of expanding the kindergarten by hiring some neighbors to help her expand her capacity, thereby increasing her revenues, she looked surprised as if this was a revolutionary idea and answered: "No, because they have their own business and income-generating activities to do".

Shocks worsening economic situation

Ky experienced several crises that prevented her economic situation from improving much. For instance, in 1982, her husband got into an accident that required an operation and she borrowed VND 3 M from her nephew to cover his health expenses. As they were too poor to repay back then, they decided to give up their house instead. Out of kinship and sympathy, their nephew allowed them to continue living in their current house.

In addition, Ky's location experiences frequent floods and her house has been rebuilt more than twice due to serious damages incurred. "If my husband didn't have the accident in 1982 and if floods did not occur so often, life would have been much easier. We got to rebuild the house again and again until we became so old and now we are as good as renting the house". When asked why she does not move to elsewhere safer for a better life, Ky lamented that she does not have land elsewhere and that her parents left the current piece of land for her, so she just maintains the status quo. Many years ago, she hoped to move to the south of Vietnam like some previous residents in the area, but eventually did not act upon it out of fear of being away from familiarity.

These events, coupled with her husband's poor health and frequent hospitalization made her decide not to work outside but remain in the household.

Economic and saving difficulties

Ky attributed her difficult situation to the fact that they are old and they have no children to rely on, unlike other aged couples. Over the years, they recognized the decline in their income-generating productivity and the costly monthly expenditure on medication. For example, the couple hires labor costing them more than VND 1 M to work on their small farm area since they are not able to do it themselves. Despite being listed as a poor household by the local authorities and receiving some discounts for hospitalization bills, such assistance is barely sufficient for the family needs.

Ky is aware that TYM offers her the opportunity to do savings voluntarily. While she does save small amounts with TYM, she still belongs to the traditional and conservative group of Vietnamese in her generation who only trust in the value of gold. With part of her first loan of VND 500 K, she raised pigs and cows and thereafter used the proceeds to buy gold and build her house. Ever since, she buys gold for savings (albeit a small amount) since she firmly believes that it can be easily sold for money. Furthermore, since she does not have any children, she asserts gold to be a more stable form of savings than with cash or with a bank.

While Ky felt that ever since she got TYM loans, she considers very much more before spending, she still finds it difficult to limit her spending effectively. She highlighted that her loan size was small whereas her expenses in the past years were high, namely due to the purchase of a motorbike for her husband to travel to work. In retrospect, she was unable to determine if this motorbike was indeed a cost-effective investment.

Notwithstanding such difficulties, she still believes that her life has improved in comparison to the years before joining TYM because she considers her family being "supported" by TYM.

Loan repayment

Despite her many economic difficulties, Ky professed that she is a good client and adheres to the 'Five Commitments of TYM Members' by being punctual for center meetings and loan repayments. She prefers weekly collection as she is more familiar with it and the repayment amount is small and manageable. "We can save up to pay. We prepare since Monday to repay on Thursday", she added. Furthermore, she mentioned that some parents pay her childcare fees

at different times of the month and these spread-out payments help ensure that she has cash throughout the month to save up for her loan repayment. Even though Ky is confident of repayment with a small loan size VND 5 M and that it has not increased ever since, she could not refrain from worrying about the weekly repayment. “When I first got the loan from TYM, I bought a table, some chairs and some other furniture for the house”, she recalled her initial loan use.

Interestingly, Ky’s motivation to work harder was more about her debt repayment than about achieving the ultimate goal for a better life. “When we borrow money, it (the money) is not ours and we have to consider more to try to earn money to pay back the debt.” Deep within her, she wishes to access greater loan sizes. However, she dares not to dream about it because she knows very well her ability to repay and does not have any concrete ideas on how to use the loan for income generation other than as a means for consumption. She would rather not breach the trust that TYM has for her.

Participation in community activities

Ky feels that the monthly center meeting of TYM is entertaining and interesting. She has noticed that over the years, there have been changes in households: Women are more active and can go to meetings regularly. However, unlike the other members who are generally more vocal and expressive regarding their opinions on TYM policies and business experiences, Ky feels inadequate and embarrassed about her situation of being technically homeless. Therefore during the center meetings, she mainly listens to what others have to say. Nonetheless, she relishes the fact that she volunteered for the cashier position (one of the three leadership roles) in her center and has held the position for many years until the recent months. She felt a sense of self-importance that she could facilitate the smooth running of center meetings and that her money handling skills such as counting and identifying counterfeit notes had improved ever since.

Ky hardly shares her difficulties with the technical officer as she felt they were busy people and work at the branch level whereas she belonged to the local level. “As they (technical officers) are responsible for many other clients, we hardly see them to share. However, when we borrow funds from TYM, they still come and check what we will do with the money.” While she found the discussion topics in center meetings educational and informative, she only applies those that are related to husbandry tips. Others topics such as gender, business and health seemed less of a concern in her perspective and difficult to implement.

In Nghe An province, three quarters of the populace are Catholics. Ky and her husband are therefore active within the Catholic community. She serves as the secretary for the church where they have meetings every Monday. For her group, she is the conference leader and her husband belongs to the same group as she. For several of TYM's community activities, Ky feels that she is too old to participate as they involve singing, dancing or sports. Yet, she fulfills her duty as a TYM member by encouraging other members to take part.

Definition of a better life

Ky's greatest concern is having a new house. Her nephew would be getting married soon and he plans to use her current house, potentially rendering her homeless. Her only wish for a better life is to receive financial support for building her house and she places all her hope on being successfully selected on TYM's 'Affection House' program – a program aimed at improving the living conditions of disadvantaged families. "With a new house, I can finally have a proper place to look after my children."

3.2.1 Case analysis and the role of TYM

Economic

Ky's unsuccessful economic situation is a combination of several detrimental factors namely major crises in life (floods and husband's illnesses); her lack of personal initiative; her poor financial management skills and finally not having children to support her old age.

From Ky's responses, she attributes her predicament to external factors and portrays a sense of helplessness and acceptance towards her situation, while hoping for external sources of aid. This was evident when she uses statements such as "we are old, we cannot do much" and "we have no plans and just hope TYM can provide us with a new house". In entrepreneurship literature, she is considered a reactant individual, only responding to changes in her situation when it arises, in this case, major floods and illnesses. Reactant individuals believe that they have a low degree of control over their environment and hence believe (and expect) that the solutions to their problems have to come externally.

These shocks have caused her considerable financial strain as she was faced with major expenses and thus depleting her limited savings. Instead of relocating to a geographically safer place after the first flood that destroyed her house, she chose to maintain status quo, resulting in a similar disaster experience a few years later. These crises happened more than ten years prior to

joining TYM. From 1982 until 1998 when she joined TYM, she did not face any major difficulties other than her husband's ongoing medical expenses. Therefore, her personality and inadequate know-how led to nothing being done to improve her own situation.

Even after joining TYM for 14 years, her reactive mentality and lack of personal initiative still remains. Her household economic activities, namely her childcare and husbandry businesses were still the same in terms of scale and diversity as they were in 1982. Moreover, she does not formulate any plans to capitalize on her income-generating ability, despite the fact that she was clearly competent in her childcare skills and had an advantageous situation. This aspect of non-planning is also seen in her inefficient use of TYM's loans, such as the purchase of a motorbicycle which she herself could not determine if the money was well spent. To her, the benefit of TYM's loans is that she is able to smoothen her consumption and spend more on immediate material items. This ability to spend more than previously gives her the feeling that her economic condition has improved. She holds the belief that as long as she is able to repay TYM's loans punctually, it is fine regardless of how she uses the money. Hence, TYM's loans do provide an element of welfare for her in a form of consumption. For other clients with children to support their old age, this mentality could work. But for Ky who has no children, with age catching up and medical expenses rising commensurately, it is unsustainable.

It should be noted here that Ky believes her motivation to work hard is mainly to meet TYM's loan repayment (instead of the general idea of a better, more prosperous life), something which does not pose much difficulty for her once she got used to the weekly repayment system. This further exemplifies her contentedness with her existing situation and shows that she holds a short-term view towards her life, living by the day without further planning. The ability to repay may also have lulled her into a false sense of security regarding her situation.

Nevertheless, life would have been more difficult for Ky without TYM because TYM's presence brought not only financial support but also mental comfort to her situation, as she knows that she is not alone in her predicament.

Social

The role of TYM's training

Ky's difficult situation, coupled with her lack of personal initiative possibly hindered the effectiveness of TYM's training efforts. Being embarrassed and afraid to share her ideas during meetings means that she is not able to harness the benefits of mutual knowledge sharing with other clients. Moreover, since she does not

communicate her difficulties much with the technical officer, she is unable to receive the necessary level of attention of help and advice that clients of her profile deserve. This possibly highlights the problems associated with the existing high client to technical officer ratio of 450:1 and the workload of the technical officer. It should be noted here that people in Nghe An address their technical officers with the title of “Teacher” as they consider them more knowledgeable and respect them. Clients generally perceive and expect their “teachers” to be a source of wise teachings that helps improve their lives. While Ky found the trainings of TYM interesting, she could not recall any details nor did she know how it applied to her daily life. She could only recall the entertaining aspects of the training, such as role plays and games used to teach and illustrate certain concepts. For Ky, TYM’s training could at best raise her awareness only on certain issues practical and of immediate concern to her, such as husbandry. In this sense, TYM has done well in its training to make it enjoyable and fun, but more needs to be done especially for those in the high-vulnerability group such as Ky.

Social role and participation

TYM provided Ky the opportunity to become more active within the community than she was previously. The responsibility for the center treasurer role was the only time she ever held a leadership position and it seemed to boost her self-confidence and status among other women. Unlike other clients who view such roles as unnecessary responsibilities in the face of managing between increased business activity and family commitments, Ky seemed to find meaning and fulfillment in her participation. While other clients may be able to derive useful skills and learning points from such roles as center leader, secretary and treasurer, for Ky, who volunteered, the gratification comes from within.

Moreover, there appears to be a social governing effect regarding the loan size. Ky is entitled to greater loan sizes, yet she does not take greater loans than what she deems she is able to repay. From the management point of view, this is an act of client prudence worth applauding. From the individual perspective, if she is able to make the repayment punctually, she is considered a good client and hence is socially accepted by the rest of members in the center. This is because repayment rate and collection amount (both collective efforts) are measures of a center’s performance and they are emphasized and announced during each center meeting. The implication is that repayment becomes the yardstick of community solidarity and loan use then becomes a matter of personal discretion, which is rarely discussed even amongst clients. For a person like Ky who needs to focus more on her loan use and savings strategy, such social expectations creates greater inertia for her to confront the root problems of her situation.

3.3 Impact of TYM on child of client: Helping to overcome negative social perceptions to self-employment

“Without trading, you will never be rich” – Tinh, 28. Son of client Madam Nguyễn Thị Tuyết



Background

Many clients of TYM work hard to give their children a better life. Yet the socio-economic implication of TYM’s activities is not limited to the client alone, but also includes their children. Tinh’s story tells of how he had benefited from the influence of TYM in his mother’s life.

Tinh is the child of a long-standing TYM client. He has witnessed how TYM’s financial services have helped improve his family’s cash-strapped situation, allowed him to complete his education and finally exercise his freedom to pursue his career dreams. Currently self-employed, he runs a grocery distribution business with the help of another employee. Instead of setting up a storefront, his business is mobile and sells only to grocery retailers.

Tinh’s mother has been a TYM member since 1997. With her support and his income as a part-time waiter, Tinh managed to put himself through Vinh University where he majored in Marketing. Vinh University was closer to home and

a less costly option – something that he accepted even though he had hoped to go to somewhere farther for studies. It was through effective time management that he was able to hold part-time jobs while maintaining his grades. He had made up his mind to set up his own business even before he graduated in 2004 and chose marketing to complement his career goal of goods trading. This decision was partly influenced by his family's poor economic background and his mother's influence as a role model. Since young, Tinh was particularly perturbed with his poor family background. He recalled an incident where he felt embarrassed to attend classes upon realizing that his family was lapsing in tuition fees payment. Even though the matter was eventually resolved when his mother took an interest-free loan from some close friends, the incident left an emotional scar and he was determined since then to make as much money as he could.

Both Tinh and his brother always had great respect for their mother who, through sheer hard work and prudent money management, managed to send them through university. When he was in university, she used to mail VND 300 K him each month to. "Many times, I didn't even have enough cash and the lady at the post office lent me some money", his mother would recall her difficult past. She has always been proud of her two sons, "both my sons are hardworking and clever, I have never had to give any bribes to get them into university or a job unlike many others I know".

Resistance to entrepreneurship

While Tinh's brother followed the typical path of pursuing a career first with the government sector then a state-owned company, currently Viettel (one of Vietnam's largest telecommunications companies), Tinh himself was set on self-employment. He recalled that not everyone supported his decision to start his own business. In fact, the majority of his friends and family advised him against it, believing that he should work either for the government or a state-owned company, both of which were associated with prestige and provided the commonly desired job security. It was common knowledge that such careers usually entailed disproportionately huge yearly bonuses and fixed working hours with better opportunities of work-life balance than the private sector. Moreover, they cautioned that his young age, inexperience and lack of capital would only mean failure. Instead of being discouraged, Tinh perceived these comments to be words of concern. Even the most supportive of his friends encouraged him to get a few years of work experience and to accumulate some savings before establishing his business. Only his mother believed in him from the start and assured him that she would do all that she could to support him. She was confident he had what it took to successfully run his own business,

having been by her side for many years. Eventually, Tinh quit after three years of unsatisfactory employment as a sales supervisor. By then, he had amassed a certain level of experience and with his mother's encouragement, he was ready to embark on his trading business.

Entrepreneurial Start

Financial resources

Initially Tinh's financial resources comprised of his personal savings and loans, both from his closest friends and from his mother who used her TYM loans, which accounted for the bulk of his loans. With the money, he bought a small truck, rented storage space and acquired an arsenal of cheap groceries and dried foodstuffs mostly from Ho Chi Minh City. Even until today, his mother still uses her loans to support him in his business and in return, he gives her some of his profits and helps her with the weekly TYM loan repayment.

