



THE IMPACT OF VILLAGE SAVINGS AND LOANS ASSOCIATION ON WOMEN IN GBANTI CHIEFDOM, BOMBALI DISTRICT, SIERRA LEONE.

Sheka Bangura¹ Abdul Kanja Sesay² Maliek Koroma³ Abubakarr Sidique Fullah⁴

sbangura@ebkustsl.edu.sl Lecturer Faculty of Agriculture and Natural resources Management- Ernest Bai Koroma University of Science and Technology, Agricultural policy and development consultant

aksesay@ebkustsl.edu.sl Lecturer, Faculty of Social Sciences, Ernest Bai Koroma University of Science and Technology.

mk@ebkustsl.edu.sl Lecturer Faculty of Agriculture and Natural resources Management- Ernest Bai Koroma University of Science and Technology

4asfullah@ebkustsl.edu.sl Lecturer Faculty of Agriculture and Natural resources Management- Ernest Bai Koroma University of Science and Technology

ABSTRACT

Over the past decades, rural households in Sierra Leone have been involved in the activities of informal savings schemes that raise capital from internal accruals and members who are shareholders control management of those. Despite women participation in village savings in Gbanti Chiefdom, their incomes are still very low and in general, the households or individuals are still having very poor standards of living. This research focused on the impact of village savings and loans association on women in Gbanti chiefdom, Bombali district. The research used descriptive research design in which registered women groups involved in village savings activities within Gbanti chiefdom were the population interest and relied on a sample size 100 respondents. The instrument employed in data analysis was a questionnaire. The study used both descriptive and inferential methods in analysing the primary data collected from women group operating in Gbanti Chiefdom. The findings of the study revealed that the members who save with village savings and loans group members, increase their likelihood of improving their livelihood outcomes. Getting loans from village savings and loan groups was found to have a negative influence, on the members' ability to improve their livelihoods. An increase in the chances of members not getting loans from the groups was found to decrease the probability of that member to improve his/her livelihood. This study recommends that village savings and loan groups should follow Professor Muhammad

Yunus pro-poor model in their operations and that they should be motivated by improvement of their members and not profits.

Key Words: Village Savings, Loans, Gbanti Chieftdom, Households, Bombali.

1.0 Background of the Study

For a long period, fighting poverty has been one of the major agenda of developing agencies including government, Non-Governmental Organisations (NGOs) as well as financial institutions in Sierra Leone in order to improve the welfare of the people. As a result, availability and accessibility to reasonable financial services is significant in economically empowering the low income-earners especially women (Kesanta& Andre, 2015). In many cases, commercial banks and microfinance institutions (MFIs) are the main organizations that are used to provide financial services. Empowering women has been one of the principal topics of discussion in the effort to fight for gender parity in economic development (Kapitsa, 2008). Nevertheless, there is a scarcity of proof in studies on the influence of economically empowered women in third-world countries (Brannen, 2010). Women are most active participants in the perception of village savings therefore, there is a need to examine their participation in savings and how this affects their livelihoods especially in rural economy. World Bank (2007) observed that below fifty percent of households in third world countries were able to get financial services provided by formal institutions, compared to over 70% in developed economies. Internationally, from the 193.6 million families which are categorized as poor worldwide, 47.8% were found to in the range of reaching the formal financial institutions' services. For instance, Jan &Maes (2012) observed that 3,652 MFIs were estimated to have over 205 million clients as at December 31, 2010. Out of this figure, over 137 million were found to be below the povertyline upon acquiring a loan for the first time where 82.3 per cent were women. Beside microcredit services being offered to low class countries, it is as well found in the powerful states like USA, it was estimated that 37 million representing 12.6% tend to operate beneath the poverty line (United Nations (UN), 2005). In this viewpoint, low-income earners have not registered much support from MFIs and banks due to high cost of their services. Low income-earners are barely able to meet minimum banking standards set by formal financial institutions in terms of bank charges interest rate as well as minimum balance. Furthermore, the low income earners especially women lack assets or property which can serve as collateral for loans (United Nations Population Fund (UNFPA), 2011). For that reason, the deprived people tend to formulate personal mechanisms through the use of groups which are formed locally and are self-made or associations, unregistered as well as self – controlled so as to attain their financial service demands in order to upscale their standards of living. Nevertheless, the contribution of these schemes to the improvement of the socio-economic state of poor people, is a subject that requires scientific investigations (Odokonyero, 2012). Village savings and loan (VSL) schemes have continued to act a key function in covering up financial service gap which pose the risk of high cost of services provided by the formal financial institutions. VSL schemes offer affordable services to finance which are customized in order to meet the requirement of the poor, inclusive of the rural women (Sarumathi& Mohan, 2011). Therefore, Ghadoliya (2000) and Oxaal and Baden (2012) noted that VSL schemes have a duty in the empowerment of women economically through promotion of appropriate conditions that allow women to improve their households and livelihoods, as well as making viable decisions in the regional, nationalas well as community levels. Mostly, these services are drawn towards the poor communities in the rural areas so as to uplift their standards of living.

