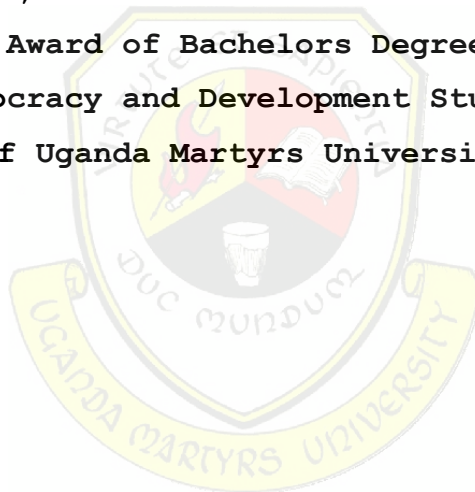


**EXAMINING THE ROLE OF VILLAGE SAVINGS AND LOAN ASSOCIATION ON
THE IMPROVEMENT OF FAMILY LIVELIHOODS IN MOROTO DISTRICT.**

Case Study: Selected Households in Rupa Sub-County.

**A Dissertation submitted to Institute of Ethics and
Development Studies, In Partial Fulfillment of the Requirement
for the Award of Bachelors Degree of Arts
(Democracy and Development Studies)
of Uganda Martyrs University**



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Dedication

I dedicate this dissertation first and foremost to my dear sisters Madam Nakoya Joyce and Longole Ruth. My daughter Angella Maureen Vivian who encouraged me in the struggle and my friends, whose financial, moral and spiritual support made me go through tough moments I experienced in this course. Lastly, classmates and the lecturers in the Institute of Ethics and Development studies

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I acknowledge the Almighty God for the strength and wisdom that have enabled me to accomplish my research.

The accomplishment of this degree programme is a fulfillment of a long term dream to advance in my academics and professionalism. I am deeply indebted to all people of good will that helped me realize this dream. Foremost, I would like to thank my research supervisor Mr. Mubangizi Denis for his tireless efforts and encouragement he gave while supervising, I thank him for the benevolent attention, candid guidance and robustness in provision of technical support. Furthermore I thank and appreciate the Management of Uganda Martyrs University for having an active website that was able to let me know of the opportunities of pursuing the Bachelor's Degree, without that, perhaps I would not have known of this prospect.

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To God is the glory.

TABLE OF CONTENTS

Dedication	I
Acknowledgement	II
ABSTRACT	VI
CHAPTER ONE	1
GENERAL INTRODUCTION.	1
1.0 Introduction	1
1.1 Background To The Study	1
1.2 Statement Of The Problem.....	7
1.3 Objectives Of The Study	8
1.4.1 General Objective.....	8
1.4.2 Specific Objectives.	8
1.5 Research Questions	8
1.6 Scope Of The Study	9
1.6.1 Conceptual Scope	9
1.6.2 Geographical Scope.....	9
1.6.3 Time Scope	9
1.7 Significance Of The Study.....	10
1.8 Justification For The Study	10
1.9 Conceptual Framework Explanation	11
1.10 Definition Of Key Terms And Concepts.	13
CHAPTER TWO	15
LITERATURE REVIEW	15
2.0 Introduction	15
2.1 To Assess The Impact Of Vslas Among The Members Of The Selected Household.....	15
2.1.1 Household Assets	16
2.1.2 Women Empowerment.....	17
2.2. To Establish Vsla Contribution To Business Growth.....	19
2.3 Challenges Affecting Vslas In The Improvement Of Family Livelihoods.	21
2.5 Conclusion.....	24

CHAPTER THREE	25
RESEARCH METHODOLOGY	25
3.0 Introduction	25
3.1 Research Design	25
3.2 Area Of The Study	26
3.3 Population Of The Study	26
3.4 Sample Size And Sample Technique	27
3.4.1 Sample Size	27
3.4.2 Sampling Techniques.....	28
3.5 Data Collection Methods And Instruments.....	30
3.5.1 Interview Guide	30
3.5.2 Focused Group Discussions.	31
3.5.3 Questionnaires.	32
3.5.5 Documents Review. (Mention Documents Reviewed.)	33
3.6 Quality Control Methods	33
3.6.1Validity.....	33
3.6.2 Reliability.....	34
3.7 Data Analysis Techniques	34
3.8 Ethical Considerations	35
3.9 Limitations Of The Study/Anticipated Constraints.....	35
3.10 Mitigation Measures Of Limitations To Study.....	36
CHAPTER FOUR	37
PRESENTATION, ANALYSIS, AND DISCUSSION OF FINDINGS	37
4.0introduction.	37
4.1. Assessment Of The Impact Of Vslas Among The Members Of The Selected Households.....	37
4.2.2. Increased Revenue Base:.....	39
4.2.3. Source Of Employment	39
4.2.4. Household Assets	40
4.2.5. Women Empowerment.....	42
Insurance Fund.....	47

4.2. Establishment Of Vslas Contribution To Bussiness Growth In Rupa Sub-County.	48
4.3. Challenges Faced By Vslas In The Improvement Of Family Livelihoods.	48
CHAPTER FIVE	53
SUMMARY, CONCLUSION AND RECOMMENDATIONS	53
5.0 Introduction	53
5.1 Summary Of The Study.....	53
5.1.1 Village Savings And Loan Association Services	53
5.1.2. Contributions Of Village Savings And Loan Association Services	53
5.1.3 Constraints To The Effective And Efficient Village Savings And Loans Association Service Delivery	56
5.2. Conclusions	57
5.3. Recommendations.....	57
5.4 Areas For Further Research.....	58
REFERENCES	60
APPENDICES	62
Appendix 1: Budget	62
Appendix 2: Interview Guide For Focus Group Discussion.....	63
Appendix 3: Key Informants Interview Guide The Vsla Members....	64
Appendix 4:Consent Letter.....	69

LIST OF TABLES AND FIGURES

Figure 1: Conceptual Framework..... **11**
Table 1 Participants Involved In The Study..... **28**

ABSTRACT

The study was aimed at examining the Role of Village Savings and Loan Association's on the improvement of family livelihoods using a case study of the two VSLA groups of Loreeng and Morunyang in Rupa Sub-county in Moroto district. Challenges faced by the VSLAs towards effective service delivery to the members and community at large.

In a case study both qualitative and quantitative methods were used to collect, present and interpret data. The study had a sample size of 70 respondents. Questionnaires were used for twenty (20) key informants, and interview guide fifty used for (50) VSLA members who were interviewed in the Focus group Discussions as distributed in the groupings of men and women for purpose easy articulation of issues without being affected by cultural values between men and women in karamoja . Documents on VSLAs roles, contribution, and challenges were read and scrutinized.

The study findings revealed that VSLAs have contributed to the improvement of the family livelihoods through availing the community with Access to credit, Share out Interests, Access to Savings and insurance which has increased on household income and assets acquisition, it has also empowered group members as well as brought in social cohesion. It has also enabled members to engage in small businesses and developed their capacity to at least be able to own and acquire capital assets and even provide for basic needs in the family. Women have been earmarked on this development for they are even the majority in number in all VSLA groups.

However there are a number of challenges VSLAs are facing and these are: Dependency on support from partners and when they withdraw it equally marks the end of that particular group. Limited market access, lack of permanent income source, Drought that destroys crops that partly would have helped bring more incomes to the group and more so poor loan utilization and recovery hindered by prolonged famine affecting the communities, unemployment and Illiteracy by all or most of the group members making record keeping a problem and expensive since they have to hire a writer. Like in the two groups nobody was learnt to at least beyond P.2.

It is recommendable to have the groups engaged in financial literacy, so that the ambitious admirable efforts are not frustrated in the long run.

VSLA groups should always be started by the community themselves but not as a requirement by partners as attached to mostly cash for work activities while clearing roads, building of ponds or boreholes.

CHAPTER ONE

GENERAL INTRODUCTION.

1.0 Introduction

This chapter presents the background to the study, statement of the problem, objectives of the study, research questions, scope of the study, and significance of the study, Justification of the study, conceptual framework, and definition of key terms.

1.1 Background to the study

The study aimed at Examining the Role of Village Savings and Loan Associations in the Improvement of the family Livelihoods in Rupa sub-county, Moroto District. Livelihood improvement is a process of building Peoples capacities to make a living.

Uganda has Formal, semi-formal and informal financial sectors. The formal financial sector comprises of Licensed Commercial, regional and rural banks, which fall under the supervisory and regulatory jurisdiction of the Bank of Uganda. These institutions are Concentrated in urban areas. The poor in particular, rarely rely on the formal financial sector for a myriad of reasons, including high account opening balances, high minimum balances, and unrealistic limits on withdrawals, complicated procedures that are incomprehensible for the illiterate population, inaccessibility and high transaction costs (Mutesasira 1999, 15). There is also inadequate access to credit by the poor and this has been identified as one of the contributing factors affecting their livelihoods. To redress the issue, the policy of increasing access to both production and consumption credit by the poor has been articulated. A number of operators - ranging from government and, donor - funded programs, NGOs (both indigenous and foreign), and community - based organizations have taken steps

to create an appropriate environment for their operation. Alternatives were thought of and one idea came out from CARE International.

In 2008 CARE International opened up VSLA model in Karamoja. This was done through Karamoja Private Sector. CARE to date has continued to innovate and adapt the same methodology to accommodate flexible savings and loans of variable lengths and sizes to low income earners in their VSLA groups through SACCOs. This has eventually become a model method of reaching the VSLA by other development partners exemplified by Oxfam USA, CRS in Africa, Plan International, PACT and World Vision (Hugh Allen, 2006).

In 2012 a number of partners in Karamoja region for example ,NGOs like ASB, IRC, Caritas have directed their resources to the projects of constructing roads, digging of ponds and growing of crops, in addition, the assurance is considered in engaging one or two members from a family who are picked to participate with payments for two weeks or monthly of which income is saved in their VSLAs. And more so, Partners made sure persons engaged in the works are saving part of the money, loan out and receive profit at the end of it all enabled by the provided saving boxes and trainings provided by the development partners. Besides there are personal initiatives from friends, relatives, workmates and business colleagues both in the rural and urban settings who have also been in these VSLAs. A policy framework to accommodate the diverse operations of the players in this sector as well as taking on the new initiatives being promoted by government in an effort to achieve "Prosperity for all" has been developed. Since capital in Karamoja remains scarce even with the existence of Micro-Finance institutions. Credit can help producers move

beyond subsistence and take advantage of opportunities within markets. SACCOs have come up but with a number of challenges.

