

EIBA Annual Conference 2019

Interactive paper

Track 3: *Emerging Markets and Regional Perspectives*

AUTHOR:

Maria Margarida De Avillez (early career researcher)

Affiliation: Nottingham Trent University - Nottingham Business School

Address: 50 Shakespeare Street

7th Floor Newton Building, Room 722

NG1 4FQ

Nottingham

United Kingdom

Email: maria.deavillez@ntu.ac.uk

Telephone: +44 (0)115 848 4287

Word Count: 6643 excluding Appendices

Indigenous Practices of Bricolage Embedded in Grassroots Social Entrepreneurship: The Case of Informal Microfinance in Sub-Saharan Africa

ABSTRACT

Research on social entrepreneurship has described *bricolage* as a means for social enterprises to access resources in resource-constrained environments. It has also explored how bricolage enables social enterprises to strategically reach and engage the poor, particularly in developing countries. This reaffirms the positioning of ‘organisation’ and ‘beneficiary’ as two separate entities that operate within distinctive contexts and play different roles. Furthermore, social enterprises in poor countries tend to encompass international ventures aiming to serve beneficiaries in environments that are often unfamiliar to them. Indeed, the demarcation between the agent and the context in which it acts contradicts what bricolage is in the first place. This paper examines informal microfinance in sub-Saharan Africa, emerging for and from the grassroots. It draws on an ethnographic study conducted in Mozambique to situate bricolage in contexts of subsistence, where communities at the grassroots ‘make do’ to maintain a livelihood through bottom-up social practices that entail mastery over the local environment. This analysis contributes to theory development by reconceptualising the nexus between bricolage and social entrepreneurship that has been dominated by international scripts for social enterprise which dissociate making and using.

Keywords: Social Entrepreneurship; Bricolage, Informal Microfinance; sub-Saharan Africa

INTRODUCTION

The concept of bricolage was originally brought to the social sciences by Lévi-Strauss (1966). In his book, *La Pensée Sauvage*, he contrasts two modes of thought that translate into distinct modes of action: Bricolage and Scientific (often translated from the French as Engineering). Bricolage is instigated by specific needs which are circumvented through novel uses of existing ‘artefacts’ (Johannisson, 2011). Artefacts include repertoires of action, tools and resources locally collected over time. They tend to be extensive and varied yet limited, considering that what is readily available is circumscribed. In turn, scientific modes of action are enacted through the procurement of means which have been conceived for the well-defined demands of a specific project. Thus, bricolage is underpinned by ‘untamed’ thought that entails practical coping with local circumstances. It does not depend on the availability of ‘appropriate’ resources and leads to not fully pre-planned outcomes (Baker et al., 2003).

Scientific thought entails identifying a problem and designing a determined solution, which is subordinated to standardised tools, materials and methods previously defined for that purpose (Visscher et al., 2018). The scientist makes his way out of and goes beyond the constraints of a particular context, creating a new environment via planning and execution. The bricoleur accepts the environment as it is and recombines resources at hand to new purposes (Phillips and Tracey, 2007), rearranging the environment in sometimes unpredictable ways. This suggests that the accessibility to critical resources plays a fundamental role in determining which of these approaches is most feasible (Desa and Basu, 2013).

Social entrepreneurship (SE) involves a collection of practices that create social value by combining resources in new ways (Mair and Martí, 2006). Such resources may be of a high standard, and well suited to address specific social needs. Conversely, what is available may not have been designed to serve a well-defined purpose. As social enterprises, due to their

motives and goals, tend to operate under institutional constraints and significant resource limitations (Desa, 2012; Kickul et al., 2012), they have been associated with the notion of bricolage. Indeed, bricolage enables these organisations to ‘make do’ (Mair and Martí, 2009; Di Domenico et al., 2010; Holt and Littlewood, 2017), or even to grow and scale up (Bacq et al., 2015; Kwong et al., 2017), by making use of whatever is at hand.

SE has been paradoxically described as a value-creating collective practice (Steyaert and Katz, 2004; Mair et al., 2012), and as an endeavour aiming to serve a collective in need (Seelos and Mair, 2005; Mair and Martí, 2009; Battilana and Dorado, 2010). The first approach aligns with the notion of bricolage for entailing collective wisdom (Bacq and Janssen, 2011), and the enactment of networks and communities (Peredo and Chrisman, 2006; Steyaert and Hjorth, 2006; Seelos et al., 2011; Daskalaki et al., 2015) deploying socially-embedded resources (Stryjan, 2006). However, the second risks undermining the ‘sociality-creating force’ of SE (Hjorth, 2013), as it dissociates making and using (Duymedjian and Rüling, 2010). With the growing focus on international social ventures (Kerlin, 2010; Desa and Basu, 2013) and the globalisation potential of SE (Zahra et al., 2008), few studies actually explore how local communities at the grassroots manage to be socially entrepreneurial when addressing the poverty they are directly experiencing (Karanda and Toledano, 2012; Dana, 2015; Imas et al., 2012; Rivera-Santos et al., 2015).

This study addresses the following question: *How do the grassroots in Mozambique mobilise resources to address their subsistence needs in social entrepreneurial ways?* Using evidence derived from an ethnographic study conducted on informal microfinance in Maputo, this paper reconceptualises the nexus between bricolage and SE within spatially bound grassroots communities. This increases understanding into how indigenous practices of bricolage, triggered by poverty and thorough embeddedness in a local environment, enable the grassroots

to act in social entrepreneurial ways, without following international scripts for social enterprise which specify, *a priori*, the resources that should be mobilised, the rationale behind SE, and the role of each stakeholder. Such contribution is important for situating bricolage in contexts of subsistence, and acknowledging its importance for local communities to autonomously alleviate the poverty they are experiencing first-hand.

This paper is structured as follows: Firstly, the theoretical underpinning of the research is explained, including a review of the concept of bricolage and how it has been applied to SE. Next, literature on informal microfinance in Sub-Saharan Africa is summarised. Thirdly, the ethnographic methodology adopted and the methods used for collecting and analysing the data are presented. Finally, the findings of the study are discussed before concluding.

THEORETICAL BACKGROUND

Bricolage and Social Entrepreneurship

Bricolage is commonly described as making do with ‘whatever is at hand’ (Lévi-Strauss, 1966, p. 17). The concept was later extended by Baker and Nelson (2005, p. 329) to accommodate Entrepreneurial Bricolage: encompassing organisational capabilities to ‘create something from nothing’ when confronted with adverse conditions. In the SE literature, bricolage has been described as a means for social enterprises to acquire resources in resource-constrained environments (Di Domenico et al., 2010; Desa, 2012; Bacq et al., 2015; Holt and Littlewood, 2017) or, alternatively, for enabling social enterprises to strategically reach and engage the poor in their activities (Mair and Martí, 2009). These studies consider that bricolage is a tool for social entrepreneurs and their organisations to exert their agency in inhospitable environments. However, they seem to demarcate the agent from the context in which it acts. This happens because, although social entrepreneurs are expected to purposefully operate in

resource-constrained environments, they are assumed to have some scope to negotiate and mobilise resources, adequate for achieving their goals.

When following scripts for social enterprise, it becomes difficult to distinguish what constitutes bricolage and what constitutes scientific modes of action, where standardised resources conceived for the well-defined demands of a specific project are sought (Visscher et al., 2018). Grassroots communities may act as entrepreneurial agents (Peredo and Chrisman, 2006; Somerville and McElwee, 2011; Dana, 2015) who are not influenced by prescriptive SE best practices rooted in scalability, strategic management, and a dual mission of achieving financial sustainability (through profit generation) and social value creation (Calvo and Morales, 2015). This is where the idea of making do with what is at their disposal, as non-optimal yet workable means to tackle enduring poverty (Baker, 2007), becomes more meaningful.

