

Group Borrowing : Microfinance-Tontine Sustainable Co-Existence. Case Of Cameroon



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ABSTRACT: This paper uses a case study approach to examine the role of group account in Microfinance institutions on tontine's survival. The research investigates on the origin of funds deposited in group accounts, and its importance to group members. The collection of respondents' perceptions will contribute to promote digital-group account – accessible both on apps and handset – for the group's benefit. We interviewed ten participants coming from the critical stakeholders of rural finance in the community of Balessing in the west region of Cameroon. We performed a textual and content analysis of the qualitative data collected. The results showed that group accounts contribute to the financial, managerial and social development of tontine group – factors indispensable for strong cohesion and group survival. Moreover, group accounts also benefit microfinance institutions by contributing to their growth and development. From the results mentioned above, we made recommendations to consolidate the link between microfinance institutions and tontine groups through group accounts.

KEYWORDS: group accounts, Microfinance institutions, tontine groups, mobile money.

1. INTRODUCTION

Throughout human history, tontine or self-help group provide some moderate financial assistance to the poor bank excluded class of the population who comply with the groups' rules (Nzémen, 1989). This view of the tontine group is an overexcited description of the institution given that civil servants and first-class business people also institute self-help groups with the same configuration (Tankou & Adams, 1994). Obviously, given that these self-determined community financial groups were off-grips of the fiscal and monetary authorities, stakeholders became suspicious about their efficiency in promoting the development of their members (Bouman, 1977; Hoff & Stiglitz, 1990; Lelart, 2006; Tankou & Adams, 1994). Some few decades ago, scholars and financial stakeholders implemented a series of policies aimed to integrate these traditional community money institutions as a development enabling tool both to its rural and urban adherents (Hoff & Stiglitz, 1990; Lelart, 2006; Rozas & Gauthier, 2012).

A major move of this policy was the birth of microfinance institutions (MFIs) which borrowed the Grameen bank model re-adapted to tontine context. The French development agency sponsored this program in the entire African French-speaking territories (Lelart, 2006). In order to bring formal and informal institutions closer, more variants of MFIs gained institutional recognition, giving way for tontine to upgrade their status to any of the legally existing variant of MFI (Ayuk & Koubou, 2016; Lelart, 2006). Rural development stakeholders both from the public and private sectors with national and international recognition had to encourage local citizen to gather into groups to benefit from the funds of the rural development programs (ACEFA, 2017; ACEP, 2017). This second move established group lending, whose purpose was to reduce the incidents of moral hazard and also to have established groups open a group account to access the funds of the program (ACEFA, 2017). All tontine groups joined the line and opened a group account in MFI.

For more than three decades, the MFIs business has a record of mixed results with some institutions growing to commercial banks and others going bankrupt (Fotabong, 2012). Nevertheless, group lending is at the base of its management strategy (Ayuk & Koubou, 2016). Many studies have examined the benefit of either group or individual lending on the likelihood to promptly servicing the loan (Gómez & Santor, 2008; Kodongo & Kendi, 2014; Naveen, 2012; Orazio et al., 2011; Schurmann & Johnston, 2009; Sharma et al., 2017). Although the results are in favour of group lending, these studies have not questioned the role of the group account on tontine groups' survival. Moreover, the rapid development of digital branchless banking with mobile money and their dematerialized accounts might introduce another challenge to the union between the tontine group and MFIs.

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The purpose of this study is to examine the role of a group account to the self-help group's perennality in order to propose suggestions to consolidate the linkage between MFIs and tontine groups. This study shows that the group account act as an improvised control on the board's management for the group. Moreover, the study reveals that group borrowing offer to bank ineligible members, access funds for development. Furthermore, mobile current and savings group accounts offer the formal institution a tool to control the entire funds of the group.

This study contributes to the literature of informal finance and microfinance. It also contributes to the body of knowledge on tontine groups.

The remainder of the paper is structured as follows: Section II presents the literature review for a theoretical basis of the investigation; Section III details the methodological procedures used for analysis; Section IV provides the findings; Section V discusses the results while Section VI concludes the paper and provides some recommendations. Title must be in 24 pt Regular font. Author name must be in 11 pt Regular font. Author affiliation must be in 10 pt Italic. Email address must be in 9 pt Courier Regular font.

2. WHAT WE KNOW ABOUT TONTINE GROUPS AND MFIS

In the paragraphs that follow, we present the theoretical reason that supports the MFIs group lending model, as a strategy to reach out to the poor. Next, we present a few arguments in favour of groups lending. After which, we examine the role of a group account to both the borrower and the lender. Finally, we present the role of mobile money to MFIs development. We hope that these pieces of literature will provide the base with our inquiry.