A SACCO is a semi-formal savings device, in which members contribute a weekly savings share to a central fund. Eventually, the fund may be used to grant short-term loans to members, at a chosen interest rate. Although there is a similar mechanism within the informal sector, SACCOs fall into the semi-formal sector as they must be legally registered with the government. While this allows for greater scale of operations, it also involves greater transaction costs. Formal registration requires a higher level of bookkeeping skills, which makes SACCOs less user friendly for the poor, who are often illiterate. Furthermore SACCOs are not self-sustaining as they generally rely on external capital injections from donors, rather than the savings deposits of other members (Johnson et al. 2005).

Moroto has one (1) SACCO which is also located in Moroto municipality where other formal financial institutions are located. The SACCO was founded in 2004 by members and external funding from Microfinance support centre but it is not all that busy as before when it used to have the external funding. It lacks money to lend out because of many loan defaulters have not paid back the loans and the SACCO is battling up with them in the courts of law.

Micro-Finance support center office is in Moroto but it has high requirements with loans being given out to people with collateral and it is also limited in the breadth of services they provide. They are not allowed, by law, to accept savings deposits except those used as collateral, which denies the poor the opportunity to save (Gallardo et al. 2005). Because they are more heavily regulated and employ a professional staff, MFIs also involve high transaction costs. As a result,

in order to function on a sustainable basis, they tend to concentrate in more urban or sub-urban areas, thereby limiting their rural outreach making the VSLAs the only alternative for the rural to access funds for they are user friendly and easily accessible.

The word VSLA is an acronym for Village Savings and Loans Association. A Village Savings and Loan Association (VSLA) are a group of people who join up to save together and take small loans from those savings. It is costly to bring Micro Finance institutions to the rural because of high levels of illiteracy and a widespread lack of identity papers, all of which serve to increase credit risk and transaction costs. The VSLA model overcomes many of these obstacles and promises to reach the very poor and rural population better than formal, centralized microfinance institutions and banks. It essentially enables the poor to become their own bankers. The purpose of the VSLAs is to provide simple savings and loan facilities in a community that does not have easy access to financial services like the case of Rupa in Moroto District. Rupa sub-county headquarters is about eight (8) kilometers from Moroto town and the two groups are estimated to be ten(10)and the other is twelve(12)kilometers from the town, these makes it difficult for the community to access financial services easily. A VSLA is an Accumulating Savings and Credit Association (ASCA), which requires no external borrowing by, or donations to, the loan portfolio - it is entirely self-sufficient. It's work, therefore, falls within the informal sector. It differs from a Savings and Credit Cooperative Organization (SACCO) in that it does not receive external funding, only training, and is not formally registered with the government, which allows it to operate with less formal bookkeeping and thus be more user friendly for illiterate members. A VSLA allows for variable savings, unlimited

Savings withdrawal and loans with variable terms and flexible repayment conditions. A single association consists of 15 to 30 people who save a small amount every week.

The Village Savings & Loans Methodology (VSL) has evolved over time and basically builds on Rotating Savings & Credit Associations (ROSCAs) practice that is commonly used all over Africa. The activities of the group run in cycles of one year, after which the accumulated savings and the loan profits are distributed back to members. The VSLA model was originally developed in Maradi, Niger by CARE International in 1991 and has spread to 33 countries in Africa, three in Latin America, and seven in Asia. Currently there are almost three million active participants worldwide.

In VSLAs, moneys are put in terms of shares and each group is able to determine their own share value and the maximum number members can contribute each week or month depending on how often the group members have agreed to be meeting. The value of each share remains low so as to allow the poorest members to participate. While Anyango (2007), says that a VSLA is a time-bound accumulating savings and credit association (ASCA) in which over 15 to 30 people save regularly and borrow from the group fund. Loans usually have terms of between one and three months and are repaid with interest. Each group according to Allen and Staehle (2007) is able to set their own repayment terms. However, some VSLA never fines borrowers for late loan repayment as a group policy and agreement and these are the same cases with the two VSLA groups of Loreeng and Morunyang all in Rupa sub-county in Moroto district.

For Brannen (2010), VSLA unlike Savings and Credit Cooperative Organization (SACCO), does not receive external funding, only training, and it is not even formally registered with the

government. It operates with less formal bookkeeping and this makes it more user-friendly for illiterate members. Brannen further says that a VSLA allows for variable savings, unlimited savings withdrawal, and loans with variable terms and flexible repayment conditions.

Northern Uganda and Teso sub -region was affected by the Lord's Resistance Army, while Karamoja region was affected by cattle raiding and armed banditry which resulted to a number of death. These destroyed traditional social cohesion, and reduced self-reliance resulting in over-dependence on donor, Karamoja in north eastern Uganda particularly suffers from poverty due to lack of access to loans and financial services that would empower them to start up serious enterprises. Bank loans are basically hardly be the poor just because they have a lot of requirements which cannot easily be met by the rural poor. So far loans from Micro Finance Institutions and banks are available only to a few individuals as a coping mechanism to the low access to official loans by Many Karamojong people who have always resorted to relatives and friends when they need loans. (Ministry of Finance, Planning and Economic Development, 2004).

This is evident that there is still a huge demand for Village Savings and Loans Association funds, which remains largely unmet, and in some cases, Village Savings and Loans Association are still plagued by inefficiencies, poor loan utilization and low loan repayment rate and income source to enable members to continue savings which have also been challenging.

Despite the above facts and statistics, it is clear that the VSLA in Uganda is still in its infancy. Banks still dominate the financial sector as shown by the number of total clients

and the number of savings accounts though still concentrated in urban centers.

1.2 Statement of the Problem

There are a number of VSLA, Banks, SACCOs and Microfinance Institutions in Moroto but still there is Inadequate access to credit by the poor, Capital remains scarce, savings culture is still low, credit is a challenge to access and family livelihoods are still not fully improved. Rupa sub-county has thirty (30)VSLA groups registered but there are more than that not registered. Government, NGOs and the private sector have been implementing Village Savings and Loans Association interventions meant to enhance access to rural financial services especially in areas where formal financial service providers such as banks and microfinance institutions are unable to reach and to also contribute to revitalization of northern Uganda economy (Oxfam, 2008). Donors such as; Department for International Development (DFID) European Union and World banks have supported a variety of programs to increase access to rural financial services, with a major focus on Village Savings and Loans Associations (VSLAs), Rotating Savings and Loans Association Associations (ROSCAs) and Accumulative Savings and Loans Associations (ASCAs). These programs to some extent have played a role on improvement of family livelihoods, particularly with regard to increasing household income, assets and strengthening social cohesion. But still it is only evident that family livelihoods are still low in Rupa sub county.

Never the less, communities in Moroto still have much less access to Loans than in the rest of the country, some have resorted to relatives and friends when they need loans services (Ministry of Finance, Planning and Economic Development, 2004). Like in Rupa many families including for

those in the VSLA most of them rely on relief items brought by government, they are stricken by hunger, children are not schooling ,family businesses not running any more but a handful could be having some success stories. This study therefore has examined the role the Village Savings and Loans Association on the improvement of the family livelihoods.

1.3 Objectives of the study

1.4.1 General Objective

The objective of the study is to examine the Role of Village Savings and Loans Associations on the Improvement of the family livelihoods with specific focus to Rupa Sub-County in Moroto District.

1.4.2 Specific Objectives.

- i. To establish the role of VSLAs on improvement of family livelihood in Rupa sub-county.
- ii. To establish VSLAs contribution to business growth in Rupa sub-county
- iii. To establish the challenges affecting VSLAs in the improvement of family livelihoods in Rupa sub-county.

1.5 Research Questions

- i. **i.** What is the role of VSLAs on improvement of family livelihood in Rupa sub-county.
- ii. What is the contribution of VSLAs to businesses growth in Rupa sub-county?
- ii. What are the challenges affecting VSLAs in improving the family livelihoods in Rupa Sub County?

1.6 Scope of the study

1.6.1 Conceptual scope

The general concern of the study was focused on finding out the role Village Savings and Loan Associations have played in the improvement of the family livelihoods in Rupa sub-county. The study was aimed at establishment of VSLAs role towards improved family livelihoods, VSLAs contribution to business growth and to establish the challenges affecting VSLAs in the improvement of family livelihoods in Rupa sub-county.

1.6.2 Geographical Scope

Rupa sub-county headquarters is Eight (8)kms from Moroto District Headquarters and its among one of the four rural sub counties and the two municipality divisions of Moroto District. The study was carried out in the two VSLA groups of Loreeng in Lorukumo Village and Morunyang in Namnam chere Village all in Rupa sub-county in Moroto District. The people leaving in these rural sub-county are Karamojongs who are mainly involved in Gold mining, agriculture, quarrying marble, cattle keeping and small bussinesses for a livelihood. The sub-county being in the rural without any financial institution is what guided its choice for study.

1.6.3 Time scope

The time under study was between 2003-2012. That was the period CARE Uganda through Karamoja Private Sector introduced the VSLA model in Karamoja region and Moroto District benefitted. The two groups are among the five (5) that have at least had more than two cycles in the sub-county. The sub-county has thirty (30) known VSLA groups but most of them are new. The two groups have ever benefitted from partner support and some partners have already withdrawn. So the absence of financial institutions and the withdrawal of support from

partners but still functioning have made the researcher try to establish the role they could have played in improving the family livelihoods.

1.7 Significance of the study

The study will be beneficial in the following ways:

The findings will aid service delivery improvement in organizations implementing VSLA in Karamoja sub region.

The study will equally facilitate better and optimum planning, budgeting and monitoring functions that will inform policy and decision-making to ensure the relevant and appropriate measures are undertaken to support and promote Village Savings and Loans association.

It is anticipated to help prospective researchers with substantial information on the role of Village Savings and Loans Association on Improved rural livelihoods in Karamoja sub region, accessibility, and constrains to service delivery.