According to Lévi-Strauss' (1966) original concept and its subsequent application to SE by Zahra et al. (2009), bricolage involves an intimate awareness of the local context and locally available resources. 'Social bricoleurs' tacit knowledge and mastery over the environment put them in a unique position to recognise local social needs and to act in feasible ways. However, their localised small-scale contributions tend to go unnoticed by researchers and international SE promoters who emphasise scalability (Zahra et al., 2009). Bricolage operates by rearranging the environment and such approach is normally perceived as illegitimate (Baker, 2007) for its less transformative, mundane role (Baker and Nelson, 2005). Nevertheless, it evades the apparent limitations of the environment sometimes leading to 'brilliant unforeseen results' (Lévi-Strauss, 1966, p. 17).

Indeed, bricolage has been related to embedded collective agency (Garud and Karnøe, 2003) rather than the heroic intervention of individual actors (Baker and Nelson, 2005). Bricoleurs' familiarity with the local context is accumulated over time and not easily transmittable to

outsiders (Duymedjian and Rüling, 2010). This applies to grassroots communities, particularly vulnerable to institutional constraints and bounded by a limited set of resources, resorting to bricolage out of necessity (Desa and Basu, 2013) when addressing the poverty they are experiencing first-hand. Within bricolage, making and using cannot be dissociated (Duymedjian and Rüling, 2010).

According to Johannisson (2011), bricolage entails bringing social practices to new use. It implies a thorough awareness of local constraints, existing social practices, beliefs, values and norms (Clever, 2002), and the capacity to realistically make use of what is accessible, i.e. resources and practices that are likely to be ignored or considered worthless by other less embedded actors. In contexts of subsistence, communities at the grassroots resort to and reorganise already held resources that result in new arrangements still linked with locally acceptable ways of doing things (De Koning and Cleaver, 2012). Hence, the notion of bricolage articulates the dynamic relationship between social structure and agency (De Koning and Cleaver, 2012). It combines local knowledge with embedded praxis (Seremani and Clegg, 2015).

There are different modes of coping with challenging environments; bricolage is certainly one of them, enacting entrepreneurship via improvisation and personal networking (Di Domenico et al., 2010). The notion of ‘organizing context’, introduced by Johannisson (2011) and strongly linked with the concept of bricolage, explains how environments can be made enactable and how collective support for entrepreneuring is mobilised, simultaneously balancing the need for change and stability. It may apply to international social ventures but surely translates into highly embedded and contextualised indigenous practices undertaken by grassroots communities in developing countries.

Informal Microfinance in Sub-Saharan Africa

Informal microfinance institutions, also known as Rotating Savings and Credit Associations (De Vletter, 2001), are spontaneous necessity-driven practices through which the grassroots mobilise themselves to mitigate poverty. These collective saving practices are widespread across the developing world under different names (Brink and Chavas, 1997) and were identified as precursors of modern microfinance group lending models. They provide a means for low income households to cope with poverty through saving by lending (Armendáriz and Morduch, 2010). Members of informal microfinance groups agree to contribute a predetermined amount of money to a common ‘pot’ on a regular basis. Meetings can occur monthly, weekly or daily. The sum of the contributions is allocated to one individual at each meeting, following an order established at the beginning of each cycle. In special cases such as disease, death, marriage, the predefined order of the loans may be changed (Cruz and Silva, 2005). Participants spend their stake of the money at their own discretion, normally in accordance with most urgent needs. However, members who make the best use of their funds become role models to other participants. Appendix 1 provides more detailed information about informal microfinance.

Through informal microfinance, grassroots communities combine their intimate knowledge of the local environment with embedded praxis (Seremani and Clegg, 2015) in ways that challenge conventional forms of social enterprise where the agent is often demarcated from the context in which it acts. Many studies focusing on SE in developing countries position organisations and beneficiaries as two separate stakeholders; playing different roles in different contexts, one serving the other (Desa, 2012; Kickul et al., 2012; Mair and Martí, 2009; Battilana and Dorado, 2010; Rivera-Santos et al., 2012). As per bricolage, informal microfinance (spontaneously undertaken by locally formed self-help groups) makes use of non-optimal yet workable means to tackle enduring poverty (Baker, 2007).

The local resources mobilised in practices of informal microfinance, reconfigured into new arrangements, include:

- Internal sources of finance (savings from the poor) (Trindade, 2011; Vugt, 1992);
- Social capital (Ngoasong and Kimbu, 2016) and social networks within the community for garnering material resources (Holt and Littlewood, 2017; Smallbone and Welter, 2001);
- Values of sharing (Armendáriz and Morduch, 2010), trust and reciprocity that reinforce saving habits and reduce default rates by social monitoring through relational capital building (Nhambi and Grest, 2007).

These illustrate the relational nature of spontaneous collective action (Hjorth, 2003; Johannisson and Olaison, 2007) in view of collaborative resource deployment (Cleaver, 2002; Cleaver, 2012) triggered by subsistence needs. However, informal microfinance has been overlooked by researchers and international SE promoters as a social entrepreneurial practice of bricolage. Its localised and small-scale effects are adapted to the local reality but limited in terms of size and impact (Armendáriz & Morduch, 2010), minimising aspects of scalability, radical social change (Zahra et al., 2009) and the heroic intervention of individual actors (Baker and Nelson, 2005).

This review explained key concepts of bricolage and SE and how they have been related within academic literature. It has also introduced informal microfinance in sub-Saharan Africa as an indigenous practice of bricolage that enables grassroots communities, thoroughly embedded in the local environment, to make do with what is at hand to fulfil their basic needs. The research question - *How do the grassroots in Mozambique mobilise resources to address their subsistence needs in social entrepreneurial ways?* - emerges from the lack of studies situating bricolage in contexts of subsistence, and the problematisation (Alvesson and Sandberg, 2013)

of existing scripts for social enterprise. This question is addressed through an ethnographic research described in the next section.

RESEARCH DESIGN

Methodology

This paper draws on interpretivism (Denzin, 1997) and adopts a reflexive ethnographic methodology (Brewer, 2000). This enabled an analysis of the situation-specific nature of human action via a direct engagement in the ‘natural’ setting (Hammersley and Atkinson, 2007) and the lives of those being studied. Ethnography is appropriate to intimately examine indigenous practices, and individual interpretations of SE and bricolage from multiple actors seeking to mobilise resources at hand to pursue personal, community, or organisational goals. Ethnographic fieldwork entailed different degrees of immersion via a variety of research methods, such as formal interviews, informal conversations, and participant observation (including voluntary work, participation in workshops on SE led by international agents, teaching at local universities, and engagement in informal microfinance groups).

Research Setting

Maputo, Mozambique’s capital city, was selected as it epitomises the typical aid-based structure of an Eastern Sub-Saharan urban setting. It encapsulates a strong collective societal mindset, influenced by and inherited from its history (Bromley et al., 2004), and also multi-cultural inputs resulting from the presence of diverse social groups from many parts of the world who express different degrees of embeddedness in the local context. Mozambique is characterised by extreme poverty (World Bank, 2014) resulting from a combination of high absolute levels of poverty and economic inequality, limited state resources, poor governance and market failures, aid-dependency, corruption (Hanlon, 2004), and a prevalent informal economy (Rivera-Santos et al., 2015) estimated to absorb 95% of the labour force (LO/FTF

Council, 2014). Practices of informal microfinance undertaken at the grassroots (mostly by women) are endemic in the country (Casimiro, 2011).

Data Collection

This research project involved three fieldtrips to Maputo and its surrounding neighbourhoods (between 2012 and 2014) for data collection purposes. Ethnographic fieldwork was conducted whilst living in the country for three consecutive months. Additional data was collected remotely, on an ongoing basis, and incorporated in the study. Materials include: field notes; photographs, audio/video-recordings of seventy-five semi-structured interviews (including members of the government, governmental agencies, DFID, WB and UN representatives, local and international NGOs, MNC executives, SMEs, formal micro-finance institutions, religious organisations, local academic researchers, journalists, social entrepreneurs, SE promoters); and informal conversations with other residents, beneficiaries and members of grassroots communities belonging to informal microfinance groups. These generated in-depth written and audio-visual data. Organisations' brochures, online data, and media coverage, accounting for wider societal discourses, were also analysed. The utilisation of multiple methods and several sources allowed for triangulation to confer credibility, consistency and reliability to the research findings (Miles and Huberman, 1994).

