

## VSLAs: women's economic empowerment to strengthen community resilience

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We know from experience that when women earn, everyone benefits. When women are empowered to take control over their lives and challenge social and gender norms, families and communities are lifted out of poverty.

Village Savings and Loan Associations (VSLAs) have been a foundational programmatic approach at CARE since 1991. Since then, CARE has helped over 13.7 million people join saving groups, majority of whom are women. At their core, VSLAs are a simple yet powerful tool to support women's economic empowerment and build social solidarity. Saving groups are self-managed groups of 15-25 individuals, who meet regularly to save their money in a safe space, access small loans, obtain emergency insurance and collectively engage to take various social actions. VSLAs provides a platform for members, particularly women and girls to save and invest small amounts of money to grow a business and support the livelihood and households. The various training through VSLAs also gives women and girls vital financial skills to explore their economic potential and improves their soft skills in communications, leadership, etc. Economically empowered women VSLA members have more confidence, optimism and aspirations, and they are more likely to be in leadership positions and actively engage in local decision-making spaces. Over time, the benefits of implementing this approach stretch far beyond women's economic empowerment and financial inclusion. The VSLA model helps build social solidarity, and tackle issues such as food security, access to education, gender-based violence, and responding to conflict and emergencies.

Our experience over the past two years showed a remarkable resilience and collective action among VSLAs in their response to COVID-19. The Women (in VSLAs) Respond initiative, implemented in the framework of COVID-19, to better understand the impact, actions of VSLAs with the aim of bringing women and girl's voices into local, national and global COVID-19 response and recovery measures. During the pandemic, women were disproportionately impacted by its adverse consequences, with an increase in caregiving duties, household chores and gender-based violence. Yet, despite the multifaceted challenges faced by VSLA members, data clearly showed greater resilience among women in VSLAs compared with non-members. Against the backdrop of multiple restrictions, VSLA groups still found ways to keep their activities running, and continued to be a great source of support, offering solidarity and mutual aid to their members and communities.

It is clear from testimonies from members and partners (see testimonies of VSLA members here), as well as from data and research, that VSLAs, integrated with gender-transformative approaches, are a remarkable vehicle for development and transformation, and a catalyst for individual and collective progress. This is why CARE's VSLA scaling strategy aims to reach 65 million people, including 50 million women and girls by 2030, by working alongside governments, private sector partners, civil society actors and, most critically, women and girls themselves. And this is also why CARE



believes it is crucial that VSLAs are supported by national governments, as well as local, national and global development actors—including key donors such as the European Union and Member States including the Czech Republic—to ensure women and marginalized communities can reach their full economic and social potential.

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