Knowledge seeking and acquisition

While Tinh was able to apply what he had learnt in university about customer service, sound business models and basic financial calculations, most of the soft skills such as communication and practicable marketing strategies for difficult-to-sell products were gained through his previous work experiences. When asked if his mother was able to provide some guidance for his business, his response was that apart from some basic advice on calculating costs and setting realistic expectations for the business, her business was too simple and not relevant to his. Instead, he relied more on his friends who had similar experiences and were reasonably knowledgeable about dealing with market issues and inventory management. "Crises also helped me learn a lot about myself and the health of my business. In particular, they expose weaknesses that one cannot see in the hectic daily operations", he claimed. His first major hurdle was the melamine milk crisis in 2008 where he was left with a huge inventory of contaminated milk imported from China. Even though Tinh knew he could get a refund from his suppliers, he believed in sharing the risk and loss with his suppliers to maintain good trade relations. "In this type of business, during good times, my suppliers will help me, so during bad times, I need to support them since all of us are in the same boat." It took about four years for his business to stabilize and to finally get recognition from his initially skeptical relatives who saw the tangible outcomes such as better household furniture and festive gifts.

Aspirations for the future

"I have lots of dreams and goals for the future, I want to expand my business and reach out to more provinces outside of Nghe An", Tinh said confidently.

Also, he plans to increase his product variety particularly in daily household consumables. Moreover, Tinh wishes to continue building a wide network of strong relationships and reliable contacts as he considers this one of his key success factors and the difference between him and his elder brother. His network includes friendly ties with the local police so he rarely gets into trouble with them. This accumulated social capital helped his business weather through unforeseen circumstances and also result in long-term cost savings through information advantages.

3.3.1 Case analysis and the role of TYM

Perceptions to self-employment in Vietnamese culture

Tinh's mother, like many other clients of TYM, strives hard to provide education for her children. "TYM encourages us to send our children to school for as long as possible. This is one of our five commitments as a TYM member. We recite these commitments aloud at every meeting." This emphasis on education is particularly true in general Vietnamese culture where education status is a direct indicator of one's personal success attributable to family glory. The pragmatic aspect of a good education is the perceived ease of getting a stable, well-paying job. Among many clients, this preference for children holding government jobs (or jobs with state-owned companies) has created the alternative perception that self-employment should be the "last resort" – somewhat similar to the client's predicament when they had to take loans to start income-generating activities as a way of improving their family economic situation. To many families, the numerous risks and uncertainties associated with entrepreneurship made it less socially desirable and less prestigious compared to having a stable job. In Asian contexts, the concept of "iron rice bowl" is prevalent and is analogous to a stable job with minimal risk of losing employment and thus ensuring continuous provision for needs. Such parental beliefs and social norms are then imparted to the children so that entrepreneurship is not socially accepted. Moreover, the younger generations themselves do not have many role models among their peers whom they could learn from.

In Tinh's case, however, his business is considered "entrepreneurship by choice" but clients hardly distinguish between the two. Several also alluded that they would rather leave their business for their girls and hope that their sons could be a salaried employee – despite knowing that the income from their business could be more than that of a regular paid job. Tinh's family is different. The norms within his family allowed his entrepreneurial talent to develop. He is one such example where he earns tens of millions of VND a month.

This perception once again highlights the average client's plight: After having had to deal with uncertainties for most parts of their life, they place a great amount of emphasis on reliability and consistency not only in financial services but also in income streams. Research has shown a relationship between perceived social norms and entrepreneurial intentions. (Kolvereid & Isaksen, 2006; Souitaris, Zerbini, & Al-Laham, 2007). Such perceptions pose barriers for entrepreneurial talent within the next generation, children of clients who, like Tinh, are inclined towards self-employment but face difficulty accessing loans from more formal banking institutions.

Successful second generation entrepreneurs through TYM and family support
Since children of clients could utilize TYM loans to pursue their own businesses, which potentially surpass that of their parents, it is important for TYM to appreciate how and why these potential second generation entrepreneurs arise and under what circumstances they could best benefit from TYM loans.

First and foremost is the strong support that Tinh received from his mother for his entrepreneurial intentions. She was long aware of his flair for doing business, emphasizing how easily he built relationships with vendors compared to his elder brother and how persistent he was in achieving his goals. Unlike other clients who have an aversion towards entrepreneurship, Tinh's mother was open towards it and she did not impose it on her children. She only supported Tinh because she saw that he had developed suitable qualities to allow him to excel in business.

A second factor was Tinh's environmental influence when growing up. Social learning theory (Bandura, 1979) or simply put, modeling one's behavior through observation and learning from the external environment, is a useful tool which may help us understand why. Since young, Tinh has helped his mother to sell bread and vegetables at the market. Moreover she was a role model to him where he learnt the basics of trading and modeled his behavior after. His involvement in business developed more seriously after high school because the family could only afford university education for one child at a time. Tinh chose to remain in the village and experimented with trade for a few years while waiting for his elder brother to complete his studies. It was during these years where he combined trading skills he learnt from his mother into his businesses. Because he had the opportunity to experiment during these years, he felt that running a business was 'doable' and not as difficult as he imagined it to be. This extended hands-on learning was motivated by a strong innate belief that one could only be rich through self-employment.

Thirdly TYM's loan represented an easy access to capital for his business with easy repayment schedules. This was critical at the beginning when the startup capital was small and TYM's loan was comparatively important. Moreover, it was the role played by the technical officer and other branch staff who applauded and attributed Tinh's success as his mother success as a client. Such acknowledgement enabled Tinh to carry on using TYM's loans and boosted the chances of his business survival.

Child's perception of TYM

From a financial perspective, Tinh felt that TYM's loans are suitable for people who have a daily income (hence the ability to repay) and would like to take their time to finish the loan in one year. He felt that even though the interest was higher compared to other banks, it was still reasonable, and sees it a service fee necessary for security and reliability. With respect to TYM's social activities, he feels that they provide a chance for members to gather and chat after their work – something he appreciated greatly as the activities keeps his mother company, particular since both his brother and he were away from home most of the time. While he does not take personal interest in TYM, he did recount situations whereby clients who did not have a spending plan or misused their loan often ended up facing repayment difficulties and had to borrow from other members to make the repayment. Even though TYM has switched from the group system to the individual system in 2010, some social practices and norms remain.

Client's (mother) use of loans: Cashflow easing and investment in child's business

Before TYM came into her life in 1997, Tinh's mother's used a combination of loan sources to match her own cashflow needs. It should be noted at this point that loans for the poor are usually not restricted to cash. Like many others, Tinh's mother also borrowed rice, in which she typically had to repay thrice the amount borrowed. There are also times when she bought groceries on credit. Also, ever since TYM's presence in her life, her mix of loans shifted from multiple sources to just a few main sources, as the stability and reliability of TYM loans allowed her to do away with smaller, less predictable loans. Notably, even though she has significant deposits, which could be withdrawn to support her son's business, she still prefers to take a loan. "People ask me that since I have money in the deposit, why do I need to borrow and pay high interest? For building a house and to support my son's business, I will use the loan. For my other own business, I will then use my own savings." When asked if there was any difference between how she saw TYM's loans and her own savings, she highlighted that since she has not completed her loan cycle from TYM and if she wanted to borrow more, TYM would not allow her to do so.

Therefore, for buying assets such as houses, which ties down her cashflow, she would rather use the loan so that she has more flexibility with her savings. Her plan was to put money in deposits whenever she has spare cash.

For her, TYM loans were mainly used for big expenditures that could be planned for - from her children's yearly tuition fees to their respective weddings and even for Tinh's business. Her initial aim of using the TYM loan was to send both her children to university. To her, children's education was top priority and the time-tested route out of poverty. She has always seen it as an investment because she expected her sons to take care of her once they started working, something they gladly did having seen how much their mother sacrificed for them. Therefore, TYM's loans were not always used directly for her business. Nevertheless, she did have a clear plan on how the loans were to be used and what repayment plans she needed to have.

Her business was simple trading of fruits and vegetables, and she has not improved her scale or her techniques over the years. Her only switch over the past years was the switch from bread to fruits, something that gave her slightly higher profits. For her, life only became significantly easier once her children were financially independent and started contributing to the family income. Also, given the fact that her husband contracted mental disorder and was sick for seven years before he eventually passed away, she was largely the key decision-maker of the family and main source of income. Her sons were the guarantors of her loans after TYM switched from the group model to the individual model. When her second son needed capital, she began giving her TYM loans for his business purpose. To her, it was another form of investment. It did not matter if she was not directly involved nor had any control over the income-generating activity tied to this loan – as long as the money was put to good use and if she could make the repayments that was all that mattered. Initially, she was afraid of taking the maximum loan amount, alluding to the fact that with her own income source, she would definitely not be able to make the repayment. On many occasions, her son has mentioned that he had the ability to “repay any amount she borrowed”. This shows their relative confidence in his business and improved their household economic situation.

3.4 Women active in the community: Leadership development opportunities from the non-financial activities of microfinance programs

“Without being active in church, I wouldn’t have known TYM. Then I wouldn’t be a center chief, and without being a center chief, I wouldn’t be confident enough to hold the vice president position in the commune’s Women’s Union.”

Nguyen Thi Nghia



Background

If one were to walk into Nghia’s house, the grandeur of the large three-storied house made of polished granite belies the small family size living in that house – her aged mother and herself. Yet, her large house is not used only for her own purpose. Being an active prominent church member in the local Catholic community and having a brother who works as a priest meant having to host guests and missionaries in her house frequently. She is a devout Catholic who believes firmly in serving the local community first and profits second.

Nghia makes a living as a tailor specializing in the Vietnamese traditional dress, Ao Dai, and also from agriculture in which she hires workers to cultivate her three sao of rice fields (1 sao of land is equal to 360 square meters). Originally she worked only in the paddy fields and the income was insufficient for her family. It was through the encouragement of her closest brother that she decided to pick up tailoring and eventually mustered the courage to set up her

own tailoring business with her first TYM loan of VND 500 K in 2002 where she, like several other members, had her initial worries regarding repayment. Today, she is one of the leading tailors in the area and business is brisk for her. At the time of interview, she just received a bulk order of Ao Dais from TYM for its branch staff in conjunction with TYM's 20th Anniversary celebration. Despite having good sales, she is aware of the increasing competition from surrounding neighborhoods. "There are many people becoming tailors, doing things similar to me. So I have to update myself on latest tastes and fashion. I buy magazines, newspapers to improve my designs." With her improving profits, she regularly buys gold as a form of investment.

Community Involvement

Nghia's involvement in community activities is an exceptional case. She first got to know TYM through the church when TYM, together with the local church's endorsement, spoke to the Catholic community at one of their services. "Our pastor told us that we have to strive to improve our lives, especially the women, and TYM is able to give out reasonable loans to help us, even in small ways. He told us that as Catholics, we are honest people and will be good clients naturally. We just needed a chance. So we were encouraged to try to take the big step." It was through TYM membership that Nghia had the opportunity to take on various leadership positions in her commune and influence far more people over the next decade.

Contributing to multiple organizations

Nghia's involvement in organizational activities falls into three categories – those from the church, TYM and the local commune. Within the church, she has been conducting catechism classes for thirteen years and leading the church choir for eleven years. With TYM, ever since it started operations in Hung Yen in 2002, Nghia has been its center chief for TYM, facilitating the communication between TYM and its clients. At the local commune level, she has served as the vice president of the commune's Women Union for four years and before that, in the Youth Union for seven years. Now she is also a member of the People's Council of the commune. To her, these involvements share a common motivation, which is to serve the disadvantaged Catholic women in her community.

Because most of the local women are served by more than one of the above-mentioned organizations, it is easier for Nghia to get to know everyone and to combine her work in the Women's Union and TYM to communicate mutually reinforcing ideas: such as being humble and honest as a Catholic and not being too overconfident about TYM loan usage or their business. She sees being in such leadership positions as a chance for her to effect greater changes and

hence improve their lives. “I want to help them to be more open, to understand about modern women who not only do housework but also go out (of their house) to build their understanding about the society.” In her work with the local women’s union, she is involved at the ground level frequently, either organizing or attending group meetings. Hence she uses these gathering events to emphasize the importance of women joining community activities such as fund raising initiatives and having exposure to the world outside.

Social activities

Nghia recognized that because more than three quarters of the local population is Catholic and with the strong presence of the church, many people are preoccupied with just church activities and are actually too shy or reluctant to participate in social activities organized by TYM or the local commune. “I feel really comfortable when I join the social activities organized by TYM and the local commune. Of course I know that I would be less busy if I just focused on tailoring, but that would be such a pity sitting at home all day long when there are chances to participate in special occasions such as the 8th March (International Women’s Day) or 20th October (Vietnamese Women’s Day).” Social activities are also a great way for Nghia to help spread the word of TYM and strengthen its presence in the locality. Nghia recalled the initial difficulties TYM faced when it first entered Hung Yen and how she played a role in reaching out to women through social activities. “At first, there was nothing that guaranteed TYM’s operation would be as successful in this region and TYM had problems attracting more people. So through some festivals or during our center’s anniversary celebration, I tried to persuade them...from twenty-five we grew to sixty members and the technical officer had to split the center to be better managed. Now most of the members of the Women’s Union in this alley have joined TYM.”

Leadership style

Nghia speaks in a gentle, calming tone but with the conviction and sureness of her beliefs that surround her in an aura of wisdom. “At first, I did not have the confidence to perform my duties in the Women’s Union. I thought I would quit after the first year. But gradually, I gained interest and was encouraged because I found out that whenever I told the members, they listened and followed.” Her leadership philosophy has been to treat people sincerely and honestly. Nghia recalled difficult periods where she had to deal with members who refused to listen and even denied her presence. Yet she persisted in talking and communicating with these members even after multiple rejections. Over time, these members realized that she was speaking sincerely from her heart and began trusting her, even sharing personal family stories be it happy or sad ones.