2.1 THEORETICAL BASIS FOR GROUP ACCOUNT IN MFIS

Scholars have to use theoretical basis to understand how peer in group lending schemes can overcome the inherent problems associated with credit constraints and asymmetric information in financial markets. In a setting free of collateral, a group lending with joint liability overcomes these problems associated with adverse selection, moral hazard, contract enforcement, and state verification, by passing over the monitoring activity onto the borrowers themselves (Gangopadhyay et al., 2005; Ghatak, 1999, 2000; Ghatak & Guinane, 1999). The idea is that group members will monitor their peers and pressure individuals who might misuse their loans not to do so (Hoff & Stiglitz, 1990; Tankou & Adams, 1994). While this monitoring activity is costly for the borrower, there is a consensus among stakeholders that this cost much less costly than for the lender, since group members will typically know each other well in advance of the date of borrowing. Ghatak & Guinane, (1999) show that when compared to an individual liability contract, an entrepreneurial effort will be strictly higher under peer group lending with joint liability, assuming, of course, that monitoring costs are low and social sanctions. MFIs' group lending model has its roots on the theoretical grounds. Empirical evidence supports the move of MFIs in search of groups for lending money.

2.2 GROUP VERSUS INDIVIDUAL LENDING IN MFIS

Empirical evidence in favour of group lending abound. Gómez & Santor, (2008) compared the likelihood to repay their loan for both 995 groups and 394 individual borrowers, who accessed loans from Calmeadow Metrofund and Calmeadow Nova Scotia in Finland. They found evidence to support the claim that those enrolled in peer-group lending programs are less likely to default as compared to individual borrowers. These authors further investigated to know if the willingness to repay was determined before or after the group's selection. Their findings showed that the influence was before the selection given that peers fully knew themselves. Other authors have the same results (Gangopadhyay et al., 2005; Ghatak, 1999, 2000).

Although the group as a whole can performing well in term of debts servicing, an MFI risk and credit manager can push his/her group analysis to discriminate within a group members those with good repayment conduct, to whom s/he can give some additional amount of loans preferential treatment in terms of progressive lending. In progressive lending, a typical borrower receives very small amounts at first, which increases with good repayment conduct or it links new, larger loans to past repayment. Naveen (2012) studied the role of progressive lending to groups jointly liable to the repayment behaviour of the group's members. The study was conducted in 10 villages covering 106 self-help groups and 318 members in Karnataka, India. The empirical results showed that the progressive lending amount rose to 698% of the initial loan of the self-help groups. According to the author, progressive lending plays a vital role in sustaining the groups for the persistent delivery of microfinance services to its members. Some authors found the same results (Orazio et al., 2011).

Besides providing a strong incentive to service their debts, group lending contributes to the sustainability of the MFI by reducing its transaction cost. Sharma et al., (2017) analyzed whether group lending program had some role to play in reducing the transaction cost of MFIs. Their results revealed that the internal management of small and medium MFIs was not efficiently, which resulted in increased costs. Conversely, large MFIs did not face such problems. Following a study on tontine groups,

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Essombe Edimo (1998) and Kemayou et al. (2011) found that their good financial performance was due to the group's ability to reduce the cost of transactions of the member's operations.

2.3 IMPORTANCE OF GROUP ACCOUNT TO THE BORROWER

Group borrowing provides bank-ineligible members access to affordable and comfortable size of credit to supplement in-group funds, which could not be accessed if excluded from the group (Sharma et al., 2017; Yousif et al., 2015). It also empowers members to benefit from development funds grants tailored for rural dwellers (ACEFA, 2017; Tsogbou, 2003). Group borrowing provides formal loans with maturity dates far beyond the operating cycle of a tontine (Eva-Mari, 2016). This mechanism allows the members to service their debts with the cash saved in tontine (Ghatak, 2000). It also reduces the burden of collateral requirements had a single individual request for the loans (Gangopadhyay et al., 2005). Group borrowing put pressure in individual beneficiaries to be committed both in refunding their debts and seeing that the other members to determine to service their share of the debt (Ghatak, 1999; Hoff & Stiglitz, 1990). This control mechanism is realized through peer monitoring as a sense of joint-liability and accountability traps members to the group's debts (Ghatak, 2000). Peer-monitoring limits moral hazard and acts as a check to the efficient utilization of borrowed values (Hoff & Stiglitz, 1990).

Beneficiaries of group lending reduce health and material inequalities through the development of strong social inclusion. Schurmann & Johnston (2009) carried an investigation on health inequality as a benefit of belonging to a group lending. This Bangladesh-based experimental study revealed that the group-lending model of microcredit could mitigate exclusionary processes and lead to improvements in health. In India, studies showed that members use their group account. Many scholars believe that inequalities between tontine members are very minimal (Eva-Mari, 2016; Kemayou et al., 2011; Lelart, 2006; Tankou & Adams, 1994; Tsogbou, 2003).

