THE IMPACT OF THE UBUDEHE PROGRAM ON POVERTY REDUCTION

IN RWANDA

(Case study: Huye district, Southern province, Rwanda)

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DEDICATION

This dissertation is dedicated to my father Muhirwa Richard, my uncles Biseruka Frank,Murara Richard and Ruyingana Henry and their families, my siblings Mucyo Chris Ntege Oscar,Musana Arnold, Masimbi Audrey and Ishami Arnola and to dear friends Gillis Ikorineza, Mutunge Gloria,Bamurange Yvonne, Mafende Carol, Nabawesi Gloria,Mirembe Victoria and Sentongo Henry. Their encouragement, help and a rare kind of generosity was a great inspiration to me. They will forever have a place among the great people of my life.

May The ALMIGHTY Lord Bless you abundantly.

THANK YOU!

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ABSTRACT

The main purpose of this study was to assess the impact of Ubudehe program on poverty reduction in Rwanda. Ubudehe was program started in 2001 in the name" Ubudehe mu krwanya ubukene" which means ubudehe in the fight against poverty, however after all the 13 years little is known about the program's impact on poverty reduction in Rwanda. The was guided by the following objectives; to find out how the Ubudehe credit scheme has helped to reduce poverty in Rwanda, to investigate the impact of Ubudehe scholarship program on poverty reduction and to find out how the Ubudehe health insurance program helps to reduce poverty in Rwanda. The study was carried out using detailed literature review thereby analyzing what different authors have written about the topic. This was done using online journals and books. The analyzed data was collected using administered questionnaires; the study was conducted using 50 respondents. The results indicated that most of the respondents were females, 59.4% and the males were 40.4%. The results also showed that most of the respondents agreed that the ubudehe program has improved their access to education, health services and has also helped them grow their small businesses, Ubudehe Program was found to have a 65.9 % effect on Poverty Reduction. Finally recommendations were suggested such as need to implement community awareness and sensitization about the benefits of the program so as to meet its goal.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This study was about the impact of the "Ubudehe ''program in the fight against poverty in Rwanda. The researcher showed how the program affects mainly the level of unemployment, the level of illiteracy and health among others.

In this chapter, the researcher will talk about the background of the study, the problem statement, the objectives of the study, research questions, the hypothesis, the scope of the study and the definitions of concepts

The researcher used Huye district as the case study to explore the impact of Ubudehe program on poverty reduction in Rwanda.

1.1 Background of the study

Poverty problem is one of Rwanda's main hindrance to its development aim of vision 2020, In the year 2010/2011, 44.9% of the Rwandan population was identified as poor (NSIR, 2012) government of Rwanda has taken various interventions to reduce poverty and improve its economic development some of them include Economic Development and Poverty Reduction Strategy (EDPRS), government programs like one cow per poor family, millennium goals, Vision 2020 umurenge program and ubudehe program among others. All these programs or methods have proved to be productive hence helping in the reduction of poverty.

The Ubudehe program was launched in 2001 by the ministry of finance and economic planning in partnership with the ministry of local government during the first economic development poverty reduction strategy, currently the program is under the vision 2020 umurenge program which is also part of the poverty reduction programs

in Rwanda. The program is mainly grouping households into six different categories called Ubudehe according to their financial statuses starting with "Umutindi" those in extreme poverty in the first category to "Umukire" the money rich in the last category the government then provides help in terms of finance, infrastructure and advice depending on what the households lack so as to get out of poverty. It is based on collective and individual work and it is initiated by the population it's self at the nearest administrative level to the recipient for example cell. The name ubudehe was chosen as a reminder to the Rwandan tradition of mutual assistance in agriculture particularly this was done in such a way that people in a given community would decide to work on piece of land together so to help each other, this made the work easy and fast at the time of harvest they did the same for all the farms in the community and they shared the harvest. This helped even those who were incapable of working in their farms like the disabled to be able to have what to eat at the time of harvesting since their farms were also worked on through the ubudehe.

Currently, the program aims at improving the economic welfare of the poor households through financial aid, public works and direct support as a means of reducing poverty.

Poverty in its most general sense is the lack of necessities such as food, water, shelter, health facilities and safety among others (Rupri, 2006).Using this definition of poverty, the government of Rwanda believes that if the poor are given the necessary support and aid like financial support which is called the Ubudehe credit scheme they can eventually graduate out of poverty.

However since its adoption, little has been done to evaluate its impact on poverty reduction in Rwanda. Therefore, the researcher studied the impact of this program on the fight against poverty in Rwanda using Huye as the case study.

1.1.1 Poverty in Rwanda

It is stated in the Rwanda poverty reduction strategic paper that after the as a result of the Rwandan genocide and war in 1994 approximately 34% of households are headed by women and 21% by widows, education levels are also very low with 52% adult literacy and low secondary school enrollment (National Poverty Reduction Program, Ministry of Finance and Economic Planning, 'The Government of Rwanda Poverty Reduction Strategy Paper" June 2002:13). This gives an explanation as to why poverty statistics in Rwanda are high it also indicates that poverty in Rwanda is closely related to interconnected issues like the genocide, land, environmental degradation and low resources.

However, despite all the hardships Rwandans faced after the genocide, the ruling government tried so hard to improve on the country's economy especially the people's welfare and infrastructure. This was done by putting more emphasis in the agricultural sector and the education sector for Rwandan children, it is important to note that immediately after the genocide, 100% of the government budget came from foreign aid, in 2011, the figure had fallen to 40% this shows a great improvement in the country's economy.

Research shows a reduction in poverty at national level by 12% between 2005/06 and 2010/11 which is a big reduction in a five year period and greater than that of 2000/01 and 2005/06 which was only 2%. Poverty is estimated to be 44.9% nationally (NISR, 2012).

In summary, Rwanda has had an impressive record in translating its recent growth into poverty reduction across the country over the past years and this has been accompanied by falling inequality over the past years. This was due to different and

numerous strategies among which include the Ubudehe program. As mentioned earlier, poverty in Rwanda is related mainly due to genocide results which included hatred among the citizens, ubudehe therefore is a relevant program since it emphases togetherness among citizens. This chapter will show how Ubudehe program is being used to reduce poverty in Rwanda.

1.2. Problem statement

After the tragic genocide in Rwanda in the year 1994, the government of Rwanda was faced with a big problem of developing the nation from scratch since the country was completely destroyed staring from infrastructure, human capital and so many others. The people of Rwanda were not united and this was a big threat to the government because nothing can be achieved without harmony. Despite all these problems, Rwanda has managed to rapidly develope for the past two decades since 1994 and this was due to its various effective programs like EDPRS, VUP, one cow per poor family and the Ubudehe program among others. Ubudehe program started in 2001 as a pilot project in former Butare province and it was implemented at national level in 2004. The program is widely emphasized because it helps in solving problems at cell levels, these problems are mainly problems on how to get solutions to poverty. It has been given a lot of credit and praise by the state and ordinary people like UN public service award in July 2008, the Better management-better public services award in 2012 (allAfrica.com,2014) as a major program for reducing poverty However, despite all these achievements and much emphasis, little is known on its impact on poverty reduction.

 This study therefore investigated the impact of the ubudehe program which is one of the poverty reduction programs in Rwanda on poverty reduction.

1.3. Purpose of the study

The main purpose of this study was to find out the impact of the ubudehe program on the fight against poverty in Rwanda taking Huye as a case study.

1.3.1. Objectives of the study

a) To find out how the Ubudehe credit scheme program has helped to reduce poverty in Rwanda.

b) To investigate the impact of the ubudehe scholarship program on poverty reduction in Rwanda.

c) To find out how the Ubudehe health insurance program helps to reduce poverty in Rwanda.

1.3.2. Research questions

a) How has the ubudehe credit scheme program helped to reduce poverty in Rwanda?

b) What is the impact of the ubudehe scholarship program on poverty reduction in Rwanda?

c) How has the ubudehe health insurance program helped to reduce poverty in Rwanda?

1.4. Research hypothesis

Ubudehe program leads to a reduction in the poverty levels in Rwanda.