Nghia spends a large portion of her private time speaking and listening to women in the local area and developing a personal relationship with each individual. She felt these individual relationships collectively contribute to group solidarity especially within TYM. She also found it slightly easier to communicate and convince fellow Catholics. When TYM switched from the group to individual lending system, where joint liability was replaced through individual responsibility, Nghia observed an increase in cohesiveness at the center level rather than a reduced level of unity. She felt that groups formed before the transformation still retained their closeness, but the relationships have become less strained without the mutual policing. “The transformation at first was not easy... collection in groups was also less messy compared to ASA model... over time everyone adjusted to the new system. In the group model, only group leaders come to the collection session to make repayment on behalf of the group. But in the ASA model, everyone has to come. So everyone now has a chance to interact more with one another and share experiences”.

Plans for the future

Supporting education

Even though Nghia runs a successful tailoring business and her economic situation has been improving steadily, she still has young dependents despite being single and having no children of her own. She currently supports her nephew and niece through vocational schools since she firmly believes education to be the way to a better life. Moreover, having regretted not completing her studies (she had to stop her education after grade nine so that her brother could continue his) due to financial difficulties, she decided to devote her time and energy to encourage the young to continue studying. In her catechism classes, she reasons with the young people to help them see the benefit of a good education. “Many members’ children help out in their family business... they want to earn money for the family to make weekly repayment and don’t want to study anymore...without the right guidance, it is easy for them to lose focus.”

Being constantly among the women has given Nghia insights on how TYM could help improve women’s lives. “Actually among our Catholic communities, the locals are quite uneducated, most drop out after primary school. It’s a great pity. It would be good if they were provided some continuing education classes on husbandry or cultivation. I feel that they don’t have sufficient understanding on what should be done.”

Social work

Nghia has long made her decision to maintain status quo with her tailoring business and to focus her energy on social work. To her business is a means of feeding oneself while social work defines how meaningfully she lives her life. While she does have some outstanding debts from a number of sources, mainly those used for building her house, she is fairly confident of repaying her debt through her business profits. Although she does get compensated for her time and effort with the various organizations she serves, these amounts are small. “If one keeps thinking of financial returns, he/she cannot do social work. Of course there are some subsidies but it’s not a lot. People should put social benefits first”, she declared fervently. Being self-employed gives Nghia the flexibility and independence to pursue her life’s priorities without having to answer to any superiors. Moreover, because Nghia is single, she has fewer obligations and more time to devote herself to these causes.

3.4.1 Case analysis and the role of TYM

Individual growth

Personal leadership development

Joining TYM has given Nghia the opportunity to hold leadership positions in multiple organizations. She always had the right motivation but lacked the initial self-confidence, which gradually increased as she gained more experience through leadership in other organizations. Moreover, being the center chief for eleven years meant that Nghia could benefit greatly from TYM’s yearly center chief trainings and practice her leadership skills in a greater number of situations to improve her effectiveness.

There is also continuity and familiarity in leadership where she was able to accumulate her social capital over time through the various organizations. Her social status has increased undoubtedly over the years, particularly because each organization sees her as a strategic resource to further their goals. Herein lies a cycle of mutually reinforcing leadership roles, increasing scope of influence and leadership legitimacy. Fortunately for Nghia, there has not been much conflict of interests that she had to deal with and several organizational goals were overlapping thus allowing her to save time and energy. This is partly due to TYM’s historical origins as an arm of the Vietnam Women’s Union.

Nghia represents the small fraction of TYM clients who could understand and internalize most of TYM’s training topics (such as business, health, gender, finance) through training privileges as center leader and also through close

contact with the higher echelons of TYM branch staff. Her mastery of business knowledge was shown when she explained that her business was strategically located since women in the Catholic church have a certain demand for her type of Ao Dai. Developing personal relationships also meant that Nghia had reasonable knowledge about the family and business issues of each client; these shared experiences increased her depth of exposure, allowing her to learn at a quicker rate than others. But Nghia knows that she belongs to a privileged group. She highlighted that given the relatively low frequency of the topical training in her locality, some newer members do not have a chance to receive the trainings at all, while others forget the training easily or appear distracted during the center meetings, especially during the harvest season. She noted that apart from harvest season, when most of the clients in her areas are busy with farm work and less inclined to stay longer than required for center meetings, most of the time they do relish the time spent in the center and desire for more.

Mutually reinforcing leadership

TYM has made a wise decision to encourage women already active in other community organizations, such as the local Women's Union or religious groups to take the lead in its own centers. Not only do these women have considerable influence on others, they also facilitate the job of the technical officer who can be relatively new or unfamiliar with the locality.

Similar to other interviewed cases, women like Nghia who are already active within the community are ideal candidates and tend to be selected as center chiefs. They are those who are also willing to shoulder more responsibility. Furthermore, it is easier for people like Nghia to transit into the political arena in her commune because center meetings provide a platform for leaders like her to canvass for support and establish a base.

It should be noted however that overreliance on one person to fulfill multiple leadership roles may hinder succession and prevent others from having the chance to lead. A few times, Nghia has requested from TYM's technical officer to resign as center chief because she felt overloaded and busy. However, finding a replacement for her has been difficult, especially as Nghia has been re-elected yearly – a phenomenon that happens almost by default.

Women's increased participation in social and community activities

According to Nghia who had the opportunity to observe the overall development of women in her locality, there have been significant changes in the mentality of women with regard to self-perception and their role within the

household and community. When TYM just arrived, women were not confident to stand and speak in front of a crowd, raise suggestions, nor did they involve themselves much in social or community activities organized on a larger, more formal scale. Now, it has become commonplace for TYM members in Nghia's center to initiate activities, compose songs, poems and dance especially during the center meetings. While social obligation and self-perception of a "good client" contributes to governing TYM members' decision processes and loan repayment, much of their participation in social and community activities is voluntary as many other interviewees are equally comfortable with stating their preference for lower involvement in TYM's activities.

Participating in TYM activities has become a norm and households seem to be adapting to accommodate this. Women used to discuss with their husbands in order to participate. Now, it seems that informing their husbands will "suffice". However, this is conditional upon women not neglecting their household chores – many clients have learnt to rearrange their schedules without much inconvenience. For some larger occasions, husbands are even periodically roped in for logistical support such as arranging furniture and setting up the venue. Therefore, even though clients first and foremost associate TYM with its financial activities (and rightfully so), a sort of TYM branding has emerged such that when one joins as a new TYM member, she already has the preconceived notion that there will be social and community activities involved. In Nghia's province, the frequency of such activities is at a healthy level – to stimulate continual interest but not overbearingly burdensome.

3.5 Rural recycler: Perception of loan ownership

“If I have my own money and TYM loan in my pocket, I am more willing to spend my own money. Although we keep the loan, it belongs to others (TYM)”, Nguyễn Thị Nữ, Hung Trung, Nghe An.



Background

While most people associate rubbish waste with dirt, stench and disgust, Nu is the exact opposite. To her, trash delights her immensely as it means cash and other unrealized opportunities. Originally selling chickens and lemons in the market, Nu had to make do with her meager daily earnings until she received advice from an acquaintance in Dien Chau district to try recycling. After doing some market research and realizing that there was practically no one doing it in her area, she decided to set up a recycling business with her first TYM loan and some personal savings. At that time, her sister-in-law introduced TYM to her. It was the common practice of the group borrowing system. Never since Nu has regretted her choice. “Selling vegetables was harder work and profits were lesser than my recycling business. So I decided to stop my vegetable business.” Among her friends, there have been three to four who copied her business model and intended to set up their business in other places. When asked if she was worried, Nu replied coolly: “No I am not (worried), I believe that as long as I am honest and hardworking, my business will do okay”. Conversely, Nu is open about sharing her experience and had helped a fellow “TYM sister” in Yen Son who was keen to learn this business.

Nu has been in the recycling business for four years and her husband helped her for the first two years. Gradually after she became familiar with the business, she took over completely and made all the related decisions while he continued his daily work as a tractor driver. Once her recycling business stabilized, Nu started trading in a new charcoal business, selling to restaurants. But she still focuses her energy on her main business, as there are still challenges she has to manage. “I still lack capital. Sometimes I buy the recycled materials at a high price and have to sell lower. I know there are ups and downs in business, so loss is unavoidable. Sometimes I want to give up when business is not good...but I am persistent and I believe one day my household income will be better”, Nu said matter-of-factly.

Loan use and repayment

Nu eagerly looks forward to receiving her next bigger loan of VND 30 M. Her current loan of VND 25 M had already been used up within weeks of loan disbursement. She has planned the purposes of the next loan a long time ago: to obtain a larger storage space for her business (currently, she is renting the backyard of her uncle’s house) and to buy a truck. Over the years, she worried less about loan repayment and became more confident because she could do her business well and has ready cash. She only wished there were some ways she could continue getting loans more frequently from TYM as she felt the loan size was quite limited. Although in the near future Nu would still make do with TYM loans, she is considering the option of approaching banks for a bigger loan.

Nu belongs to the group of clients who strictly adheres to the policy of using loans for income-generating purposes. “Once I get used to the mindset that a TYM loan should only be used for generating income, it becomes easier to resist the temptation. I can recite the five commitments proudly. Some get the loan, but they are not doing any trading. Although they and I have to make repayment weekly, compared to them I feel prouder because I can use the loan to make money”, Nu declared with pride on her face. Nu feels that because of TYM’s repayment schedule, she had to learn how to make money faster and to do so required her to be even more sensitive to market changes and trends in order to make suitable decisions for her business. When asked what she thought of the interest rate of TYM’s loans, Nu found it reasonable. Although she has never calculated her repayment schedule to check if it was correct, she knows a few simple facts and highlighted them excitedly. “I know I have to pay interest and so I need to learn how to make a profit. Movement of TYM interest follows with bank interest rates. I do not know the bank interest rates because I do not borrow from them. But interest rates from the moneylenders are high-

est because these are short-term loans. TYM's repayment includes principal and interest."

Savings with TYM

"Once I am making profit, I will use my profit for reinvestment. I will never leave free cash", Nu said as she described how she handles her savings, something she felt she already knew before joining TYM. In general, Nu saves capital for the business and keeps some at home in a safe place for rainy days. The only institution she saves with is TYM, which she feels is secure, reliable and convenient enough. While she is certain that if she had more money she would like to save with TYM, currently her business needs are more important. Nu manages the savings in her household and at times uses them as a reserve for her business during difficult times when she could not sell certain inventory but still needed to purchase other inventory.

With regard to using savings for business, Nu's husband is supportive. He tells her that as long as she has thought it through and feels her decision is right, she should just proceed on. Nu would not withdraw her savings from TYM unless absolutely necessary. When asked hypothetically if she would like to withdraw her compulsory savings if given the chance, she mentioned that she would prefer to continue leaving her money and doing saving with TYM. But she would withdraw once she needs it.

Socio-economic changes

Economically active

Before joining TYM, Nu could recall how difficult it was to save money. Moreover, her household income was barely enough for basic living. After taking her first loan, she has become more economically active, not only in terms of cashflow transactions but also mentally. Over the years, she has invested in material assets to improve her living condition – last year she upgraded her house, building a water-tank and a gate. She periodically buys some furniture for the house too. "Before I joined TYM, I felt I needed to save more. After joining TYM, I feel that I can afford to spend more because I can earn more", she alluded. She is happy knowing that she can generate money.

Social and family status

Nu shared that among her closer friends and family, she was the only one operating a recycling business and not do the usual farming, husbandry or grocery trading. The fact that her business survived well also led them to create a positive joke that "no other business can do as well as the one that does trash". To Nu, this is a form of positive social acknowledgement, a form of uniqueness;

people began to look at her differently. Although she knows that her business is still far from what she considers successful, this recognition was important to her.

Ever since she began to contribute more to the household, Nu felt an increased sense of importance but was cautious to add: “The wife should not overstep the man”. She also emphasized that she has not forgotten her role as a wife and thus makes an effort daily to travel to and from her workplace and home so that she can prepare lunch for the family. “Of course life is getting too busy, travelling back and forth, but for a better life, I still carry on.” Clearly, Nu’s priorities are still her family’s needs. Now that she earns more, Nu feels a sense of achievement knowing that she has the ability to support some of her natal relatives. However, she still has to seek her husband’s approval before doing so. “Before we give support (money) to anyone, we both discuss first and agree before making a decision.”

Nu enjoys the community activities organized by TYM a lot. For example, she competes in the volleyball tournament in her commune. However, being economically active is beginning to have a bearing on Nu’s personal well-being. Ever since her business picked up, she found herself busier and less active in these activities. “If I go, I need to find someone to take care of my business, that’s why I cannot go.” When transitioning from the higher involvement in social and community to lower level, she feels pressured that she could not be there with her fellow TYM members. As of now, she could participate on days when she has no business. Moreover, Nu reports an increased stress level, “Now looking back, sometimes I feel stressed. If I were not doing this business, I could meet my friends anytime I like. But now I am in this business, I cannot close the shop anytime I like, I have to be here waiting for my clients.”

3.5.1 Case analysis and the role of TYM

Improved business acumen

The most notable explanation for TYM’s impact on Nu’s life is her improved business acumen. A number of factors contributed to this improvement. Firstly, TYM’s loan allowed her to be economically active and try out a new business idea. Subsequent loans were used to expand the business. This can be inferred because Nu is disciplined enough to use TYM loans for her business only. Moreover, her husband contributes income to the family and this liquidity helps Nu refrain from utilizing TYM loans for other non-business related consumption purposes. Secondly, the technical officer and center meetings pro-

vided business-related guidance to Nu and she was able to gain useful insights from it. The technical officer functioned as a resource facilitator – he shares best practices and exemplary business models from members of other centers and provides the contact details for interested members in his center. Due to time and resource constraints however, the technical officer briefly shared these ideas and maintained that it was up to the clients to take the initiative to find out more. Thirdly, Nu enjoyed center meetings and found that she learnt a lot from each meeting. She recalled how the trainers used a case study of a woman in the duck business that made large profits. Even though this case study was not closely related to her own recycling business, Nu perceives it as a role model of success. It is likely then that such stories of entrepreneurial success ignited the willingness to experiment and the determination to succeed in her own business.