2.4 IMPORTANCE TO DIGITALISING GROUP ACCOUNT IN MFIs

There are two bank-digitalizing conceptions both in theory and practice, which all rely on mobile telecommunication infrastructures. The first views mobile telecommunications networks as becoming the 'front office' for financial services leaving the existing commercial banks and other financial institutions as providers of back-office functions. The generic labels to this model are mobile banking, virtual banking, digital banking and branchless banking. The system allows end-users with registered bank accounts to operate appropriate mobile applications on their smartphones to access front office services via a server (Hussain, 2017; Yousif et al., 2015). The second view conceptualizes bank-digitalization from a comparative perspective wherein it explores the competitive advantages of banks and mobile finance business models in how these mobile finance business models could give rise to new market structures within which the existing portfolio of financial services (savings, credits and transactions) can be unbundled. In the central African monetary zone, the name of this model of mobile money. Beneficiaries of the model need only a simple handset to access the package of financial services via the Unstructured Supplementary Services Data (USSD) which neither requires the use of mobile applications nor an established bank account (Williams & Torma, 2007; Yousif et al., 2015).

Scholars showed that digitalizing banking services have positive benefits to both borrowers and lenders (Mago & Chitokwindo, 2014; Nzioka, 2010; Williams & Torma, 2007). Ivatura and Mas (2008) noted that Branchless banking has great potential to extend the distribution of financial services to the poor people who are not reached by traditional bank branch networks; it lowers the cost of delivery, including costs both of building and maintaining a delivery channel and to customers of accessing services (e.g.travel or queuing times). The informal sector host poor people who hardly enjoy banking services (Mago & Chitokwindo, 2014). With mobile banking, they can now enjoy the same basket of financial services through mobile banking. The mobile banking system is ideal for the remote areas, given that it is an easily accessible, cheaper, more convenient and faster means of sending and receiving money. Financial activity increases in the rural areas, and therefore economic growth is boosted (Williams & Torma, 2007).

Although in the central African context, there is little research on the use of digital money in tontine group, many evidence confirms that members are acquainted with the use of mobile payment system and use them on a personal basis (Eva-Mari, 2016; Menzepoh, 2017; Reuben, 2020). Despite the pessimism of Menzepoh (2017) on tontine groups going adopting remote systems for their operations, the digital payment system can contribute more to tontine's survival.

Hussain (2017) and Yousif et al. (2015) proposed a prototype of a mobile system for MFIs which allows group members to operate on their group account remotely from a distance. They showed that such mobile payment was cost-efficient to both the MFIs which could now operate branchless counters but reaching out the most distant members and to the client who economizes travelling cost. If this argument holds, then tontine members can operate their meeting without coming together. Hussain (2017) argued that it was possible to monitor borrower if the system integrates the global positioning system (GPS). Yousif et al. (2015) acknowledged that MFIs that adopted remote digital payment systems were able to tract borrowers and

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reduce the risk of moral hazard. Peer monitoring was efficient in groups that use the telephone for remittance (Williams & Torma, 2007).

3. METHODOLOGY

In this section, we justify the choice of our research design, the appropriateness of our approach, the choice of the case to study, data collection tools and the steps to data treatment.

3.1 Site of the case study

The geographical context hosting the groups is Balessing village community at 10 minutes' drive to the regional headquarters Bafoussam and 15 minutes' drive to its divisional headquarter Dschang. The choice of the region and the interest on its community is due to the historic and cultural value attached to tontines as a mode of finance by the clans of this region who are naturally business inclination (Soen and Comarmond, 1972; Fouda-Owoundi, 2016). According to Schieder and Cueva (1992), 10 out of 10 persons chosen at random and belonging to the region of Bafoussam have at least a small business generating income and nine are highly likely to be direct members of a tontine. The ubiquity of tontine is a significant phenomenon in the region driven by cultural values (Tankou and Adams, 1994). Interestingly, the region is a bustling nursery of microfinance institutions and credit unions with a visible high density and penetration rate. Every single village of the region host at least two 'branch office' (counters) of MFIs and MC² takes the lead (MC² annual report, 2016). Noteworthy is the fact that the region enjoys the most stable and wide mobile communication network coverage. Hence, MoMo sale points are omnipresent, competing with other financial institutions. Presently one of the MoMo providers offers a credit card linked to MoMo account used in any ATM and other payment terminals. It is also possible to link MoMo account to a current account in a commercial bank (Afriland Bank annual report, 2018).

Meanwhile, MC² and other microfinance institutions, like commercial banks, have also been offering credit cards to their customers. This evolution indicates that financial access products have a high penetration rate in the region. Savings collectors also extend bank products to busy merchants.