Gbanti Chiefdom accommodates various cooperative societies. Some of these include Multipurpose, saving and credit, Soapstone mining. The Chiefdom has approximately 1000 women groups who deal in tree nurseries, rearing of poultry, grade cows rearing, merry go round, sports activities, etcetera. For that reason, there rises a need to connect them to international NGOs and financial institutions for sponsorship to necessitate them develop and become independent as the tokens they receive from the youth and women enterprise funds might not be sufficient given the large number of these kinds of groups (Government of Sierra Leone, 2013).

1.1 Village Savings and Loans

According to Jain (1996) village savings can be referred to as community based organizations (CBOs) which links members together in order to save funds which eventually can allow them to borrow. Short-term borrowings that normally range from 1 – 3 months is given to members from VSL from which they are required to pay back with repaid with interest. VSL can be bound by time, meaning that after end of given time frame (typically yearly) the borrowed funds is divided among members of group, for their personal use. Allen (2006) and Anyango et al. (2006), noted that a VSL framework is based on group system portrayed through financial services savings without including borrowings from outside; self-controlled; transparency and simple procedures; flexibility in terms of loan sizes; earnings retention in the group low group as well as management costs met through group earnings. The primary focus of the concept of VSL is based on asset building, provision of credit and savings in line to the requirements and capacity of repayment. Well-developed village savings help individuals to improve their incomes, broaden investment opportunities, thus, reducing poverty as well as lowering income inequality between women and men (Claessens&kranz, 2001). Through small loans advanced at low interest rates, VSL schemes play an important role in empowering women, who in most cases lack alternative source of income (Karlan, 2007). Experts view VSL schemes as the one glimmer of hope for the poor, a critical way out of poverty and a means to the empowerment of low income-earners, especially women (Sachs, 2005). The founder of the New York-based organization – Women's World Banking, Michaela Walsh, pointed out that VSL schemes are critical in creating business, which in turn, creates job opportunities in developing economies (Wright, 2000). The small loans advanced to women through village savings, enable them to employ themselves which also contributes to the improvement of the situation for the entire household. This can as well affect social status of women positively through promotion of confidence as well as expansion of their capability participate greatly in the society (Sulaiman, Ghazala, Syed, Hussain& Saba, 2012). Village savings also help to solve the problem of information asymmetries since the group as a whole is dependent of each other's actions. Members, who are seen as untrustworthy and therefore risky, are excluded from the group, peer pressure within the group functions as an incentive to repay in time (Islam, 2007).

1.2 Village Savings and Loans and Rural Livelihoods

The Foundation for International Community Assistance (FINCA) was the pioneers of the concept of village savings which is nonprofit organization with specialty in rural credit found in U.S. and was the most practiced kind of Community-Managed Loan Fund (CMLF) (Waterfield& Duval, 1996). Since then, village banking has been adopted by NGOs and social groups in many part of the world and has been successfully reached poor setups of rural occupants. Although village saving is usually facilitated via grants given by a lending institution; member savings,

share capital and accumulated interests replaces external funding in the long run (Scoones, 2009). Savings mobilization is a major element of this method than it is in the Grameen and Latin American Solidarity Group models. For members to qualify for a loan, they are required to have saving with village bank and to also keep on saving with it during the entire loan cycle (Yunus, 1998) so as sustain livelihood strategies in case of emergencies. A noted criticism of the village banking model however is the rarity of reaching self-sufficiency since demand for credit rapidly expand as compared to their capacity to marshal savings (Robinson, 2001).

A global research carried out by the world bank found that by the end of 2006, about 133 million people were involved in VSL activities and had benefitted from small loans from such schemes. About 60% of VSL beneficiaries were women earning less than a dollar a day (World Bank, 2007). Women form approximately 83% of the reported clients of VSL projects. The study observed that the strength of VSL schemes was founded on women's proper utilization of funds, financial discipline and timely repayment of loans. Consequently, investing in women had proven to be the most effective way to increase household expenditure on health, nutrition, food, security, education and protection against emergencies (Robinson, 2004). Khandker (2003) observed that among the earliest VSL beneficiaries, poverty rates decreased by more than 20 percent, over half of which was attributed to VSL loans. Women involved in VSL schemes were three times more likely to purchase land on their own than those not involved in such schemes. Because of the remnant non-beneficiaries impact on VSL schemes, the study concluded that VSL directly accounted for 40% in reduction of poverty in rural Bangladesh.