Nu is also one of the few interviewees who are open to the idea of collaboration and group businesses – a viable strategy for her to consider given that there are more people starting to copy their recycling business after her. She perceives monopoly, collusion and price setting as “tricks” to be avoided on moral grounds, but is willing to collaborate to the extent of achieving economies of scale. Thus it can be seen that TYM’s loan and training activities changed the way Nu thinks about business. It has opened up several possibilities for her and each exposure to Nu is a learning opportunity to better herself – the tangible rewards being better household economic situation and the intangible rewards being increased social recognition, positive self-perception both as a family member and as a TYM member.

Perception of TYM loan

An interesting point made by Nu was how she sees her loan from TYM. Nu perceives the loan to be “TYM’s money” that must ultimately be returned one day. Therefore, she tries to be prudent when she uses it. Nu also has a preference to spend her own profits rather than the loan from TYM itself. It seems then that Nu believes she does not have complete ownership over her TYM loan and creates a psychological distance from the loan, to the point of distinguishing between profits and loan. Such a mentality exerts a form of self-control on the client to exercise caution and prudence when using the loan. From the perspective of a lending institution, clients like Nu are much desired as they bring along with them the right mentality that lowers default risk. The issue then is to find out what led to this mentality, the conditions that created it and whether such a norm could be cultivated. The answers could give institutions another tool and even greater confidence to ascertain whether or not a potential client is credit worthy. Given the dilemma technical officers face between

loan appraisal difficulties and having to expand the client base, the answers to creating such a mentality would make their decision-making much easier and provide a direction for future research. Moreover, the implication is that this mentality could help reverse the growing accepted trend that microcredit loans can be used for consumption rather than income-generating activities as long as repayment is met.

3.6 Child of client: Thoughts on women's role in the community, workplace and family

“When the wife has no income, the husband looks down on her. But once she has income, the husband respects her more compared to those who just wait for the husband to give her money”, Nguyen Thi An, 26.

Background

An is the child of a TYM client and coincidentally a technical officer for TYM in the coastal district of Cua Lo. Interestingly, she perceives issues surrounding microfinance both from a client and an institutional viewpoint. A diligent student, An graduated from Vinh University (her first choice of school) with a degree in political science. She chose this subject because she was inspired by her relatives (grandfather, parents, aunt) who worked for the local authorities and believed that getting a government-related job after graduation would be much easier given her prior exposure and contacts.

After retiring from their government jobs, An's parents continued to be economically active. Her father became a contractor while her mother set up a small fishery business and raised some livestock. Her smile faded as she recalled that originally her family was quite well off; but livelihood started to deteriorate over the years following 2004 due to the worsening performance of the fishery business over four successive seasons. She attributed this to the risky nature of the fishery business, as it depended heavily on weather. “According to the Chinese horoscope, both my parents are in a bad year with poor luck.” Unfortunately, that was also the same period when An and her sister started their university education. With the higher living expense and poor business, her family economic situation was worsened. “All thanks to my parents and TYM, I need not have do part-time jobs to help out with household income. However, I had to be extra cautious about how I spent money.”

Fortunately, this was around the same period when TYM expanded its operations into Cua Lo. Her mother joined primarily because she was holding a

leadership position in the Women's Union and she hoped that other members would follow her lead and be part of TYM. Not surprisingly, An's mother also held one of the leadership roles in her center. A secondary reason was that her family household was in need of some capital at that time too.

Initially, An was not aware that her mother joined TYM. Like most children of clients, An was given very limited information on TYM by her parents. Her father did not bother to get involved (he probably associated TYM with its non-financial, community-building activities) but he admitted that he could see how the services have been helping the family in terms of cashflow management. Previously, the family used to borrow from Vietnam Bank for Agriculture and Rural Development and they needed to pay a lump sum at the end – this did not fit well with the family's cashflow cycle because for a number of times, her family did not manage to save enough to repay and had to borrow from someone else to make the lump-sum payment when the loan matured. For TYM's loans however, its small repayments made the repayments easier. "When I became a technical officer and talked to my mum about TYM, she told me she felt a 'sense of accomplishment' every time she made a repayment because she felt 'less indebted' as the size of the principal balance reduced."

Views on gender equality

At the workplace

An married six months ago and having been in the workforce, she felt that the issue of gender discrimination in Vietnam needs attention and improvement. She shared the example of her husband's female colleague, a fellow lecturer in the vocational school nearby, who was subjected to a labor agreement stating that single females are not allowed to get married or pregnant during the first year of employment. Thus many females had to quit their jobs in order to start a family. "Getting married and giving birth is the right of women, after graduation, a woman may be 25-26 years old and getting married is very normal for every female. With this policy, it's very inconvenient for females." An's parents felt the same way as she, and she was convinced that all parents feel this way too. In her opinion, if women violated this regulation, perhaps their benefits such as maternity leave or financial subsidies could be reduced, but the company should not ban women from getting married and having children.

At home

As a technical officer in contact with women and households daily, An observed that women still often perceive a husband's role to be more important than the wife's because the former is the breadwinner of the family. This paradigm is deeply rooted in the women's mind. She did not know how women in the city

thought about this, but having been brought up in a province herself, she also had this mentality and believed that other TYM clients around have this mindset.

Socio-economic changes

Women's general behavioral changes

An shared that there were definitely clear cases where before joining TYM, women were “obedient and reliant” and could not exercise much decision-making power at home; but after joining TYM for a number of years, the women became more vocal, especially those with more successful businesses. “Regarding the decision whether or not to join TYM, the wife still makes it. But there should be a mutual agreement between the husband and wife.” She highlighted that when it came to business-related decisions, if the women are solely involved in it, over time they develop the specific area of knowledge and thus their husband cannot comment much.

An recalled an amusing incident whereby she was visiting a potential client during her second loan appraisal. The client and An were going through the paperwork and surprisingly the client's husband, who was to be the guarantor, refused to join them although he was present. The wife then tried to call her husband to join and sign the document but he refused. Furiously, she left the room with him and shouted at him. A few minutes later he agreed to sign as a guarantor. “From this incident, I can tell that the wife probably earns more than her husband and makes the decision in the household. In today's practical lifestyle, the one who earns more money has a louder voice, especially so in this locality”, she mused.

“Transformation (of women's roles) is good. But the question is what and how this change should be. No matter what, we still need to preserve our tradition and culture. Lifestyle and mentality can change, but it should not be too different from our culture”, An said as she reiterated that it was important to improve the role of women in the family and achieve gender equality but as Vietnamese, they should keep their culture. Specifically, An was against the idea of Vietnamese society making a total change and a shift towards western lifestyle and mentality.

Challenges faced as a technical officer

Collection

Although An feels her work of serving the poor is especially meaningful, there are considerable challenges she has to face on a daily basis. Overall, these have made her more resilient as a person. She believes that all technical officers face some level of difficulty during money collection when some members

are absent. This is why as a center, they should help one another and ensure that total repayment is as complete as possible. Moreover, while she knows that other centers have members paying first for these absent clients as a form of cooperation and solidarity, she views the social networks among clients as a nexus of information, particularly to find out through informal means how other members are performing and corroborating the various sources of information. She believes that getting accurate information and devising customized advice for clients is a more proactive step in addressing any member's difficulty to make repayment.

Relationship building

Location specific challenges also affected An. For example, in Cua Lo, a large proportion of people are fishmongers who are constantly in a rush. As they are not educated, it was difficult for them to understand the policies of TYM and they tended to be loud and vulgar when speaking with the technical officer – a job hazard from having to negotiate and bargain prices. All this intimidated An in the beginning. She also feels that repayment timings are quite inflexible for TYM members in Cua Lo because it is indeed difficult for them to close their shop just to make payment. Therefore, many clients unintentionally forget to make repayment and this makes her job difficult, even though she tries to adjust and speed up the repayment session to fifteen to twenty minutes instead of the official one hour. “In other locations, farmers are ‘gentler’ and even respect their technical officer a lot. In Nghe An, they even call them ‘teacher’.” Trust is another thing An feels needs to be built up over time. When TYM just started in Cua Lo, or any new locality for that matter, the locals did not trust TYM that much. This makes it difficult for her to mobilize savings. Many of them still prefer to hold on to their existing financial instruments such as rotating savings or moneyguards. This is also the same for term deposits. When clients make term-deposit decisions, they look for a reliable and prestigious institution. Thus she believes once TYM's standing among the locals has solidified, clients will deposit more money with TYM.

Training

An also noticed that clients in her area were not particularly interested in TYM's training topics such as healthcare for example. They only ‘open their ears and minds’ when the topic is directly related to their loans, such as changes to TYM policies. When An tries to talk about savings during the training sessions, some clients comment amongst themselves that they already know how to save and there is no need to teach them. “Thus I feel weird and lonely sometimes when conducting the training with them.” She highlights that a common misconception among clients is that they perceive compulsory

and voluntary savings to be fees that need to be paid in order to join TYM. “Some clients complain that if they had known they need to pay so many ‘fees’, they would not have taken the loan. Surprisingly, there are clients already in their second loan cycle who still have this wrong idea.” Among fellow technical officers, they remind each other to communicate clearly to clients and take extra effort to conduct the trainings. “If the headquarter checks and members cannot recall, we will have a lot of trouble. We tried very hard, but sometimes the members are sitting here but their mind is in the sky or with their business in the market. Only when they have experienced it before, such as the mutual assistance fund, will they understand how it works”, An sighed as she joked that even her own mother had problems recalling the training. “My mother just knows that the technical officer asks her to pay VND 10K (for compulsory savings) more and she pays without question. It’s not about her education level. She is quite educated. But she is too busy with her job.”

Family counseling

An hinted that family violence does happen among some clients, but the bulk are just disagreements and quarrels between husband and wife. It is a private issue that is rarely discussed. When she notices that the family has some issue, she attempts to provide some counseling and advice through an informal “chit-chat” session with the client in private rather than at the client’s house. She also leveraged on this individual to repeat key points of some of the training topics that are relevant to the client’s current situation.

3.6.1 Case analysis and impact of TYM

Understanding TYM’s clients through the lens of a technical officer provides a broader view of client development in a particular locality – in An’s case, a new area where TYM’s presence is less established. An, being the child of a client, is able to relate personally to many of the concerns experienced by clients.

Importance of the relationship between Vietnam Women’s Union (VWU) and TYM

Clients associate TYM with VWU closely and this enhances the trust level that clients have for TYM. As a subsidiary of VWU, TYM enjoys the influence that VWU has on the local authorities and in Vietnamese society. For example, clients regularly cite supporting TYM and its activities as a form of indirect support to the VWU. From clients’ responses, it seems that VWU has made known to all its members that TYM is their ‘child’; and therefore it is part of their responsibility as members to support TYM. At the operational level, technical

officers and other branch staff have hinted that without the support of VWU, “things will be much more difficult”. For instance, when expanding into a new locality, it is easier to persuade the local authority to provide TYM with better infrastructural support such as bigger office spaces for branch staff.

Maintaining trust between the client and TYM is imperative if TYM wants to play a larger role in their lives and to encourage clients to utilize more of TYM’s financial services such as term deposits. This strategic alliance between TYM and VWU is an existing resource that needs to be leveraged in order to compete effectively against other microfinance programs in the area. Many of An’s clients were previous customers of the microfinance program offered by Vietnam Bank for Social Policy (VBSP). However because of budget cuts from the government due to the economic downturn, the budget for the poor was cut and clients switched to TYM after facing difficulties getting loans from VBSP. TYM came in at the right time and achieved impressive signup rates over a short period of time because of its credibility and affiliation to VWU.

Engaging clients for training

It seems reasonable to suggest that TYM’s training materials and topics should not be created with just one particular group of clients in mind. Clearly, client characteristics vary according to region and thus there should be a degree of flexibility in terms of conduct so that clients can be engaged sufficiently. In Cua Lo, training programs may need to proceed at a slower rate to compensate for client’s inattention. It is clear that clients not benefiting from TYM training are either not paying attention, or understanding partially but not registering this information. A verbal test on training contents complemented with the correct reward system could be used to track the level of knowledge to ensure that the bulk of clients make an effort to internalize TYM’s training well. After all, it was mentioned that clients only care about TYM training when it relates closely to them, or in specific to their loan. So it is important that training content creators keep this fact in mind. For clients who could gain insights directly from training and apply it to their daily lives, they form a comparatively smaller group and are not the group of clients that TYM needs to be worried about.

TYM’s unique advantage are its non-financial activities. This is usually overlooked or less emphasized by clients, especially when TYM just began operating in that region. Once TYM has proven itself through its consistency in service quality supported by its non-financial aspects, such as social activities and trainings that are engaging and well communicated, the locals will start to look beyond the immediate financial impacts and understand that TYM’s intention is more transformational than the other microfinance programs.

3.7 Health implications on productivity and loan management of a client

“I feel that my family condition is better, because I stopped spending money on healthcare altogether. The fact is we don’t even have money to spend on healthcare at all”, Nguyễn Thị Nhi, 44.



Background

One’s health, sanitation and wellbeing are often compromised as a result of poverty in a vicious cycle. For Nhi, she has to deal with five person’s health problems including hers. Her story shows how TYM’s loans gave her a fighting chance to improve her situation against the problems associated with poor health.

Health issues

Nhi and her husband both suffered from kidney stones and each had one kidney removed as a result of doctors who were not able to remove the stones. Her husband had his condition detected earlier in 1991 and underwent operation, while she only did hers in 2008. “During the second operation, ten days after the first, the doctor said I looked so weak, they were afraid I would die”, she lamented. Nhi also experiences severe “leg pains” for the past three years that on bad days she has trouble walking. During the interview, she pounded at her legs with her fists several times to emphasize her helplessness with her legs. Moreover she feels dizzy at times when doing work and had to take frequent breaks because she fears worsening her situation. Before seeking medical attention and undergoing

operation eventually, the couple tried to self-medicate using traditional herbal medication but their condition only deteriorated.

