



## Victory Over Poverty

Tucked away in northern Ethiopia, a group of women and men sit together in a circle. They are on top of a windy ridge, on a sparkling clear day. The air is so clean and fresh that they can see all the way into Eritrea, and their white shawls brighten the rocky landscape around them. Most sit on simple, low rocks, and are a part of Ethiopia's ultra-poor class. They've come from their traditional stone walled and earthen roof homes, to talk about what might seem like an unlikely topic: finance, borrowing and saving. They think that talking about these issues is worth the time they lose for raising chickens and children, tending their fields and farms, collecting food and water, cooking and cleaning, and picking and processing their own food. They say it is worth it because the opportunities provided from their social and financial support and learning group, called a [Village Economic and Savings Association](#), has changed and improved their lives. This VESA group was started in East Tigray by the Relief Society of Tigray, a partner in the CARE-led and USAID-funded [Livelihoods for Resilience](#) program.

Numerous studies have long proven that VESAs generally work well and can improve the circumstance of the group members, but this group seems special. Maybe it is because most of the members are grandparents, and their faces are filled with wrinkled wisdom. They know what it is like to struggle through life and this group is helping them to age with dignity and some level of comfort. Together, in the face of incredibly difficult circumstances, this group of 21 women and 9 men have done amazing things:

- Doubled their monthly savings, from 10 birr to 20 birr per month.
- Joined with their neighbors, friends and community members in a social compact by each contributing 200 birr in startup capital.



- Started their journey to building savings and resilience by collectively saving 21,000 birr in the first two years of their VESA group.
- Increased resilience to shocks and stressors by establishing a social fund to support VESA members to cope with emergencies, sickness, and death.
- Independently and transparently managed their own financial affairs and empowered women and men group members to take leadership positions.
- 22 of 30 members have taken VESA loans, which were invested in income generating opportunities, with loans going to priority cases and small business investments first.
- 27 of 30 members have taken loans from Microfinance Institutions.
- VESA members are in the process of receiving 36 [trainings](#) on finances, savings, credit, repayment, sharing out, planning, and financial management.

### The value in strong training and social solidarity

A comfortable post-rainy season breeze swept across the mountain ridge and shifted three colored plastic plates placed in the circle. The green plate is for monthly contributions, the yellow plate for the social fund, and the red plate for penalties. The group collects funds and keeps meticulous records. The VESA members say that learning how to run the group together was a valuable training opportunity. When asked about what the other most valuable trainings are, the members said:

- Shoa fattening, market timing, and investing.
- Raising and feeding ruminants and poultry.
- Low cost yet effective housing for ruminants and poultry.
- Access to microfinance institution loans.

### Growing and multiplying

The group members are growing their capacities and multiplying their wealth, and are just some of the 92,600 households reached through the establishment of 5,200 VESAs by Livelihoods for Resilience. They see the value in the VESA group and plan to keep it going, even when the program closes. The group has grown by word of mouth working with *kebeles* (local governmental administrations) and Development Agents, to expand from 18 to 30 members. So many neighbors are interested in joining the group that a second VESA will be established. Money and membership are not the only thing the group is growing. Their knowledge and empowerment are growing as well. They are proud to manage their own affairs and to lift themselves out of poverty. Perhaps that is why they call their group *Awet*, which means *victory over poverty*.



Colored collection plates are used to collect contributions, social funds, and penalties. @ CARE Ethiopia, 2019