The host MFI from which we drew participants is called Mutuelle pour la Promotion de l'Épargne et du Crédit d'Investissement (MUPECI) founded in 2003 under authorization N° LT/CO/28-03-4904 AGREEMENT MINFI COBAC N° 920 du 26-12-2003. The Balessing branch was open on December 11th, 2012. MUPECI got its registration as a category one microfinance institution (MFI), which collects savings and deposits and lends to its members. We choose a category 1 MFI because of the acquaintance with the staff, and we own an account as a member. There are over 17 MFI representation in the sub-administrative division. The choice of MUPECI is guided by the fact that I was part of both the teacher's fraternity and the local tontine group which each had a group's account in the MFI.

3.2 Case study participants

We chose ten participants on purpose-based selection who are members of MUPECI. Their distribution is as follows: Two chairpersons, two treasurer and two internal auditors chosen from two tontine groups – a teacher's fraternity and a local farmer's group. Besides, two staff from MUPECI and the mobile money distributors volunteered as participants. A structured interview guide and a focused group protocol based on the available literature served for data collection. We used telephone calls to carry out the interviews and organized two group discussions on the premises of MUPECI. Table 1 below presents a synopsis of the participants. Data collection ran from December 2019 through to February 2020.

3.3 Instrument and data analysis

We handwrote the interviews and focused group discussions. Subsequently, we encoded the collected data for thematic analysis. A double-blind encoding process was performed by another researcher to reduce bias and maintain a certain rigour as recommended by Dawson and Bob (2006). We chose the SPHINX V5 content processing software to apply thematic and lexical analysis to the data. This choice comes from the fact that this software is one of the most recent in terms of qualitative data analysis and therefore offers a multitude of opportunities to "make our data speak".

Table 1: The Profile and distribution of participants

Description	Belonging to a tontine group		N ^o of participants
	Local group	Teacher' fraternity	
Group account at MUPECI	Yes	Yes	
Board chairman	1	1	2
Group's treasurer	1	1	2

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Group's int. auditor	1	1	2
MFI staff	///	///	2
Mobile money staff	///	///	2
Total	///	///	10

Source: Powered by the author

4. PRESENTATION OF RESULTS

We will present our results under three themes, which reflect the opinions of participants. First, we show the destination of funds which come as deposits in the groups' accounts held by MFIs. Next, we narrate the role of group accounts to tontine groups nowadays, and finally, we showcase the opinion of participants should MFIs reconfigure group accounts by upgrading to digital group account accessible through both an application and a simple handset.

4.1 The sources of deposits in tontine group accounts in MFIs

Our interviews show that the money deposited in the name of the group in MFIs' group account comes from the various origin with a specific objective. Figure 1 below shows a summary of the source, which amounts to seven. It is possible to group the seven sources of funds into three categories: (01) those generated by the group's operating activities, (02) supplementary funds raised or sent to implement the group's objective, and (03) group-based funding from rural development programs from the MFIs or external donors. These findings are in harmony with Essombe Edimo (1998); Kemayou et al. (2011) and Tankou & Adams (1994).

The first three get its root from tontine operating activities. These are the un-traded balances from the revolving kitty and the voluntary savings collected from members. These balances are usually of a small amount compared to the size collected and are kept at the MFI when there no longer exists a member who refrains out-rightly from participating. The reason is that members must borrow at least once. Another element of tontine's operations is the insurance premium or solidarity fund which re-capitalized every year. The entire value is kept in the group's account usually as term deposits where it produces interest. However, the status of group stipulates the amount that will receive a victim of event secure by the insurance. In case of any eligible event approved by the entire group, the treasurer withdraws the stipulated value after prior-notification at the MFI and validation of the elected board members. These results corroborate with Kemayou et al. (2011) and Tankou & Adams (1994).