A snowball type of purposive sampling was adopted. The research started with a smaller number of participants who, in turn, informed who else should be considered in order to get broad and varied perspectives on how resources are mobilised by the grassroots to alleviate poverty. This ensured a contextualised, systematic, credible, and feasible selection of experiences and opinions. As the study progressed, new categories were discovered leading to more sampling in that particular dimension (Schatzman and Strauss, 1973). Appendix 2 illustrates the array of sources enquired and observed, including indigenous practices

undertaken by the grassroots that became noticeable after conducting the first sensitising interviews. Appendix 3 provides a directory of interviewees across organisations together with informal microfinance group members. Participants from the grassroots did not use the term informal microfinance but the tsonga word *Xitique* (meaning ‘saving’), used locally to depict these practices.

Analysis Approach

Analysis techniques were informed by the principles of grounded theory, applying qualitative coding schemes in thematic analysis (Denzin and Lincoln, 2003). These comprised processes of open and axial coding so that similarities, differences and general patterns could be inductively identified (Bowen, 2005). The systematic analysis of collected materials (Gioia et al., 2013) led to the emergence of the theoretical dimension of *Grassroots Social Entrepreneurship*. This entailed an iterative inductive analytical process of coding interviews and documents, summarised in the form of a data structure diagram (Corley and Gioia, 2004).

FINDINGS AND DISCUSSION

Informal microfinance provides access to needed resources in unique ways by circumventing local institutional constraints. Such practices, were found to revolve around family and community ties, to counteract the deficient support from the state, the absence of well-functioning markets, limited access to formal financial services and lack of confidence in the banking system.

*There are **values** and **norms** that facilitate these practices, especially considering that there are small **communities**, large **families**, **scarce resources**, and an **absent state** ... (DFID1)*

Family and community institutional input (Baker and Nelson, 2005) enhances the repertoire of locally available resources (Mair and Martí, 2009) required to sustain informal microfinance groups in the absence of profit generating activities.

*There is a **social conscience** here! People want to **contribute to the community and the family** and the issue of trust is important. (GOV2)*

*Informal microfinance's essence is always **self-finance** and not all people have recognised its potential. (CSO5)*

It is an example of mundane bricolage for allowing its members to make do within their means; directly addressing their own (poverty-related) needs.

*Women always seek **from what they have and what they do not have** to put food on the table. **They have to make do**. This entrepreneurship is something they **create every day**. (CSO7)*

Through informal microfinance, grassroots communities, bounded by a limited set of resources, attempt to address the poverty that they are experiencing directly. They make use of 'whatever resources and repertoires one has to perform whatever tasks one faces' (Weick, 1993, p. 352). This translates into resorting to bricolage out of necessity (Desa and Basu, 2013).

*It's not exactly entrepreneurship, it is a **making do posture** based on the present day and no planning... they have **no means!** (Se7)*

At the grassroots, non-optimal and restricted local resources allow viable control over the environment and workable, yet limited, results to be accomplished (Baker, 2007).

*Many **businesses sprang** from informal microfinance! (CSO5)*

*It's a means to **help people meet their needs**, needs they wouldn't be able to meet on their own. (R3)*

*Informal microfinance brings a fundamental component, namely creating **saving habits and spirit of solidarity** among people. (GOV3)*

Culture and social structure provide an institutional resource pool from which informal arrangements, e.g. relations of mutual trust and reciprocity, can be drawn to sustain collaborative resource mobilisation (Cleaver, 2002; Cleaver, 2012).

*Informal microfinance works based on 'word of honour'. They can't default! It's about **trust**. If people fail they always find a way to sort things out.* (R7)

*Informal microfinance groups use their **own savings** and **do not depend on any type of external financing**.* (P3)

The existence of informal social networks deriving from community and family ties enables internal financial resources to be mobilised. The capacity to consistently assemble and distribute borrowings over time leads, in turn, to increased credibility and the recognition of individuals as reliable and competent group members. This reinforces, and potentially expands, networks of trust that are available to informal microfinance groups and their members. The use or reuse of resources at hand in ways other than those for which they were intended is characteristic of bricolage and imply the application of already held resources to new purposes (Phillips and Tracey, 2007). This is especially useful for those living in poverty. Modern micro-credit has been considered innovative for trusting that loans can be given to the poor. Informal microfinance goes beyond that premise by acknowledging that the poor can not only to borrow but also to lend to each other. Within informal microfinance, the agent is embedded in the context in which it acts. It acts simultaneously as entrepreneur and beneficiary. Hence, value creation is not dissociated from value capture (Santos, 2012).

***Mutual-help and support** have to do with informal microfinance. When one of us struggles with something we, group members, **help each other**.* (Xw1)

*SE in a poor country is about **people solving their own problems**.* (Se5)

Grassroots Social Entrepreneurship

Participants (local and international) were asked about the role of informal microfinance in Mozambique. A systematic analysis of collected materials (Gioia et al., 2013) suggested that informal microfinance enable the grassroots to mobilise resources to address their subsistence needs. Figure 1 summarises the iterative inductive analytical process of coding materials

(Corley and Gioia, 2004), which led to the emergence of the theoretical dimension of ‘Grassroots Social Entrepreneurship’. The initial codes are interrelated and some of them overlap theoretical components of the conceptual framework illustrated in Figure 1. Codes were subsequently merged into three second-order themes explained below.

**** INSERT FIGURE 1 ABOUT HERE ****

Social Entrepreneurship Attributes

It was consistently affirmed that informal microfinance entails positive social and economic outcomes affecting group members and society in general. Social and economic outcomes were acknowledged to permeate each other and to be impossible to separate in poor economies. Interestingly, not all participants recognised that informal microfinance could be framed as a form of SE for possessing crucial attributes that are deemed to legitimise it: to have a double bottom line; to be financially sustainable and aid-independent; and to involve a certain degree of innovation. Informal microfinance is considered to be self-sufficient and reliable insofar as it is self-funded; who contributes gets the money back to invest, and this is ensured by a culturally-embedded code of conduct. However, this self-sustaining model does not involve profit generation. Informal microfinance was also described as an inclusive and flexible practice, adapted to local needs. It has evolved over time according to the circumstances. It empowers the poorest and the most vulnerable as a collective to take control of their lives.

Community Make Do Response

Informal microfinance was found to be a ‘make do’ response from the grassroots to adversity. Expatriates and Mozambicans, depending on their familiarity with the local context, emphasised that informal microfinance is nevertheless a highly institutionalised practice, deeply embedded in the country. It demonstrates how the powerless and the dispossessed manage to exert their agency, an agency that is feasible because it is rooted in informal arrangements and practices. Such arrangements enable the poor to save more efficiently than

any formal organisation would. Some foreign informants criticised the short-term outlook of the poor. In their controversial views, there is a Mozambican ‘culture’, a “native inherent problem” that favours “living the present”. Conversely, local actors, Mozambicans and others who were familiar with the local context, explained that saving struggles arise from poverty, and highlighted how informal microfinance plays a role in promoting saving habits. Informal microfinance is mostly driven by necessity because it offers an alternative to the grassroots to evade poor governance, corruption, bureaucracy, gender inequalities, shortage of banks, limited access to credit and other institutional constraints which bound people’s ability to act.

Tackling Resource Constraints for Own Subsistence

Participants mentioned that informal microfinance enables access to resources which are indispensable for subsistence. This suggests that the practice provides a realistic means to address critical shortages via bricolage. It is adapted to a local reality of poverty by catering directly to people’s basic human needs with what is at hand. Collective values of mutual-help, rooted in the family and the community, were identified. These values function as additional types of resources that help sustain and strengthen informal microfinance groups. By joining together and contributing with what they have, supported by a culturally embedded ‘glue’ of moral principles, the poor become more resilient and risk less. Internal flows of finance (owned by the poor themselves) constitute key material resources for alleviating poverty. Funds are raised from within the community through informal networks. They are limited and non-optimal but offer viable ways to tackle daily needs.