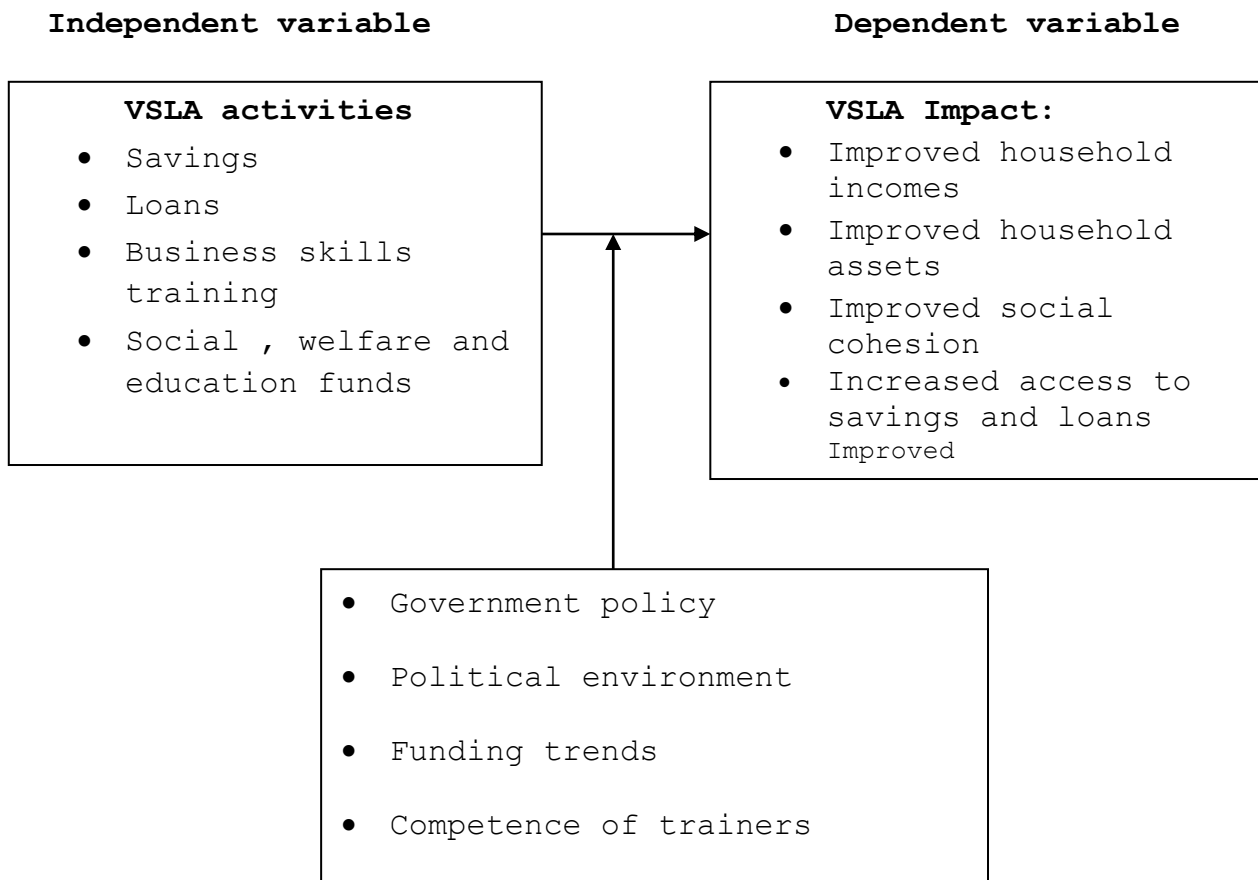
1.8 Justification for the study

The research is done as a requirement for the partial fulfillment of the award of a bachelor's degree of Democracy and Development Studies of Uganda Martyrs University.

The study on this particular topic was motivated by the desire to explore and document the roles of VSLAs and surrounding factors in the improvement of the livelihoods of the affected rural community.

These findings are also resourceful for both academic researchers and development partners in the region of Karamoja.

Figure 1: Conceptual Framework



Source: *Researcher*

1.9 Conceptual Framework Explanation

The diagram above indicates the relationship between independent, dependent variables and intervening variables.

The independent variable will be Village Savings and Loan Associations services and through its activities of routine savings, loans, and trainings it will lead to poverty reduction and improved livelihood in households. Therefore, implying that improved family livelihood becomes the dependent variable. The aspects of improved family livelihoods considered are; improved household income, increased household assets, and improved social cohesion and women empowerment

In addition to the above, there are intervening variable that include; Funding trends, government policy and political stability. They can also influence the independent variable and dependent variable.

1.10 Definition of key terms and concepts.

Village Savings and Loan Association (VSLA) is a group of people who save together and take small loans from those savings.

While Village Savings and Loans association (VSLA) - is an Accumulating Savings and Credit Association (ASCA), which requires no external borrowing by, or donations to, the loan portfolio - it is entirely self-sufficient.

ROSCA: Is defined as "Association formed upon a core of participants who make regular contributions to a fund which is given in whole or in part to each contributor in turn". (Ardener and Burman, 1995:1)

Rural Livelihoods- Is a process designed to improve the quality of life of Village people. It can be equated with rural prosperity, rural growth.

Social cohesion: A system of working together towards the well-being of all its members, fights exclusion and marginalization, creates a sense of belonging, promotes trust, and offers its members the opportunity of upward mobility.

Household income: is money that people share in a particular place of residence. It is received in exchange for providing a good or service through investing capital. It can be inform of income, for example salaries and wages, retirement income, cash government transfers like investment gains. Average household income can be used as an indicator for the monetary well-being of a person.

Household asset: Are items that are owned by individuals sharing a particular place that can be converted into cash, such as money in bank accounts, land, buildings and machinery among others.

Accessibility: Accessibility can be viewed as the "ability to avail" and benefit from some system or entity.

Constraints: a force by imposed restriction, or limitation. It also means obstruction to optimum achievement. It can also be a hindering force.

IRC: international rescue committee

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter deals with the analysis of existing literature on the Examination of the role of Village Savings and Loans Association on the Improvement of the family livelihoods in Rupa sub-county in Moroto District. The literature was done objective by objective with the following themes; Establishing the role on improvement of family livelihood, establishing VSLAs contribution to business growth and identify the challenges faced by VSLAs in the improvement of family livelihoods in Rupa sub-county.

2.1 To establish the role of VSLAs on the improvement of family livelihood.

According to Kofi Annan, the former Secretary General of the United Nations, "Micro-credit is a critical antipoverty tool, a wise investment in human capital. When the poorest, especially women receive credit, they become economic actors with power to improve not only their own lives, but in a widening circle of Impact, the lives of their families, their communities and their relations"

According to Brannen (2010) and Zaman (2000), who examines the Bangladesh Rural Advancement Committee (BRAC)'s impact on the welfare of its clients, finds that participation in micro-credit programs reduces vulnerability by smoothing consumption, building assets, providing emergency assistance during natural disasters, and empowering women.

CARE International sustain Impact Assessment Report of 2008 revealed a broad range of economic benefits of Village Savings and Loans Association. The economic benefits under this analysis included improved incomes, acquisition of assets,

land ownership, production enterprises, household expenditure and, crop and livestock farming. Village Savings and Loans Association led to an improvement in household annual income across all the districts assessed in Northern Uganda. (Conner Brannen 2010) One of the most important effects of this increased income that emerged across districts is the involvement of the Village Savings and Loans Association (VSLA) members in different types of income generating activities. These included petty trade such as general retail shops, beer brewing, livestock rearing, cows and goats). Although some of these enterprises were small scale, they meant a lot in terms of the group members' ability to generate some income. Informal services such as VSLAs are growing in number to fill the gaps of income-generation for vulnerable groups including rural women, subsistence farmers, and the very poor that lack skills and assets, helped by the efforts of international NGOs and donors. (Conner Brannen 2010)

2.1.1 Household Assets

According to Allen (2006), VSLA contributes to increase in household assets and improve the net worth of the household. This was witnessed by a study where most beneficiaries of VSLA reported an increase in the number of household assets because as noted, the savings made overtime is usually ploughed back into the household in the form of phones for business communication. Additionally, most households engaged in the VSLA experienced an increase in their net-worth, demonstrated by ability to afford other household items like traditional sheets, Jerricans, a radio and built house and a mat among others.

However, it is vital to note the literature makes no mention of how VSLA help in promoting high value assets such as; Vehicle and buying or building permanent house.

2.1.2 Women Empowerment.

CARE International Strategic Impact Inquiry on Women's Empowerment report of 2006 mentioned Unity of group members as one of the benefits of the VSLA arrangement. More than half of all group members engaged in VSLA mentioned that arrangement has improved on unity and social cohesion. The groups have in some cases been used to resolve conflicts between spouses and members. Coming together in groups instilled a heart of friendship with people who used not to be friends. In most groups the members demonstrated strong solidarity with each other during occurrences like sickness, death, funerals, traditional marriages, leadership and other natural disasters. Additionally, it enhanced women's self-esteem, self-confidence, self-reliance and beliefs about their own ability to influence, act and decide.

According to the EEEGL technical brief number 4, out of 125 VSLAs in Rwanda by then which comprised of 3,728 members, 3,048 (82%) were females and greater percentage of them this was their first opportunity to save and to take loans. 44% of loans were spent on commerce, demonstrating that women are using their revenue for entrepreneurship activities. The technical brief emphasized that engaging in commerce empowers women to earn their own revenue and take control over their lives without depending on their husbands' revenue and there they equally gain respect from their spouses.

The Rotating Savings and Credit Associations (ROSCAS) in Kenya helped Women in the Mathare Valley by availing credit facilities. With these credit services, women were able to invest in many ventures, send their children to school and either repaired or constructed new homesteads. It is obvious that in the context of the local economy, these women were above average income earners (Nelson, 1991).

CARE International sustain Impact Assessment Report of 2008 revealed a broad range of economic benefits of Village Savings and Loans Association. Women became courageous to speak openly and participate in important household decision-making processes. Furthermore, the groups help to raise the awareness of people on health and women's rights, women's contraceptive use, gender, and food nutrition and also work together as a way of contributing to building peace, trust, and reconciliation in their communities. (Conner Brannen 2010)

The Self-Employed Women's Association (SEWA) in India is another CBSMF, which has helped people overcome the credit obstacle, and eventually poverty and hunger in their families. SEWA members are garment workers, handloom weavers, embroiders, and domestic maids who started by mobilizing 1000 rupees an equivalent of 1dollar per month and lending each other. After four years, the women opened up SEWA bank. By 1989, the bank had 25,000 saving accounts and one million dollars in working capital with a repayment rate of 96%. The government of India supported strongly the SEWA initiative by instituting policies that favor community participation (Micro save Africa, 1991).

Three studies conducted in Peru, India and Zimbabwe revealed that, extending small loans to the poor people mainly women for income generating and self employment had lessened vulnerability through diversifying income earning sources, building assets and strengthening crisis coping mechanisms. It allowed them to achieve a better quality of life In Ghana, the Dagomba women income generation groups were more likely to own livestock and other valuable assets (Zaman,2000). In addition, the percentage of loans spent on agriculture, which is the typical sector of work for the Rwandese women, has been decreasing and the percentage of loans spent on commerce has

been increasing; trainings were held to convey the importance of using loans for income generating activities with shorter pay back periods (e.g. selling goods instead of undertaking longer term agriculture activities). (Conner Brannen 2010)

2.2. To establish VSLA contribution to business growth.

Statistics from the Government of Uganda show that although poverty levels in the country have declined from 38% in 2003 to 31% in 2006, poverty in Northern Uganda remains high at 61% (UBoS, 2007). Data from the SUSTAIN project impact assessment in Uganda demonstrate improvement in the livelihoods of the VSLA members due to VSLA involvement. After saving and borrowing through VSLAs, data shows that most members were able to increase their engagement in productive enterprises such as petty trade, fish mongering, beer brewing and livestock rearing, as well as startup new business ventures. VSLA members were able to increase their income by a range of \$32.11 to \$48.41 within the first year of the program. Members reported that with the increased income they gained through business activities, they were able to contribute to household expenses as well as invest in productive assets. This clearly demonstrates a new ability to cope with normal expenditures, unforeseen shocks and contribute to relative stability in the households.