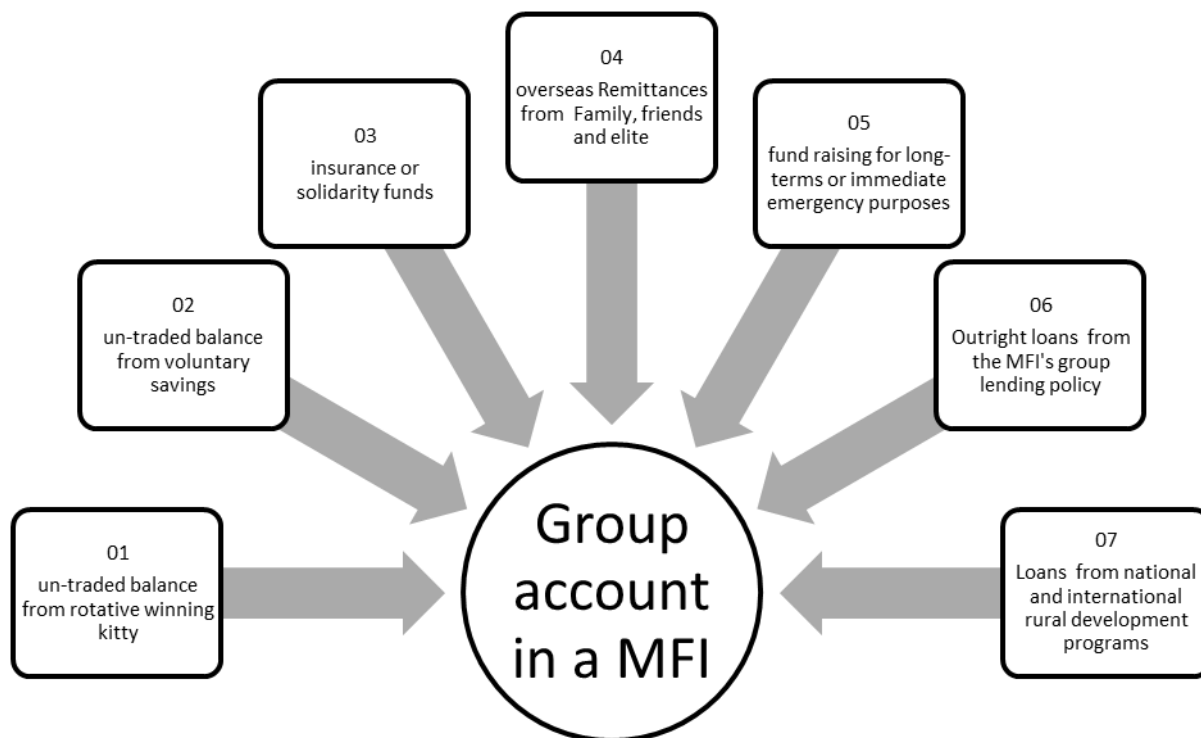
The second category has two elements: overseas remittances from family members, friends and village elite, and funds rose for emergency purposes. Group accounts provide individual members with a right to account ownership, thus rendering him/her eligible to perform or order transactions in his/her behalf. Family members abroad do send money directly to the MFI's group account to be entitled to a single member in the group. Though confidentiality is compromised, it is nonetheless a safe channel for international remittance. The money remittance is easy to receive, given that most MFI is in partnership with international money transfer companies. The money sent from abroad to specific members often has a detailed description of its uses. They are therefore not meant for the personal development of the presumed beneficiary. These results corroborate with Kemayou et al., (2011); MC2 (2016) and Tankou & Adams (1994).

Funds from abroad can also come from friends and elite who may be dormant tontine group members. The values sent either constitutes an additional fund for the group's treasury to be traded at low or zero interest rate or in support to some development project in the host community intended to be executed by the group as a whole. The group solicits these types of funds. The second element is money raised by the group for an emergency purpose that befalls a member such flood, landslide and fire disaster – incidents which were not foreseen by the status. These facts corroborate with that of Tankou & Adams (1994). The last category comes from the MFI group lending or rural development agencies from within and out of the country. Group lending is the privileged means for MFIs to provide loans without collaterals. Studies showed that it an efficient means to finance development and low rate of default (Gangopadhyay et al., 2005; Ghatak, 1999, 2000; Ghatak & Guinane, 1999).

National and international rural development agencies often work with groups of rural men and women selected to participate in the program (ACEFA, 2017; ACEP, 2017).

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Figure 1: The origin of the source of deposits in group accounts kept in MFIs by tontine groups



Source: Powered by the author.

4.2 The role of group account in MFI to tontine groups' survival

The responses from the interviews indicate that group account plays several functions to both the individual members and the group as a whole. We have categorized the function into financial, managerial and social. These roles of group account contribute to the group survival. Socially, participant acknowledged a reduction in the inequality in health, knowledge, assets and children education. The interest-free assistance that members receive either from overseas remittance beneficiaries or the balances of the remittance value provides this Pareto equilibrium. Group account entitles each member to the right as an account owner at the MFI. Individual group members can carry operation in their name using the MFI's account. A group account is a venue for the elite to channel funds to sponsor community development like the construction of classrooms and bridges. Group account contributes to member's capacity-building toward cash management in that individual members can deposit either the session's contributions or repay their debts directly at the MFI before the meeting session. Finally, peer monitoring to guarantee that the money has been used for the stated purpose protect moral hazard and by ensuring that the member has acquired the assets promote development and equity. All the social factors help to bind the members together and promote the group's survival. This result is similar to that of Eva-Mari (2016); Ghatak (2000) and Schurmann & Johnston (2009). From a managerial perspective, group account prevents management from engaging in agency problem. The un-traded balances kept at the MFI cannot be access unnoticed by curious members. Group account makes the balances readily available at the next group meetings. The bank statement produce by the MFI serves as a tool for accountability for the treasurer. Group accounts serve as a safe venue to keep the group's money. The safe of the MFI is more secured place than any other private hiding. Finally, group accounts empower the board members to bargain for a better interest rate for the entire group than would a single individual.