1.4.1. Justification of the study

Ubudehe program was adopted in 2001 as a poverty reduction and welfare improvement program in Rwanda. However, since its adoption little is known on its impact on poverty reduction in Rwanda. This study will help in the evaluation of the impcact of ubudehe program on poverty reduction.

1.5. 1. Geographical scope

This study was carried out in Huye district which is located in the southern province of Rwanda where this program was first carried out an area which deserves an investigation for better understanding of the program.

1.5.2. Time scope

The study considered the time period of 2000-2014 the time within which the program was launched.

1.5.3. Content scope

The study was an investigation of the impact of ubudehe program on poverty reduction in Rwanda.

1.6. Significance of the study

This study will help economists and policy makers in Rwanda know how the ubudehe program has impacted the poverty reduction process in Rwanda.

The study will also help policy makers in other countries to decide on whether to adopt the program or not. This study will act as a reference for future studies.

1.7. Conceptual frame work

The conceptual frame work shows how the ubudehe program (independent variable) affects literacy levels, unemployment levels and infrastructure in Rwanda.

Independent variable   **Dependent variable**

Ubudehe program   **Poverty reduction**

-Ubudehe credit scheme	-Literacy levels
-Health insurance	-Unemployment levels
-scholarships	-Access to health services

Source: secondary data

The above diagram shows the conceptual framework which explains how the ubudehe program (independent variable) is related to poverty reduction (dependent variable) which is measured in terms of literacy levels, unemployment levels and access to health services in Rwanda.

1.8. Definition of key terms

Literacy: The ability to read and write (Oxford dictionary, 2014)

Unemployment: Failure of member of the labor force to obtain the job at the ruling wage rate despite one's ability and willingness to work.

Poverty: According to the business dictionary, poverty is a condition where people's basic needs of food, clothing, and shelter are not being met (business dictionary, 2014)

Ubudehe program: This is a poverty reduction approach grounded in the Rwanda PRSP process. It was launched in 2001 during the first economic development poverty reduction strategy; currently the program is under the vision 2020 umurenge program which is also part of the poverty reduction programs in Rwanda.

Vision 2020 Umurenge program: Is an integrated local development program to accelerate poverty reduction (NISR, 2012), rural growth and social protection initiated by the government of Rwanda led by the ministry of local government, good governance, community development and social affairs (MINALOC).

1.9 Limitations of the study

   a. While carrying out this research, the researcher encountered a problem of getting reliable information from the beneficiaries of the program since some people are too private.

   b. The researcher also had a problem of carrying out the research in the given time.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter contains related information and studies from books, web, journals and articles about poverty in general, poverty in Rwanda and the impact of the ubudehe program in its reduction.

2.1 Poverty

According to the business dictionary, Poverty is a condition where people's basic needs of food, clothing and shelter are not met. Amartya Sen. (1999) using his capability approach explained poverty as capability inadequacy and lowness of income by capability inadequacy he meant low income, low education, poor health, insecurity, lack of rights like freedom of speech.

The World Bank defines poverty in absolute terms; the bank defines extreme poverty as living on less than US$1.25 per day, and moderate poverty as less than US$ 2 per day.

Poverty is generally divided into two types, absolute or extreme poverty and relative poverty. Below is a brief description of these types.

2.1.1 Absolute or extreme poverty:

This is when people lack the basic necessities for survival for example lack of food, lack of clean water, lack of proper housing, sufficient clothing or medicines and struggling to survive(EAPN,2015). This is the United Nations' definition and

understanding of poverty and it has made eradicating absolute or extreme poverty as its first goal of the millennium development goals.

2.1.2Relative poverty:

Relative poverty is when some people's ways of life and income is so much worse than general standard of living in the country or region in which they live that they struggle to live a normal life (EAPN, 2015). This basically means that poverty will differ depending on the place and standards of living in that area. The European Union defines poverty in relative terms where as the world Bank defines poverty in absolute terms. However, both organizations have the same aim of eradicating extreme poverty.

According to the World Bank statistics from 2005, 50.9% of the population in the Sub Saharan Africa lives below the poverty line of US $ 1.25 per day.

There are several causes of poverty but the researcher will focus on mainly unemployment, low levels of education and poor health which are the main causes of poverty in developing countries today especially Rwanda, the researcher will examine how the ubudehe program in Rwanda has helped in the reduction of poverty in Rwanda using Huye district as the case study.

2.2 Poverty reduction

Obeng (2011) poverty reduction has been a major concern for successive governments in Ghana over the years because it is believed to be the universally accepted way to of achieving economic growth in the country. The intended purpose is to raise the living standards of the people and improve their quality of life. As a

result, different economic policy reform pursued to achieve reduction, but the impact has not been felt by all, especially by those in the rural areas.

There is a healthy debate about how to achieve poverty reduction in developing countries, but not enough discussion of what we mean by "poverty reduction." "Poverty reduction" is often used as a short-hand for promoting economic growth that will permanently lift as many people as possible over a poverty line. But there are many different objectives that are consistent with "poverty reduction," and we have to make choices between them. There are trade-offs between tackling current and future poverty, between helping as many poor people as possible and focusing on those in chronic poverty, and between measures that tackle the causes of poverty and those which deal with the symptoms. Because donors focus on just one dimension of poverty reduction (growth) they marginalize other legitimate objectives (Owen Barder, April 2009) such as reducing chronic poverty or providing social services in countries that cannot otherwise afford them.

2.3 Ubudehe

Ubudehe program is a unique process in Rwanda of nurturing citizens' collective action in partnership with a government committed to decentralization. It is designed to increase institutional problem solving capacity at the local level by the citizens and the local government (Ubudehe concept Note March 2003, "Ministry of Finance and Economic planning"). Ubudehe pilot program\ started in former Butare province in 2001 with two primary goals: 1) To engage in a participatory poverty assessment and priority setting exercise and , 2) based on the assessment, to implement a community project with €1000 provided directly to the community(Uvin and Nyirankundabera, "The ubudehe project in Butare: A prospective Evaluation", Judith Dunbar, MALD 2004)

The process categorizes the households in six categories according to their financial status, here they mainly look at their living conditions, the property they have among others. These categories are "**Umutindi nyakujya"** **(**those in object poverty) those who need to beg to survive. They lack the basic needs of like food, shelter, clothing, land and livestock. They fall sick and mostly have no access to medical care their children are malnourished and they cannot afford sending them to school.

"Umutindi" (the very poor) the difference between this group and the previous is that this group is physically capable of working on land owned by others, although they themselves have either no land or very small landholdings and no livestock.

"Umukene" **(**the poor) these have some land and housing and they live on their own labor and produce though they have no savings, they can eat even if the food is not nutritious. However, they do not have surplus to sell in the market, their children do not always go to school and they often have no access to health services.

"**Umukene wifashije"** **(**the resourceful poor) This group shares many of the characteristics of the umukene but in addition, they small ruminants and their children go to primary school.

"Umukungu" (the food rich) this group has larger landholdings with fertile soils and enough to eat. They have livestock and often have paid jobs and can access health care.

"Umukire" (the money rich) this group has land and livestock and often has salaried jobs. They have good housing, often own a vehicle and have enough money to in lend and to get bank loans. Many migrate to urban centers.

(Government of Rwanda Poverty Reduction Strategy Paper, June 2002) After being categorized, the people are given help according to what they need most. The mostly helped groups are the first three groups.

Another aspect of Ubudehe program is that it being a village based program, members in each village collectively define and analyze the nature of poverty in their community using tools like social mapping, seasonal poverty assessments, preference scoring and process techniques(Ministry of Finance and Economic Planning). After finding out the poverty problem, they then decide as a community on how to overcome that problem, they then present their plan to the appointed ubudehe officials in their village who will approve and offer them some financial help or any other help needed so that they can start with their plan.

Researchers found out also that ubudehe is a mechanism which enables the poorest and most vulnerable households to be identified by their fellow villagers and ensures that they are the priority recipients of any support from the government which include payment of mutuelle subscription or receiving a cow under the girinka program (one cow per household). This greatly and positively impacts the living conditions of these households.