Appendix 4 provides a breakdown of illustrative quotes for each theme, supporting the codes described above which led to *Grassroots SE* as a theoretical dimension. It contrasts foreign actors and indigenous actors’ understandings (independently of the organisation they work for).

Informal microfinance share key attributes with SE. However, these practices emerge out of necessity from the poor themselves to address subsistence needs affecting them and their communities. The new concept of *grassroots SE* problematises prevailing assumptions about SE and bricolage, rooted in existing scripts for social enterprise; formalised as hybrid organisations, trading to serve the poor. The grassroots in Mozambique mobilise resources to address their subsistence needs by engaging in *grassroots SE*, a collective practice undertaken by poor indigenous communities which enables them to address the poverty they are experiencing through bricolage. This finding situates bricolage in contexts of subsistence, reconceptualising the nexus between bricolage and SE.

IMPLICATIONS AND CONCLUSIONS

This paper makes two contributions to theory. It brings to the fore the theoretical dimension of ‘Grassroots Social Entrepreneurship’, undertaken by poor communities in developing countries. It also situates bricolage in contexts of subsistence, reconceptualising the nexus between bricolage and SE that has been dominated by international scripts for social enterprise that dissociate making and using. This paper may also have implications for policy and practice in the realm of international development, as it explores how informal microfinance (virtually ‘untouched’ by international players) circumvents institutional constraints and resource limitations, without having to rely on external intervention.

Informal microfinance is a self-sustainable practice that helps credit-constrained individuals living in poverty to save and invest through a simple sharing arrangement (Armendáriz and Morduch, 2010). As such, it is arguably a viable form of grassroots SE, context-specific, and embedded in the local culture. It challenges established approaches to social enterprise which specify a priori the resources that should be mobilised, the rationale behind SE (relying on market principles of profit generation in order to ensure financial sustainability), and the role of each stakeholder. Informal microfinance is consistent with the concept of bricolage. It does

not segregate the agent from the environment in which it acts (Duymedjian and Rüling, 2010), and it operates within the constraints of the local environment, making use of locally available tangible and intangible resources. Hence, it involves mastery over the local environment (Lévi-Strauss, 1966).

Important insights can be extracted from this study. For example: how bricolage undertaken by the grassroots may impact on the economic, social, and cultural environment of developing economies; how overlooked *modi operandi* of SE can be better suited to realities of extreme poverty; and how ethnographic approaches can be used as a means to better understand local aspects of African socio-cultural contexts. However, there are limitations. This study focused exclusively on one location and one type of practice, namely informal microfinance. This opens up avenues for further research. Future studies may be conducted in other locations or focus on other indigenous practices. Furthermore, the role of altruism within grassroots SE could be explored when contrasting different cultures, their values and repertoires of action, i.e. how altruism may be compromised when reciprocity is more suitable to enact SE in contexts of subsistence.

This study does not intend to circumscribe bricolage modes of action to contexts of deprivation and extreme resource constraints. Conversely, it provides insights into how ingenuity, triggered by poverty, can be used to devise new ways of doing SE. We can learn from locally effective practices of bricolage from an international perspective despite their limitations in terms of scalability and global impact. This entails going beyond the simple replication of dominant models of social enterprise to other geographic locations, to actually understanding different approaches and the processes involved in local practices that can then be adapted and applied to other contexts.

REFERENCES

- Alvesson, M. & Sandberg, J. (2013) "Has Management Studies Lost Its Way? Ideas for More Imaginative and Innovative Research". *Journal of Management Studies*, Vol.50(1), p.128-152.
- Anderson, S. & Baland, J. M. (2002) "The Economics of Roscas and Intrahousehold Resource Allocation". *Quarterly Journal of Economics*, Vol.1, p.963-995.
- Armendáriz, B. & Morduch, J. 2010. *The Economics of Microfinance*. Cambridge, Massachusetts: MIT press.
- Bacq, S. & Janssen, F. (2011) "The Multiple Faces of Social Entrepreneurship: A Review of Definitional Issues based on Geographical and Thematic Criteria". *Entrepreneurship & Regional Development*, Vol. 23(5-6), p.373-403.
- Bacq, S. Ofstein, L.F. Kickul, J.R. & Gundry, L.K. (2015) "Bricolage in Social Entrepreneurship: How Creative Resource Mobilization Fosters Greater Social Impact". *The International Journal of Entrepreneurship and Innovation*, Vol.16(4), p.283-289.
- Baker, T. & Nelson, R. (2005) "Creating Something from Nothing: Resource Construction through Entrepreneurial Bricolage". *Administrative Science Quarterly*, Vol.50, p.329-366.
- Baker, T. (2007) "Resources in Play: Bricolage in the Toy Store(y)". *Journal of Business Venturing*, Vol.22(5), p.694-711.
- Baker, T. Miner, A. & Easley, D. (2003) "Improvising Firms: Bricolage, Retrospective Interpretation and Improvisational Competencies in the Founding Process". *Research Policy*, Vol.32, p.255-76.
- Battilana, J. & Dorado, S. (2010) "Building Sustainable Hybrid Organizations: The Case of Commercial Microfinance Organizations". *Academy of Management Journal*, Vol.53(6), p.1419-1440.
- Bouman, F.J.A. (1995) "Rotating and Accumulating Savings and Credit Associations: A Development Perspective". *World Development*, Vol.23(3), p.371-384.
- Bouman, F. J. A. 1983. "Indigenous Savings & Credit Societies in the Developing World". In Von Pischke, Adams & Donald (Eds.), *Rural Financial Markets in the Developing World*, World Bank, Washington.
- Bowen, G.A. (2005) "Preparing a Qualitative Research-Based Dissertation: Lessons Learned". *The Qualitative Report*, Vol.10(2), p.208-222.
- Brewer, J. 2000. *Ethnography*. Buckingham: Open University Press.
- Brink, R. & Chavas, J.P. (1997) "The Microeconomics of an Indigenous African Institution: The Rotating Savings and Credit Association". *Economic Development and Cultural Change*, Vol.45(4), p.745-772.
- Bromley, S. Mackintosh, M. & Brown, W. 2004. *Making the International: Economic Interdependence and Political Order*. Pluto Press: London

Calvo, S. & Morales, A. (2015) "Sink or Swim: Social Enterprise as a Panacea for Non-profit Organisations?" *Journal of International Development*. DOI:10.1002/jid.3138.

Casimiro, I.M. (2011) "Mulheres em Atividades Geradoras de Rendimentos: Experiências de Moçambique". XI Congresso Luso Afro Brasileiro de Ciências Sociais, Salvador.

Cleaver, F. (2002) "Reinventing Institutions: Bricolage and the Social Embeddedness of Natural Resource Management". *The European Journal of Development Research*, Vol.14(2), p.11-30.

Cleaver, F. 2012. *Development Through Bricolage: Rethinking Institutions for Natural Resource Management*. London: Routledge.

Corley, K.G. & Gioia, D.A. (2004) "Identity Ambiguity and Change in the Wake of a Corporate Spin-off". *Administrative Science Quarterly*, Vol.49, p.173-208.

Cruz and Silva, T. (2005) "A Organização dos Trabalhadores do Sector Informal dos Mercados de Maputo e sua Acção na Promoção de Melhores Condições de Vida e de Trabalho – O Papel da Associação dos Operadores e Trabalhadores do Sector Informal – ASSOTSI" (online) Bureau Internacional do Trabalho, Genebra. Available at: <http://www.ilo.org/public/portugue/region/eurpro/lisbon/pdf/assotsi.pdf>

Dana, L.P. (2015) "Indigenous Entrepreneurship: An Emerging Field of Research". *International Journal of Business and Globalisation*, Vol.14(2), p.158-169.

Dava, G. Low, J. & Matusse, C. 1998. "Mechanisms of Mutual Help and Informal Networks of Social Protection: Case Studies of Gaza, Nampula and Maputo City". MPF and UEM, Maputo.