1.3 Women Groups in Gbanti Chiefdom

Gbanti Chiefdom accommodates various Savings and Credit Cooperative Societies (SACCOs), youth groups, women groups as well as self help groups. Some of these include Multipurpose, saving and credit, Soapstone mining, They are evenly located major villages. The cooperative societies which are active in the county are 80 with a total of 59,715 members. The estimation of these groups include: 1200 youth groups, 1000 women Groups as well as 450 Self Help groups in the Chiefdom that deal with tree nurseries, rearing of chicken, grade cows rearing, merry go round, sports activities, etcetera. For that reason, there rises a need to connect them to international NGOs and financial institutions for sponsorship to necessitate them develop and become independent as the tokens they receive from the youth and women enterprise funds might not be sufficient given the large number of these kinds of groups (Government of Sierra Leone 2013).

1.4 Problem Statement

Over the past decades, rural households in Sierra Leone have been involved in the activities of informal savings schemes that raise capital from internal accruals and members who are shareholders control management of those. Through village saving activities, group funds from savings accruals remain with groups to be used as sources of credit for members with intention of increasing their potential to investment so as to achieve great performance which can empower them economically (Sagwe, 2011). Despite household participation in Gbanti Chiefdom, their incomes are still very low and in general, the households or individuals are still having very poor standards of living (PDRP, 2007). Access to financial services for low income earners remains lower in developing counties than in developed ones. VSL schemes are crucial for women empowerment, especially in the countries which are still developing. The provision of services given by formal financial institutions remains beyond the reach of the poor (Chandrasekhar, 2004; and World Bank, 2007). Evidence of village savings being a beneficial tool for women

empowerment have been shown in various studies undertaken. Todd (2000) noted a positive correlation between access to VSL funds by women and child nutrition, maternal and child health, children's enrolment in school and women's participation in decision-making. Barnes (2001) found a positive linkage between membership to VSL schemes and borrower's household income, property ownership, children's education and health. In another study, Khandker (2003) found that among the earliest VSL beneficiaries, poverty rates decreased by more than 20 percent, over half of which was attributed to VSL loans. Women involved in VSL schemes were three times more likely to purchase land on their own than those not involved in such schemes. Due to the spillover effect of this impact on non-beneficiaries of VSL schemes, the study concluded that VSL directly accounted for 40% in reduction of poverty in rural Bangladesh. Furthermore, study by SIDA (2004) shows a positive correlation between VSL and improvement livelihood of the poor and disadvantaged people particularly, women, and ethnic victims, cultural discrimination as well as indigenous people. This is because of accessibility to financial services, like money transfers, savings, insurance, and credit attributed to expansion of choices of the low income earners in order to improve the capacity of responding to chances. Other studies have questioned these positive findings. In his study, Kerr (2002) argued that small borrowings can sometimes contribute to disempowerment of women as the large debts may become a burden. In their study, Anyango et al. (2007) failed to establish indicators of empowerment among VSL participants. Even though VSL initiatives in Kisii County have been operational, whether women in the county have benefited from the VSL is vague or not documented. Similarly, the influence of VSL financial services to better the women's economical standards seems also to be documented scantily. This has had significant constraints in policy formulation intended to promote the development of VSL schemes. Hence this study examined the impact of village savings on women rural women in Sierra Leone with focus on Gbanti Chiefdom. Therefore, this study sought to answer the question; what is the impact of village savings on women rural women in Gbanti Chiefdom?

1.5 Aim and Objectives of the Study

The main aim of this study is to evaluate the impact of village savings and loans association on women in Gbanti chiefdom, Bombali district.

1.5.1 Specific Objectives

1. To determine the effects of village savings and loans association on rural women in Gbanti Chiefdom
2. To measure the social and economic effect of village savings and loans association on rural women in Gbanti Chiefdom.
3. To proffer recommendations for sustainable village savings and Loans association for rural women in Gbanti Chiefdom for better lives and livelihoods.

1.6 Research Questions

1. What are the effects of Village savings and Loans on rural women in Gbanti Chiefdom?
2. Are there any social and economic effects of village savings and Loans association on rural women in Gbanti Chiefdom?

3. What recommendations are there to sustain village savings and Loans association for rural women in Gbanti Chiefdom to live better lives and livelihoods?

1.7 Review of Relevant Literature

1.7.1 Theoretical Review

The study is embedded on three theories which are in line with the subject under investigation. The theories in focus are: Rational Choice Theory (RCT), Prospect Theory (PT) and Sustainable Livelihood Approach theory (SLAT).