Financially, the group account provided additional funds to supplement the group's sources of finance. It, therefore, increases the volume of credit at the disposal of members. Group account provides access to loans of longer duration than those of the group. It, therefore, allows members to hoard in order to repay the loans. Group account provides access to a large size of loans due to the group's size and the group's account history. It also serves as a quick means for eligibility for and access to rural development funds and programs. Finally, group accounts give the possibility for eligibility to other financial service or product offered by the MFI. Table 2 provides a summary of the role of group account in MFI to tontine groups.

Table 2: The role of group account in MFIs to tontine groups

The role of a group account to a tontine		
Financial Function	Managerial Function	Social Function
Access to additional funds to supplement the group's funds	Reduce agency dispute over cash management	Reduce health inequality
Access to loans with longer duration than the group's loans	Provide easy evidence for accountability	An anchor for individual and group overseas remittances
Access to loans of large size because of group size and account history	Instant availability of balances brought forward at the coming sessions.	Promote members' community rural development
Quick eligibility for and access to rural development funds and programs	Safety venue for treasury balances	Promote members' capacity building in cash management
Possibility for eligibility to other financial services/product	Empowers management's loan contract bargaining power	Promote members' growth and development

Source: Powered by the author

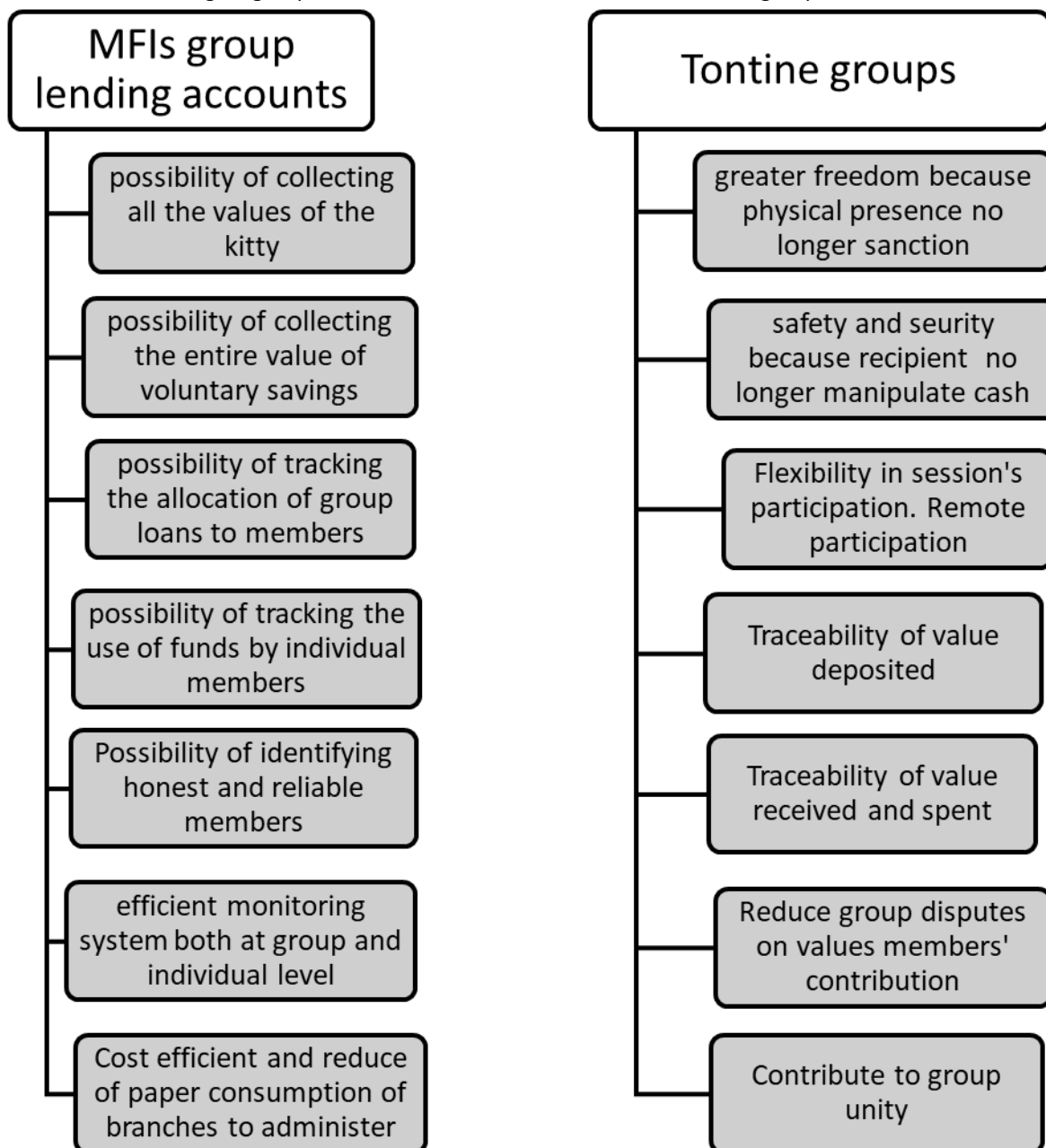
4.3 The perception of digitalized-group accounts in MFI on tontine-MFI linkage