Daskalaki, M. Hjorth, D. & Mair, J. (2015) "Are Entrepreneurship, Communities, and Social Transformation Related?" *Journal of Management Inquiry*, Vol.24(4), p.419-423.

De Koning, J. & Cleaver, F. (2012) "Institutional Bricolage in Community Forestry: An Agenda for Future Research". In *Forest-people interfaces* (Chapter 17 p.277-290). Wageningen Academic Publishers.

Denzin, N.K. & Lincoln, Y.S. 2003. *Strategies of Qualitative Inquiry*, 2nd edition. Thousand Oaks, California: Sage Publications.

Denzin, N.K. 1997. *Interpretive Ethnography: Ethnographic Practices for the 21st Century*. Thousand Oaks, CA: Sage.

Desa, G. & Basu, S. (2013) "Optimization or Bricolage? Overcoming Resource Constraints in Global Social Entrepreneurship". *Strategic Entrepreneurship Journal*, Vol.7(1), p.26-49.

Desa, G. (2012) "Resource Mobilization in International Social Entrepreneurship: Bricolage as a Mechanism of Institutional Transformation". *Entrepreneurship Theory and Practice*, Vol.36(4), p.727-751.

De Vletter, F. (2001) "Microfinance in Mozambique: Are Donors Promoting Regional Feminisation of Poverty?" ILO? SAMAT, Discussion Paper No 16.

Di Domenico, M. Haugh, H. & Tracey, P. (2010) "Social Bricolage: Theorizing Social Value Creation in Social Enterprise". *Entrepreneurship Theory and Practice*, Vol.34(4), p.681-703.

Duymedjian, R. & Rüling, C. (2010) "Towards a Foundation of Bricolage in Organization and Management Theory". *Organization Studies*, Vol.31(2), p.133-151.

Elson, D. 1997. "Gender Analysis and Economics in the Context of Africa". In: Imam, Ayesha, Amina Mama and Fatou Sow (Eds.) *Engendering African Social Sciences*, CODESRIA, Dakar.

FAO, 2003. "Working with Local Institutions to Support Sustainable Livelihoods" (online). Available at: <ftp://ftp.fao.org/docrep/fao/006/y5083e/y5083e00.pdf> by Economic and Social Development Department.

Garud, R. & Karnøe, P. (2003) "Bricolage vs. Breakthrough: Distributed and Embedded Agency in Technology Entrepreneurship". *Research Policy*, Vol.32, p.277-300.

Geertz, C. (1962) "The Rotating Credit Associations: A 'Middle Rung' in Development". *Economic Development and Cultural Change*, Vol.10(3), p.241-263.

Gioia, D.A. Corley, K.G. & Hamilton, A.L. (2013) "Seeking Qualitative Rigor in Inductive Research Notes on the Gioia Methodology". *Organizational Research Methods*, Vol.16(1), p.15-31.

Gomes, X. 2008. "Viver Com o Dinheiro dos Outros". *Jornal Verdade* (online). Available at: http://www.verdade.co.mz/index.php?option=com_content&view=article&id=241:xitique&catid=43:economia&Itemid=27

Hammersley, M. & Atkinson, P. 2007. *Ethnography: Principles in Practice*, 3rd edition. London: Routledge.

Hanlon, J. (2004) "Do Donors Promote Corruption?: The Case of Mozambique". *Third World Quarterly*, Vol.25(4), p.747-763.

Hjorth, D. (2013) "Public Entrepreneurship: Desiring Social Change, Creating Sociality". *Entrepreneurship & Regional Development*, Vol.25(1-2), p.34-51.

Holt, D. & Littlewood, D. (2017) "Waste Livelihoods Amongst the Poor – Through the Lens of Bricolage", *Business Strategy and the Environment*, Vol.26, p.253–264, DOI:10.1002/bse.1914.

Imas, J.M. Wilson, N. & Weston, A. (2012) "Barefoot Entrepreneurs". *Organization*, Vol.19(5), p.563-585.

Johannisson, B. & Olaison, L. (2007) "The Moment of Truth - Reconstructing Entrepreneurship and Social Capital in the Eye of the Storm". *Review of Social Economy*, Vol.65(1), p.55-78.

Johannisson, B. (2011) "Towards a Practice Theory of Entrepreneurship". *Small Business Economics*, Vol.36(2), p.135-150.

Karanda, C. & Toledano, N. (2012) "Social Entrepreneurship in South Africa: A Different Narrative for a Different Context", *Social Enterprise Journal*, Vol.8(3), p.201-215.

- Kerlin, J.A. (2010) "A Comparative Analysis of the Global Emergence of Social Enterprise". *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, Vol.21(2), p.162-179.
- Kickul, J. Janssen-Selvadurai, C. & Griffiths, M.D. (2012) "A Blended Value Framework for Educating the Next Cadre of Social Entrepreneurs". *Academy of Management Learning and Education*, Vol.11(3), p.479-493.
- Kwong, C. Tasavori, M. & Cheung, C.W. (2017) "Bricolage, Collaboration and Mission Drift in Social Enterprises". *Entrepreneurship and Regional Development*, Vol.29(7-8), p.609-638.
- Lévi-Strauss, C. 1966. *The Savage Mind*. Chicago: University of Chicago Press.
- LO/FTF Council, 2014. Mozambique – Labour Market Profile. Available at: http://www.ulandssekretariatet.dk/sites/default/files/uploads/public/PDF/LMP/lmp_mozambique_2014_final_version.pdf (accessed on June 2019).
- Lundin, I.B. (1999) "Traditional Structures in Decentralization Policies and Programmes and Rural Reality in Mozambique". Manuscript prepared for HH-LI FAO study, Rome:SDAR/FAO.
- Mair, J. Battilana, J. & Cardenas, J. (2012) "Organizing for Society: A Typology of Social Entrepreneurial Models". *Journal of Business Ethics*, Vol.111(3), p.353-373.
- Mair, J. & Martí, I. (2006) "Social Entrepreneurship Research: A Source of Explanation, Prediction, and Delight". *Journal of World Business*, Vol.41, p.36-44.
- Mair, J. & Martí, I. (2009) "Entrepreneurship In and Around Institutional Voids: A Case Study from Bangladesh". *Journal of Business Venturing*, Vol.24, p.419-435.
- Miles, M.B. & Huberman, A.M. 1994. *Qualitative Data Analysis: A Source Book of New Methods*. 2nd edition. London: Sage.
- Ngoasong, M.Z. & Kimbu, A.N. (2016) "Informal Microfinance Institutions and Development-Led Tourism Entrepreneurship". *Tourism Management*, Vol.52, p.430-439.
- Nhambi, S. & Grest, J. (2007) "Mobility, Migration and Trade: Interactive Flows Between Durban and Southern Mozambique". Inaugural Conference of the Institute for Social and Economic Studies: Southern Africa and Challenges for Mozambique. IESE, Maputo.
- Peredo, A.M. & Chrisman, J.J. (2006) "Toward a Theory of Community-based Enterprise". *Academy of Management Review*, Vol.31(2), p.309-28.
- Peredo, A.M. Anderson, R.B. Galbraith, C.S. Benson H. & Dana L.P. (2004) "Towards a Theory of Indigenous Entrepreneurship". *International Journal of Entrepreneurship and Small Business*, Vol.1(1/2), p.1-20.
- Phillips, N. & Tracey, P. (2007) "Opportunity Recognition, Entrepreneurial Capabilities and Bricolage: Connecting Institutional Theory and Entrepreneurship in Strategic Organization". *Strategic Organization*, Vol.5(3), p.313-320.