1.7.2 Rational Choice Theory

The Rational Choice Theory states that individuals tend to be encouraged by their preferences and goals. Activities of individuals are primarily regulated through the information on the situations of which a human being is under in the effort of achieving his/her aims. The application of the same principles used by theories of economy are applicable to RCT which make it easy in understanding communication among resources such as time, prestige among many others. Usually it is not easy satisfy human desire. Goals selection done using an appropriate method in meeting the targets set can be an essential domain RCT. This theory states that, every human being is required to properly understand his/her own choice of goals that should be able to perceive the aftermath of his/her selection. Efforts to describe all (compliant and deviant) of social occurrence in terms of how self-interested individuals make decisions under the control of their preferences. In this study, the theory will be used to find out whether the village savings operating in Gbanti Chiefdom are treated to same exchange of economy. Women in this county, attempt to gain more profits through the utilization of the available opportunities which eventually lead to minimization of their chances to incur losses. This theory is based on assumptions that individual selections are aimed at optimization of their pleasure or profit; they tend to act with rationality when making selections and that they their behaviours are based on rational calculations.

1.7.3 The Prospect Theory

Amos Tversky and Daniel Kahneman developed Prospect Theory (PT) in 1979. This theory of economics explains how the shareholders can make decisions based on risks. The theory assists people to decide on the right financial choice. Moreover, the theory regards empirical evidence so as to explain the possible gains and losses evaluated by individuals. The Prospect theory explains decisions in two phases namely, editing and evaluation. In the first stage the potential results of the choice is ordered following some likelihood. In the evaluation period of the theory, individuals tend to calculate a digit on the foundation of the possible outputs and their respective likelihoods. Then they make choice on the option, which has a higher usefulness compared to the rest. Scholars connect prospect theory to optimal foraging theory. This study employed the prospect theory to gauge women who are members of village savings group in Gbanti Chiefdom and their behaviours related to finances, for instance, the reversing of risk aversion or disposition effect as well as identification of risks in either gains or losses. An essential utilization of prospect theory if properly applied in economic transaction, can directly or indirectly affect the value expected or the existing one. This theory is applicable in different range of economic affairs which tend to be incoherent in line with the standard economic the status quo bias, rationality, the premium puzzle of equity, gambling as well as betting puzzles and effect of endowment.

1.7.4 Sustainable Livelihood Approach Theory

According to Scoones (1998), Sustainable Livelihood Approach theory (SLAT) deals with peoples' weakness and the management of shocks such as change in climate patterns, and prolonged draughts among other shocks; trend such as change of roles on the society as well seasonality as far as accessing of human, physical, financial and social assets is concerned so as to achieve livelihood outcomes, while at the same time paying attention on how those assets are either influenced or influence the transforming structures and the processes to be undertaken for sustainability.

The idea of Sustainable Livelihood (SL) is applicable to women who are members of village savings within Gbanti Chiefdom and therefore will be used to try to go beyond to more approaches to eradication of poverty in the area. The focal point of this theory is on features and processes that either restrains or improves the ability of the poor to get a living in an ecologically, economically, and socially sustainable manner. Consequently, ALAT is a more logical and integrated approach to poverty.

1.7.5 Determinants of Women Livelihoods

Frankenberger (2000) generally describes security of household livelihood as sufficient with long term income accessibility as well as resources available to necessitate the households to achieve their basic needs such as accessibility to enough food, health facilities, water, housing, educational opportunities, social integration as well as time for community participation among many others. In different view, livelihood can be defined as an extent to access and manage social resources and material in a family setup (Dixon Mueller, 2010). Therefore, livelihood can be termed to as a practice that enable one to gain and manage their available resources both in material form and intellectual manner that give them support in building their self-sufficiency that allows them to achieve their rights independently, hence, criticizing the notion of speaking for gender-based discrimination as well as patriarchy (Batliwala, 2000).

1.8 Empirical Review

Allen & Hobane (2004) concluded that, an increase in household productive as well as non-productive of asset was because of majority of them being members of VSL schemes operating in Zimbabwe. Nevertheless, it is not easy to qualify the findings to village savings interventions alone. This study did not comparison group or controls but depended on data recalled in four years period, and this may yield information which is inaccurate, since individuals seem to disregard their status memories after four years. The research conducted on the program of village saving in Malawi, Anyango (2005) found that participation program of VSL had assisted in improvement members livelihoods, which led to poverty alleviation, especially, for women most of are members of these schemes. When studying the Effects of financial access on savings by low-income people in Bancode, Mexico, Mexico City, Mexico, Aportela (1999), found that expansion of savings programs increased average savings rate, with the poorest households experiencing the greatest increase. The study applied Quasi- experimental design. CARE Tanzania (2006) did study on Village savings and Loans and women's Empowerment Strategic Impact Inquiry (SII) in Tanzania. The study had control group and used a combination of quantitative and qualitative methods. The study found that there was an increase in education expenditure, greater food security and health, increase in selfconfidence and role in decision making among members in the VSL schemes. In his study on the Impact of Group lending in