2.3.1 Health insurance and poverty reduction

Why health? Of all the risks facing poor households, health risks probably pose the greatest threat to their lives and livelihoods. A health shock thrusts health expenditure on a poor household precisely at a time when they can ill-afford it due to income shortfall resulting from the shock. Moreover ,the uncertainty of the timings of illness and unpredictability of its costs make financial provision for illness difficult for households receiving low and irregular income (Tenkorang).Furthermore, given the

strong link between health and income at low income levels, a health shock affects the poor the most(Peters et al, 2002).

Given the financial burdens of high treatment expenditures and lost labor income households are likely to reduce long-term investments (schooling, productive assets) when hit by a health shock this lowers household's future income earning opportunities. Victims of bus accidents in India were found to reduce educational spending by 20% (Mohanan, 2013, p677).Similarly, findings from Sub-Saharan Africa suggested that regional HIV prevalence reduced school attendance (Fortson, 2011, p.1).

If households are unable to afford high treatment expenditures they are likely to delay care or turn to options perceived as cheaper such as self-treatment or traditional medicine (Mugisha et al .,2002,p188). This is likely to reduce income in the long run via two channels. First, physical strength required for generating labor income continuously deteriorates causing labor income to decline in the future (Arhin-Tenkorang, 2004, p165). Second, childhood health is likely to influence the return to input factors for the production of human capital (eg. Schooling), this, in turn is likely to affect future income (Bleakley, 2010, p.6). Lower education attainments were found for young children suffering from the Great famine in China (Meng and Qian, 2006, p.1).

Due to these long term economic costs ill health can be a catalyst for poverty spirals. Since poverty can also cause and perpetuate ill health the relationship between illness and poverty is often described as bidirectional (Grant, 2005, p.4).

Poor health is one of the causes of poverty in any household because if the breadwinner of the house is not healthy then he/she will not be able to work meaning

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there will be income generated in the house and hence poverty. In most of the developing countries the majority of the population finds it hard or even impossible to go for medication this is because they can't afford the charges charged by the health centers. The solution to this problem is to have insurance that can cover part of the charges, this however benefits the rich who have the capacity to pay the required fee by the insurance companies leaving the poor behind. Providing universal health care remains a challenge for governments in many low income countries. Health shocks can bring many negative effects both individual and on the economy's development

In 1985, Rwanda adopted a health development strategy based on decentralized management and district level care during the 35th session of African Regional Committee of World Health Organization which was held in Lusaka. Most of this program's equipment, personnel, and infrastructure were destroyed during the 1994 genocide making the new government start from scratch with the health system after the genocide. The government issued a new policy to guide the reconstruction of the new health system in February 1995.

As a means of helping the access health care at affordable prices, the government of Rwanda came up with a mechanism of community financing and risk pooling in 1999 called the Community Based Health Insurance (CBHI) which started as a pilot study in three districts and is comprised of RAMA (Rwandaise d'Assurance Maladie) which covers civil workers and other government agents, there is also the health insurance program for service (MMI) it started at the end of 2005 and Mutuelle de santé(National health insurance). Other private insurance companies have also come up in the economy like CORAR, SORAS. This policy is aimed at enabling all Rwandans have access to health care and at an affordable charge, the members pay a subscription fee and an annual payment for membership so when the beneficiary gets

sick their charges are reduced and most of them are paid by the government and donors plus the beneficiary's payment. However, at the beginning of the program the citizens' subscription to the mutuelle de santé was very low and so in July 2007 Rwanda adopted a law(law no 65/2007) requiring everyone to join mutuelle de santé so as to increase the enrollment and so by 2007 75% of the population were enrolled in mutuelle (Ministry of Health,2010) and by 2011 the level of enrollment had risen to 90% of the population(Ministry of Health,2011) the enrollment to this policy based on family level so as to avoid adverse selection with each member being required to pay the fee of Rwf1000 per year, this was not well perceived by all Rwandans because some of them argued that the system favored only the rich, so in July 2011the government started to use the concept of ubudehe to set payment charges for each member the government uses the method of stratification by dividing the members in three groups the first group will consist of the first two ubudehe categories and these are the lowest contributing group with an annual contribution of Rwf2000 as this group comprises of the most vulnerable and poor, the second group will consist of the third and fourth ubudehe categories with an annual contribution of Rwf3000, the third group will consist of the food rich and the money rich and their annual payment is Rwf7000 apart from the annual payments each member is required to pay a co-payment of Rwf of 200 per visit and a 10% of the invoiced amount.From the above we can clearly see that those living in extreme poverty have a great chance of accessing medical services at a cheaper prices due to the Mutuelle /CBHI program which uses the Ubudehe concept this therefore benefits all groups in the community and reduces the rate of expenditure on medical shocks or medical services. Improving the access of medical services for the poor is a major concern in all low income economies because of all the risks facing the poor, healthy risks pose the greatest

threat to their lives and livelihood, this is because health shocks lead to direct expenditure on medicine, transport to the health center and treatment and indirect costs related to reduced supply of labor and productivity (Asfaw, 2003).

2.3.2 Ubudehe scholarship program and poverty reduction

The chronic poverty research centre (2008) shows that low education is a key factor in keeping people poor over decades or life cycles. Despite the potential difficulties (Mitch, 2005) in quantifying the real contribution of education to economic growth, education has always been considered as a dominant tool in poverty reduction and inequality through productivity enhancement, which is also a key factor in sustainable economic growth.

In the study "Is India's economic crisis leaving the poor behind?", Datt and Ravallion (2002) concluded that low education attainment has been costly to India's poor, depriving them of the capacity to participate in the economic growth opportunities. The study found that human development and poverty reduction are synergistic and suggests that governments must combine human resource development with policies favorable to economic growth and to effectively fight poverty.

The spectacular economic success of East Asia during the 1970s and 1980s was attributed, in large part, to investment in education and human capital. This could be more noticeable in the economies of Singapore, Hongkong, the Repulic of Korea and Taiwan (World Bank,1993), signifying that viable education to the people is very significant to poverty reduction. A research study conducted in Uganda by Appleton (2001) explored the relationship between education and poverty reduction in Uganda in 1990s and concluded that education positively contributes to poverty reduction.

Fan Nyange and Rao (2005) conducted a study in Tanzania to demonstrate how household survey data can be used to assess the impacts of public investments on growth and poverty. Using Tanzania as a case and using household survey by linking household human capital and access to infrastructure and technology to past public investments in those factors, the study established that additional investments in rural education have very favorable impacts on poverty, raising about 43 poor people above the poverty line per million shillings spent. Education investment was also found to lead to sizeable increases in per capita income per shilling spent, with an average benefit/cost ratio of 9. These impacts were found to be strong and statistically significant in all regions of Tanzania. The researchers concluded that increased investments in education should be a priority in all regions of the country.

It is stated in the Rwanda poverty Reduction strategic paper that as a result of the 1994 genocide, education levels are very low with 52% adult literacy rate and low secondary school enrollment (National Poverty Reduction Program, Ministry o f Finance and Economic Planning, "The Government of Rwanda Poverty Reduction Strategy Paper" June 2002). According to Global Campaign for Education (GCE) in 2012, 67 million children of primary school age were currently out of school in Africa, GCE predicted that it will take Africa atleast 75 years to achieve universal education at lower levels and that Africa had failed to invest where it could yield the biggest and most sustainable rewards (Joseph Kaifala,2012). Unless education takes a first position in all African countries, the continent will continue to lag behind in human development (Joseph Kaifala, 2012).

Due to the high levels of poverty in Rwanda many children are not able to access school facilities; others attend up to secondary level and drop out. Rwandan government came up with various ways of ensuring that school enrollment increases

especially in the rural areas some of these methods included, sponsoring the genocide orphans through organizations like the Genocide Survivor Assistance Fund (FARG), seeking for aid and sponsoring university students with payable loans. In 2011, Rwanda had the highest primary school enrollment in Africa for both boys and girls with (Ministry of Education Statistics Yearbook 2012).