- Rivera-Santos, M. Holt, D. Littlewood, D. & Kolk, A. (2015). "Social Entrepreneurship in Sub-Saharan Africa". *Academy of Management Perspectives*, Vol.29(1), p.72-91.
- Rivera-Santos, M. Rufin, C. & Kolk, A. (2012) "Bridging the Institutional Divide: Partnerships in Subsistence Markets". *Journal of Business Research*, Vol.65, p.1721-1727.
- Santos, F.M. (2012) "A Positive Theory of Social Entrepreneurship". *Journal of Business Ethics*. Vol.111(3), p.335-351.
- Schatzman, L. & Strauss, A.L. (1973). *Field Research*. Englewood Cliffs, N.J.: Prentice-Hall, Inc.
- Seelos, C. Mair, J. Battilana, J. & Dacin, M.T. (2011) "The Embeddedness of Social Entrepreneurship: Understanding Variation across Local Communities". *Research in the Sociology of Organizations*, Vol.33, p.333-363.
- Seelos, C. & Mair, J. (2005) "Social Entrepreneurship: Creating New Business Models to Serve the Poor". *Business Horizons*. Vol.48, p.241-246.
- Seremani, T.W. & Clegg, S. (2015) "Postcolonialism, Organization, and Management Theory: The Role of 'Epistemological Third Spaces'". *Journal of Management Inquiry*, p. 1056492615589973.
- Smallbone, D. & Welter, F. (2001) "The Distinctiveness of Entrepreneurship in Transition Economies". *Small Business Economics*, Vol.16(4), p.249-262.
- Somerville, P. & McElwee, G. (2011) "Situating Community Enterprise: A Theoretical Exploration". *Entrepreneurship & Regional Development*, Vol.23(5–6), p.317-330.
- Steyaert, C. & Hjorth, D. 2006. "Introduction: What Is Social in Social Entrepreneurship?" In: C. Steyaert & D. Hjorth (Eds). *Entrepreneurship as Social Change*, 1-18. Cheltenham, UK: Edward Elgar.
- Steyaert, C. & Katz, J. (2004) "Reclaiming the Space of Entrepreneurship in Society: Geographical, Discursive and Social Dimensions". *Entrepreneurship and Regional Development*, Vol.16(3), p.179-96.
- Stryjan, Y. (2006) "The Practice of Social Entrepreneurship: Notes Toward a Resource-Perspective". In *Entrepreneurship as social change: A third movements in entrepreneurship book*, Edited by: Steyaert, C and Hjorth, D. 35–55. Cheltenham and Northampton: Edward Elgar.
- Trindade, C. (2011) "Convívio e Solidariedade: Práticas de Xitique em Moçambique". Rede Salesiana de Formação Profissional. XI Congresso Luso Afro Brasileiro de Ciências Sociais, Salvador.
- UN Development Programme Report (2006) "Microfinance in Mozambique: Achievements, Prospects & Challenges" (online) Available at: <http://www.gdrc.org/icm/country/microfinance-mozambique.pdf> by Fion de Vletter (MMF Consultant), Maputo.
- Visscher, K., Heusinkveld, S. and O'Mahoney, J., (2018). "Bricolage and identity work", *British Journal of Management* 29(2), pp.356-372.
- Vugt, A. 1992. *Survival Strategies: The Organization of Labour*. MINAG, Maputo.

Weick K. E. 1993. Organisational Redesign as Improvisation. In: Huber, G. & Glick W. H. (Eds), *Organisational Change and Redesign: Ideas and Insights for Improving Performance*. Oxford University Press: New York, p. 346-382.

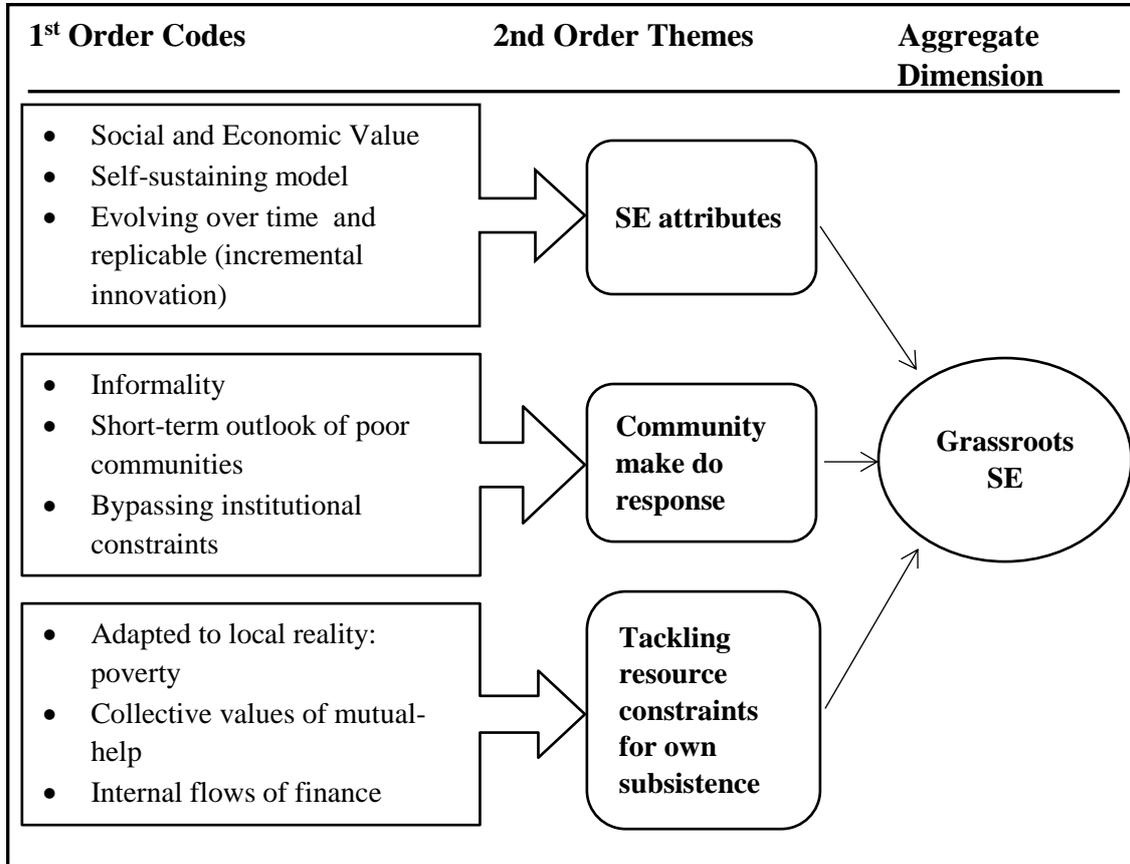
World Bank, 2014. Mozambique Overview (online) Available at: <http://www.worldbank.org/en/country/mozambique/overview> (accessed on February 2015).

Zahra, S.A. Gedajlovic, E. Neubaum, D.O. & Shulman, J.M. (2009) "A Typology of Social Entrepreneurs: Motives, Search Processes and Ethical Challenges". *Journal of Business Venturing*, Vol.24(5), p.519-532.

Zahra, S.A. Rawhouser, H.N. Bhawe, N. Neubaum, D.O. & Hayton, J.C. (2008). "Globalization of Social Entrepreneurship Opportunities". *Strategic Entrepreneurship Journal*, Vol.2(2), p.117-131.