Participants have expressed their views on the contributions of upgrading the group's account to digitalized-group accounts accessible either through an application or by a handset. We classify the views in seven points each for MFIs and tontine group. These opinions will lay grounds for proposing a strong building block to comfort tontine-MFI relationships. These opinions are from the MFIs and money agents who volunteered as participants. From figure 2, digital-group accounts open five possibilities. First, the possibility of collecting the entire value of money brought into a session by members given that members will be paying from their phones directly to the digital-group account controlled by the MFI. So, the MFI can collect both the entire values of the kitty and the voluntary savings, long before the meetings and allow the treasurer to use the electronic payment to assign and allocate both the kitty and the loans from voluntary savings. Secondly, it is also possible to track those who have received the loans issued by the MFIs from the digital-group account and track the use made by the member with electronic payments. Likewise, it is possible to identify honest and conscious debt members who put efforts to repay their share of loans promptly. This fact implies that the mobile channel provides tools for individual and group level monitoring. In overall, digital accounts is cost-efficient because it promotes branchless banking in which office operations expenses and front-office staffs are no longer necessary. However, bank products and services are carried to a most remote part of the world as long as there is good and reliable telephone network coverage for client/members to be in contact with their financial institutions. Most financial stakeholders hold to this positive opinion about digitalizing the financial system by tying it to the telecommunication network (See Hussain, 2017; Yousif et al., 2015). Hussain (2017) and Yousif et al. (2015) especially believe that microfinance institutions and their community of members will benefit more if these institutions upgrade by digitalizing their financial processes and systems.

Participants have identified seven positive aspects that digital-group accounts can impact the group-account owner as a whole and members took individually. First, digitalizing group accounts will lead to greater freedom to members who can forward their session's contributions by direct remittance. Moreover, digitalizing group accounts can move the group members to use social media tools to replace physical face-to-face meetings. It will go a long way to relief group members from statutory sanction tie to physical presence at meetings. Participants also mentioned the fact that such freedom improves members' flexibility, given that they can attend and participate in the meeting remotely while vacating to other necessary important personal activities. Secondly, digital-group accounts ensure safety to tontine's operations as members no longer manipulate cash of payment. Third, the digital-group account provides for traceability in value deposited but also traceability in values received and spent. This benefit will reduce member's disputes; improve the quality and content of meetings discussions, all of which add value both to the group and members. Finally, the absence of disputes will result in strong a bond of unity between members which should rightly be attributed the new way of doing tontine through the digitalized group account. Proponents of digital MFIs have the

same convictions (See Hussain, 2017; Yousif et al., 2015). Figure 2 below provide a summary of the benefits of group account to both the MFIs and tontine groups.

Figure 2: The benefits of a digital group account in MFIs both to the MFIs and tontine groups



Source: Powered by the author

5. DISCUSSION

Our discussions will turn around two themes: the current use of group account to tontine survival, and the contributions of digital-group account to tontine-MFI survival.

5.1 Current use of group account on tontine survival

As mentioned above, group accounts in MFIs have empowered the tontine group to perform better than before both in cash management and the socio-economic development of members. Initially, MFIs group-accounts were meant for safekeeping of group cash for easy accessibility on meetings days. Nevertheless, nowadays, its role has grown to become a tool of accountability, an inhibitive device to dissuade agency problem between members and board members, and more especially, as a means for eligibility to rural development programs. These factors contribute to internal conflict resolution, lead to peace and the survival of the group since membership will keep on growing.