Nhi has three children of ages seven, ten and sixteen respectively. Unfortunately her children too are plagued with different types of illnesses. According to her, the second child suffers from leg defects and needs to be operated, while the third child suffers from periodic epilepsy. The children however have not been brought to the hospital to certify their medical conditions, because Nhi did not have the financial means and thus the couple's decisions were all based on the village nurse's judgment and recommendations.

Joining TYM

A large part of Nhi's life had been about meeting life's basic needs. She frequently borrows food from others and pays back in rice whenever possible, as rice farming was her only income-generating activity then. She joined TYM in 2000 when some of her neighbors were looking for members to form a group. This gesture delighted her because it offered her access to continuous funding. "I felt happy because I needed money. Also, my group members trusted me enough even though my family condition was much poorer than theirs." Internally, Nhi was ambivalent. She felt happy because she had never had such a lump sum of money at once before and it represented opportunities that she could realize, such as rearing livestock. Nhi was also particularly excited because she led a simple life thus far and taking TYM's loan made her feel as if she was responsible for getting "real work" to be able to make repayment.

External support

Nhi's plight is well known throughout her community and her household receives help to alleviate her situation. For example, church members help out on her farm occasionally, knowing that her physical health could not take the hard labor. Nhi also received donations from the church community for her kidney operation. She recalled a kind lady who even sold gold in order to raise money for her. From the local authorities, Nhi was given a one-time grant of VND 7 M to upgrade her previous house made of low quality limestone. "We still lacked a lot of money for the house. Thankfully some of our relatives gave us tiles for the roofs". With that, Nhi took another loan of VND 8 M for the house. Neighbors chipped in effort to build her house thus allowing her to save on labor costs considerably.

Socio economic changes

Income-generating options

Before joining TYM, Nhi and her husband tried to work in a brick kiln but quit after a few years because the job was too labor-intensive for them and they were simply not adept at construction labor. They then focused on working in the paddy fields. Her eldest son frequently helps them out with the farm labor. “But after we took the loan from TYM, not only can we rear a buffalo, we can raise more ducks and chickens. The job is less tedious and it’s better for our health ... there are some improvements, but we still do not have enough rice ... compared to our neighbors we are still worse off”, Nhi admitted ruefully. She also complained that her farm yields were one third that of her neighbors and attributed the poorer performance to pests, yearly floods, not using fertilizers and also that her neighbors probably had better farming techniques. After a brief pause, she added that her health condition prevents her from working as hard as other people, but that she was already trying her best.

For several years, Nhi followed the same loan use cycle of purchasing a calf, rearing and using it for farm labor for a year, then selling the buffalo and buying another calf. Nhi then went on to explain what owning a buffalo meant to her livelihood. “With the calf, I feel more confident in making the weekly repayment for TYM...it is a kind of capital and in emergency, we can sell the calf.” She was quick to add her worry that the calf may die from a disease as it accounts for most of the money she has. Losing it meant a great deal.

Repayment

Nhi’s loan size increased for the first few years from VND 2.5 M to VND 7 M but stabilized from there on. Both her husband and she felt that it was more manageable to make smaller payments rather than a lump sum. “...we could make little money by working or selling something. If we need to pay VND 200-300 K each time, it will be more difficult. To spend lesser on our daily needs I go to the market once every five days or a week”, Nhi said as she agreed that with TYM’s loans she felt it was easier to plan on a weekly than on a monthly time frame. When not working in the fields, her husband takes on odd jobs and gives her money to help her with the weekly repayment. To them the loan is a joint responsibility.

Nhi tries hard to ensure that she is able to make the weekly repayment and usually does this by selling some farm produce in the market a few days before. However she still faces some difficulty at times. Yet it was always better to find a way to repay than to be late and she would thus make the effort to get a loan from neighbors who out of sympathy and goodwill were understanding

enough not to press her for payment. Nhi did not want to burden the others in her center. “If the center chief has not collected money from all the members, the technical officer will not receive. We need to repay so that he can go to the other centers...he is a busy person. I need to repay on time so that the people in my center will not be affected”, Nhi said before she pointed to the bag of rice resting in the corner of the room. She planned to sell the rice at the market so that she could use the earnings for the week’s repayment.

Expenditure

Health remained a concern that was closely linked to Nhi’s family expenditure. Previously, she had twice failed to claim insurance over her medical bills due to misinformation and acceptance of other’s decisions. These large expenses were difficult to bear. Over the years, she stopped seeking for medical attention because she was “tired of paying for expenses”. This reduction in health expense led her to feel less cash constraint and she appeared much happier with life.

Nhi knows that because of her family health condition, she was unable to take on more work and hence her expenditure has been limited accordingly. Thus she always spent her loans from TYM with a purpose in mind and avoids “small useless things”. Yet she values the importance of health for her children. She used her recent loan to construct a water tank so that her family need not rely on the contaminated ground water. The year before, she received a portable water filtration unit from TYM and VND 200 K as part of its center’s efforts to help disadvantaged families.

She holds a firm belief that since her eldest child is the healthiest among the children, she is determined to send him through school. Even if she had no money, she would gladly borrow so that he could complete his studies. “For our daily meals, we have only rice, vegetables and very seldom meat. Sometimes my husband goes to the ponds to catch some small fish and shrimps for food”, Nhi shared how she tries to limit her family’s daily expenditure on food. At times, she felt guilty having to scold her children for continuously asking her for instant noodles because she could not afford them.

Social status

In her neighborhood, Nhi has long accepted that her family falls into the disadvantaged group and willingly accepts whatever help she could get. She however noticed more encouragement from her neighbors ever since she joined TYM. She believes this was because they saw her involvement as an active step towards improving her life. Previously, when she was just working

on her paddy fields, there were many periods of lull time in between harvests when the family was not doing much to improve their situation. Ever since they took up TYM loans, life has been meaningfully busier.

In the household, Nhi acknowledges her husband to be the key decision maker. He assesses and decides the loan size that she should apply for. He was the one who gave her the idea that they could try raising chicken and ducks to handle the weekly repayment. In general, Nhi did not feel that her role in the family has changed much.

At TYM center meetings, Nhi is one of the shy ones. "I attend the meetings frequently because I do not work a lot...I think this is the chance for members to gather and talk and I get a sense of being united with other members." She looks forward to the singing and competition activities most among all the various upcoming social activities organized by TYM and would make an effort to support the participants although personally she felt too timid to take part. Yet, when it came to the training sessions organized by TYM, Nhi could only recall having full attendance, but was not able to mention any topics.

Hopes for the future

When asked about what dreams Nhi had, she had an incredulous look and laughed. She said that her health is the most important issue and the source of her greatest worry currently. She hopes that both she and her husband will be healthy enough to continue raising their three children. Recently, she discovered that her other kidney also started to develop stones but she has since resigned to her fate and decided not to do anything about it. "I just need money for a better life. Obviously we cannot do anything without money...". Nhi does not believe she could achieve enough money for a decent lifestyle and was unable to define the amount she would need. With the money, she would send her children to the hospital. For now, it is still a dream to her.

3.7.1 Case analysis and the role of TYM

Health implications to productivity and planning

Nhi's story is one that shows how health and the self-perception of one's own health can influence one's economic condition through income-generating ability and planning horizon. Nhi's condition no doubt prevents her from exerting herself in physical labor and also causes her to adopt a short-term view of things. From an income-generation perspective, it has created a psychological barrier, which prevents her from trying other less strenuous and more profit-

able businesses. This is shown from her reluctant sounding phrases such as “..because I am weak, I should not work too hard”, “they (other clients) can work a lot and repay, because they are strong”. Even when her crop yields are significantly lower, she attributes her health as one of the reasons. In terms of doing savings, Nhi simply brushed off and declared her state of poverty and mentioned that TYM’s compulsory savings was all she could handle. Given her state of poverty, she felt savings were not necessary, only some spare flexible cash in the house.

Further clarification with the technical officer in Nhi’s area revealed that her locality has high levels of water contamination. It is believed that consuming such water over extended periods contributed to Nhi’s family condition. Also, it is expected that Nhi’s appetite for risk is most likely affected by knowledge of her health condition. This could also play a reason why she did not dare make more future plans for her business but chose to maintain the status quo.

It should be noted that Nhi expressed a sense of general wellbeing because she decided to stop going for medical treatment and paying the bills. “I feel that my family condition is better, because I stopped spending money on healthcare altogether. The fact is we don’t even have money to spend on healthcare at all.” For a person like Nhi who values health and its importance, her perception of her general wellbeing is tied to her cashflow. This is probably because she has accepted that the health situation in her family cannot be improved much and that spending more money will be fruitless.

Insurance

Given her higher probability of exposure to negative events due to health issues or floods, one might expect Nhi to understand and appreciate the importance of insurance to mitigate risks. When she alluded that she could lose everything if her buffalo died, this prompted the research team to pose a hypothetical question to test her receptivity to livestock insurance. Firstly, she did not understand the concept of insurance. Even after explaining the concept of insurance, her response was as follows: “Even if I had to pay only VND 5 K, I do not think I can pay. I do not think I will buy such product. I have never used such services before.” While it is possible that Nhi did not see the similarity between the Mutual Assistance Fund and livestock insurance, it is clear that for her the present situation matters more. Paying money to guard against an event that may not happen is seen to be a loss of money versus the concept of opportunity cost. It is then reasonable to believe that when Nhi mentioned claims from the Mutual Assistance Fund, her perception and expectation of the fund was that if she ever needed help with health-related expenses, the fund

would provide for her. Yet when she was unable to receive the help that was supposedly promised, she lost hope in the fund and deemed it useless. Therefore this should be an issue for TYM that warrants future attention to ensure adequate two-way communication with its clients.

Responsible loan-taking

Nhi listens to her husband closely and refrains from taking more than a certain amount of loan. It can be said that Nhi's husband was the brain behind the loans while she just executes. Therefore due to her husband's advice and the social importance of being able to repay, her loan size has stagnated. She is celebrated as a responsible loan-taker and this is a form of positive encouragement for her. Yet Nhi alluded a few times that she would enjoy having a bigger loan provided her health situation were better even if she did not have a plan for it. This also shows the importance clients place on human capital as a key resource for microbusinesses. However she has not made plans for using a bigger loan size, other than sending her children to hospitals for check-up. Uncovering a desire to have a bigger loan but without the corresponding plan for income generation shows a tendency of clients to use the loan for consumption. Finally, it can be seen that Nhi values trustworthiness very much. The fact that people were willing to lend to her was because she would repay one day. Therefore Nhi would rather resist getting a bigger loan than to allow the trust others have in her to lapse should she fail to repay.

Section 4. Cross-case analysis

In this section we move away from case-specific analysis and investigate the underlying patterns connecting some of these cases. The findings here include all of the cases interviewed, not just the seven previously highlighted ones. Interviews conducted with TYM staff of various levels (i.e. branch director, cashiers, technical officers) strengthened the accuracy and validity of our findings and clarified some of the points which TYM clients made.

4.1 Savings mentality of clients

In general, clients are aware that TYM has increased their savings services. A few of them were able to recall that during center meetings, the branch director or technical officer announced that TYM has been legitimized to collect savings. Many however do not feel that this made any difference to them. Clients often made the comment “we already know how to save even before TYM came. We do not need to be taught how to save”. Interviews with the branch staff also confirmed this finding that clients had no distinct reactions when they were informed that TYM could legitimately mobilize savings. During the training sessions, clients were introduced to the various avenues to save, something which many were familiar with.

Client decisions to save with TYM often centered on TYM’s security and accessibility, rather than on its interest rates. Clients who actively saved with TYM shared their opinions that they did not really care about the interest rates (even if they were aware), thus confirming this finding. Those who made the switch to save with TYM did so because they believed in a savings routine toward a long-term goal (something which TYM emphasized in its trainings), and TYM’s regular contact with them made this possible. For those who did not

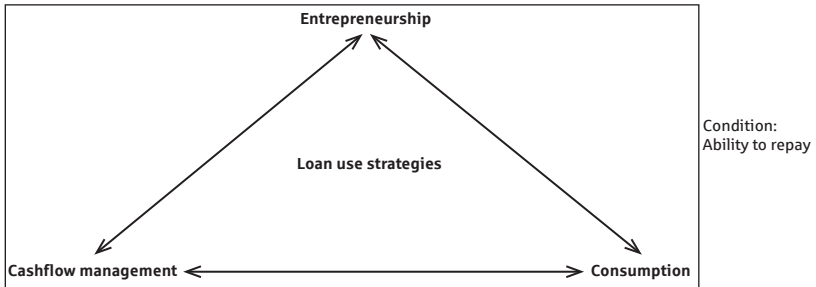
save voluntarily with TYM, they often held the belief that their methods are adequate – such as gold in “kindergarten” and “churchlady’s” case. It has become more of a habit, which they did not wish to break. Further research should explore and test the various options, which will increase the likelihood that clients make the switch from their existing savings methods to savings with TYM. Also future training materials could highlight savings-related topics that clients generally do not know beforehand – such as some form of statistics which could capture the clients’ attention prior to embarking on the material so as to retain their interest during such sessions.

4.2 Loan usage as a dynamic process: Entrepreneurship, cashflow management and consumption

A key element of how clients’ socio-economic conditions improve depends on whether or not they can use their loan effectively. From the case studies highlighted, it is clear that TYM’s clients use their loans for a variety of purposes, which can be classified into three main categories, entrepreneurship, cashflow management and consumption. The first refers to using loans directly for business purposes, which could include investment in assets related to business such as transport equipment. Secondly, cashflow management refers to loans being used to stabilize irregularities in a client’s cashflow. For example due to illnesses (or a time-sensitive business opportunity), a client had to borrow large amounts of money from others first. She then uses the loan to repay these debtors. Thirdly, an example of consumption could be that a client uses the loan directly to purchase construction materials for her house. The benefits of each of these loan uses are well documented both in theory and practice. (Bauchet et al., 2011, Banerjee et al., 2009, Collins, 2009, Khavul, 2009, and Munoz, 2010). For example, loan use for consumption argues that a client enjoys existing welfare benefits such as safety from a well-built house, which are equally important to a client’s state of wellbeing.