FIGURE 1

Data Structure for ‘Grassroots Social Entrepreneurship’



Source: Adapted from Corley and Gioia (2004)

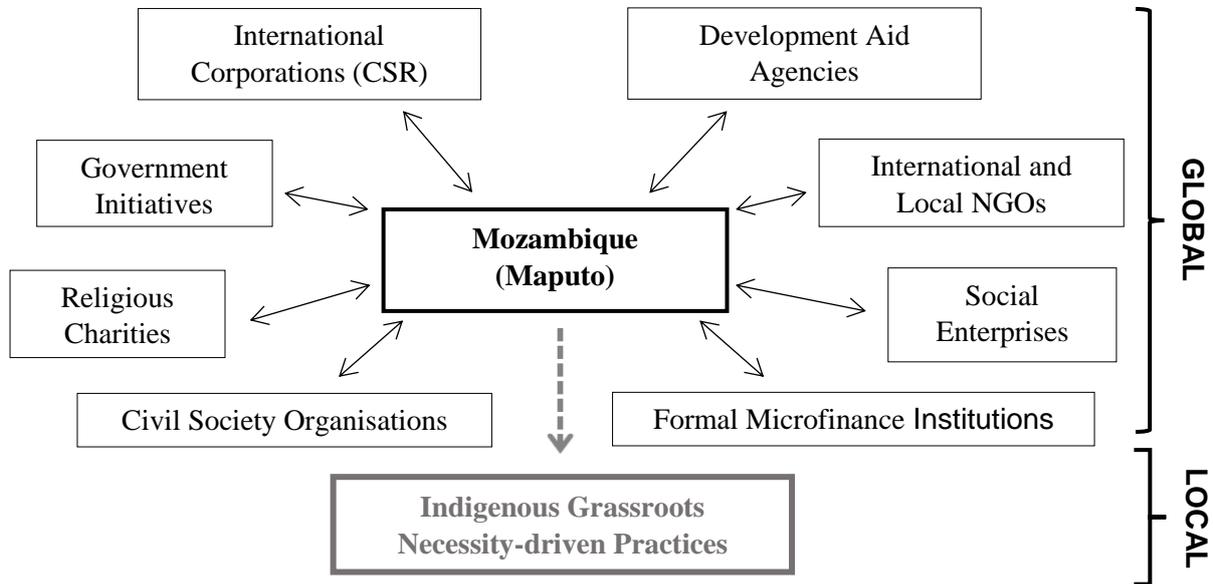
APPENDIX 1

Description of Informal Microfinance

Informal Microfinance	Rotating Savings and Credit Associations (ROSCA)
Features	Informal, collective self-sustaining model based on self-funding; it challenges microfinance products as people lack confidence in the banking system (Trindade, 2011) and prefer to borrow from others of the same social class (Vugt, 1992); collateral is not needed nor interest charged (low-risk); mostly, but not exclusively, practiced by women (Dava et al., 1998); satisfies consumption and production needs (Bouman, 1995); relatively flexible (matches people's financial circumstances, the predefined rotation order of the borrowings can be changed in case of 'misfortune', by consensual agreement - Cruz and Silva, 2005); inclusive, transparent; simple; widespread across the developing world (Bouman, 1983); adapted to the local reality but limited in terms of size and impact (Armendáriz and Morduch, 2010)
Purpose/s	To increase self-control on spending (UN, 2006); to provide liquidity to invest on a business, improve peoples' houses, buy land etc.; to reinforce solidarity between friends, neighbours, co-workers, and family members (Gomes, 2008); to facilitate social interaction. It signifies "assistance for some and social prestige for others" (Lundin, 1999)
Triggers	Resource limitations and institutional constraints, e.g. absence of well-functioning markets, state deficiencies, limited access to credit (FAO, 2003; Elson, 1997); lack of confidence in the banking system (Geertz, 1962); gender inequalities and conflictual interactions within the household (Casimiro, 2011; Anderson and Baland, 2002)
Code of conduct	The practice relies on a kinship based social structure, which implies adherence to strict social norms providing the foundations for peer monitoring and social pressure. Informal microfinance values include: solidarity, mutual-trust, reciprocity, commitment, and group cohesion; these lead to forced saving, increased personal reputation within the group (members' history of past savings and repayment records), and relational capital building (Nhambi and Grest, 2007)

APPENDIX 2

Data Collection in Mozambique: Global and Local Sources



APPENDIX 3Directory of Interviewees Across Organisations and Informal Microfinance Groups*

Type of Organisation	Organisation	Role	Interviewee
Development Aid Agencies			
	United Nations	UN Women Representative	UN1
		Head of UNIDO Operations	UN2
	World Bank	Senior Health Specialist	WB1
		Implementation Consultant	WB2
	DFID	Governance and Economic Policy Department	DFID1
		Manager of Projects and Inclusive Growth Policies	DFID2
		Private Sector Development Advisor	DFID3
NGOs (International)			
	Famo	Coordinator of 'Grow Campaign'	INGO1
	Technicaf	Private Sector Investments	INGO2
	Vitafrica	Operations Manager	INGO3
	ADIV	Project Coordinator	INGO4
	Mix Global	Project Manager	INGO5
	VIA	Sewing Student Beneficiary	INGO6
		Welding Student Beneficiary	INGO7
		Industrial Electricity Student Beneficiary	INGO8
		Buildings Electricity Student Beneficiary	INGO9
		Electricity Installation Student Beneficiary	INGO10
NGOs (Local)			
	MNGO	Project Manager	LNGO1

		Programme Officer	LNGO2
Government			
	IPEME	Director Of Statistical Studies	GOV1
		Administration and Statistical Studies Assessor	GOV2
	Ministry of X	Minister of X /Ex- Minister of Y	GOV3
Religious Charities			
	International Foundation	Development Network Management and Programme Liaison Officer	R1
	ECMR	General Secretariat	R2
	Religious Congregation	Planning and Development Coordinator	R3
		Superior Delegate	R4
		Vocational Courses Manager	R5
		Parish Priest	R6
		Mozambican Member	R7
Civil Soc. Org.			
	MRA	Accountant	CSO1
		Manager of Communications	CSO2
		Operations Manager	CSO3
	HOMU	Communications and Knowledge Manager	CSO4
	Women Association	Executive President	CSO5
	Cross-Border Association	President	CSO6
	MulherPower	Executive Director	CSO7
Social Enterprises			
	Mozambikes	Co-founder and General Manager	Se1
		Sales Manager	Se1emp
	Juju Ant	Social Entrepreneur	Se2
	Business Works	Founder and Manager	Se3
	Kimani Platform	Social Entrepreneur	Se4
	EcoAids and Savings Bank for	Social Entrepreneur	Se5

Women Development			
Savings Bank for Women Development	General Manager		Se5emp
	Credit Analyst		Se5emp2
Community Nursery	Founder and Manager		Se6
EC Patchwork	Founder and Manager		Se7
ThirdWay	Chair and Founding Partner		Se8
International Corporations			
Multi-National Bank	Head of CSR		C1
Mundi	CFO at External Affairs Executive director		C2
	General Manager Community Relations and Social Performance		C3
Formal MFIs			
M-credit	CEO		MF11
Development Consultants			
BrainLab	Co-founder and General Manager		DC1
Here	Founder and General Manager		DC2
Moz Investments Group	Executive Director		DC3
Mozambique Business in Development Facility	Development Consultant Cross-sector Partnerships		DC4
Academics			
Eduardo Mondlane University	Geographer		A1
S. Tomas University	E'ship Lecturer		A2
Universities	Anthropologist		A3
Journalists			
'Mozambique' Newspaper	Reporter		J1
'Africa' Newspaper	Founder		J2
SE Promoters			
ROOT Initiative	Project Manager		P1
SEI Bootcamp	Speaker		P2
SEI Bootcamp	Organizer		P3

	SEI Bootcamp	Mentor	P4
	Est. Workshop	Coordinator	P5
Informal Microfinance			
	Workplace Xitique	Xitique Member	Xw1
	Workplace Xitique	Xitique Member	Xw2
	Workplace Xitique	Xitique Member	Xw3
	Family Xitique	Xitique Member	Xf1
	Family Xitique	Xitique Member	Xf2
	University Student	Xitique Member, cross-border trader	Xs1
	University Student	Xitique Member and bar owner	Xs2

* Most organisations' names are fictitious to safeguard anonymity

APPENDIX 4

Illustrative Quotes Breakdown for ‘Grassroots Social Entrepreneurship’ ***2nd Order Theme 1) Social entrepreneurship attributes****1st Order Code - Social and economic value**Foreign:

I think that informal microfinance clearly shows that all societies will develop mechanisms... It allows people to improve their lives, right? It's legitimate. (UN1)

Even at community level, people create projects that benefit the community. If they want to build a school, communities get together to do it. I've come across some cases like that. (Se2)

The money is always rotating. It helps you to buy something you wouldn't be able to buy within a short space of time. (CSO4)

Indigenous:

It is a very interesting practice, of special value, and it brings people together. (LNGO2)