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What is more, group accounts in MFIs contribute to the group's attractiveness in its community given that members of such groups are eligible to some rural development programs? Besides, members are entitled to use the MFI account for personal financial operations like receiving remittance from abroad. It facilitates the relations the member has with family members abroad. The access to remittance abroad through group account improves the wellbeing of the member and that of the group by reducing possible social and economic inequalities. Group account gives access to group lending, which supplements the credit operations of tontines. These additional reasons contribute to the perenniality of tontine groups. This view corroborates with Kemayou et al. (2011) and Tsogbou (2003)

Nevertheless, group accounts do not only benefit tontines, but MFIs as an institution made up of members or group of members also reap the same advantages to the institution's members individually and as a whole. The configuration of the MFIs organization's structure shows that MFIs are formalized tontine group that integrate informal tontine groups. It is, therefore, logical to conclude that the benefits of a group account to tontine's survival are shared with MFIs since both are in a symbiotic relationship which has to adapt to technological evolution.

5.2 Digitalising group accounts for a sustainable tontine-MFI co-existence

The responses of participants on the expectations of digitalized-group accounts show that tontine groups and their communities are ready to accept the move provided that users can see for themselves that the benefit are more than the cost. This fact is in harmony with the findings of Bhuvana & Vasantha (2017), (2019a) and (2019b). We have argued that the implementation of digital-group accounts in MFIs with comfort the tontine-MFIs relationship. Moreover, digitalizing MFIs will also benefit the entire finance stakeholders.

We have argued that if MFIs digitalize all their members' accounts, then tontine members could remit their session's contributions through the group's code. If the cost of the operation is less expensive for members, then digital-group accounts would allow MFIs to collect the entire value of the tontine group's meeting. Digital account systems empower monetary authorities to capture the entire value of income flow lock up in the informal sector. This control of the central bank is possible if all the community's informal entrepreneurs accept electronic payment as a costless means of payment. Monetary policy can reach and influence the informal sector, once a costless electronic means of payment is fully applicable in both the informal and formal sectors. This view corroborates with the studies of Hussain (2017), and Yousif et al. (2015) carried in India on digitalizing MFIs and the informal sector.

In addition to the full control over the mass of money in the entire economy now in the hands of monetary authorities, the government's fiscal policy can now reach the entire value of circulating in the informal sector. Some authors had observed that till now, MFIs were unable to harness the entire value managed in a tontine session, and what MFIs received were merely the balance of un-traded values and insurance contributions. This affirmation implied that the value-added tax on commission for keeping the group's money was applied only to a proportion and the full group's potential raised value. Digital-group account can enable fiscal policy to have an extensive outreach into the informal sector. Although this opinion is in harmony with the views of Hussain (2017) and Yousif et al. (2015), they are contrary to that of Menzepoh (2017) who claimed that in a typical Cameroonian context and black Africa at large, digitalizing group accounts would never move tontine groups to adopt mobile payment and digital-group accounts for their session's participation. According to him, face-to-face contacts and human warmth are missing components of digital tontine groups. We argue that his views are too restrictive and do not consider the fact that tontine members are very familiar to telephones and mobile payments.

The process of digitalizing MFIs has a downside - unemployment. It would imply that MFIs think about re-orienting its labour toward complementary trades to the digitalized MFI. We suggest training in web and application development. There is much trade in the field of information technology that could add considerable value to MFIs' activities. We also propose assigning credit agents to a circumscription regrouping several tontine groups with whom the agent associates as a member and a physical intermediary with the MFI. The credit served by the agent has collaterals brought from him. An incentive contract should incite him to supply credit to tontine efficiently.

6. CONCLUSION AND RECOMMENDATIONS

This paper uses a case study approach to examine the role of group account in Microfinance institutions on tontine's survival. The research investigates on the origin of funds deposited in group accounts, the importance of group accounts to group members and the tontine as a whole. It envisages the collection of perceptions to the contribution of upgrading to digital-group account – accessible by both applications and handset – on the group's survival. We interviewed ten participants coming from all the critical stakeholders of rural finance in the community. We performed a textual and content analysis of the qualitative data collected. The results showed that group accounts contribute to the financial, managerial and social development of tontine

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group – factors indispensable for strong cohesion and group survival. Moreover, group accounts also benefit microfinance institutions by contributing to their growth and development. From the results as mentioned above, we made recommendations that consolidate the link between microfinance institutions and tontine groups through group accounts.

Concerning our findings and discussions above, we propose the following recommendations.

1) The fiscal and the monetary authorities should promote and facilitate the enrolment of all MFIs in the GIMAC organization and subsidized the reconfiguration of the entire financial settings toward the digital environment with full interoperability between MFIs and the rest of financial partners on the platform. Monetary authorities should consider this suggestion as a duty because it will enable the monetary system to harness the entire flow of income in the informal sector.

2) Microfinance institutions should be willing to both accept the adoption of the digital process and be ready to educate the members who rural with restricted education on the identification and the use of the application, but also its staffs toward labour mobility as application developers, attaché in tontine groups within a circumscription as MFI's loan facilitators, and attaché in rural development agencies.

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