On average, VSLA members in Malawi, Uganda and Tanzania receive around 30 percent return on their savings, representing a significant return through saving in a VSLA which cannot be offered by banks or MFIs.

In Uganda, Ochwo's Community Based Savings Micro Finance initiative of an informal savings and credit system in Tororo district has contributed greatly to improving the people's standard of living. Charles saw a need for bicycles and spare parts and started a shop with that merchandize in Tororo town,

to which he added a hire purchase service for boda boda² boys who lacked lump sums of money to buy the bicycles, he encouraged small daily repayments for 2 to 3 months, and a 20,000/= premium (interest) was added up to the principle loan of 60,000/= (equivalent to US 30 \$). After they paid off the loan, most boda boda boys continued to make daily small saving deposits with him. He maintained a ledger book and invested the excess money. Sometimes he would give savers loans at interest rates ranging from 10% - 25% depending on the terms negotiated. The maximum loan size was 100,000/=. To encourage more savers there was a savings promotion for which the best three savers of the month got such prizes as radio cassette, bicycles, bicycle tires etc., the average savings account was 20,000 - 30,000/=. Most of his clients were the very poor who included bike boys, wheelbarrow pushers and market women among others who needed to keep money in safe custody but could not access the commercial banks due to their financial regulations (Micro save Africa, 1991).

In Kyamuhunga Sub County Bushenyi district in western Uganda, Women accessed credit facilities and improved their farms, started small enterprises and other income generating projects. As a result, these women were able to buy most household necessities, which they used not to have (Kyogabirwe, 2005).

VSLAs have also inculcated the culture of savings among the people at the same time improved on their socio-economic choices within the community. (Candia and Laker 2009) She said the scheme has widened the search for bigger business opportunities, for instance those involved in Bee keeping are searching for bigger markets for their Honey and that a number of people have learnt simple accounting in managing their money (Candia and Laker, 2009).

However, this study therefore set out to establish VSLA contribution in the improvement of family livelihood specifically in Rupa sub-county in Moroto District.

2.3 Challenges affecting VSLAs in the improvement of family livelihoods.

CARE International sustain Impact Assessment Report of 2008 revealed that limited access to markets was one of the critical problems that affected the impact of VSLA on the beneficiaries. Participants who are far from the markets cannot easily transport their produce and this leads to post harvest losses, which in turn affects the income to be derived from the agricultural produce, thus affecting their savings capacity. Furthermore,

Remenyi (1991) says that VSLA is not suitable for the very poor who are ill or who have no skills because these people are not able to repay the loans, and may only use them for consumption. Furthermore, Befekadu (2007) argues that although VSC programs offer lower interest rates than commercial banks and informal moneylenders, they are still working on a loan principle, which causes borrowers to have a feeling of loan obligation. VSC, in some circumstances, can make the very poor even worse off when their business fails because they may need to borrow money from private lenders or sell their properties to resume the refinance. Many studies point out the same issues towards some VSC programs that fail to reach the poor. These programs are often unable to cope with their institutional problems, such as inadequate networks and insufficient capacity to maintain sustainability, financial crisis (depending on donors' funds), and lack of local situation understanding Befekadu, 2007).

In some VSC groups, loan utilization remains a challenge. In most cases the loans are not necessarily invested but are

instead used in meeting the daily needs of the households. Loans may not be used in profitable enterprises and at the end of it all there emerges the burden of loan repayment. This is partly because the individuals had pressing needs for which they used the loans and partly because the borrowers do not have clear plans on how to invest the loans into profitable ventures (Nsabagasani; Begumisa, 2008).

According to Rhyne (2006) community-owned and managed groups tend to stop functioning as a result of default or fraud that erode the asset base of the group and often reflect dysfunctional group dynamics. It is often argued that these problems stem from lack of literacy and numeracy skills, and a lack of these skills can certainly produce failures in bookkeeping and compliance with policies. Rhyne further noted that, problems also arise from unequal power relations within groups that produce failures in governance. For example, a few leaders may be very dominant and influence the allocation of group resources, leading to exploitation of the less powerful, for instance by taking loans and failing to repay them.

Studies of savings and credit groups have rarely examined the actual lending pattern of the groups and there is little information on whether most or only a few people in the groups can access loans.

In Nicaragua, despite the simple access to financial services, the women who are the poorest of the poor are not always guaranteed of reducing poverty in the household because of their lack of decision-making abilities within the family. Men still control household resources and economic wealth. Some women are denied access to the financial services and they have no say on the family earnings even when they have contributed to it (Deugd, 2002 cited in Skartlatos, 2004).

Despite their vitality in helping the poor households to meet their social, economic and cultural needs, Community Based Savings Micro Finance mechanisms lack proper credit delivery mechanisms, financial and administrative systems to manage potential fraud at group level, which threatens sustainability of the CBSMFs (Micro Save Africa, 1991). A number of the informal financial systems are fraught with high risks of default and mismanagement of funds due to the absence of written records, rules and regulations and loan agreements. Consequently, short terms loans are given to the members; with limited repayment period ranging from one to three months. This puts a lot of pressure on the beneficiaries to generate adequate income to save and payback the loan within a short time (Wright & Mutesasira cited in Micro Save Africa, 2001).

Most likely, Community Based Savings Micro finance could be helping 90% the poor households to eradicate poverty. Apparently their contribution to poverty eradication seems not be evidently noticed and registered as a result little documentation has been done on their contribution to household poverty eradication. This limits adoption of the good practices, implementation of corrective measures to enrich the methodologies, as well as focusing specifically on improving the quality of services delivered to the beneficiaries.

2.5 Conclusion

Analyzing the literature it has spelt out the Impact of Village Savings and Loans Association on improving family livelihoods through incomes, assets and women empowerment. Though not very specific on the improved livelihoods of the households in Rupa sub-county in Moroto District. Establishing the contribution of VSLA to business growth was another area the research looked at and More still it has also mentioned the challenges affecting Village Savings and Loans Association in the improvement of family livelihoods non mentioned of research area, it was only referring to other areas. This research thus explored the aforementioned information gaps.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The word methodology illustrates choices undertaken while carrying out an inquiry. Somekh and Lewin (2005) link methodology to rules followed in an enquiry.

This chapter describes the methods that were employed in conducting the study. The chapter begins with research design, study population, sample size and selection, sampling techniques and procedure, data collection methods and instruments and validity and reliability of research instruments that were used. It further describes the data processing and analysis that were applied in the study and concludes with measurement of variables.

3.1 Research Design

According to Burns & Groove (2010) a research design refers to the overall strategy that a researcher chooses to integrate the different components of a research study in a coherent and logical way. It constitutes the blueprint for the collection, measurement, and analysis of data.

In this research study descriptive research design was used. Bickman & Rog (1998), suggest that descriptive research design is a scientific method which involves observing and describing the behavior of a subject without influencing in anyway. The researcher used both qualitative and quantitative methodologies of data collection. Quantitative method was used to collect numerical data in form of numbers representing particular facts or measurement (Wangusa, 2007; p.47). This research design helped the researcher to obtain options and ideas and facts on the role of VSLAs among members of the selected households in Rupa sub-county. AS well as VSLA

contribution to business growth and identifying the challenges faced by VSLAs in the improvement of family livelihoods in Rupa sub-county.

3.2 Area of the study

The study was conducted in Rupa sub-county, in Moroto district. Sachin Kapila and Fergus Lyon (1994), describe the area of study to mean a location ideally decided by the team's research objectives, time and resources available. The choice was made based on easy accessibility of the area. Moroto District is among the seven Districts of Karamoja Region. While Moroto district has four rural sub-counties and Two Divisions. Rupa sub-county is one of the rural sub-counties of Moroto District and it is located Eight (8) Kilometers from Moroto Town. It has economic activities of Gold mining and marble quarrying. The researcher was interested in examining the role of village savings and loans association on the improvement of family livelihoods. The target in the study was to look at two VSLA groups in Rupa sub-county, Moroto District.

3.3 Population of the study

This study focused on the VSLA members of Loreeng and Morunyang. It also involved a population of VSLA stakeholders at both district and sub-county level. These included district commercial officer, community development officer, Chairperson LCIII, VSLA community facilitators, Karamoja Private Sector Programme Officer, Moroto SACCO programme Coordinator and the two board members.

3.4 Sample size and Sample Technique

According to Mugenda, (2003, p.10), sampling is the process of selecting a portion of individuals for a study so that those individuals selected will represent the large group from which they were selected. According to Fraenkel and Wallen (2010) the term sampling refers to the process of selecting the individuals who will participate in the research study.

3.4.1 Sample Size

A sample size is any part of the population of individuals on whom information is obtained or a sample is part of the population which the researcher deliberately selects for the purpose of investigating the properties of the parent population. A total of 70 (Seventy) people were chosen on the basis of purposive and random sampling approach. The research was carried out by interviewing people from the different groups. There were 20 (twenty) questionnaires given to key informants to fill and return. While four (4) focus group discussions was arranged based on gender aggravated in men and women, later the youthful persons who are saving in the two groups of Loreeng and Morunyang VSLA groups were also interviewed separately.

Hence, all together, the researcher had a sample size of 70 respondents to this study.

Table 1 Participants involved in the study

Sample category	Respondent	Method of study
Chairperson of VSLA	01	Purposive
Secretary of VSLA	01	Purposive
Treasurer of VSLA	01	Purposive
District commercial Officer.	01	Purposive
Programme Coordinator Moroto SACCO.	01	Purposive
Moroto SACCO Board members	02	Purposive
LC3 Rupa	01	Purposive
CDO Rupa	01	Purposive
VSLA Officer ASB	01	Purposive
VSLA Officer IRC	01	Purposive
VSLA Members (Loreeng& Morunyang)	59	Purposive/Random sampling
TOTAL	70	

Source: field study

3.4.2 Sampling techniques

According to Fraenkel and Wallen (2010) the term sampling refers to the process of selecting the Individuals who will participate in the research study. Purposive sampling was used to select the respondents. Purposive sampling is a form of non-probability sampling in which decisions concerning the individuals to be included in the sample are taken by the researcher, based upon a variety of criteria which may include

specialist knowledge of the research issue, or capacity and willingness to participate in the research (paul, 2006). The researcher employed a purposive sampling technique for selecting key informants at all levels basing on the specialist knowledge that they have on the study concepts and the ability and willingness to participate in the research.