Initially all Rwandan students who qualified for higher education basing on their senior six results were given a loan/bursary in one of the public universities and the students were required to pay off the loan when they start working on top of the tuition loan the government would also give the students a sum of Rwf25000 monthly for living expenses. The student financing Agency for Rwanda (SFAR) was in charge of ensuring that all the loans are paid so as to enable even others joining university to get the loan. This agency was established in 2003 and its overall responsibility is to implement and manage all students financing schemes. However it was hard for the agency to collect back all the loans because some people were not paying back on time and also because of unemployment issues, this made it hard for the agency to be able to get loans for students as years passed by Rwanda Education Board (REB) officials say that only Rwf 6billion has been recovered from the bursary beneficiaries(John Mbanda, 2013)

In 2010 the government of Rwanda decided to channel the money put in the university loans to the free nine year primary education and vocational training so as to help those who never attended school and to increase the primary enrolment level. Rwanda won the common wealth Education Good practice awards in 2012 for the fast-tracking strategies of the nine year basic education program. The government started a new way of offering loans to university students basing on their ubudehe category, meaning that the government would only support those in the first four

groups of ubudehe leaving those in the last two groups to meet their university costs, the government reduced the university charges from Rwf 850000 to Rwf 600000 per year (Solomon Asaba and Pontian Kabeera, 2014) the students' financing scheme was also shifted from SFAR to RDB(Rwanda Development Bank) since RDB's expertise lies in the financial management the course application will be handled by SFAR which it will then handover to RDB for loan processing.

The students whose families are in the first and second category of ubudehe will be given full loans for their university education, those whose families are in the third and fourth category will receive partial sponsorship while those in the fifth and sixth categories will be required to meet the tuition and living expenses on their own. The payment of the loan is mandatory for every student upon employment, when students graduate, 8% of their gross salary is deducted with an interest of 7%. This is done in order so as to get funds for other students.

2.3.3 Ubudehe credit scheme and poverty reduction

Credit schemes are adjudged as a solution to multiple social problems facing many countries today. It provides a new paradigm for thinking about social and economic development (Fisher &Sriram, 2002). With this understanding, successive government in Nigeria introduced a number of microcredit schemes/programs to address the many problems facing the poor in the country. These programs/schemes include – Agricultural Development Programs (ADPs), Better Life for Rural Dwellers, rural Banking Scheme (People's Bank and Community Bank now called Microfinance Banks), National

Credit schemes lend mostly to low-income workers. They lend small loans that require no collateral and are illiterate friendly with less paper work and convenient

repayment schedules (Khandler, 2005). Miller, et al. (2008) observe that, the convenience and other attributes of microcredit have gain microcredit scheme worldwide recognition as reliable instrument for combating poverty. Miller, et al. (2008) posit that success stories of individuals and microcredit scheme the world over indicate that the scheme could be a viable tool for poverty reduction

Samson M. (2007) observes that microcredit scheme play important role in poverty reduction, enterprise development, creating opportunity for savings, empowerment of vulnerable groups, promotion of gender equality, and the overall development of low-income persons in society. Mknelly et al., (2006) argue that microcredit retrieve low-income households from depths of deprivation and despair into hope self-esteem and a sense of dignity. Hague (2000), Obitayo (2001), Carpenter (2001) and Fayorsey (2010) unanimously agreed that microcredit scheme is a panacea for poverty reduction among low-income earners. It has implications for low-income earners economic and social empowerment. It is a viable tool for improving the wellbeing of children of low-income workers

Again, another World Bank study as reported by Husain (1998), Pitt and Khandler (1998) eloquently shows the wide-ranging effect of microcredit schemes on poverty eradication in Bangladesh. The study reveals that households who are beneficiaries of the scheme witness gradual improvement in areas of wealth acquisition, level of cash earned or income, revenue earning assets, per capital expenditure on food, cloths, house utensils and other consumables. These findings suggest that a large majority of low-income workers would have been worst off without microfinance or microcredit schemes (Barrientos, 2005).

There is ample evidence of poor countries that have reduced poverty through universal social provision and from whose experiences much can be learnt. A statistical analysis of the BIG scheme in South Africa was undertaken by Bhorat (2003), to estimate the cost to the state of cash transfers to minimize the national incidence of poverty, considering the different population categories. The simulations were closely linked to the specific proposals on a BIG scheme tabled variously by the labor union movement and the Department of Welfare. The poverty-reduction effects of such a universal grant would be significant: at R 100 per month it would reduce (i) the incidence of households under the poverty line by 51%, and (ii) the mean poverty gap by 67%. The corresponding figures for a R 50 grant would be 27% and 42%; for R 200: 77% and 85%, and for R 300: 86% and 92%.

In an evaluation of BolsaFamilia, a social cash transfer program in Brazil, the labor market participation rate of participating adults was 2.6% higher than among those not benefiting from the program (Rank, 2009).). Despite concerns about negative impacts on productivity, evidence from Brazil indicated that cash transfers can actually increase labor force participation. According to Adams et al., (2009), cash transfers increase families' investment in agriculture, and petty trading as well as spending on food, healthcare and education, and therefore, generate income and increase demand for goods in local markets.

The main guiding principles for the policy implementation are: grassroots community participation, exploitation of the local potential, promotion of commerce, continuous improvement, enhancing a culture of transparency and accountability and common benefit (Ministry of Local Government, www.minaloc,gov.rw, Community Development Policy, Revised Version, April 2008).

The Ubudehe process involves government ensuring that every umudugudu/village has access to some funds to engage in collective in collective action to solve one local problem of their choosing. The process creates opportunities for people at the umudugudu/village level to interact with one another, share views and create institutions of their own which assign duties, benefits, responsibilities and authority. The role of the government in the process is that of an enabler (not a patron) providing an environment for the socio-cultural rights and obligations of citizens towards one another to be reinforced (Ministry of Local Government, www.minaloc.gov.rw, Community Development Policy, Revised Version, April 2008).

The process puts into operation the principle of citizens' participation through collective action and seeks to strengthen democratic processes and governance starting from the peoples' aspirations, abilities and traditions. The ubudehe process facilitates a range of community processes and services at the community level including: Abunzi who voluntarily work to improve self governance by resolving disputes and conflicts, community policing involving collaboration between residents and the police to prevent, monitor and report crime, Health counselors, two in each mudugudu/village man and woman to enhance health care awareness, water committee to oversee the provision of sufficient clean drinking water for every household in the village, Extension services community support to good farming practices agriculture and livestock development, Cooperatives joint capital for commercial activity, Macro finance individual or joint access and accountability for credit, and HIMO government sponsored labor intensive public works to develop community infrastructure through monetization of rural area (Ministry Local Government, www.minaloc.gov.rw, Community Development Policy, Revised

Version, April 2008). Among the Macro finance individual or joint access and accountability for credit there is the ubudehe credit scheme program which is a sub component of the vision 2020's Financial Services (FS)

Ubudehe credit scheme is currently the main program within FS sub-component operating as a government funded microcredit scheme. It was launched in 2010 with the first loans disbursed in March 2010 after a long process of redesign in 2009/10. According to a research that was made by Oxford Policy Management(OPM) in 2012, "Assessment of the Ubudehe Credit Scheme", Rwanda, the vision 2020 uses a combination of criteria to select borrowers for the ubudehe credit scheme: a) resident in the sector; b) Ubudehe category; c) Type of project and expected profitability; d) borrower characteristics. The Ubudehe credit scheme has reached over 100000 recipients in 90 sectors since March 2010 when the scheme was launched 60 sectors were covered by June 2010 and an additional 30 sectors were added during 2010-11

Household impacts are likely to be more apparent in the medium to long term when proceeds are used for consumption and other household purposes. However, ubudehe credit scheme recipients perceive their loans to have already had significant positive impacts on a range of household indicators such as increased food consumption of food (68%), increased household income (66%), increased household savings (51%) and improved ubudehe category (38%). At individual level, significant impacts were reported in increased savings, ability to manage money and deal with financial institutions, increased self confidence and increased involvement in the control of household resources (OPM, 2012)

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter will contain the methods which will be used to conduct the study and it will involve the study design, sample study location, total study population, sampling technique, data collection method, data collection instrument, reliability and validity tests, data collection procedure, data processing and data analysis. All of this will help in attaining the study objectives and answering the study questions.