Northeast Thailand, Coleman (1999), evaluated The Rural Friends Association and the Foundation for integrated Agricultural management, Thailand. In his study he concluded that, there is little to no impact on physical assets, savings, sales and school expenditure. The impacts are vastly overestimated when using more naïve controls for self-selection bias. In his study he used the Quasi- experimental design. Hashemi, Schuler & Riley (1996), did a study on Rural Credit Programs and Women's Empowerment in Bangladesh. They evaluated the Grameen Bank and Bangladesh Rural Advanced Committee (BRAC). In their study, they employed statistically control for differences in demographic characteristics and a combination of sample survey and case study data. Their conclusion was that, both programs increase likelihood of a female client being empowered by 16 percent. Even women who do not participate in the program are more than twice as likely to be empowered simply by living in program villages. Todd (2000), in his study, poverty reduced through microfinance; the impact of ASHI in Philippines, discovered that there is a decrease in poverty rates among borrowers, improvement in educational attainment for children of borrowers and improvement in quality of housing. The study used ethnographic approach. It spends two years following a total of 64 households of which 40 were borrowers and 24 comparison households. Barnes (2001) found that there is an increase in income, increase in number of schooling for boys aged 6-16, improvement in both quantity and quality of food consumed and increase in durable assets. The study had control group and used a combination of quantitative and qualitative methods. The Financial Scope (FinScope, 2006) study indicates that 54% of rural Tanzanians do not access formal financial services. This situation brings about an opportunity for the formation and promotion of informal rural financial associations to mitigate the situation; hence, VSLAs among many financial services delivery systems. FinScope (2006) found that only 2% of Tanzanians are accessing SACCOs' financial services. This situation necessitated a development of an informal sector in rural financial services delivery; hence, MFIs like the Promotion of Rural Initiative and Development Enterprises (PRIDE) and Foundation for International Community Assistance (FINCA) in Tanzania and other countries.

2.0 Methods

The study employed descriptive research as an ideal design. The research used quantitative and qualitative approaches where the information sourced through this approach will be used for descriptive purpose. The population of interest consisted of registered women groups who are involved in village savings activities within Gbanti Chiefdom. The Chiefdom has approximately 1000 women involved in this activity.

This research used simple random sampling where the targeted women have equal chance to be included in the interview from each women group was interviewed. Convenient sampling technique was chosen because is found to be inexpensive, fast, and easy. The study targets 100 registered groups in Gbanti Chiefdom to form the basis of the sample size. The sample size was calculated based on the general criterion of 30% threshold of the population.

This study used primary data which was gotten from the women who are member of groups that are involved in village savings activities in Gbanti Chiefdom. The questionnaire was used as a tool for data collection. This instrument contained open and closed ended. Closed ended questions helped in minimizing time wastage and also kept the data collection process consistent. This kind of questions also made it easy to analyze data. On the other hand open ended questions encouraged respondents to give deeper and more detailed responses. The drop and pick method was employed in administering of the questionnaires to respondents.

The study used both descriptive and inferential methods in analyzing the primary data collected from the respondents. The statistical package for social package (SPSS) aided in analyses and interpretation of the collected data. The descriptive statistics was presented in form of percentages, graphs, charts and other tabulations. The inferential analysis was done through use of correlation statistics.

2.1 Results

2.1.1 Response Rate

The study intended to gather information from 100 respondents gotten from women groups operating in Gbanti Chiefdom. The study managed to get data from 65 respondents only while the other 35 did not bring back their questionnaire. Those who responded were represented by 65 percent and those who did not respond were represented by 35% of the total sample size. These results are as given in figure 1.

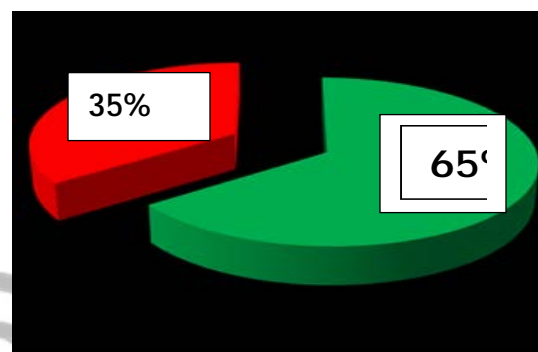


Figure 1 Percentage of Respondent's rate
Source: Field Data, 2021.