A random sampling technique was then used to select the VSLA members who have been in VSLA for at least two cycles. This was the case because it is believed that after two cycles a member is able to measure benefits derived from participating in the VSLA activities. This is because they had the knowledge that helped the researcher to obtain in depth information about the study.

The researcher used random sampling techniques for the VSLA executive members of the two groups. This method gave each of them a chance to be selected to participate in the study without bias. The technique sought the representation of Six (6) VSLA members in the selected two groups as key informants. Purposive sampling technique was used to select the key informants who have substantial knowledge on Village Savings and Loans Association and who can best meet the purpose of the study. The Key Informants were selected by use of the purposive sampling technique and they included the local leaders (District Commercial Officer, Sub -County Community Development Officer, Programme Coordinator Moroto SACCO, Programme Officer Karamoja Private Sector and Chairperson LCIII) and employees of organizations implementing Village Savings and Loans Association (International Rescue Committee, ASB). The researcher also used the simple random sampling technique to select Village Savings and Loans Association participants for the research. These participants are the rural people who have been engaged in Village savings and

Loans Association for at least two or more cycles. The sample was made from the Loreeng and Morunyang Savings VSLA groups in Rupa sub-county. Six (20) selected from each group, making a total of Seventy (70) respondents.

3.5 Data collection methods and instruments.

The researcher used several methods to collect data including; document reviews, Questionnaires, face to face interview method, focus group discussions and observation. The research study employed informal interviews with the target participants specifically using semi-structured or in-depth interviews. A number of data collection methods/instruments were used as described under.

3.5.1 Interview Guide

Interviews are a set of questions which are asked and filled in by the interviewer in a face to face situation with another person (Kumar, 1997; p.55) While an Interview is a method used for data collection and Interview guide is an Instrument.

Interview method was used to help the researcher and respondents discuss in more details the facts concerning Examination of the role of VSLA in improving the family livelihoods of the people in Rupa sub-county in Moroto District. The researcher designed a structured interview consisting of the questions to obtain data relating to the topic. These interviews involved the use of a set of predetermined questions and of highly standardized techniques of recording as stated by Kothari (2004). This method required the researcher to be the interviewer whilst asking questions generally in a face to face contact to the other persons. The Interview guide was designed with open ended questions for purposes of collecting detailed information from the interviewee.

The researcher used an interview guide as to collect data. This interview guides were conducted to the Chairperson, Secretary and Treasurers of the two VSLA group, It was also conducted on the two community Facilitators, District commercial officer, LC111 and CDO. The interviews lasted for 30 minutes each and they were as objective as possible to allow good rapport with the respondents as equals. The researcher filled in the answers given by the respondents during the interview process and then the researcher thanked them thereafter. Recordings were used to record the responses and notes as well were taken by the researcher. Recordings assisted the researcher during data analysis, in case she skipped out some information while writing the notes.

The Triangulation technique supplemented other methods to avoid relying on only one method. Different data collection approaches were used for triangulation purposes. Meredith as cited by Amin (2005, p. 64) defines triangulation as a process of using multiple data collection methods, data sources, analysis or theories to check the validity of the study findings.

3.5.2 Focused Group Discussions.

Neville (2007) defines focus groups discussions as a process used to gather data, usually in forms of opinions, from a selected group of people on a particular and pre-determined topic.

The Focused Group discussion was also used with a purpose of obtaining valid and valuable information. Focused Group Discussions was used to interview the VSLA members from the selected two groups of Loreeng and Morunyang in the Rupa sub-county. Each of the groups has 30 members but they were many to be in one focus group.

The researcher grouped respondents according to how long they had been in the group. Those who were new would be put in one group, those who have been in the group for the life period it had stayed and those who had finished at least a cycle. They were Four Focus Group held. Each group had between 8 -18 members with both men and women represented. In all this the researcher was the moderator and leader in a non -structured and natural manner with a small group of respondents. The tool was guided by an interview schedule with already prepared questions to be asked.

3.5.3 Questionnaires.

A questionnaire was one of the data collection instrument. This technique was chosen because it ensured quality of data collected, provided effective and efficient respondents. A large number of subjects with information were reached within a short time. Both open and closed ended questions were used. Amin, (2005, p.269) says "when the closed ended questions are used, quick clear and specific responses are received. The questionnaire consisted of sections bearing the research objectives. Each section solicited answers to each research question or objectives.

The questionnaires ensured confidentiality of respondents in administering them easily, since it required no close supervision. They were administered to 20 (twenty) key informants. key informants' interview guide was used to gather data from the district commercial officer, community development officer, chairperson LCIII, Karamoja Private sector Programme Officer, Board members of the Moroto SACCO and the Programme Coordinator of the Moroto SACCO and VSLA community facilitators. The questionnaires were left with the key informants and picked later as ample time was needed for each to study and provide quality data.

3.5.5 Documents review.

As Stewart (1984) argues, secondary data provides a comparative tool for the research. Review of the relevant documents on VSLA implementation by development organizations, Journals, Reports from BRAC, CARE, IRC were used. Further review was also done on the government efforts towards family improvement of the region. This review was intended to provide the extent of investment in Karamoja sub-region in Uganda. The literature review was broadened to include any other relevant documents both published and unpublished about family livelihoods in Karamoja and more specifically on issues of VSLA. This helped to compare existing data with raw data for purposes of examining differences.

3.6 Quality Control Methods

This section concern is on the Validity and Reliability of the information gathered from the field.

3.6.1 Validity

Validity is the degree to which results obtained from the analysis of the data actually represent the phenomenon under study (Mugenda 2003, p.90). The researcher discussed the questionnaires with her colleagues and ensured that they constructed them in relation to research objectives. A pilot study was carried out in Acholiin VSLA still in Rupa sub-county to pre-test the tools so as to make adjustments where necessary.

3.6.2 Reliability.

According to Trochim (2005) Reliability has to do with the quality of the Instrument. While according to Mugenda (2003, p.96), reliability is a measure of the degree to which a research instrument yields consistent results of the data after repeated trials. The researcher formulated questions with correct wordings. The words were familiar, simple and direct and did not confuse the respondents. The questions were straight forward and the respondents do not base their answers on assumption.

3.7 Data analysis techniques

The raw data collected was edited and checked to ensure that the information was complete, clear and consistent. The raw data was properly arranged and filed in an orderly manner to make it easy to trace mistakes and validate the data. Thereafter the data was loaded in the computer and analyzed using Microsoft Excel mostly for quantitative data. The qualitative data was used to elaborate on the more factual information and provide detailed examples to support the quantitative analysis. Data obtained from each questionnaire was accurately edited to make the information gathered complete. The data was categorized according to the respondents and items in the questionnaire, interview guide and information obtained from the focus group discussions. Analysis and interpretation were done, and quantified into frequencies which use turned into percentages for data interpretation. Presentation of results were done following the order of the research questions, focus group discussions were done also in relation to the literature reviewed, conclusions were drawn and recommendations were made.

3.8 Ethical considerations

Punch (2000) asserts, " all social research involves consent, access and associated ethical issues, since it is based on data from people about people. Interviews of participants met the general protocols and procedures for interviewing and oral history (Douglas, Roberts & Thompson (1988).The researcher obtained the consent of the respondents before involving him/her in the research. The researcher thoroughly explained the purpose of the research to the respondent; sought informed consent of the respondent, voluntary participation, guaranteed confidentiality, safety and social wellbeing of the respondent and the community at large.

3.9 Limitations of the study/anticipated constraints.

During the process of carrying out the research, a number of limitations were anticipated. These included:

Some respondents had unrealistic expectations with idea that the study was for an NGO and at the end they expect to be paid.

Logistical limitation, in that there was a problem in movement for the researcher and the assistants which caused delay in commuting in the two parishes.

There was a lot of drought and most respondents had been affected by the hunger, So they respondents expected some food or pay.

3.10 Mitigation measures of limitations to study

At the onset of data collection, the researcher thoroughly explained to respondents the purpose of the research and what they should expect of the researcher, so this diffused all the unrealistic expectations.

Two motor bikes were hired to facilitate movements to the data collection sites. Thus the problems on delay of schedules were catered for.

CHAPTER FOUR

PRESENTATION, ANALYSIS, AND DISCUSSION OF FINDINGS

4.0 Introduction.

This chapter entails data presentation, analysis, discussion and conclusions as found in the field during the study. The main purpose of this study was to examine the role of village savings and Loan Association on the improvement of family livelihoods in Rupa Sub-county in Moroto District. The data therefore has been presented basing on the specific objectives of the study as shown below.

4.1. Establishment of the role of VSLAs on Improved livelihoods.

Here the members were asked what exactly had changed since they became members of the VSLA. They had this to say: There are a number of services that the VSLA offers to members. It ranges from Borrowing, Savings, Capacity building, and Welfare funds. There is also access to market for some items of a group member which are bought by the group members. In addition, women empowerment was conformed through the findings from the Focus Group Discussions; where a majority of the respondents reported that female members could access VSLA services such as; Savings, Insurance fund, Loans and Welfare funds.

Household income:

The findings indicated that their livelihood was based on pastoralism and land. They sell their cows, goats, and sheep or sell their food and get some income which they save and at the end it multiplies. The respondents said when an animal is sick, they go to the VSLA, loan money and buy medicine for these sick animal.

Land is were these animals are grazed, eat their grass and drink their water from. A cow, goat or sheep gives us milk,

meat, blood and even the skin is our mattress. one member quoted

"In order for us to have our livelihoods improved we use money of a VSLA to purchase these either one cow, or goat and after a short period they multiply and hence when one sells gets some income, Even from its milk".

An analysis of household income sources and level by respondent indicated that the level of commitment in VSLA has a great effect on the household income and assets. The primary income of households in the area stem from cattle, Agriculture, casual labour. While others do business and some paid employment. As cited by one of the study respondents (District Commercial Officer), "people in more than one savings group benefits more from the VSLA module" and the study realized most of the respondents to be in this category for two members of Loreeng are also in Morunyang.

Similarly, households with more than one member in the VSLA group were found to have more income during payout and four (4) study participants from Loreeng and two (2) from Morunyang VSLA groups fell in these category. While those without IGA, their sources of income are from casual laboring, and formal employment (public and private sector) like the parish chief of Rupa parish who is a member of Loreeng, his income is from government. The IGAs named included; produce business, gold mining, Stone quarrying, Firewood, Charcoal burning, Butchery and boda-boda, livestock trade and sell of livestock products among others. The individual saving values has been increasing over the years as noted by the study and IRC (2013), this is an indicator for increase in household income level.