3.1 Study design

The type of study was a case study design and descriptive design, the researcher used case study because it is intensive, descriptive and holistic analysis of a single entity like a community so as to examine the attitudes, perceptions or understanding of Rwandans on the how the Ubudehe program works. qualitative and quantitative methods of data analysis and interpretations. The quantitative methods were used to analyze the data that was obtained from the administered questionnaires. The descriptive design was used to describe the current state of the people and comparison.

3.2. Location of the study

This study was carried out in Huye district which is one of the eight districts that make up the southern province of Rwanda it is 129km from the country's capital, Kigali it is 581.5km^2, Huye is divided into 14 sectors (Imirenge),77 cells with a total of 509 midugudu(villages). It has a population of 319000 people with about 80% of its population under the age of 40 (NISR 2011). The average number of people in each household is below the national's average of 5 persons per household, it is 4.6

persons per household. This study will focus on the impact of ubudehe program in the reduction of poverty in Rwanda using this district as the case study.

3.3. Sample study location

Given the limited time and resources available to the researcher, the researcher targeted 50 citizens of the district who are beneficiaries of the program and willing to provide the required data for the study.

3.4 Sampling methods

Sampling is a statistical method of obtaining representative data or observations from a population (Business dictionary, 2015).

The sampling methods the researcher used were basically non-probability sampling which are: convenient and purposive sampling. The researcher also used people that showed an interest in her research and were a captive audience. And also the researcher used purposive sampling in a way that she targeted a group of people in Huye district that are beneficiaries of ubudehe program. This enabled her to collect reliable and valid information for the study.

3.5 Types of data collected

The researcher collected only primary data for this study; primary was gotten through administered questionnaires.

3.6 Data collection tools

The main instrument that was used in collecting data is self administered questionnaire. The researcher used this instrument because it is cheap and time efficient. In addition, the questionnaire gave the respondents a chance to fully express

their feelings and opinions as there was privacy while they were answering the questionnaire.

3.7 Self administered questionnaires

The researcher used self administered questionnaire in accordance to the research objectives. The questionnaire had two sections.

Section one had the introductory part showing the respondent the topic of the study, the objective of the study. Section two had closed ended questions guided by ordinal and likert scales of measurement.

The researcher used the closed ended questions because they are easier and quicker to respond to, the answers from different respondents are easier to compare unlike in open ended questionnaires.

Ordinal and likert scales of measurement were used because likert scale was used in closed ended questionnaires where the respondent's feelings need to be ranked in the interval of 1-5.

3.8 Data analysis/ results presentation methods

The researcher used percentages and frequencies to analyze the data that will be collected so as to help in knowing to what extent does UbudeheCredit Scheme, Community based health insurance, Bursary programs help in the reduction of poverty in Rwanda particularly in Huye district.At this level, a binary logistic regression model was fitted to determine level of poverty reduction. It aimed at establishing the impact of the Ubudehe program on poverty reductionin Rwanda.The model that was used was in the form multiple regression models. impact of the

Ubudehe program on poverty reductionin Rwanda was determined by the equation below:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \text{€}$$

Where:

Y = Poverty Reduction

α= Constant/the intercept point of the regression line and the y-axis

β= the slope/gradient of the regression line

X1 = Ubudehecredit scheme,

X2 = scholarship program

X3 = Health insurance

€ = Error term

Performance of SMEs = α + β1 (credit scheme,) + β2 (scholarship program) + β3 (Health insurance) + ε. The test was determine whether the coefficients β1, β2, and β3 were significantly different from zero and this being so, it would be concluded that there is a strong positive relationship between the dependent and independent variable.

3.9.1 Reliability of research instrument

Reliability refers to the degree to which a set of variables are consistent with what they are intended to measure (Amin, 2005**).** In other words, it is the ability of the research tools to collect data that can be replicated i.e. where different other people can go to the field to carry out the same research being carried out and get the same

results that the researcher got. This was done by test and pre-testing method. It was done by use of the questionnaire to see if it would give the researcher good results. When the items on an instrument are not scored right versus wrong, Cronbach's alpha is often used to measure the internal consistency which is often the case with attitude instruments that use likert scale (Barifaijo, Basheka&Oonyu, 2010). Mugenda&Mugenda, (2003) stressed that a coefficient of 0.80 or more implies that there is a high degree of reliability of the data, and that's what the researcher adopted.

3.9.2 Validity of research instruments

Validity refers to the extent to which questions in an instrument accurately measure the variables therein. In other words, Validity is the accuracy and meaningfulness of inferences, which are based on the research results (Mugenda and Mugenda, 1999). It was done by making sure that the questionnaire and interview guide is approved by experts to avoid ambiguity of the questions that need several answers. The questionnaire was subjected to expert face validity and theoretical content validity tests. A content validity index (CVI) is an indication of the degree to which the instrument corresponds to the concept it was designed to measure. Amin's (2005) recommended minimum CVI of 0.7 which was employed

3.10 Ethical consideration

The researcher requested the dean of her faculty to write for her a recommendation letter that indicated that she is a student of Uganda martyrs University, Nkozi and that the study was part of the partial fulfillment of the requirements for finishing the Bachelor of Science. The researcher explained to the respondents the purpose of the study and also will ensure the respondents' privacy.

Questionnaires were coded guarantee anonymity as no one of the respondents was named at any time during the research or in the subsequent study, and respondents were selected for their willingness to participate without compulsion and no risks to the respondents were identified at any stage during the research.

3.11 Limitations

1. The researcher faced a problem of time, doing other academic requirements concurrently with the study was hard for the researcher.

2. Access to secondary data was also a challenge for the researcher.

3. The other limitation is the reliance on self-administered questionnaire data. With the use of self- administered questionnaires, it wasimpossible to control respondent behaviour and the opportunity to clarify uncertainties is also lost, which may result in the validity of the data being compromised (Rossouw, 2003:129). However, the researcher conducted reliability and validity tests to ensure the consistence and accuracy of the tools that were used.

CHAPTER FOUR

PRESENTATION, ANALYSIS DISCUSSIONS AND INTERPRETATION OF RESULTS

4.0 Introduction

In this chapter, is presented in four sections. In the first, results on the background of responds are analyzed and interpreted. This is followed by the second, third sections in which results on objective one, two and three respectively are analyzed and interpreted. Findings on the assessment the impact of the Ubudehe program on poverty reduction in Huye district, Southern province, Rwanda

4.1 Response rate

From the study where of the one hundred and eight (53) questionnaires were administered, ninety four (50) passed the data response cleanup process for acceptance for data analysis. This represented a response rate of 94%. The questionnaires which were rejected were partially filled. and according to Amin (2005) a response rate equivalent to 50% is good, however that above 94% is excellent.

4.2 Background of respondents

This section represents the background information of the respondents, in regard to their sex, age, original ubudehe category. This information was considered useful in that it would reveal the professional relevance and knowledge base of the respondents to give informed responses.

4.2.1 Gender of the respondents

The following table presents findings about the gender of respondents and analysis follows.

Table 4.1: Findings about gender of respondents

Gender		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	30	59.6	59.6	59.6
	Male	20	40.4	40.4	100.0
	Total	**50**	**100.0**	**100.0**	

 Source: Primary data

Findings from the Table above show that most respondents (59.4%) were female and males were only (40.4%). This implied that females were better than males at utilizing of government programs such as UBUDEHE program

4.2.2 Age group of respondents

The following table presents findings about age group of respondents and analysis follows.