Not only is it difficult to be certain for sure which clients fall into each of the three categories since clients themselves have problems recalling exactly how they use their loans, such a categorization also makes it difficult for policy-makers to design suitable intervention for clients. Instead it is more useful to consider these three categories as a dynamic process: A client is able to move from one state (e.g. consumption) to another (e.g. entrepreneurship) given the right conditions. From the interviews, it was found that several factors motivated or inhibited clients from moving into each of these categories. The diagram below highlights this process and the underlying factors.

- New opportunities arise: e.g. “recycler”, “grocery explosion”, “confectionary mom”
- Repayment as a motivation: most borrowers initially
- Ownership of money belongs to TYM: “recycler”
- Has a plan how to utilize larger loan size: “grocery explosion”, “butchery mother”



- Loan size limited compared to business needs: “butchery mother”, “copper laureate”
- Income irregular: e.g. “three moral codes”, “kidney couple”
- Unexpected incidences: e.g. “kidney couple”
- No growth aspiration for business: e.g. “kindergarten”, “mosquito widow”, “church lady”, “political lady”
- Unable to pursue business opportunities: e.g. “pigeon-chicken lady”
- Loan size limited compared to business: “construction lady”
- Lack of clear plan to use loan: “kindergarten”, “kidney couple”
- Pre-planned usage: e.g. “fishscolding divorcee”, “confectionary mom”

Figure 4.1 Dynamic process of loan use

The reasons why clients might lean toward entrepreneurship, for example, are shown in the bulleted points. Notably, most clients have initial repayment worries and have to work hard, dedicate their available resources to generate income for repayment. Hence, they tend to use the loans for entrepreneurship purposes. For some, such as “kindergarten” who cites old age and general contentment about the status quo, they use TYM loans as a “source of cash” for cashflow management, having already figured out their cashflow cycles. From the diagram it may be seen that many clients appear in more than one stage. As clients develop, their loan-use patterns change based on their circumstances. The boundary condition to these loan-use patterns is that clients all agree that they borrow within their repayment capability. The current norm is that as long as they are able to repay and do not implicate others in the center (via late repayment or over-burdening fellow clients to help them repay) they are free to use the loan however they want. TYM has done well in rewarding outstanding clients who use their loans effectively for business purposes and getting these role models to share their success stories. Such practices should be retained. However, there is a group of clients who are willing to get larger loans but are unable to think of how to utilize them for their business or identify new opportunities. Fearing repayment problems, this causes them to give up entrepreneurial intentions and to become comfortable with the repayment cycle, eventually using loans either for cashflow management or consumption in general. Another group, though uncommon, are like “recycler” who has the

notion that the loan “belongs to TYM” and thus it should be used according to TYM’s designation. These two groups of clients present opportunities for TYM to use additional means to support them if it wishes to motivate their loan use into the entrepreneurship stage.

4.3 Repayment norm

Throughout the interviews, the concept of how TYM clients perceive themselves as a client proved to be pertinent. There is an unsaid social norm that a good client is one who is able to make repayment regardless of the means. Such organizational expectations are also documented and recited at each TYM center meeting in the form of “5 Commitments of TYM Members”. This norm is also reinforced by the social cohesion of each center, whereby clients are expected to contribute to the ‘success’ of each center by making timely repayments and not delaying the collection process. Late repayments cause center collections to be incomplete and this is frowned upon. This has given rise to good practices such as planning for repayment and malpractices such as resorting to borrowing from others to make the TYM repayment. The chart below is based on the coding of interview transcripts and shows that there is a certain degree of association between clients’ perception of themselves as good clients and their ability to make repayment after joining TYM.

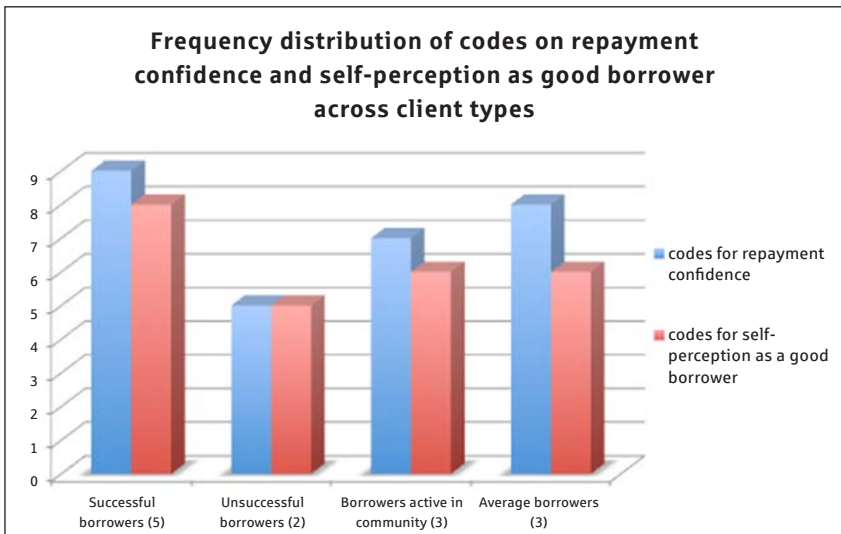


Figure 4.2 Repayment confidence and self-perception as a good client

All interviewees expressed their repayment confidence and self-perception as a good client either directly or indirectly during the conversation at least twice. Some emphasized it more than others. Generally, clients gain repayment confidence once they adjust to the rhythm of weekly repayment. “kindergarten” and “kidney couple”, even though in disadvantaged situations (i.e. disaster-prone area or disease-stricken medical history) are in their minds as good a client as “grocery explosion” or “recycler”. We term this ‘repayment equality’. Yet all their business performances and economic conditions are obviously different from one another and we denote this ‘entrepreneurial success inequality’. “grocery explosion” runs a successful business and repayment to her is more of a chore or habit. She prefers monthly repayment to lessen the inconvenience of travel. For “recycler”, repayment is more a matter of responsibility since she perceives the money to belong to TYM, and a matter of pride since she knows that the money repaid was generated through her own business profits. Finally for “kindergarten” and “kidney couple”, repayment brings them on the same level as the former two and it guarantees acceptance within the community.

When repayment is emphasized by TYM, solidarity is created because everyone is able to perform up to expectation and differences are minimal. Yet when TYM emphasizes entrepreneurial success, differences among clients are increased. Therefore TYM’s dual strategy of emphasizing repayment and celebrating entrepreneurial success in a way unites clients yet showcases excellence among clients who then become center role models. The way forward for TYM then is to create more incentives for clients with potential to move from “contentment” due to repayment equality to “aspiring growth” due to entrepreneurial success inequalities.

4.4 Personal initiative occurrence and knowledge

Personal initiative, a behavioral syndrome, is an integral element for entrepreneurial success. In the case of TYM clients, it ensures that the individual takes a series of active steps and planning for her business. From the conversations with interviewees, personal initiative occurrence is low for weaker clients and highest for the more successful clients.

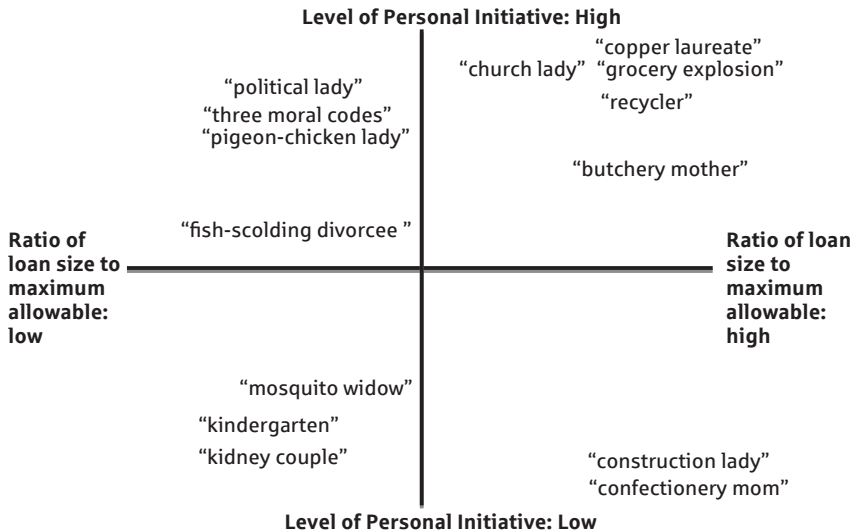


Figure 4.3 Relationship between level of personal initiative and loan size

The scattergram above maps clients relative level of personal initiative based on their coded interview responses. Words and phrases associated with self-starting, pro-active and persistent appear with different frequency, resulting in the diagram above. Notably, business focused clients such as “copper laureate”, “grocery explosion” and “recycler” are located on the top right quadrant, using their loans fully and adopting a ‘can-do’ positive attitude. “construction lady” and “confectionery mom” on the other hand are examples of clients who borrow loans for other uses. “construction lady” gives her loan to her husband for the family business while “confectionery mom” gives hers to her son, who runs a successful business through TYM loans. “kidney couple” and “kindergarten” both fall low on personal initiative as they attribute several external factors for their difficulties and have long accepted their predicament. Their low loan size shows that they take repayment ability into seriously consideration. In the top left quadrant, we find “political lady” and “three moral codes”, clients who are inclined towards the non-financial activities of TYM and their high level of personal initiative explains the community and leadership roles they play. The client’s age plays a role here since “three moral codes” is relatively aged and has decided to further her business. Thus her loan size has reduced.

In addition, the level of clients’ business-related knowledge is an important factor to their success (Shane, 2000, Unger et al., 2009, and Unger et al., 2011). For a typical TYM client, she receives knowledge from three sources, mainly

through mutual sharing with other TYM clients and her own social circle, TYM's training efforts and finally through her own business experiences over the years. Of these four elements mentioned above, TYM's non-financial activities have a direct impact on three. This highlights the importance of learning and knowledge-building for a client. Notably, TYM-related training ranks the lowest among clients in terms of knowledge sources while learning through experience is deemed the most valuable. This suggests areas of improvement where TYM can improve on its training effectiveness.

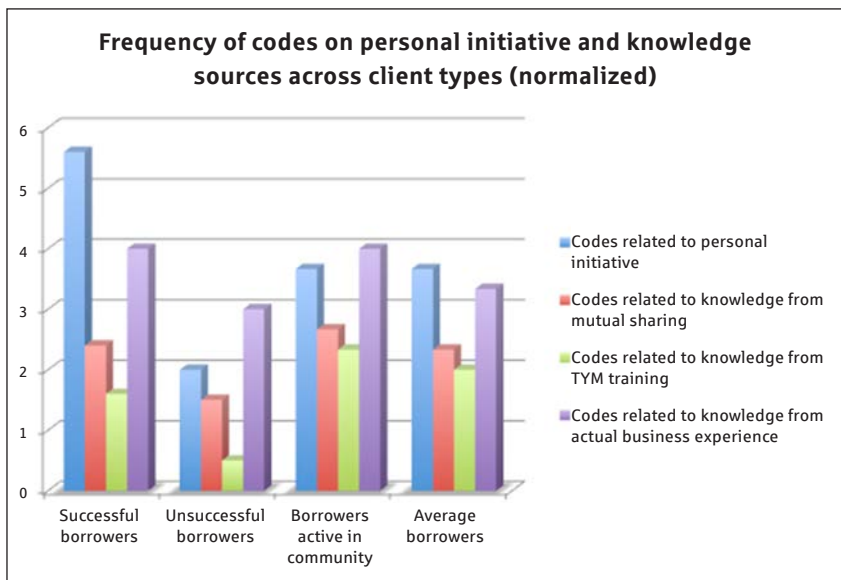


Figure 4.4 Personal initiative and various knowledge sources

4.5 Training effectiveness is related to perception of purpose

That TYM offers training to improve its clients distinguishes it from several other microfinance institutions. Training here refers to all official training measures conducted by TYM with the purpose of helping clients to improve their business or knowledge of certain issues. Yet there seemed to be mixed results with regard to such sessions. Why is it that some clients were able to benefit greatly from the training sessions and eventually apply the knowledge gained to their businesses while others were aware of these trainings but could not recall anything else? While it is a strong assumption that the quality of training and level of support is relatively identical across centers, for the

purpose of the following discussion this assumption will be made. The key difference then lies in the individual perception on what the training is for and this has implications on the importance clients give to such trainings.

Training sessions provided by TYM are conducted in center meetings and center meetings here refer to the monthly gatherings (one hour long) and not the weekly repayment sessions where members just arrive and leave immediately after making their repayment. While not all monthly meetings involve training, in fact many have a strong focus on community and thus have a relaxed, social and trust-building atmosphere (involving singing sessions), it is very likely that clients subconsciously bring the same attitude to the training sessions. This results in the common phenomenon that clients could recall games involved (actually tools used by the trainers to highlight certain learning points) yet they could not associate with the higher order learning outcomes. One example of this would be the random tossing of a ball of string, which resulted in all participants connected by a string in a web. The aim of that exercise was to show that everyone in a business is interconnected and thus the importance of leveraging on different networks.