A review of end of KALIP/ Dan Church Aid project (June 2014) detected an increase in weekly savings and reduction in alcohol consumption. Like Morunyang VSLA group in rupa, started savings at 500= a week but now it is 3000= a week, While the Loreeng also started at 1000 but now it is at 4000= a week. In addition, review of the groups' ledger book also

revealed increase in individual saving values from cycle to cycle.

4.2.2. Increased Revenue base:

VSLA was also found to increase in revenue base for the local government as was confirmed by the key informants. The district commercial officer, said that "through the service, taxes levied on the various IGAs like the boda-boda business of one of the group members who happens to be a parish chief but a member of Loreeng group has to pay the licence. To buy the trading licence he had to ensure a rider had a permit. This money gets back to government as revenue." More still during sale of cattle as a business for one of the members, she says in the market there is a market due cost they have been charging her. This is revenue back to government.

4.2.3. Source of Employment

It was also found out that VSLA is a source of employment to the VSLA community facilitators. One of the VSLA Community Facilitator (Mark) of Rupa who formerly used to work with ASB partner and was assigned to support the two groups of Loreeng and Morunyang. During the interview, he had this to say:

"To me I consider myself employed because when called to help to make reconciliations and translate certain details in the VSLA group, iam paid for my service."

The researcher had interviews with the District commercial Officer at his office 18th June 2015 as a key informant and he had this to say,

"despite improving the household income level, VSLA is a silent job creator, and revenue source for the government. Some unemployed youth have bought motorcycles that they are now using as boda- bodas and making monthly remittance back to the VSLA. Boda bodas as a business make payment for license to the district and municipality authority. Therefore, VSLA is

instrumental in revitalizing and stabilizing the local economy through taxes levied on the small IGAs started with VSLA payouts.”

CARE International sustains Impact Assessment Report of 2008 revealed a broad range of economic benefits of Village Savings and Loans Association. The economic benefits under this analysis included improved incomes, acquisition of assets, land ownership, production enterprises, household expenditure and, crop and livestock farming. Village Savings and Loans Association led to an improvement in household annual income across all the districts assessed in Karamoja. One of the most important effects of this increased income that emerged across districts is the involvement of the Village Savings and Loans Association (VSLA) members in different types of income generating activities. These included petty trade such as general retail shops, Gold selling, beer brewing, livestock rearing, cows and goats. Although some of these enterprises were small scale, they meant a lot in terms of the group members' ability to generate some income.

4.2.4. Household Assets

Many have strived hard to ensure they are still keeping their livestock and enjoy the milk, meat. These has been made easy through sale of products, save the money in the VSLA let it grow and use it to purchase more livestock.

During the study most beneficiaries of VSLA revealed an increase in the number of household assets because as noted, the savings made overtime is usually ploughed back into the household. This is in agreement with Allen's (2006) findings that states that VSLA contributes to increase in household assets and improve the net worth of the household. This was witnessed by a study where most beneficiaries of VSLA reported an increase in the number of household assets because as noted, the savings made overtime is usually ploughed back into

the household in the form of phones for business communication. Additionally, most households engaged in the VSLA experienced an increase in their net-worth, demonstrated by ability to afford other household items like traditional sheets, Jerricans and mat.

The study findings further revealed that reasonable proportion of the VSLA participants have acquired productive assets such as land, medium/large scale 3 (three) from Loreeng and one (1) from Morunyang has land , three (3) persons have retail businesses such as livestock trade and this trade have been made possible because of the Turukan from Kenya and the nearness of the town ,whose hotels will always need meat and many other people. Fourteen (14) people falls in the passive investment category and acquired assets such as, motorcycle, ox-plough, livestock, and Twenty Eight (28) members invest in household assets such as Saucepans, Jerricans and phones.

Community development officer at the subcounty and Chairperson LC III at the sub county said,had this to say on 19th June 2015.This was confirmed by the interview conducted on 20th June 2015 between the chairperson of Loreeng with the researcher.

"in 2012, ASB partner supported the Loreeng VSLA group by giving them the following: 10 Jerricans,3 trips of sand, 4 wheel barrows, 5 block making machines, 4 hoes and 50 bags of cement to start up a block making project. They were 10 in the group and after which the NGO even brought for them a savings box. They made their blocks and after which they sold and the got two million (2000000).Money was kept in the VSLA box and people could loan it until in the year 2014 they decided to divide the interest the group generated and added even other members making the number 30 from the initial 10 people. The group is doing well and then 10 people have each started personal business from the loans of the groups in order to

keep on with the savings and loan repayments. The achievement has not only benefited them as individuals noted partly in the story, but the general community. This has played a role of inspiring other participants to take community development projects seriously and also practice consistent savings. Besides the block making machines are often hired and this is saving environmental destruction and generating money for the group.

In addition, the chairperson Loreeng in the interview had this to say,

"Other productive machines have been purchased with payouts from VSLA by the members such as drums for distilling and making local brew, other people own boda boda motorcycles that at least generate for them daily income."

4.2.5. Women Empowerment.

CARE International Strategic Impact Inquiry on Women's Empowerment report of 2006 study revealed increased level of confidence in women and self-esteem boost demonstrated by their participation in active leadership positions in the community.

According to the findings VSLA has helped women achieve their empowerment for example in one parish, 4/6 women involved in the Focus Group Discussions were either a leader in their saving group or at least a committee member in community leadership structure. At the family level, 79% of the women involved in the Focus Group Discussions confirmed that through their regular contribution to household incomes, their views in family issues are taken with keen interest. The study also realized that though all the groups have social welfare savings which is used to extend solidarity on behalf of the group, each individual member also tend to plan for this from

their main savings evidenced by 9% loan borrowing done for sickness and funeral.

During the focus group of Morunyang members, their treasurer had this to say:

"We often use business loans for food items, medical and clothing Expenses. More a time we Start up petty trading with part of the money which usually used for buying agricultural produce after harvest season."

In addition, the district commercial officer agreed that,

"Agricultural loans accounts are primarily utilized to purchase improved seed varieties and tools and hire labor especially for women farmers though the men's participation cannot be underestimated."

The Chairperson LCIII said,

"Education loans are used to purchase school uniforms, learning materials and other school- related items, and Health loans are utilized to pay for medicinal drugs as well as hospitals and doctor visits."

The District Community development officer agrees with the Sub county chairperson and he adds this,

"Household improved loans are meant to buy furniture, repair homes, and other related activities and household food loans are used to buy food items."

From the charity perspective, the key informants (Chairperson LCIII and Community Development Officer) applauded VSLA groups for the charity services witnessed in organizing the members for contributing for shelter construction for meetings in the community, and providing counseling and conflict resolution services. Some specific VSLA groups were commended by the key

informants for the active involvement in any funeral/burial within the Sub County like the two of Loreeng and Morunyang.

According to the Community Development Officer and the VSLA Community Facilitators, VSLAs' contribution in education of children in the Sub County is valuable. Besides providing money for school fees for parents, it has also played advocacy role and ensured that no parent in the group keeps a school going age child at home during school periods. This, according to the District Commercial Officer (DCO)

The findings further showed that more than half of all group members engaged in VSLA mentioned that arrangement has improved on unity and social cohesion. The groups have in some cases been used to resolve conflicts between spouses and members. Coming together in groups instilled a heart of friendship with people who used not to be friends. In most groups the members demonstrated strong solidarity with each other during occurrences like sickness, death, funerals, traditional marriages, leadership and other natural disasters. Additionally, it enhanced women's self-esteem, self-confidence, self-reliance and beliefs about their own ability to influence, act and decide. Women became courageous to speak openly and participate in important household decision-making processes. Furthermore, the groups help to raise awareness of people on health and women's rights, women's contraceptive use, gender, and food nutrition and also work together as a way of contributing to building peace, trust, and reconciliation in their communities.

In addition to contributing to the standard VSLA savings box, VSLA members also contribute to a box for a social fund. When a member is in need e.g. a new child is born and the family is unable to purchase basic things to meet the child's needs), the social fund is used to donate money to the needy member.

CARE International Strategic Impact Inquiry on Women's Empowerment report of 2006 mentioned Unity of group members as one of the benefits of the VSLA arrangement. In addition, the percentage of loans spent on agriculture, which is the typical sector of work has been decreasing and the percentage of loans spent on commerce has been increasing; trainings were held to convey the importance of using loans for income generating activities with shorter pay back periods (e.g. selling goods instead of undertaking longer term agriculture

Interview with community facilitator by the names of (Lochoro Mark, a male youth from Acholiin Village aged 32 at Rupa Sub-county was held on 19th June 2015 and he had this to say.

The two groups often begin by collecting weekly savings from members. Savings are accumulated in the form of shares at amount agreed upon by the group for Loreeng saves 4000= a week while Morunyang saves 3000= a week. Once sufficient savings have accumulated in the cashbox, loans are offered to members in the loan line up or one who is interested in taking it. VSLA loans range from Ush 35000 to Ush 200,000. The group sets an interest rate at the end of the year members receive a return on their savings generated from interest and shares collected throughout the year."

While a welfare collection is also made and given out to a member for a period of two weeks without charging interest. Then a meri go round is also collected of 500 = per member and given to one member per week. Meri go round weekly totals to 15000= that is in the event all the members have contributed.

VSLA improves food security and education

"Mrs. Elikao Lyamuya is a farmer from Mshiri village, and mother of a family of eight children and a member of a VSLA group since 2006. According to her, Before joining a VSLA, her income was so low that she could not send four of her eight children to school. The family could not afford three meals a day which required that her husband provide everything, including church offerings. She took a loan from her VSLA and received training on how to increase income through poultry, poultry feed preparation, pig keeping and use of improved

agricultural practices. After the training, she started a poultry project with two improved cocks which she cross-bred with 10 local chickens. When she reached 400 cross-bred chickens, she sold some of them for ugSH 400,000 (ugSH = ugandan shilling). She is assured of getting at least two trays of eggs every week and sells them for TSH 3,600 each. She also started a tree nursery, and sells an average of 900 tree seedlings per year at ugSH 150, totaling ugSH 135,000. In four years of the project activity, she earned TSH 540,000 from the sales of her tree seedlings. She embarked on another project with a milling machine and in 2009 managed to start a mini-shop. She can now easily get loans from her VSLA and makes weekly loan repayment from the earnings of her enterprises. After joining VSLA, her income is now stable and she is able to provide a balanced diet for her family, support her children's education and purchase other basic needs. This success has completely changed her attitude towards her children's education: My girls were not doing well in schools, I wished that they failed in their final exams so that they don't continue with secondary school education, as I had no means to pay their school fees, but now I push them to work very hard as I am now able to pay their school fees. Elikao Lyamuya is grateful for VSLA which allows her to take care of small family expenses, while her husband covers other expenses, such as house renovation. Respect for her by her family and by the community at large has increased. Community attitudes towards women and children have changed as women begin contributing to the household income, accompanied by women's increased self-confidence and self-esteem."

