

# The Negotiating Power of the Savings Group

**CASE STUDY** Ho Thi Ngam, Vietnam



Ho Thi Ngam is from an isolated village in Quang Tri province in Vietnam, she is the leader of her Village Savings & Loan Association. She is 41 years old and married with two children. She runs a small grocery store, and the family earns additional income from growing acacia. The family grows their own rice and raises their own chickens to eat. Her husband is a daily laborer.

## Climate Crisis

The main challenges that Ngam's community faces are climate related. Flooding has damaged crops, which is particularly impacting supplies of rice. She explains: "In the middle of the year there was a long drought, and at the end of the year there were floods. The most difficult thing is that during the rainy season there are no jobs. This rainy season has lasted a long time, greatly affecting our members' income and savings, people save less and borrow more, but there is not much money to lend."

Rural isolation also presents a problem for women in the village wanting to sell vegetables and fruit, as the main market is over 50km away. She adds: "It's very difficult to do business here."

## Finding Work for Local Women

Through her grocery store, which Ngam describes as her connection to "the outside world", she has connected with the owners of a coffee farm 60km from their community, as well as banana farm owners in nearby Laos. During the harvesting seasons Ngam coordinates groups of women to work week-long shifts picking coffee and bananas.

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Ngam's network extends beyond her own VSLA through her role as head of the village Women's Union, enabling her to reach almost 50 women and provide them with additional income opportunities. She explains: "I organize the women into groups to pick coffee or bananas to earn extra income. The owners also like it because they don't have to call multiple people, they just call me. Being in the same VSLA group and in the same village, women understand each other and go and work together." She adds proudly: "This is the best thing I have done."

Ngam also brokers a fair wage for the women, she explains: "Wages are negotiated directly by me and the VSLA's management board with the employer, then agreed upon in group meetings and everyone registers to participate." She adds: "The women are very happy having income for themselves, money to save and the opportunity to go out and learn. At first, some mothers-in-law did not let them go, but after seeing everyone come home happy, healthy, and with money, they agreed."

## The Benefits of her Group

Ngam can clearly see the benefits of joining together as a group, increasing their negotiating power to agree a fair wage. She adds: "When we join together, we are stronger." Ngam also prefers the flexibility and simplicity of borrowing through her savings group, adding: "If I borrow from a bank, I must have documents and it takes time to disburse the money. When I borrow from the group, it's easier and faster, with a smaller amount and more flexibility." She adds that she borrowed from the group to send her two children to school. She continues: "Before, we used to spend without saving. Now our members are racing to save!" Ngam adds that being in a group allows women to meet, share ideas, especially in relation to business, and learn from each other.

The social fund of the group also enables members to support each other in times of crisis, for example if anyone becomes sick or needs to pay for a funeral. When the group earn extra income coffee or banana picking, they will sometimes increase their contributions to the social fund.

## The Future

Once Ngam has paid off her debts, including money she borrowed from the bank to repair her house, she would like to take another loan to expand her grocery business, adding: "If I have capital, I will expand to more products, such as school supplies, essential household items, and clothes."

Ngam and her group also plan to develop a community tourism center, which she explains was previously operated by the Women's Union. It will offer site visits, cultural and artistic activities, market visits and local food tours. She adds: "Currently, we have established a cooperative group and are gradually developing member's capacity in community tourism operations. We also need to raise more capital, mobilizing more community members, and upgrade existing infrastructures."

*Ngam was interviewed in January 2024 as part of CARE's Women Respond initiative - a major data collection exercise, listening to women and girls to help better understand their experiences in crisis and put their voices at the center of crisis response.*



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