It was noted through the interviews that clients valued the sharing sessions available in centers as it gave them a chance to express their views and share their stories. Whether it was sharing with the entire center or sharing within smaller groups, TYM clients enjoyed it. Therefore this is one of the good practices TYM should retain. The difference lay in how this sharing is perceived. Clients such as “recycler”, “pigeon-chicken lady” prioritized such sharing sessions as opportunities to gain new knowledge to improve their businesses. They perceive general sharing sessions as a tool complementing existing training sessions. They have even made new business contacts through such sessions. This is related to the concept of information-seeking in people with high personal initiative (discussed below). Others however see sharing more as a form of self-expression or general “chit-chat session” mainly for socializing and asserting their own social position. Such clients include “butchery mother” and “kindergarten”. “butchery mother” already has a relatively successful business and sees knowledge-sharing sessions as a means of highlighting what she did well so others could learn. “kindergarten” listens more than she shares as she feels that her economic status does not warrant her to share much. To her, sharing sessions are means to purely listen to the stories of others as a form of leisure. The scattergram below maps out how clients view the importance of TYM’s training sessions relative to their perception of their purpose. These are based on the strength of their responses to questions

such as “How do you feel about the training activities of TYM?” and “What did you enjoy doing in TYM training sessions and why?”.

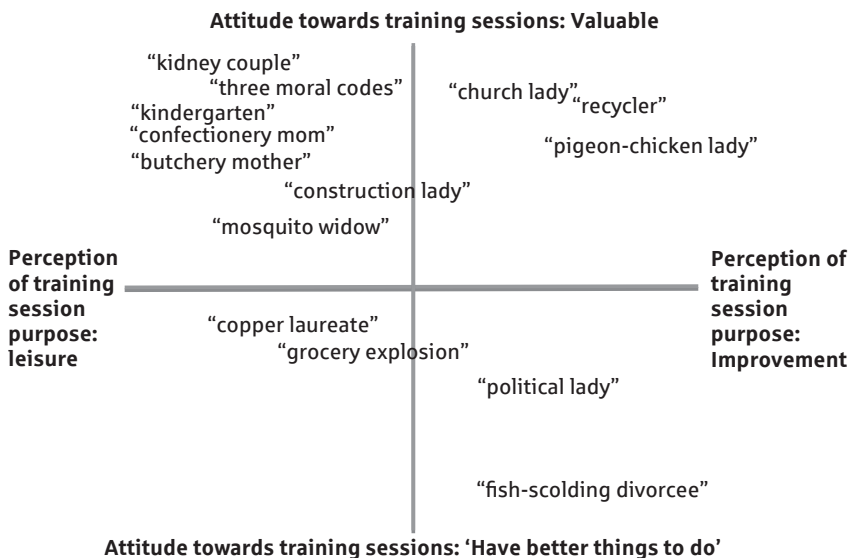


Figure 4.5 Client’s attitude towards training sessions and perception of training purpose

Expectedly, clients fall into different categories and it is important that TYM strives to move clients into the top two quadrants. Only when clients adopt the appropriate mindset about training (top right quadrant) they will be able to maximize the effectiveness of their time spent. Moreover, attitudes and perceptions change over time. For example, when clients become more economically active and pre-occupied with their business, they may experience inertia attending such sessions and thus feel that tending to their business is more important. However, since it is mandatory or socially regulated that people attend the training sessions, a conflict thus forms within the client who is compelled to be physically present and hence is less likely to view training sessions as learning opportunities but rather an obligation to be met.

4.6 Branding of TYM among clients and ensuring loyalty

Throughout the interviews, it was noted that the interviewees associated the words “activities” and “loans” to TYM. “Activities” here refer to all of TYM’s non-financial activities, i.e. topic trainings, center leadership training, new member training, policy dissemination, regular social activities and TYM special

events celebrations. They are all aware that TYM is not just focused on financial activities and thus not merely a 'lending institution'. This is a good sign as it shows clients are aware that TYM is trying to achieve certain social objectives. Interviewees often associated 'center meetings' with these social objectives; therefore TYM has done well in using its center meetings to communicate ideas related to non-financial activities to its clients. However, interviewees still value TYM more for its financial activities such as loans and savings, which shows that the primary goal for TYM is still to stay competitive with its loan and savings products and services. Regarding insurance, there seemed to be little or no mention of insurance by the clients during the conversations. This is unusual because Nghe An is an area prone to flood disasters and thus clients would know the value of having insurance. It is likely then that the insurance products are not appealing enough to clients. It was only when the research team probed specifically on insurance that only some clients showed superficial knowledge.

There is a group of clients who grow attached to TYM's social influence and this fosters a sense of fervent loyalty from them towards TYM. Some examples of clients are "three moral codes, church lady and kidney couple". They perceive taking TYM loans as a regular part of their life (whether for entrepreneurship or cashflow management) and that TYM's social aspects fulfill their different needs. For "three moral codes", TYM helped give her the ability to influence others in her commune and to fulfill her leadership desires. For "church lady", TYM was well positioned to allow her to serve the Catholic community on a greater scale. For "kidney couple", TYM played the important supporting role for her family's mishaps and giving her 'something to do' in everyday life. The common thing among them was that they are all very active and positive about center meetings. The table below highlights their sentiments.

Table 4.1 Client’s differing social needs from TYM’s non-financial activities

Alias	Evidence of differing needs from TYM’s non-financial activities
“three moral codes”	“Sometimes I make speeches during meetings to help people understand the ideas of different organizations.” “At first I was so nervous. I stood on stage and dropped the microphone. But TYM allowed me to grow confident. I learnt to speak like the technical officer.” “There are some members reminded to go to center meetings more frequently...the ‘collateral’ for our loans is our attendance in the center meetings.”
“church lady”	“Through TYM’s activities, I want to help my Catholic people to be more open, to understand about modern women...that they should not only do housework but go outside and build their understanding of society.”
“kidney couple”	“I cannot remember the topics taught or discussed at center meetings, but I like going there because there are some small games and singing activities.” “My work is farming, so I can arrange myself to be free. Otherwise staying at home all day would be too boring for me.”

Given that many of TYM’s social initiatives are disseminated through the center meetings, it is then important that TYM organizes its center meeting sessions to satisfy the needs of these key groups of people by placing an emphasis on respective activities that would keep the members sufficiently engaged. Each center has a different composition of clients or its own “personality”. Therefore a certain degree of local adaptation in the style and flavor of the center meetings is required to ensure a good reception.

Section 5. Conclusion

This case study-based impact assessment was commissioned as part of TYM's 20th Anniversary to assess its clients' development. The qualitative methodology triangulates information from client and staff interviews, TYM publications, observations, field notes that when combined revealed several intricate details and explanations of phenomena surrounding TYM clients that a typical quantitative-based impact assessment would not be able to capture. The aims of this study were to understand the changes regarding the economic status of families, the kinds of economic activities of clients, the type of changes in incomes (types, diversity and size), the changes in the family position of women and the changes in the social role and participation of women in their communities.

Seven case write-ups illustrate how and why different groups of clients perceive and make use of TYM's financial and non-financial activities to achieve sustained socio-economic changes. Through these write-ups, several themes and issues were raised which TYM's clients typically face. These include micro-credit being an enabler for an astute client; the combined detrimental effects of old age, unexpected calamities and childlessness on a client; negative social perceptions to self-employment and the impact on children of clients; leadership development opportunities from the non-financial activities of TYM; women's role in the community; health implications on productivity and loan management on a client; client's perception of loan ownership. Within-case analyses explored the specific circumstances that drive clients' behavior and decisions and also the role of TYM in helping the client achieve socio-economic improvement. Cross-case analyses provided more insights by comparing cases and investigating issues of savings mentality of clients, dynamic process of loan usage, repayment norms, importance of personal initiative and entre-

preneurial success, training effectiveness, branding of TYM and how it relates to client loyalty.

Throughout within-case and cross-case analyses, learning points and recommendations for TYM were highlighted that could be useful in its strategy to remain competitive and relevant to its clients. It is important to understand the recommendations in context and to avoid the idea that there is a silver bullet solution to some of the issues highlighted. These issues are complex and interrelated as has been shown by the cases. Nevertheless, some next steps should be taken. First and foremost, TYM has to look into its client training strategy to minimize the gap between its expectations and what is actually achieved. This could be done by developing client-centric materials. Next, there appears to be a demand for loans that are customized to the client's needs. Many have reported that they have reached their loan ceiling and believe they could do more with a bigger loan size. Thirdly, TYM should look into center practices to ensure leadership roles being valued and provide sufficient developmental opportunities for other clients. The length of service could be adjusted to accommodate the needs of both incumbent and future appointment holders. Fourth, TYM should consider that clients adopt the right motivation and perception with regard to repayment, i.e. working hard should not be for repayment but rather for a well-defined and achievable goals related to overall improvement in their lives. Fifth, TYM has to promote entrepreneurship in a positive light so as to facilitate more second-generation business owners who have the potential to be successful. Through adequate training, myths regarding self-employment can be eliminated. A list of suggestions was also obtained directly from clients and TYM should take them into consideration as these suggestions when combined with the findings of the research provide a basis for further policy work and research.

One limitation of this study was the fact that it was difficult to discuss and obtain truthful responses to private and sensitive questions pertaining to family violence or marriage life. The responses to these questions would give a clearer indication on how women's roles in the family have changed. Future research should involve a well-trained female interviewer to conduct multiple one-on-one sessions with the same client so as to orientate and familiarize the client before approaching the abovementioned topics.

On the whole, TYM has done well in providing the means and the social climate for its clients to improve their socio-economic status. With TYM's loans, clients either use it for their businesses (such as investment in assets or for inventory) or they use it to help smoothen their cashflow especially when there are

big expenditures such as children's education or medical fees. In both cases, clients hold increasingly positive attitudes towards their economic condition, which is a good sign. Signs of household economic improvement among clients often include purchase of durable household items or upgrading of living conditions. Moreover, clients generally have multiple income sources and it is expected that these sources are related. To the point where income grows to a certain extent, clients would view TYM's loans as "small". This is a happy problem. TYM's emphasis to its clients is that they make careful plans and this deliberate act of making careful plans thus provided the means for clients to make well-thought financial decisions, leading to better economic conditions. TYM activities often bring its clients in contact with one another. Through such interactions, exchange of ideas, reference to others, role models and networks are generated. These all form the social climate that allows women to play an increasingly important role in the family and also participate actively in the various activities and leadership opportunities.

Section 6. References

Bandura, A. (1977). *Social Learning Theory*. New York: *General Learning Press*.

Banerjee, Abhijit, Esther Duflo, Rachel Glennerster, and Cynthia Kinnan (2009). The miracle of microfinance? Evidence from a randomized evaluation. *Cambridge, Mass.: MIT Poverty Action Lab, May*.

Bauchet, J., Marshall, C., Starita, L., Thomas, J. and Yalouris, A. (2011). Latest findings from randomized evaluations of microfinance. *Reports by CGAP and Its Partners, 2*.

Collins, D., Morduch, J., Rutherford, S. and Ruthven, O. (2009). *Portfolios of the Poor*. *Princeton University Press*. USA.

Eisenhardt, K.M. and Graebner, M.E. (2007). Theory building from cases: opportunities and challenges. *Academy of Management Journal*, 50 (1), 25-32.

Frese, M., & Fay, D. (2001). Personal initiative: An active performance concept for work in the 21st century. *Research in Organizational Behavior*, 23, 133-187.

Khavul, S., Bruton, G.D. and Wood, E. (2009). Informal family business in Africa. *Entrepreneurship Theory and Practice*, 23 (2), 1219-1238.

Kolvereid, L., & Isaksen, E. (2006). New business start-up and subsequent entry into self-employment. *Journal of Business Venturing*, 21 (6), 866-885.

Malhotra, Anju, Sidney Schuler, and Carol Boender (2002). 'Measuring Women's Empowerment as a Variable in International Development', background paper prepared for the World Bank Workshop on Poverty and Gender, Washington, DC, 28 June, available at www.worldbank.org/poverty/events/feb03/pdf/malhotra.

Munoz, J.S. (2010). *Contemporary microenterprise*. Edward Elgar Publishing Inc. USA.

Remenyi, D. (2012). *Case study research*. Academic Publishing International, UK.

Santillan, D., Schuler S.R., Hoang, T.A., Trang, H.M., Quach, T.T. and Nguyen, M.D. (2004). Developing Indicators to assess women's empowerment in Vietnam. *Development in Practice: Vol. 14, No. 4 (Jun., 2004)*, 534-549.

Shane, S. (2000). Prior knowledge and the discovery of entrepreneurial opportunities. *Organization Science*, 11 (4), 448-46.

Unger, J. M., Keith, N., Hilling, C., Gielnik, M. M., & Frese, M. (2009). Deliberate practice among South African small business owners: Relationships with education, cognitive ability, knowledge, and success. *Journal of Occupational and Organizational Psychology*, 82 (1), 21-44.

Unger, J. M., Rauch, A., Frese, M., & Rosenbusch, N. (2011). Human capital and entrepreneurial success: A meta-analytical review. *Journal of Business Venturing*, 26 (3), 341-358.