VSLA Female-Headed Household

" Vicky E. lomanyang from acholil village in Rupa sub county who is among many farmers in the village that have benefited significantly from their VSLAs. According to her, "it was impossible for a person like me to access loans from commercial banks." At the time, she and her husband were not on good terms, so she left with two of her children and moved to a smaller house to start new life on her own. At the new place, she decided to take a 100,000 loan from her VSLA to build a small barn and buy two pigs at 30000 each. She kept the pigs for six months, when one of them gave birth to 10 piglets. Her dream of running a pig farm grew and she decided to expand her businesses. Vicky took another loan to start up

a small business selling fruits. She was able to pay back her loan, buy food for the family, and pay school fees for her two children. The VSLA loans have enabled her, as the sole bread winner, to sustain herself and her family. She can now afford to send her two children to school, also buy nutritious foods for a balanced diet and meet the basic needs for her family. Because VSLAs encourage its members to think creatively, she branched out further and started a poultry business with 17 chickens and a couple of chicks, in addition to her pig farming and vegetable and fruit sales. She says, "Now I can look back and know I will survive this year. I am sure I can get food for my two children, send them to school, and buy what they need to acquire a standard education."

Insurance fund

On the Insurance fund the district commercial officer interviewed at the district headquarters on 18th June 2015 had this to say,

"VSLAs set up an insurance fund, often called a social fund/welfare, to enable members to access money in emergencies or at particularly vulnerable times such as sickness. The group determines if the emergency funds are distributed as grants or as interest-free loans with flexible repayment. It was found that the use of social funds has a weaker link to food security than other loan types or savings. Social funds were primarily used for emergencies, funerals mostly. In some VSLA groups, social fund usage is restricted for education and medical purposes."

In Loreeng group it was discovered that the VSLA social fund had supported 6 out of the 30 members in the group. Four cases was on burial of a dear one, one was on medical expense and the last one was on transport for a school going child. According to the findings from the Focus Group Discussions (Loreeng and Morunyang members) held in the villages on the 27th June 2015, In all the four(4) focus group findings ;All sixty (60) respondents reported that VSLAs' contribution is viewed in terms of household income, household assets, social cohesion and women empowerment. This is also in line with what the key informants like LC111 chairperson and community development officer agreed.

activities)

4.2. Establishment of VSLAs contribution to bussiness growth in Rupa sub-county.

The money is often used for, "Agriculture, business, education, and household" this was supported by the Community development officer of Rupa subcounty.

On the loans the Rupa sub county Chairperson L.CIII, male adult from Kidepo village in Rupa sub-county interviewed using the questioner at the sub-county office on 19th June 2015 had this to say,

"VSLA groups use business loans primarily for agricultural, trading and microenterprise development, the next largest categories of loans accessed by group members were for agricultural, education and health purposes, household food loans taken out by members in VSLA groups was very small."

These findings was similar to the observation made by Village Savings and Loans Associations group (VSLAs) which is an informal financial sector that has been created deliberately by self-mobilized and self-administered individuals or community groups who mobilize their savings at agreed intervals, and make them available and accessible to their members in form of credit agreed with the community development officer.

4.3. Challenges faced by VSLAs in the improvement of family livelihoods.

The respondents were asked to mention challenges faced by VSLAs in the improvement of family livelihoods in Rupa Sub-County and the responses are as shown below.

According to the findings from the Focus Group Discussions; a majority of the respondents reported that the VSLA service delivery is affected by factors like limited access to market, inadequate business skills, inadequate financial resources, unemployment, Illiteracy.28% mentioned inadequate business skills as a constraint as most members are not picking loans

from the group and or without IGA say they do not know the business to start/invest in. This is a match to the findings by CARE International SUSTAIN Impact Assessment Report of 2008 where some of the group members interviewed had never taken loans not because they did not want to but did not know how to utilize them profitably. Similarly, others feared that the loans would bring them more problems in case they failed to repay.

The study findings in relation to Joe Remenyi's (1991) view that VSC is not suitable for the very poor who are ill or who have no skills because these people are not able to repay the loans, and may only use them for consumption. Members(7) without clear business prospect instead did not go for loans to avoid being in the state of failing-to-repay and on the other hand, the very poor who are ill according to the study are supported by the social welfare pouch of the VSLA group.

However some members said that the plan for repaying the loan is designed before actual borrowing. Therefore a member keeps engaging in productive activities until full repayment is done. Therefore, the feeling of loan obligation is considered a force for hard work however, from Befekadu's (2007) point of view; this is what cause fear in borrowing besides lower interest rates offered than commercial banks and Micro Finance Institution.

Inadequate financial resources were pointed out by all the respondents as constraint by 24 of the respondents. These resources included safety assurance equipment such as savings box, which they said becomes hard to trust with big sum of money especially towards the end of saving cycle. At some point, many members would be willing to borrow loan but due to limited finance, only few are given hence affecting service delivery as these members would have planned to invest the

loans. Contrary to Befekadu's (2007) opinion, none of the VSLA groups in Rupa Sub-County was found to be relying on donor's fund. The only support most of them received from development organizations was in terms of training on the VSLA model and the saving ox that some partners had given.

Chairperson LCIII said,

"In most communities' women are dominating the VSLAs but are not very free to participate in some business oriented income generating activities (like cattle trade) but sell small ruminants like sheep and goats. since the women are considered to be solely house wives and majority fear that women may be taken away from them or may gain economic power and divorce them. This has reduced the economic power of most communities as men remain sole heads of the family with all responsibilities."

In addition, VSLA community facilitators and the district commercial officer said,

"Most communities give all authority of resource ownership and control to men while women who don't own or have control over resources have limited choices of income generating activities to invest in. Environmental constraints such as drought, hailstones, poor soils, floods, unpredictable weather which severely affects the agricultural related income generating activities resulting to adverse conditions such as food shortage."

Community development officer said,

"Sickness like TB has numerous constraints to development of livelihood in terms of asset loss to take care of the sick. In most cases communities use the resource at home such as animals, crop sales, land, business assets, which in most cases has grounded the income generating activities and severely reduces the resilience of the families to poverty. Peoples mind set, on always being wanting side, people not willing to change. In addition there is also Political interference, theft of VSLA funds, and Illiteracy and ignorance, coupled with Poor health conditions."

According to Rhyne (2006) community-owned and managed groups tend to stop functioning as a result of default or fraud that erode the asset base of the group and often reflect dysfunctional group dynamics. It is often argued that these problems stem from lack of literacy and numeracy skills.

In Nicaragua, despite the simple access to financial services, the women who are the poorest of the poor are not always guaranteed of reducing poverty in the household because of their lack of decision-making abilities within the family. Men still control household resources and economic wealth. Some women are denied access to the financial services and they have no say on the family earnings even when they have contributed to it (Deugd, 2002 cited in Skartlatos, 2004).

This raises a question "does access to financial services and increase in household income necessarily translate into improved rural livelihoods in Rupa Sub County - Moroto district?"

These outcomes are perhaps acceptable only if a learning process were taking place. In some VSLA groups, loan utilization remains a challenge. In most cases the loans are not necessarily invested but are instead used in meeting the daily needs of the households. Loans may not be used in profitable enterprises and at the end of it all there emerges the burden of loan repayment. This is partly because the individuals had pressing needs for which they used the loans and partly because the borrowers do not have clear plans on how to invest the loans into profitable ventures (Nsabagasani; Begumisa, 2008).

Remenyi (1991) says that VSC is not suitable for the very poor who are ill or who have no skills because these people are not

able to repay the loans, and may only use them for consumption.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter was concerned with the summary of the study, conclusion and recommendations.

5.1 Summary of the study

The research on "Examination of the Role of Village Savings and Loan Association on the improvement of the rural Livelihoods was conducted in Rupa sub-county, Moroto district.

5.1.1 Establishment of the role of VSLAs on improved family livelihoods.

According to the findings VSLA members could access services such as; Savings, Loans, Welfare funds, Insurances, ROSCA then is passed on to one of the group members in rotation system; welfare funds are provided to any group member who may have an emergency issue which requires a financial assistance such sickness, funeral, purchase of food, travelling, educational issues among others; loans that could be borrowed would be used for income generating activities, starting up or expanding businesses, purchasing of animals, house items among others; trainings and savings.

5.1.2. Contributions of Village Savings and Loan Association services

The findings revealed that the level of commitment in VSLA has a great effect on the household income and assets. In total 12% of the respondents were found to be in more than one savings group and 88% is saving in one group. Similarly, households with more than one member in the VSLA group were found to have more income during payout and 44% of study participants felt in this category. The study also found out that 32% of the members in the VSLA have and IGA which act as

source of weekly savings and loan repayment. 35% members without IGAs were found to be either engaged in formal employment with private/public sector or do casual laboring to earn money for weekly savings. Review of the groups' ledger book also revealed increase in individual saving values from cycle to cycle. VSLA was also found to increase in revenue base for the local government as was confirmed by the key informants through the service taxes levied on the various IGAs. It was also found out that VSLA is an employment to the VSLA community facilitators.

In terms of assets, the study finding revealed that the savings made overtime is usually ploughed back into the household for family development. Categorically, 25% confirmed acquiring productive assets such as land, medium/large scale business livestock trade, 38% confirmed acquisition of passive investment assets such as livestock, motorcycle, ox-plough among others, and 41% said they managed to purchase household assets such as Jerricans, phones from their savings payout. In the perspective of determining the progress, acquisition of asset is determinant on the savings as revealed that the 25% and 38% category have been in the saving groups for more than one cycle.

Socially, VSLA's contribution to improved social cohesion according to the study finding is testifying. From the view point of saving purpose, 57% mentions social purpose such as marriage, (paying bride price and wedding), festivities, and family emergencies like sickness, burial among others. Similarly, 9% of loan borrowed was found to be for social events such as sickness, funeral, and children's marriage.

From empowerment perspective, women's involvement in community leadership was confirmed by 67% of the respondent which consisted of both men and women. On the other hand, 79% of

female respondent revealed that their participation in family decision making is strengthened as a result of engagement in VSLA activities. They gained confidence which boosted their self esteem backed up by recognized contribution to household income through IGAs and group payouts at the end of the saving cycle.

From the charity perspective, the key informants (Chairperson LCIII and Community Development Officer) applauded VSLA groups for the charity services witnessed in organizing the members for contributing for shelter construction for venerable elders in the community, and providing counseling and conflict resolution services. Some specific VSLA groups were commended by the key informants for the active involvement in any funeral/burial within the Sub County. It is easy to recognize their involvement as they offer support through the group assets such as chairs, and tents branded with group names.