The rate of response reported by this research was found to be adequate to facilitate the analysis and coming up with reports of the findings together with generating conclusions. This rate was concurred to Mugenda & Mugenda (2003) assertion that a response rate of 60 percent is fit for analysis and reporting

2.2 General Information

2.2.1 Age of VSL Group Members

The study requested to determine the age of the respondents and the results of the study findings are as indicated in table 1

Age in Years	Frequency	Percent (%)
18-24	4	6.2
25-30	17	26.2
31-35	14	21.5
41-45	17	26.2

46-50	8	12.3
Above 50	4	6.2
Total	64	100

Source: Field Data, 2021

The study established that most of the respondents ranged between the age bracket of 25 to 30 years and 41 to 45 years with each being represented by 26.2 percent. Those were in the age group of between 31 and 35 years had a representation of 21.5 percent. 12.3 percent of the respondents were in the age bracket ranging from 46 – 50 years. While those in age category of 18 to 24 and above 50 reported 6.2 percent respectively. The findings indicate that membership of VSL groups comprises balanced distribution of age. This revelation is significant for this study as it has disqualified the notion that people have towards women groups that it is thought to be for the aged people and those retired.

2.3 Education level

The study established the education level of the respondents and the outcomes are as given in figure 2

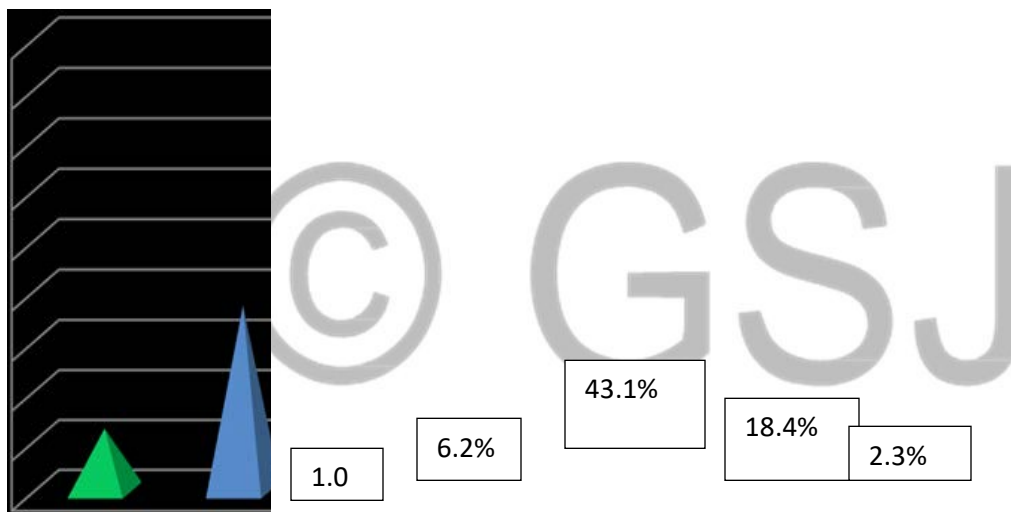


Figure 2 Educational Level

The findings revealed that 18.4 percent of the women group members interviewed had primary education education as their highest level of education. 43.1percent had no education . While those with Diploma accounts for 6.2 percent, this result suggest that most of the women have not got formal education to look for office jobs so their only hope is to look for money to engage into business

2.4 Duration of Membership of Village Savings Group

The study asked members to state the duration of which they have been members of their respective VSL groups

Key to graph:

- Less than a year
- 2.5 years
- 5-10 years
- More than 10 years

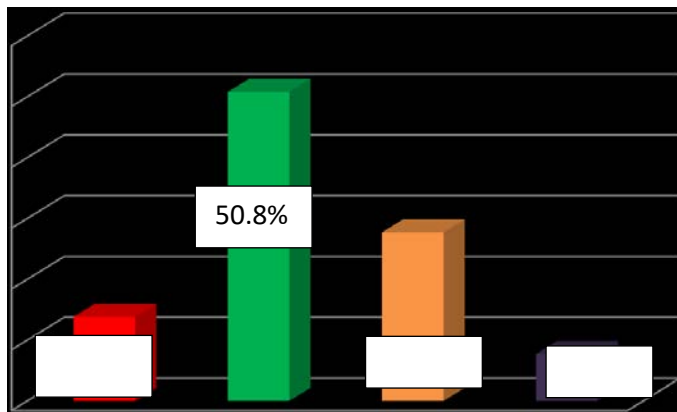


Figure 3 Duration of Membership of Village Savings Groups

From the responses given in figure 4.3, it can be presumed that most of the respondents (50.8%) have been group members for a period of 2 to 5 years. 27.7 percent said that their groups membership have lasted for a duration ranging from 5 to 10 years. 13.8 percent were found to have been members of women groups for a period of less than one year. While 7.7 percent indicated that their membership in women groups has lasted for a period of more than 10 years. An indication that women group members in Gbanti Chiefdom, have enough experience in the membership of VSL groups.

2.5 Saving with VSL Group

Table 2 Whether Members Were Saving with VSL Groups

Response	Frequency	Percent (%)
Yes	52	80.0
No	13	20.0
Total	65	100

Source: Field Data, 2021.