Section 7. Appendix

7.1 Preliminary theoretical considerations for choice of interviewees (1)

Types of cases	Criteria	Thoughts and notes
<p>"1-2 women becoming small entrepreneurs"</p> <p>- Successful female business owner (single or group business)</p>	<p>a) Should have a history (or plans) of hiring more and more external people as the business grows</p> <p>b) One case for a member who is beyond the third loan cycle and one case for a member who is a client for less than 1 year</p> <p>c) As long as the business has sustained and survived for 3 years (for the case of member who is beyond third loan cycle)</p> <p>d) Are there any examples whereby clients come together to form a business together</p>	<p>a) Research on entrepreneurship in developing countries commonly uses number of employees as a proxy for business success</p> <p>b) TYM@15 found out that there is a lacking reinvestment of loans in business. Weak enterprise impact of TYM loans. After 3rd loan cycle, there is trend of people stop taking loan. Common reason is that they are content/lack sufficient know-how. Want to compare considerations and thought processes of mature and new clients.</p> <p>c) Common criteria for survivability of businesses in entrepreneurship literature. *Note: in developing literature, there is a tendency of fast cycling of business, i.e. low entry / exit barriers.</p> <p>d) Group mutual support is proposed to be key to empowerment, complementing center meetings. Does this extend normally to businesses? Why / why not?</p>
<p>"1-2 women who assumed social responsibility in the VWU, local administration etc".</p> <p>- More active in community activity or even local leadership position</p>	<p>a) Should have one older member (40+) and one younger member (early 20+)</p> <p>b) One case should be married with children and the other case unmarried</p> <p>c) Women who are not just active in Women Union activities but also in other organization's.</p>	<p>a) Whether seniority in Vietnamese culture as an impact on leadership role? Concept of family between older and younger generation may be different; gender equality expectation different; ambitions.</p> <p>b) Relating to empowerment. With different family responsibilities, how do they manage their involvement? Women who are married expected to retire early. Women with children take lesser business risk and venture less (Africa); responsible to take care of family; TYM@15 found that some husbands do not wish their wives to be too active in community.</p>

Types of cases	Criteria	Thoughts and notes
<p>"1-2 women's children who made a good career"</p> <p>- Children of client who benefited from the program, have a good education and a career / set up own business</p>	<p>a) One should be employee in an established company and the other should have decided to set up his/her own business</p> <p>b) Preferably include one who is male and one female</p> <p>c) At least one should have graduated from university</p>	<p>a) From experience children of clients who completed higher education prefer to work for established companies.</p> <p>b) Women have more difficulty converting their human capital compared to men. To what extent is this true?</p> <p>c) Education is highly valued in Vietnamese society.</p>
<p>"1-2 women who did not make any major progress and why"</p> <p>- Clients who face difficulty making repayments and show not much improvement in their situation (in Grameen, these are the people who drop from Basic to Beggar/ 'struggling member' loan)</p>	<p>a) Should have tried to start more than one business before but each venture did not succeed</p> <p>b) Should fulfill TYM categorization for members who are under difficulty</p> <p>c) One case should still be a member, the other case should be a member who finally exited the program</p>	<p>a) Shows that the client made multiple efforts in entrepreneurship. *Note that there is rapid cycling through different microbusiness ventures for developing countries.</p> <p>c) How was the support level of TYM in helping women? Was there a systematic lack of support which resulted in the client leaving? And for those who stayed on, what led them to continue taking debt?</p>

7.2 Preliminary theoretical considerations for choice of interviewees (2)

No.	Name, alias, age, marital status, children, years with TYM	Changes in income size, diversity, sources	Changes in economic status of families	Changes in social and community participation	Changes in family position of women	Suggestions for TYM (S) / Other notes (O)
1	<p>Đặng Thị La;</p> <p>“Three moral codes”;</p> <p>Aged 60;</p> <p>Married;</p> <p>3 sons</p> <p>(2 working, 1 studying);</p> <p>Joined TYM 13 years ago.</p>	<p>Income originally from agriculture. After loan, scale of production increased through livestock investment.</p> <p>Expanded business range to include wine making and selling crop seeds.</p> <p>Scaled down production over time, as children left the household for education.</p>	<p>Able to upgrade housing conditions over the years. TYM loan was big enough for one-off payment.</p> <p>Could afford university schooling for children.</p> <p>Able to withdraw compulsory savings for children's needs.</p> <p>Desired to continue working for as long as she can.</p>	<p>Became more confident through skills learnt from technical officer and taking on responsibilities.</p> <p>Held multiple positions (Farmer's Union, TYM center chief)</p> <p>Attempted for People's Committee but disappointed with process and results.</p> <p>Willing to train successor to TYM center leader but feels protective over her status.</p>	<p>Husband does not care much about wife's loan usage.</p> <p>Wife makes decision mainly about her own business.</p> <p>Has been controlling family finances.</p> <p>Economic activeness gave her more say at home.</p> <p>Believes role of wife is to manage husband's temperament.</p>	<p>(S) Conduct training to improve farming techniques.</p> <p>(S) Monthly repayment schedules.</p> <p>(S) Include Ho Chi Minh's moral codes as part of training curriculum.</p> <p>(S) Select excellent “Members-of-the-year” as a form of encouragement.</p>

No.	Name, alias, age, marital status, children, years with TYM	Changes in income size, diversity, sources	Changes in economic status of families	Changes in social and community participation	Changes in family position of women	Suggestions for TYM (S) / Other notes (O)
2	<p>Võ Thị Tuyét; “Construction lady”; Aged 34; Married; Has 2 young children; Joined TYM 4 years ago.</p>	<p>Husband inherited an established construction business and she helps. No change in sources or diversity. Loan used to supplement capital needs of family business.</p>	<p>Profits have been declining over the years and worries her. Still able to take and repay maximum loan size. More wary about expenditure because of debt.</p>	<p>New to village. Joining TYM provided her with friends. Would like to participate more actively, but has to take care of young children at home. Tries hard to arrange her household chores to participate. Her husband supported her in joining.</p>	<p>Felt happy she could help secure some funding for her husband. Husband is still the decision-maker for most things. Noted less quarrels with her husband at home after she had children.</p>	<p>(O) Will stay on for long with TYM because of access to capital, easy weekly repayment and able to stay connected with other members. (O) Has the impression that other members who run much smaller scale businesses are not able to use bigger TYM loans effectively.</p>

No.	Name, alias, age, marital status, children, years with TYM	Changes in income size, diversity, sources	Changes in economic status of families	Changes in social and community participation	Changes in family position of women	Suggestions for TYM (S) / Other notes (O)
3	<p>Duong Thi Tuyét; "Copper laureate"; Aged 37; Married; 2 children (1 college, 1 young); Joined TYM 14 years ago.</p>	<p>Changed from scrap metal collecting to copper casting 2 years after taking loan. TYM loan was part of a plan to accumulate capital for starting copper casting business. Loan size increased over the years. Winning prize also attracted more customers. Focused on quality and customer service heavily. Business started from two persons and grew to include 10 part-time workers.</p>	<p>Rebuilt her small home to a larger one and accumulated furniture over the years. Followed a strict savings plan to handle weekly repayment. Able to handle family expenses in a more structured manner; benefited from TYM training course on Gender and Business. Approached moneylenders less frequently after joining TYM, only on an urgent basis. Able to afford a housemaid to do chores.</p>	<p>Before joining TYM, she did not participate in any community activities. Participated in various fund-raising activities (poor, children, disaster-struck) Joined performances and sang. Participation has decreased over the past few years because she became too busy with her business. After she became successful, she started to get respect and admiration from her neighbors.</p>	<p>She has always been the one who was better with finances and does purchasing of goods both for the family and business. Gained more respect by people in her extended family ever since she took the loan and made more profits from the business. Still allowed husband to make big decisions.</p>	<p>(O) Microfinance Award Winner (O) Wants children to study and get a good career. Would not teach them business unless necessary.</p>

No.	Name, alias, age, marital status, children, years with TYM	Changes in income size, diversity, sources	Changes in economic status of families	Changes in social and community participation	Changes in family position of women	Suggestions for TYM (S) / Other notes (O)
4	Trần Thị Yên; "political lady"; Aged 33; Married; 2 young children; Joined TYM 13 years ago.	Chose TYM because it did not require collateral. Previously she did farming and husbandry. Now she holds a regular job with the local authority.	Has a clear plan how to use TYM loan to improve family's situation. Feels her economic condition has improved, but she considers it "just normal".	Politically active since young. Joining TYM gave her a chance to understand women better and adopt better techniques to manage women. Was active in providing guidance and encouragement for women facing difficulties or wanting to quit TYM. Held more leadership positions after joining TYM.	Husband works away from home. She manages the finances at home. Ever since husband returned home, she could relax a little.	(S) Monthly repayment (S) More exchange visits to TYM members in other centers for learning and sharing purposes. (S) Review interest rates. Several members have complained it is too high. (S) More recognition and compensation (about few hundred K VND) for center leaders. Claims no one wants to be center leader.

No.	Name, alias, age, marital status, children, years with TYM	Changes in income size, diversity, sources	Changes in economic status of families	Changes in social and community participation	Changes in family position of women	Suggestions for TYM (S) / Other notes (O)
5	<p>Đâu Thị Thin; “Fish-scoolding lady”; Aged 46; Single; 1 daughter; Joined TYM 6 years ago. Now quit.</p>	<p>Shifted from farming to more profitable fish trading as the major income. Daughter gives a small portion of salary to her for expenses. No intention to expand business because of old age and does not foresee increased demand for fish.</p>	<p>TYM loan was used for daughter’s schooling needs. Loan size stagnated at VND 5 M to avoid repayment difficulty. Received subsidies for poor household from the local authority. Still feels financially stressed because of having to pay back existing loans, but is better than when daughter was schooling.</p>	<p>Feels that she learnt in TYM training, but unable to apply well to her business. Feels center meetings are burdensome and weekly repayments limit her time available for resting.</p>	<p>She has been a widow for many years.</p>	<p>(O) Took on several other loans, e.g. from VBARD and VBSP and relatives. (O) She wished for good health so that she could continue working and repaying. (O) Reason for dropping out is that she has no demand for the loan.</p>

No.	Name, alias, age, marital status, children, years with TYM	Changes in income size, diversity, sources	Changes in economic status of families	Changes in social and community participation	Changes in family position of women	Suggestions for TYM (S) / Other notes (O)
6	<p>Trần Thị Thanh Thủy; "pigeon-chicken lady"; Aged 49; Married; 3 children (working); Joined TYM 7 years ago.</p>	<p>Expanded income sources to include not only chickens but also more profitable pigeons. Scale of husbandry increased by three times. Works in her free time for her brother's bonsai business to gain extra income. Also used her profits to experiment with bonsai business.</p>	<p>Felt it was easier to make repayment as time passes. Life has been more stable. Cut down more on unnecessary expenses after taking TYM loans helped to improve family cashflow. Enjoyed being able to earn money. Will continue to work until the day she is unable.</p>	<p>Encouraged by fellow members to "borrow to have motivation". She became elected as TYM's center chief and participated in more TYM activities such as exchange visits to other centers. Also held leadership position in Farmer's Union thereafter. Felt TYM allowed her to improve her own speaking and presentation skills. Became very popular among center members. Able to gain support easily. Enjoys singing activities in all center meetings. Part of the 'entertainment committee' in her center.</p>	<p>Husband has been invalid since she got married. She is the sole breadwinner.</p>	<p>(O) Gained business insights from visiting another TYM member's house. (O) Wanted to join TYM in 2003, but was only admitted into the group in 2005. (O) Had reservations about partnering with others for business. (S) Suggest TYM to increase loan size.</p>

No.	Name, alias, age, marital status, children, years with TYM	Changes in income size, diversity, sources	Changes in economic status of families	Changes in social and community participation	Changes in family position of women	Suggestions for TYM (S) / Other notes (O)
7	<p>Trần Thị Tịch; "Mosquito widow"; Aged 56; Widow; 1 son; Joined TYM 7 years ago.</p>	<p>Major income was from paddy fields. TYM's loan helped her to achieve her intention of entering poultry rearing business faster and to scale it up more quickly. Wants to keep loan size fixed at VND 3 M as this the amount she is comfortable at making repayment. Her son runs his own clothing business. Supports her a little with his profits. He does not need to rely on TYM loans.</p>	<p>Initial years in TYM were difficult because loan was invested to prepare infrastructure for chicken rearing business. Income did not change much. Before TYM she had to borrow constantly from friends on interest free loan. With TYM, she does not need to do so. Currently satisfied with TYM's loan. Sufficient for her. Now she could build houses comparable to her neighbors. Initially she could not.</p>	<p>Held leadership position in Women's Union and People's Council at the commune level a long time ago. Positions were held for several years. Currently she falls back to participant level for such activities. Encouraged others to be more active instead. Participated and enjoyed training courses conducted by TYM. However she was unable to recall any of the contents.</p>	<p>Has been a widow since 1968. Makes all the decisions at home.</p>	<p>(O) Wants to make better use of TYM loan but she does not know any other better trade. (O) Loan repayment was a motivation for her to work harder. (O) Having to make weekly repayment helped her be more cautious about managing her money. (O) Hopes TYM can sell discounted insurance products. (O) Wants to borrow whenever she needs.</p>

No.	Name, alias, age, marital status, children, years with TYM	Changes in income size, diversity, sources	Changes in economic status of families	Changes in social and community participation	Changes in family position of women	Suggestions for TYM (S) / Other notes (O)
8	<p>Dinh Thi Sinh; Butchery mother; 42; Married; 3 children; Joined TYM 12 years ago.</p>	<p>From butchery she learnt to make ham. Clientele expanded from private customers to institutions. Took on part-time jobs as emcees of events. She does the market trading while husband is in charge of butchering and ham-making.</p>	<p>Formerly living in small house beside their current home. Before joining TYM, conditions were difficult. She lost tens of millions investing in the agricultural business model in Dai Lai. Could afford to send her daughter to pursue graduate studies. Currently already using maximum loan size. Feels that the loan size is small relative to her needs. Prefers monthly repayment. She can afford to repay a bigger lump sum.</p>	<p>Initially very active with center leader role for several years. Focused heavily on fund raising activities. Feels that a leader should show devotedness. Also active in church community and the 'arts committee' in the local authority. Recent years, level of participation reduced due to deteriorating health.</p>	<p>She is better at negotiation and is more decisive when it comes to spending. Therefore she handles the money in the family. At home, she is the stricter parent. But she still listens to her husband. When she was able to afford better gifts for her natal relatives and extended relatives, she feels good and relatives show her more respect.</p>	<p>(S) Center meeting clashes with her business hours. She is not the only client who faces this problem. (S) Instead of a few thousand VND of monetary reimbursement for center leaders, it is better to give a gift as a token of appreciation. (S) For cashier, she feels nobody wants to take up the job because the cashier has to fork out her own money when money is wrongly counted.</p>

Imprint

Published by
Sparkassenstiftung für
internationale Kooperation
Simrockstraße 4
53113 Bonn

Phone +49 228.97 03-0
Fax +49 228.97 03-630
www.sbfic.de

Responsible
Say Gui Deng
Email: guidengsay@gmail.com

Dr. Michael Gielnik
Email: bizmmg@nus.edu.sg

Nicole Brand
Email: nicole.brand@sparkassenstiftung.de