According to the Community Development Officer and the VSLA Community Facilitators, VSLAs' contribution in education of children in the Sub County is invaluable. Besides providing money for school fees for parents, it has also played advocacy role and ensured that no parent in the group keeps a school going age child at home during school periods. This, according to the District Commercial Officer (DCO) was also noted by the District education Officer (DEO) during one of the District Council meetings as a factor for increased enrollment in schools.

Over time members increase their savings, grow businesses and are empowered to network with their local leaders, engage in decision making in their households as well as interact with the formal financial system. Data from the Village Agent performance assessment reveal that the majority of VSLA members engage in farming activities. Participation in VSLAs

allowed them to plant additional crops and sometimes engage in new income generating activities. The contributions were on changes in food security, asset levels, the ability to cope with shocks, and changes in household savings.

5.1.3 Challenges faced by VSLAs in Improvement of family livelihoods

The study found out that the VSLA service delivery is affected by factors like limited access to market, inadequate business skills, and inadequate financial resources. 28% mentioned inadequate business skills as a constraint which limits business diversification and expansion mentality. Others due to stunted business ideas cannot identify the business to venture in and thus affecting the propensity to borrow loan and the study found 28% of the respondents in this category.

Inadequate financial resources were pointed as constraint by 24% of the respondents. These resources included safety assurance equipments such as cash box, which they said becomes hard to trust with big sum of money especially towards the end of saving cycle as it is very portable. Also as commented by one group Treasurer, at some point, some members miss borrowing due to limited cash and only few are given hence affecting service delivery as these members would have planned to invest the loans. The study revealed no VSLA group with any donor fund support. The only support most of them received from development organizations was in terms of training on the VSLA model.

Unemployment equally was mentioned as a challenge for it has made them not have a source for saving.

Market for their marble and gold business was also seen as a constraints and it's bussiness that takes a lot of energy but one gets paid less compared to the middle man.

5.2. Conclusions

Basing on the findings of the study, the researcher concludes that VSLA's services include; savings, provision of loans, materials, welfare funds for emergencies such as sickness, funeral, food, scholastic materials for the school children.

The model has cultivated financial management solidarity culture in the community which played a great role in boosting household income resulting to increased level of household assets and social cohesion and women empowerment. The payout has allowed participants to acquire useful lump sums of capital at a predictable time and invest them in longer term activities resulting to economic empowerment of the individual, household and definitely the region through local revenue gain by the government.

The operation of the VSLA is found to be limited by lack of business skills, limited access to market, and inadequate financial resources and unemployment. These are technical and key operational activators which require proper measures to be put in place.

However, researcher concludes that VSLA's role on improvement of family livelihoods in Karamoja Uganda might not be so great particularly in Rupa Sub County but it should not be underestimated.

5.3. Recommendations

The findings discussions and conclusions have laid a firm foundation upon which recommendations can be drawn from the study in light of the study objectives.

According to the study findings, VSLA model is viewed as a leading financial education strategy understood easily by the rural community. Looking on its progress in the community in

terms of increase in saving value per member and evolvement into credible rural financial institutions, receiving deposits and disbursing loans, it is advisable to have the VSLA groups registered at the Sub County level so that the commitment of the members and the group is recognized and can be appropriate point of entry for most government development project hence stepping a head the group economic base.

As the focus of most members is towards economic empowerment and stability evidenced through acquisition of investment assets following increase in income level, it is recommendable to have the groups engaged in financial education, and business planning and management so that the ambitious admirable efforts are not frustrated in the long run.

Business training and financial education when offered to the VSLA members will step up the loan utilization hence boosting group earnings from loan interest. Proper loan utilization is recommended because it helps in stabilizing the financial resource level hence solving the constraint of finance. Furthermore recommendable to have the VSLA groups open group account in the banks especially in Centenary or Stanbic which are the two banks in Moroto.

It is recommended that NGOs implementing agriculture and livelihoods project in the region should support the community in giving quick maturing seeds in order to enable them take up agriculture as part of the investment to be engaged in. In this strategy, the farmers who are members in the saving groups will have control of the market for their products. Buyers would be willing to give fair price to producers with bulk stock because this cuts the cost of transport that would be incurred in small scale purchase.

5.4 Areas for further research

It will be unwise to conclude that this is the first and the last kind of research to be carried out in Karamoja soil.

Karamojongs are still faced with a financial dilemma. Given the time and scope of the study, this research could not digest all the necessary information to cover the researchers gap. The study did not exhaust all possible variables around the gender influence and performance of the VSLA in Karamoja Uganda thus more investigation should be conducted under.

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APPENDICES

Appendix 1: Budget

ITEM	QUANTITY	Unit	UNIT COST	AMOUNT
Ream of paper	2	Ream	20,000	40,000
Pens	4	Piece	500	2,000
Pencils	3	Piece	100	300
Clear bags	3	Piece	2500	7,500
Printing	50	Page	1000	50,000
Transport	18	Days	5,000	90,000
Note books	4	pieces	2,000	8,000
Photo coping	50	Page	100	5,000
Binding	2	Copy	5,000	10,000
Meals and Refreshments for researcher and s/c team	1	person	5000@ for 18 days	90,000
TOTAL				302,800

Appendix 2: Interview Guide for focus group discussion.

1. What kind of service is offered by Village Savings & Loans Association to its members and the community?
2. How are the loans useful for the people in the community?
3. What is the reason for joining village savings schemes?
4. Have the loans been of great importance to members?
5. How do the providers of the VSLA loans ensure they recover the money that is given out to people?
6. How accessible are VSLA services to an average rural poor person?
7. How much money do VSLA group members save and for what purpose and how frequently do they save?
8. How much money do VSLA group members borrow and for what purpose and how frequently do they borrow?
9. Other than just providing credit and savings, what other services are provided by VSLAs?
10. What are the major income sources of the VSLA participants?
11. Has there been a significant positive change in the income pattern of VSLA participants compared to three years ago? If yes, specify the nature of change?
12. What kind of assets do most VSLA participants own?
13. What are the impacts of the loans and savings provided by the VSLAs?
14. What are the critical challenges facing VSLAs?
15. What would you recommend to mitigate the aforesaid challenges?

Appendix 3: Key informants interview guide the VSLA members

Section A: VSLA services

- 1) *What VSLA services are provided to the group members?*
 - a) *Material services*
 - b) *Welfare funds for emergencies*
 - c) *Savings*
 - d) *Loans*
 - e) *Trainings*
 - f) *Others specify.....*
- 2) *What type of security is required for one to access the services?*
 - a. *Must be a group member*
 - b) *Must not be having running loan*
 - c) *Must have saved an equivalent of the amount she or he is requesting for.*
 - d) *Others specify*
- 3) *How flexible are the savings and lending institutions in terms of payback period?*
 - a) *One month*
 - b) *Two month*
 - c) *Three month*
 - d) *More than three month*
- 4) *How do you rate the interests charged on loans by your group?*
 1. *Very High*
 2. *High*
 3. *Low*
 4. *Fair*

- 5) How is the interest accrued from loans shared?
1. *Shared equally among members*
 2. *Shared according to one's savings*
 3. *Kept in groups' treasury*
 4. *Others*
specify.....
- 6) How often is the group savings done?
1. *Weekly*
 2. *Fortnight*
 3. *Monthly*
 4. *Quarterly*
- 7) How long does it take for a member's loan request to be approved?
1. *The same day*
 2. *One week*
 3. *Two weeks*
 4. *One month* 5. *Others specify.....*
- 8) Do the savings and lending groups ensure that the clients can have access to services related to management of the loan: financial literacy, business training, access to market, etc.?
1. *Yes* , 2. *No*
- 9) *How transparent is the process of making deposits, recording transactions, book keeping and provision of services to?*
1. *All members observe process of savings*
 2. *Only executive observes the saving process*
 3. *The savings process starts when all the members are represented*
 4. *Others specify.....*

Section B: Contributions of VSLA services

10) What is the major expenditure from your income?

- a) *Medical bill*
- b) *School fees*
- c) *Business expenses*
- d) *Rent*
- e) *Household needs*
- f) *Food items*
- g) *Agriculture*
- h) *Others specify*

11) How do you compare your income today with three years ago?

- 1. *Increase*
- 2. *Decrease*
- 3. *No difference*

12) What kind of assets do you own currently?

- 1. *Land*
- 2. *Ox-plough*
- 3. *Livestock*
- 4. *Motorcycle/ Bicycle*
- 5. *Others specify*

13) What kind of assets did you have before joining VSLA?

- 1. *Land*
- 2. *Ox-plough*
- 3. *Livestock*
- 4. *Motorcycle/ Bicycle*
- 5. *Others specify*

14) How do you accumulate, manage and control your asset base over time?

- a. *Cutting expenses,*
- b. *Changing consumption patterns,*
- c. *Family support,* d. *Savings,* e) *Investments.* f. *specify*

15) Why should one save?

- a) *To meet household needs*
- b) *Handle Emergencies*
- c) *Expand business*
- d) *For the future*
- e) *Purchase of livestock /cattle*

16) What are the main uses of loans and savings payouts

- a) *Buy asset*
- b) *Start or re-enforce the Business*
- c) *Cater for Household expenses*
- d) *Educational expenses*
- e) *Medical expenses*
- f) *Family celebration (marriage, festivities etc)*
- g) *Emergency (burial etc)*
- h) *Others (please specify)*

17) How would you rate the returns on the savings?

- 1. *Excellent*
- 2. *Good*
- 3. *Poor*
- 4. *Fair*

18) What is the main impact of loans and savings payouts?

- 1. *Improved family income*
- 2. *Improved savings level*
- 3. *Improved assets base*

4. *Growth of business*

5. *Others (please specify)*

Section C: VSLAs Challenges

1. In your opinion, what are the problems facing VSLAs in your area/group?

a) *Long distance to meeting place*

b) *Illiteracy*

c) *Lack or inadequate business skills and knowledge*

d) *Lack of business opportunities*

e) *Unemployment.*

f) *Inadequate financial resources*

g) *Limited access to markets*

h) *Others (please specify)*

Thank you very much for your time and the information that you provided about your VSLA group. Are there questions that you would wish to ask or any other information that you would like to share that you think is important?

Appendix 4:Consent Letter

I am Teko Christine, a student from Uganda Martyrs University. Am conducting a study on "Examining the Role of Village Savings and Loan Associations on the Improvement of family Livelihoods in Rupa sub-county in Moroto District". The Information obtained shall be used for academic purpose only and shall be kept confidential but shared among the research team.

I am hereby informing you and therefore seeking for your acceptance to participate in this study and give me all the required information as you may be asked. If you have accepted please kindly sign here below.

Thanks you very much.

Signature /Thump print.....Date.....

Consent obtained by.....Date.....