From the results given majority (80%) of the group members investigated confessed that they had savings accounts in their respective groups. On the other hand, 20 percent seemed not to be saving with their women groups. The results indicate that some group members were only interested in other group activities like merry-go-round but were not able to save with these groups.

2.6 Savings per Month

On the inquiry of the amount of which members save per month, the study established that the average amount saved by group members in their VSL groups was Le 300,000 The lowest amount saved by members in a month was Le 200,000 and the highest being Le 300,000 as shown in table 4.3. This could imply that most women group members have trust in their respective VSL groups and some are able to save in order to secure loans from the groups.

Table 3. Savings per Month (Approximately how much do you save per month?)

Response	N	Minimum	Maximum	Mean	Std. Deviation
	52	200,000	300,000.00	3911.5385	5752.60057

Source: Field Data, 2021

2.7 Confidence in Saving with VSL Group

The research wanted to establish whether the respondents had confidence in saving with VSL groups. The results indicated in table 4.5, demonstrate that overwhelming number (80%) of the respondents had confidence in saving with their respective VSL groups. While the remaining 20 percent seemed not to have confidence in saving with their respective women groups. The group members have shown confidence in their respective groups an indicator that that could lead to increased savings and frequency of getting loans and repayment of the same.

Table 4. Confidence in Saving with VSL Group

Response	Frequency	Percent (%)
Yes	52	80.0
No	13	20.0
Total	65	100

Source: Field Data, 2021.

Table 5, Benefits of Saving with VSL Group

Responses	N	Mean	Std. Deviation
Saving with the group enabled me access human capital	65	3.2769	1.29310
Saving with the VSL group enables me access to physical assets	65	3.0923	1.33139

Source: Field Data, 2021.

The findings show that to a moderate extent (Mean = 3.3), saving with the group had enabled members access to social capital. Similarly, saving with the group had enabled women group members to access human capital but to a moderate extent (Mean = 3.2). On the same note, saving with the VSL group was found to enable group members to own physical assets. This is an indicator that saving with VSL has a possibility of assisting the members to acquire livelihood outcomes. It could also imply that VSL enable members to save from their earnings and not to depend on handouts from their dependents.

2.8 VSL Loans Services

The inquiry on loans services given by village savings was done based on likert of 1 – 5 where 1 represented very low extent, 2 is low extent, 3 = moderate extent, 4 = large extent, and 5 represented very large extent as shown in table 4.10. Members seem to have benefited from loans taken from VSL groups as this gave a mean of 4.2. Likewise, the regularity of VSL group giving loans to its members was done to a high extent (Mean = 4.0). The loan taken from VSL group had helped members improve their livelihood just to a moderate extent (Mean = 3.3) and the option of interest rate charged on loans given by VSL being reasonable was to a moderate extent (Mean = 3.1). This indicates that among the loan services offered by VSL groups, it made members to realize some benefits from the loans taken since VSL group were regularly giving out loans to its members.

Table 6. VSL Loans Services

Responses	N	Mean	Std. Deviation
Members benefit from loans taken from VSL group	65	4.2154	6.50839
VSL group regularly give loans to its members	65	4.0308	1.19856
The loan taken from VSL group has helped me improve my livelihood	65	3.3016	1.58251
The interest rate charged on loans given by VSL is reasonable	65	3.1692	1.25710

Source: Field Data, 2021.

2.9 VSL Group and Ownership of Physical Assets

The research made an inquiry to establish if VSL groups operating in Kisii County had helped their members to own different physical assets and the findings are as indicated in table 4.12. 21.5 percent of the respondents admitted that the groups had enabled them own permanent house while 78.5 percent thought otherwise. 87.7 percent of the respondents agreed that were of the opinion that savings and loans given by VSL groups in the county could not enable them purchase motor vehicle, except for 12.3 percent who admitted that they were able to purchase motor vehicle either through the savings or loans provided by VSL group.

Table 7. VSL Group and Ownership of Physical Assets

Physical Assets	Yes (%)	No (%)	Total
Permanent house	21.5	78.5	100
Land	30.8	69.2	100
Domestic animals	56.9	43.1	100
Television set	46.2	53.8	100

Source: Field Data, 2021

On the concern of whether members were able to purchase land through savings and loans from VSL group, 69.2 percent felt that their respective village savings groups did not contribute in their purchasing of land while the remaining 30.8 percent felt otherwise. Moreover, 56.9 percent of the members indicated they were able to own domestic animals through savings and loans given by VSL groups. 43.1 percent had not owned livestock through VSL groups. Equally, members were required to indicate whether they were able to own televisionset through their membership of VSL group, 53.8 denied while 46.2 agreed to the statement. This is an indicator that VSL groups in this county do not have the ability which can enable their group members to build permanent houses, buy land and television sets, but would only necessitate them to own domestic animals. Therefore, VSL groups are required to encourage their members to save frequently so as to access loans to enable them build permanent houses, purchase land as well as television sets among many other outcomes.