Figure 4.1: Findings about age group of respondents
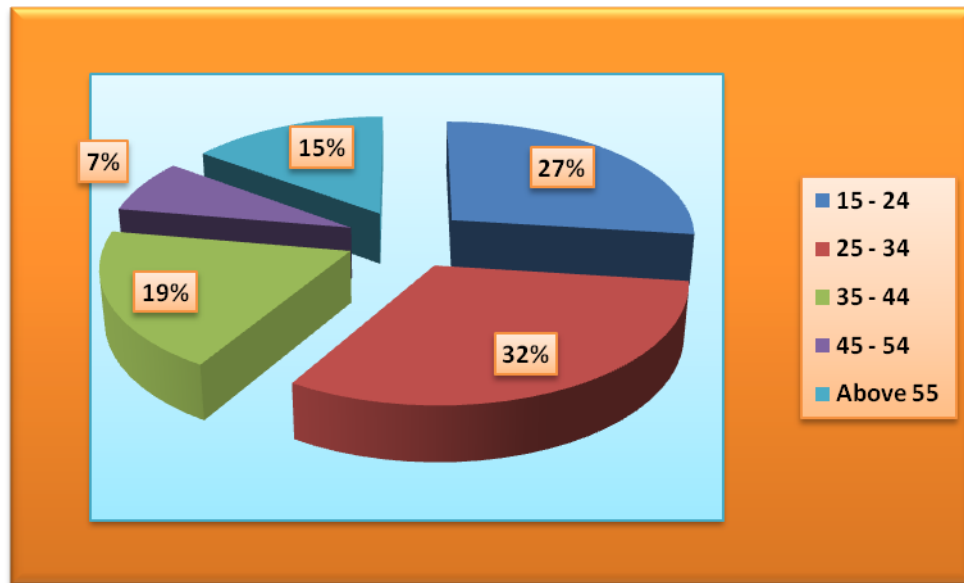
Source: Primary data

Findings from the figure above, show that most respondents (32%) were aged between 25 years and 34 years compared to (27%) aged between15 - 24 years, (19%) aged between 35 and 44 years, (15%) above55 years, and 7 (7.4%) aged between 45 and 54 years. This was found relevant because respondents in different age groups have varying views and knowledge on the impact of the Ubudehe program on poverty reduction in Huye district, Southern province Rwanda

4.2.3 Original Ubudehe category

The respondents' original ubudehe categorywas also considered in the study and findings as shown in the following Table. There was a need to find out different responses about the impact of the Ubudehe program on poverty reduction in Huye district, Southern province Rwanda because they don't have the same opinions

Table 4.2:Findings about Original Ubudehe category

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Umutindi	11	22.0	22.0	22.0
	Umukenewifashije	12	24.0	24.0	46.0
	Umukungu	14	28.0	28.0	74.0
	Umukire	13	26.0	26.0	100.0
	Total	**50**	**100.0**	**100.0**	

Source: Primary Data

Results reveal that majority respondents (28%) were the Umukungu, followed by (26.0%) that were from the Umukire category, (24.0%) were from the Umukenewifashije category, and the minority (22.0%) were form the Umutindi category. This information was considered relevant because it stipulates how different respondents from different categories participatd in the UBUDEHE program

4.2.3 Findings about Ubudehe programs they are beneficiaries

The study also revealed Ubudehe programs they are beneficiaries as indicated in the Table below.

Figure 4.2: Findings about Ubudehe programs
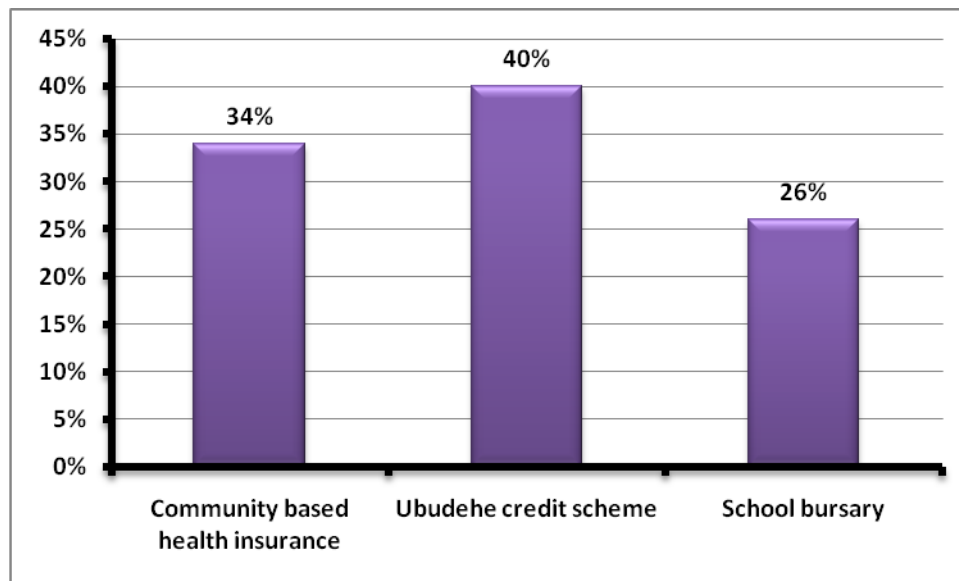
Source: Primary Data

As portrayed in the Table above, majority respondents (40%),were under the UBUDEHE credit scheme followed by Community based health insurance as indicated by (34%)and only (26%) were in School bursary. This therefore implies that most respondents involved in the study had knowledge about the UBUDEHE program..

4.3 The Ubudehe credit scheme and poverty reduction

The first objective of the study was to find out how the Ubudehe credit scheme program has helped to reduce poverty in Rwanda. The findings were presented, analyzed and interpreted in percentages, frequencies, mean and standard deviation as indicated below.

Table 4.3 Showing the Ubudehe credit scheme and poverty reduction

Ubudehe credit scheme	SA	A	NS	D	SD	Total	Mean	SD
This credit scheme has greatly expanded my business	23.4%	29.8%	29.8%	9.6%	7.4%	100%	3.4787	1.17069
I always take loans from the scheme	30.9%	34.0%	18.1%	8.5%	8.5%	100%	3.8979	1.23419
There is easy access to the loans	35.5%	29.0%	16.1%	8.6%	10.8%	100%	3.5000	1.58454
My income has greatly increased ever since I joined the scheme	10.8%	18.1%	18.3%	28%	24.7%	100%	2.3011	1.32521
More jobs have been created from the funded businesses	41.5%	18.1%	8.5%	12.8%	19.1%	100%	4.2763	1.32627

Source: Primary data

From the table above, the majority of respondents (53.2%) agreed that this credit scheme has greatly expanded there business as opposed to (17%) who disagreed to the statement, that this credit scheme has greatly expanded my business. The mean score

of 3.4787 is relatively lowwhich explains the closeness between respondents that agreed and were sure and with a standard deviation of 1.17069. these were in line withUbudehe concept Note March (2003) which pointed out that the program is unique process in Rwanda of nurturing citizens' collective action in partnership with a government committed to decentralization. It is designed to increase institutional problem solving capacity at the local level by the citizens and the local government and also improve the business performance of the people

Equally many respondents (64.9%) agreed that they always take loans from the schemeas opposed to (17%) who disagreed to the statement; there was (18.1%) who were not sure to whether there always take loans from the scheme. This can be support with a mean of 3.8979 and a standard deviation of 1.23419. Further, according to the table above, (64.5%) respondents agreed to the fact that there is easy access to the loans as opposed to (19.4%) who disagreed to the statement, while (16.1%) were not sure whether there is easy access to the loans. The mean score of 3.5000 is relatively low which explains the closeness between respondents that were not sure and those who agreed. Ubudehe credit scheme recipients perceive their loans to have already had significant positive impacts on a range of household indicators (OPM, 2012)

From the table above, most of the respondents (52.7%) disagreed that their income has greatly increased ever since they joined the scheme however (28.9%) agreed their income has greatly increased ever since they joined the scheme and (18.3%) were not sure it The mean score of 2.3011 with a standard deviation of 1.32521 is relatively low which explains the closeness between respondents that were not sure and those who disagreed. Bringing credit, savings and other essential financial services within

the reach of millions of people who are too poor to be served by regular banks can increase their income (Ravallion1995)

From the table above, most of the respondents (59.6%) agreed More jobs have been created from the funded businesses, while (31.9%) disagreed More jobs have been created from the funded businesses and (8.5%) respondents were not sure. This can be support with a mean of 4.2763 and a standard deviation of 1.32627. These findings were in line with Binswanger and Khandker, (1995) who argued that credit is considered to be an essential input to increase productivity, mainly land and labor. It is believed that credit boosts income levels, increases employment at the household level and thereby alleviates poverty.