Informal microfinance brings a fundamental component, namely creating saving habits and spirit of solidarity among people. This value alone is greater than if we were to try going around now charging tax for these practices. (GOV3)

Many businesses sprang from informal microfinance! But it's not only about money. It also comprises another aspect now: a social aspect which has to do with gathering families together. (R3)

1st Order Code - Sustainable modelForeign:

Informal microfinance is a sustainable form of substituting micro-credit. (UN1)

It is a form of micro-credit, a saving system. There isn't a social mission but it has social impact. (Se2)

Informal microfinance groups use their own savings and do not depend on any type of external financing. (P3)

Indigenous:

It's a good practice, economically speaking, as it's a cycle. (CSO4)

It has a positive impact in the sense that we will help someone based on collaboration, mutual-help. (Se4)

Informal microfinance's essence is always self-finance and not all people have recognised its potential. (CSO5)

The idea behind informal microfinance is to invest! People have objectives... There are no losses. It's about circulation of capital. (Se7)

1st Order Code - Evolving over time & replicable (incremental innovation)Foreign:

The rate of maintenance and reproduction of informal microfinance groups is enormous. (A3)

It is widespread. I do it with friends... Crowdfunding is electronic microfinance! (Se2)

Informal microfinance takes place among the poor and the middle classes. It is surely innovative and it does help. (C1)

It is interesting to look at informal microfinance, definitely... because it is an innovative response and not an individualised one as normally entrepreneurship is depicted. (A3)

Indigenous:

Informal microfinance is becoming very common in cities too. Here people have their jobs, they organise these lending groups in the family, at the work place... and people can raise amounts large enough to start a business! (LNGO2)

It's more common among women but now is generalised. Lots of men are doing it. It's for everything! It depends on the amount. (CSO3)

It has many applications because within informal microfinance there are several different models... (CSO4)

Now informal microfinance is no longer just a practice used in places that don't have banks. I have colleagues at work who do it, you see! It can be used to pay for a bank loan. (C3)

Informal microfinance has been changing. It involves the integration of people. (Xs1)

2nd Order Theme 2) Community make do response

1st Order Code - Informality

Foreign:

Xitique are informal saving systems. (INGO4)

There's an obligation, and on the social level in a group you can't let them down. (C1)

Informal microfinance is a widespread activity that became institutionalised by the civil society without the need for institutions like NGOs or whatever. It's not an informal institution, it is absolutely formalised; it is informal for OUR standards! The State legitimises and integrates it as part of local cultural practices that have emerged. (A3)

Indigenous:

Xitique is very informal... and the only pressure you have is because of social relationships between the parties involved. (DFID2)

Informal microfinance doesn't provide a formal structure even though it might lead to profitable businesses. It's clandestine, non-official. Traders do it to build up their stock. That exists and it's fundamental but it's informal. (GOV2)

Informal microfinance works based on 'word of honour'. They can't fail! Normally they reach an agreement first so that failing with payments doesn't occur. It's based on trust. If people fail they always find a way to sort things out. (R7)

People prefer the security of a rotating informal banking system instead of using a savings account. (Se4)

1st Order Code - Short-term outlook of the poor

Foreign:

They live day to day, no planning ahead... The present is important here! Also, they find it hard to say 'no' to their relatives... they should be capable to manage [organise] their own lives but they can't save. (R4)

At this stage, because of decades of civil war, decades of poverty, there's still a very short-term outlook. It's very difficult for them to save money for example. (Se1)

Indigenous:

The truth is you manage to gather the amount you need without realising. (INGO7)

Informal microfinance is very important and makes it possible to save money for when the time comes. (INGO8)

That's the only way for them to pay their debts... That's the problem; they can't hold to their money and spend it all. So the only way for them to buy a bed is to engage in these practices. They can't afford it with their salary. (R7)

We need to look at what it was like in the past and what it's like today. If people aren't saving, is not because they don't want to save, they can't save! Families are still large... and generally the people involved in these sidewalk businesses are women, right? Yes, and they deal with the daily expenses. (A1)

When we get our salary we have to do Xitique straight away otherwise the money evaporates! (Xw3)

1st Order Code - Bypassing institutional constraints

Foreign:

Informal microfinance is a form to replace access to credit in a system where that doesn't exist. Access to everything here is conditioned by the party... so informal microfinance is a way for someone to do something outside the system. (UN1)

Women in particular, if they have money at home their husbands will take it and do what they like. (DC4)

I believe what triggered it must have been scarcity and periods when it was difficult to access goods and money. (A3)

Indigenous:

I am not scared of doing Xitique, but a loan... maybe it's because it's in a bank. This word: 'bank', scares me a bit because in the bank there's no family. (INGO6)

Informal microfinance are a result of the non-existence of financial resources. Also, interest rates are very high. People do not want to be indebted. (GOV2)

It's a means to save. People can't comply with the banks' requisites and livelihood is very expensive. At the end of a day's work women get together to do it. Banks are closed and it's safer not to bring it home. (CSO6)

It is a form of SE because banks do not give short term credit. (Se7)

2nd Order Theme 3) Tackling resource constraints for own subsistence

1st Order Code - Adapted to local reality: poverty

Foreign:

It is kind of a solution for poor people to find ways to get funding! Yes, if you see the traders, they use daily Xitiques because they need the cash to invest... (DFID2)

Xitique responds to an immediate need... because if you look closer it rotates... it provides them with liquidity they don't normally have. (DC1)

Indigenous:

People will always find mechanisms to remedy their problems. Doing Xitique is one of them. (GOV2)

It's a means to help people meet their needs, needs they wouldn't be able to meet on their own. (R3)

People think 'how am I going to get out of this?' SE in a poor country is about people solving their own problems. (Se5)

It depends on individual means to ensure repayments are met. When you don't have a fixed income you can participate but will probably be the last to collect the full amount. (Se7)

In regards to Xitique, people sit down, they talk and agree. They only agree to give what they know they'll be able to save. I can't have more than what I have. (Xw3)

1st Order Code - Collective values of mutual-help

Foreign:

People have more solidarity with their family, their informal microfinance groups, friendship saving groups, and empathise with their neighbours' difficulties. They really take that question of contributions seriously. (INGO4)

Fair exchanges are promoted and that is much more beneficial as, in order to earn, something should be given in return for the benefit of the other person. (R2)

For safety reasons they have to support and rely on each other. (R6)

It has a positive impact in the sense that we will help someone and be helped based on mutual-help. (Se4)

Indigenous:

We have a sort of African socialism, which is one of permanent mutual-assistance, mutual-help in the family, in the community, and in society. In Xitique is social pressure that works. (GOV3)

People arrange ways to facilitate payments. When people are united that is what happens. (CSO6)

What I mean by associativism is that being together helps us to solve our own problems better than when we are alone. With informal microfinance people found a way to solve each one's problems in turn, together. Self-help, mutual-help is what triggered this practice. (Se5)

In socialism it's about collective initiative, togetherness, social cohesion. Informal microfinance is community-based. (C3)

I think the vision of solidarity is brilliant. Why should I pile it up at home if I can chip in and help someone else from the group? (DC2)

1st Order Code - Internal flows of finance

Foreign:

Informal microfinance is about self-subsistence. The money rotates... it provides people with liquidity they don't have. (DC1)

Informal microfinance is similar to micro-credit but based on auto-financing. Xitique groups use their own savings and do not depend on external finance from the public or private sectors. (P4)

Indigenous:

It's a form of rotational credit. There are cases where people actually see informal microfinance as a source of funding to start a business. (LNGO2)

People think: 'with my money, I can give it to someone else for him to use, and next time round he'll give his money to me to use, without interest or anything!' (GOV3)

What's important is to give your share. Informal microfinance is clearly better than banks because the money comes and it's yours... (R3)

Informal microfinance's essence is always self-finance. It can be seen as a tool for entrepreneurship. (CSO5)

* Participants from the grassroots did not use the term informal microfinance but the tsonga word *Xitique* (meaning 'saving'), used locally to depict these practices.