2.10 VSL Group and Social Capital

Table 4.13 shows the ability of the respondents to become a member of a social capital. 60 percent revealed that these groups did not contribute to the church membership while church membership of the remaining 40 percent seems to be motivated by their memberships of VSL groups. Equally, Mosque membership was not dictated by VSL group membership as 59.4 percent reiterated that the groups did not enable them join a given Mosque membership, but 40.6 felt that these groups played a role in Mosques. Divergently, majority (89.1%) of the respondents were of the view that the VSL groups had made it possible for them to join Secret Societies apart from a few (10.9%) who felt otherwise. This exposure makes sense since for one to become a member of a particular VSL group; mostly he/she start by becoming a member of a secret society mostly the Bondo society.. However, one can join churches or Mosque even without being a member of any given VSL group.

Table 8. VSL Group and Social Capital

Social Capital	Yes (%)	No (%)	Total
Church Membership	40.0	60.0	100
Mosque Membership	40.6	59.4	100
Secret Society Membership	89.1	10.9	100

Source: Field Data, 2021

2.11 Summary and Conclusion

2.11.1 Summary

The summary of the key study findings are provided with focus on objective of the study which was to determine the impact of village savings and loans association on women in Gbanti chiefdom, Bombali district. 65 percent responded to the study. It was established that most of the respondents were in the age bracket that ranged between 25 to 30 years and 41 to 45 years. The findings revealed the most women group members had no education. Majority of the respondents have been group members of VSL for a period of 2 to 5 years. Members investigated confessed that they were saving with their respective VSL groups. The study established that the average monthly amount saved by group members. The lowest amount being Le 200,000. and the highest being Le300,000. 80% of the respondents had confidence in saving with their respective VSL groups where 71 percent of them acknowledged that saving with their groups had enabled them improve their livelihoods.

2.11.2 Conclusion

The research established that VSL groups have a significant effect on the women rural livelihood outcomes as they are able to lend many of their members with money to build permanent houses, , buy land, medical expenses and pay school fees. For the purpose of sustainability of livelihood of the rural women, village savings and loan groups train their members on benefits of saving and taking loans and this could enhance the growth of this trend. respondents admitted that they had received trainings on importance of saving with a given VSL group. Majority (86.2%) of the group members reported that their respective VSL groups were giving loans to their members. Members seem to have benefited from loans taken from VSL groups and the loans were given to members regularly. 80% acknowledged that VSL group enabled them get access to livelihood outcome. However, VSL groups in the county could not enable their members build permanent house, purchase motor vehicle, land, and television set, but had made it possible for them to possess livestock, join secret societies foot the medical expenses, and pay their school fees and that of their dependants. The findings further revealed that the VSL group members, who save frequently, increase their likelihood of improving their livelihood outcomes. Loan gotten from VSL group was found to have a negative influence, on the members' ability to improve their livelihoods. An increase in the chances of members not getting loans from VSL groups was found to decrease the probability of that member to improve his/her livelihood.

The study also established that the members were able to take loans in order to meet their medical expenses and education. Some treatments might be a huge burden on the group members as it might require quite a lot of money. Such cost of illness can cause difficulties in repayments of loans taken by members which could also affect their frequency of saving with VSL groups. Therefore, this might cost a member to lose his/her acquired assets in the name of repaying the loans. VSL groups could as well bring in experts who could teach their members on how to control some of these preventable diseases by observing good nutrition, sanitation etcetera. They can further address this concern introducing to their members policies of medical insurance. VSL groups are advised to play a key role in facilitating members to build permanent houses. Members, who live in decent houses in the village, are likely to attract nonmembers to join financial groups as they will be a reflection of the benefits received from these financial groups. Education is found to be a vital element of development of the nation. For that reason, VSL groups are supposed to play a key role in sensitizing people on importance of education by making funds available to their members to enable them further their education and that of their dependents.

2.11.3 Recommendation

This study recommends that

- VSL groups follow Professor Muhammad Yunus pro-poor model in their operations.
- Be motivated by improvement of their members and not profits. Many of the VSL groups seem to have found business opportunities in the rural areas especially on loans. This would not go well with the struggling people in the rural economy.

2.11.4 Suggestion for Further Research

The study focused on effects of village savings and loans on rural women livelihoods outcomes among women groups at Gbanti Chiefdom. It is suggested that the same research be done in a different scope and on different unit of analysis other than rural women to try and find out the diverse opinions on the topic of village savings.

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