4.3 Ubudehe scholarship program and poverty reduction

The second objective of the study to find out how Ubudehe scholarship program has helped to reduce poverty in Rwanda, The findings were presented, analyzed and interpreted using a number of indicators as shown below.

Table 4.4 Showing when they joined the Ubudehe scholarship program

	Primary	**Secondary**	**University**	**Total**
education level before joining Ubudehe	10%	20%	70%	100%
current education level	0%	5%	95%	100%

Source: Primary Data

Majority of the respondents (70%)were in university before they joined the program and (95%) is also still at university level. (20%) joined the program when they were in secondary level whereas 5% are still in secondary level. (10%) joined the program when they were in primary level. However no one is still in primary level

Table 4.5:Showing Ubudehe scholarship program and poverty reduction

Ubudehe scholarship program	SA	A	NS	D	SD	Total	Mean	SD
The scholarship program has increased my access to education services	12.9 %	23.7 %	36.6 %	11.8 %	15.1 %	100 %	3.9247	1.21795
The ubudehe scholarship program has improved my standards of living	14.9 %	33.0 %	25.5 %	12.8 %	13.8 %	100 %	3.7766	1.25428
The scholarship program has motivated me to work hard in school	22.5 %	12.4 %	29.2 %	18.0 %	18.0 %	100 %	3.0337	1.39357
I think the strategy of giving the scholarships is fair and just	25.5 %	20.2 %	19.1 %	14.9 %	20.2 %	100 %	3.8404	1.47600
I think the program has helped to reduce poverty by increasing the beneficiary's competitiveness in the labor market	11.8 %	26.9 %	25.8 %	15.1 %	20.4 %	100 %	3.0538	1.31352

Source: Primary Data

From the table above, the majority of respondents (36.6%) agreed that The scholarship program has increased their access to education servicesas opposed to

(26.9%) who disagreed to the statement, however there was substantial number of respondents (36.6%) who were not sure to whether the scholarship program has increased their access to education services. The mean score of 3.9247 is relatively low which explains the closeness between respondents that agreed   and those that were not sure. This was in agreement with Joseph Kaifala, (2012) who argued that students attend up to secondary level and drop out. Governments came up with various ways of ensuring that school enrollment increases especially in the rural areas some of these methods included.

From the table above, the majority of respondents (47.9%) agreed that the scholarship program has improved my standards of livingas opposed to (26.6%) who disagreed to the statement, however there was substantial number of respondents (25.5%%) who were not sure to whether the scholarship program has improved my standards of living. The mean score of 3.7766 is relatively low which explains the closeness between respondents that agreed   and those that disagreed. Similarly, the study by Nyange and Rao (2005) established that additional investments in rural education have very favorable impacts on poverty, raising the standard of living of poor people above the poverty line per million shillings spent

From the table above, the majority of respondents (34.9%) agreed that the scholarship program has motivated me to work hard in schoolas opposed to (36%) who disagreed to the statement; however there was substantial number of respondents (29.2%) who were not sure to whether the scholarship program has motivated me to work hard in school. The mean score of 3.0337 is relatively low which explains the closeness between respondents that agreed   and those not sure and those not sure and a standard deviation of 1.39357

From the table above, the majority of respondents (45.7%) agreed that they think the strategy of giving the scholarships is fair and just as opposed to (35.1%) who disagreed to the statement, however there was substantial number of respondents (19.1%) who were not sure to whether they think the strategy of giving the scholarships is fair and just. The mean score of 3.8404 is relatively low which explains the closeness between respondents that agreed and those not sure and a standard deviation of 1.47600. further, the majority of respondents (38.7%) agreed that the program has helped to reduce poverty by increasing the beneficiary's competitiveness in the labor market as opposed to (35.5%) who disagreed to the statement; however there was substantial number of respondents (25.8%) who were not sure to whether the program has helped to reduce poverty by increasing the beneficiary's competitiveness in the labor market. The mean score of 3.0538 is relatively low which explains the closeness between respondents that disagreed and those not sure and a standard deviation of 1.31352. in line with the findings, Joseph Kaifala, (2012) argued that unless education takes a first position in all African countries, the continent will continue to lag behind in human development.

4.4 Health insurance and poverty reduction

The second objective of the study to find out how UbudeheHealth insurance has helped to reduce poverty in Rwanda, The findings were presented, analyzed and interpreted using a number of indicators as shown below.

Table 4.6 Showing Health insurance and poverty reduction

Health insurance	SA	A	NS	D	SD	Total	Mean	SD
The health insurance program has led to easy access to medical services	20.7%	29.3%	20.7%	12.0%	17.4%	100%	3.9247	1.21795
Easy access to medical services through the insurance program has led to an increase in my labor income generation	14.9%	19.1%	21.3%	21.3%	23.4%	100%	2.7766	1.25428
Improved health has reduced poverty	25.0%	25.0%	29.3%	10.9%	9.8%	100%	3.8337	1.39357
The insurance has led to low medical expenditure hence high savings	20.7%	19.6%	23.9%	26.1%	9.8%	100%	3.3404	1.47600

From the table above, the majority of respondents (50%) agreed that The health insurance program has led to easy access to medical servicesas opposed to (29.4%) who disagreed to the statement, however there was substantial number of respondents (20.7%) who were not sure to whether The health insurance program has led to easy

access to medical services. The mean score of 3.9247 is relatively high which explains the closeness between respondents that agreed and were not sure and the standard deviation of 1.21795. this was in agreement with Fortson, (2011) who argued that given the financial burdens of high treatment expenditures and lost labor income households are likely to reduce long-term investments (schooling, productive assets) when hit by a health shock this lowers household's future income earning opportunities.

From the table above, the majority of respondents (44.7%) disagreed that Easy access to medical services through the insurance program has led to an increase in my labor income generation as opposed to (34%) who agreed to the statement; however there was substantial number of respondents (21.3%) who were not sure to Easy access to medical services through the insurance program has led to an increase in their labor income generation. The mean score of 2.7766 is relatively low which explains the closeness between respondents that disagreed and those not sure and a standard deviation of 1.25428. additionally, from the table above, the majority of respondents (50%) agreed that there Improved health has reduced poverty as opposed to (20.7%) who disagreed to the statement; however there was substantial number of respondents (29.3%) who were not sure to whether Improved health has reduced poverty The mean score of 3.83337 is relatively low which explains the closeness between respondents that agreed and those not sure

Similarly, Grant, (2005) pointed out that poor health is one of the causes of poverty in any household because if the breadwinner of the house is not healthy then he/she will not be able to work meaning there will be income generated in the house and hence poverty. Therefore, improved health reduced poverty

From the table above, the majority of respondents (40.3%) agreed that the insurance has led to low medical expenditure hence high savings as opposed to (35.9%) who disagreed to the statement; however there was substantial number of respondents (23.9%) who were not sure to whether the insurance has led to low medical expenditure hence high savings. The mean score of 3.3404 is relatively low which explains the closeness between respondents that agreed and those not sure. Peters et al, (2002) pointed out that the uncertainty of the timings of illness and unpredictability of its costs make financial provision for illness difficult for households receiving low and irregular income.

4.5 Bivariate Analysis

Table 4.7: Correlation results for Ubudehe Program and Poverty Reduction

		Ubudehe Program	Poverty Reduction
Ubudehe Program	Pearson Correlation	1	0.812
	Sig. (2-tailed)		.000
	N	50	50
Poverty Reduction	Pearson Correlation	0.812	1
	Sig. (2-tailed)	.000	
	N	50	50
Square of coefficient (regression) R^2 =0.659			
Correlation is significant at the 0.05 level (2-tailed)			

Source: Primary Data 2015

The researcher sought to the effect of Ubudehe Program and Poverty Reduction. This was done with the support of the Pearson correlation product moment technique. Table above reflects the results that emerged. It comprises variables; Ubudehe Program and Poverty Reduction, level of significance (sig. at 90%) and N stands for

number of respondents and the Pearson correlation (R=0.812), sig(=0,000) N(=50). The R value of 0.812 reveals that a positive relationship exists between Ubudehe Program and Poverty Reduction The adjusted R^2 value of (0.659) meant that Ubudehe Program was found to have a 65.9 % effect on Poverty Reduction. Therefore, these results support the main objective that Ubudehe Program positively affects the Poverty Reduction.

4.6 Regression Equation and the Predictor Relationship

The table below shows the determination of the coefficients for the regression equation.

Table 4.8: Regression Coefficients

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig
		B	Std. Error	Beta		
1	(Constant)	.621	**.872**		**.529**	**.570**
	credit scheme	.034	**.022**	**.371**	**2.461**	**.031**
	scholarship program	.039	**.029**	**.222**	**1.153**	**.185**
	Health insurance	.775	**.864**	**.131**	**.889**	**.340**

Source: Primary Data

The established multiple linear regression equation becomes:

Y = 0.621+ 0.034 X1 + 0.039 X2 + 0.775 X3

Where

Constant = 0.601, shows that ifUbudehecredit scheme, scholarship program and Health insurancewere all rated as zero, poverty reduction rating would be 0.621

X1= 0.034, shows that one unit change in Ubudehecredit schemeresults in 0.034 units increase in poverty reduction

X2= 0.039, shows that one unit change in scholarship programresults in 0.039 units increase in poverty reduction

X3= 0.775, shows that one unit change in Health insurance, results in .0765 units increase in poverty reduction

4.7 Analysis of Variance

The probability value (p-value) of a statistical hypothesis test is the probability of gettinga value of the test statistic as extreme as or more extreme than that observed by chance alone, if the null hypothesis H0 is true. The p-value is compared with the actual significance level of the test and, if it is smaller, the result is significant. The smaller it is the more convincing is the rejection of the null hypothesis. ANOVA findings in table below shows that there is correlation between the predictors variables (Ubudehecredit scheme, scholarship program and Health insurance) and dependent variable (poverty reduction) since P- value of 0.011 is less than 0.05

Table 4.9: ANOVA

Model		Sum of Squares	dt	Mean Square	F	Sig.
1	Regression	4.247	3	1.416	2.077	0.011[b]
	Residual	29.753	44	0.676		
	Total	34.00	47			

Source: Primary Data

The above summary of the basic logic of ANOVA is the discussion of the purpose and analysis of the variance. The purpose of the analysis of the variance is to test differences in means (for groups or variables) for statistical significance. The accomplishment is through analyzing the variance, which is by partitioning the total variance into the component that is due to true random error and the components that are due to differences between means. The ANOVA analysis is intended to investigate whether the variation in the independent variables explain the observed variance in the outcome in this study the poverty reduction.

The ANOVA results indicate that the independent variables significantly (F=2.077, p=0.011) explain the variance in poverty reduction. In this context, as have been presented in the table above, the dependent variable is the level of performance whiles the independent Ubudehe Credit scheme, scholarship program and Health insurance

CHAPTER FIVE

SUMMARY, CONCLUSION & RECOMMENDATIONS

5.0 Introduction

The purpose of the study was to assessment the impact of the Ubudehe program on poverty reduction in Huye district, Southern province, Rwanda. This chapter presents the summary of the study, conclusions and recommendations of the findings; they are presented objective by objective.

5.1 Summary of the study

5.1.1 Ubudehe credit scheme and poverty reduction

The study findings showed that majority (53.2%) of the respondents agreed his credit scheme has greatly expanded their business and that they always take loans from the scheme. It was also revealed that there is easy access to the loans and that their income has greatly increased ever since they joined the scheme. It was not certain whether more jobs have been created from the funded businesses

5.1.2 Ubudehe scholarship program and poverty reduction

From the findings it was realized that to some extent the scholarship program has increased access to education services evidenced by the majority of respondents (36.6%) who agreed. It was also shown that the scholarship program fairy improved my standards of living, motivated them to work hard in school since the strategy of giving the scholarships as also not so fair and just. It was shown that the program has helped to reduce poverty by increasing the beneficiary's competitiveness in the labor market

5.1.3 Health insurance and poverty reduction

From the findings it was justified that majority of respondents (50%) agreed that the health insurance program has led to easy access to medical services and that easy access to medical services through the insurance program has led to an increase in my labor income generation. It was revealed that improved health has reduced poverty and that the insurance has led to low medical expenditure hence high savings

5.2 Conclusions

From study findings it was concluded that the credit scheme has greatly expanded businesses and that they always take loans from the scheme. There is easy access to the loans and that their income has greatly increased ever since they joined the scheme. Further, the scholarship program has increased access to education services and fairly improved their standards of living motivated them to work hard in school since the strategy of giving the scholarships considers their academic performance. The health insurance program has led to easy access to medical services and that easy access to medical services through the insurance program has led to an increase in labor income generation.

5.3 Recommendations

Because of the importance of influence of education level as shown in the study, there is need to implement community awareness and sensitization about the benefits of the program.

In light of the above findings, this study suggests concerted efforts and support to increase access to credit programs use particularly in rural areas. Programs that intensify accessibility of financial services should be thought of by various stakeholders in fighting poverty.

The Government should construct access to financial centers to ease transport and create a quick link to financial centers and financial users.

5.4 Areas for further study

The impact Ubudehe credit scheme program on livelihood development.

The impact of the ubudehe scholarship program on the education performance in Rwanda.

The effect Ubudehe health insurance program on health care accessibility in Rwanda.

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Appendix I:Questionnaire

Questionnaire administered to Ubudehe beneficiaries

Dear respondent,

Am a student at Uganda martyrs' University and this questionnaire is part of my study under the topic " The impact of Ubudehe program on poverty reduction in Rwanda" this study will enable the researcher to find out the impact of ubudehe program on poverty reduction in Rwanda.Your views are crucial in this study and your cooperation will be highly appreciated. Thank you.

Background information

Tick the appropriate letter please

1) Sex of respondent

a. Male

b. Female

2) Age of the respondent

    a. 15-24

    b. 25-34

    c. 35-44

    d. 45-54

    e. Above 55

3) What is your original ubudehe category

    a. Umutindi

    b. Umukene

    c. Umukenewifashije

      d. Umukungu

      e. Umukire

4)   Which of the following Ubudehe programs are you a beneficiary

    of?(If more than one please tick)

      a. Ubudehe credit scheme

      b. Community based health insurance

      c. School bursary

Ubudehe credit scheme and poverty reduction

1-stronly agree   2- agree   3- not sure 4- strongly disagree 5-disagree

Please tick the appropriate number for each question in the table below

	1	2	3	4	5
This credit scheme has greatly expanded my business					
I always take loans from the scheme					
There is easy access to the loans					
My income has greatly increased ever since I joined the scheme					
More jobs have been created from the funded businesses					

Ubudehe scholarship program and poverty reduction

5)   What was your education level before joining Ubudehe?

    a. Primary

    b. Secondary

    c. University

    d. None of the above

6)   What is your current education level?

    a.   Primary level

    b.   Secondary level

    c.   University graduate

1-stronly agree   2- agree   3- not sure 4- strongly disagree 5-disagree

Please tick the appropriate number for each question in the table below

	1	2	3	4	5
The scholarship program has increased my access to education services					
The scholarship program has improved my standards of living					
The scholarship program has motivated me to work hard in school					
I think the strategy of giving the scholarships is fair and just					
I think the program has helped to reduce poverty by increasing the beneficiary's competitiveness in the labor market					

Health insurance and poverty reduction

7)　　　　Are you insured?

　　　a.　Yes

　　　b.　No

1-stronly agree   2- agree   3- not sure 4- strongly disagree 5-disagree

Please tick the appropriate number for each question in the table below

	1	2	3	4	5
The health insurance program has led to easy access to medical services					
Easy access to medical services through the insurance program has led to an increase in my labor income generation					
The insurance has led to low medical expenditure hence high savings					
Improved health has reduced poverty					

	1	2	3	4	5
In general, Ubudehe program has led to poverty reduction in Rwanda					