

**EFFECTS OF VILLAGE SAVINGS AND LOANS ASSOCIATIONS (VSLA) ON THE
LIVELIHOODS OF RURAL WOMEN IN OTUBOI SUB-COUNTY, KALAKI
DISTRICT**

BY

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DECLARATION

I EREU FELIX do declare that all the information in this research is my own effort and has not been submitted to any Institution by any student.



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DEDICATION

I dedicate this to my family members especially, wife, Children, brothers, sisters and my Mother for their patience, love, inspiration, prayers and support they gave me in the course of my studies, not forgetting my friends, who used to be with me sharing ideas during our stay in Busitema University. I also dedicate this research work to my supervisor Mr. Deogracious Opolot

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LIST OF ACRONYMS

IGA.....	Income Generating Activities
SEWA.....	Self-Employed women as Association
NGO.....	Non Governmental Organization
USA.....	United States of America
UWESO.....	Uganda Women's Effort to Save orphans
VSLA.....	Village Savings and Loans Association
\$.....	United States dollar
ASCA.....	Accumulating Savings and Credit Association
CRS.....	Catholic Relief Services
DFID.....	Department for International Development
DFS.....	Decentralized Financial Services
FSDU.....	Financial Sector Deepening Project in Uganda
GDP.....	Gross Domestic Product IGA Income Generating Activities
JOCDO.....	Jozani Credit Development Organization
MRFMF.....	Market Research for Microfinance
MFI.....	Microfinance Institutions
ROSCA.....	Rotating Savings and Credit Associations ("Upatu")
SACCO.....	Saving and Credit Cooperation Organization
SPSS.....	Statistical Package for Social Scientists
CARE.....	Cooperative for Assistance and Relief Everywhere

ABSTRACT

This study examines the influence of village savings on women rural livelihoods in Eastern Uganda with focus in Otuboi.

The purpose of this study is to assess the effects of village savings and loans on rural women livelihoods outcomes among women. To Characterize the different households involved in VSLAs, to examine the effects of village savings and loans on economic, social welfare outcomes among women in Kalaki.

The study has been carried out in Otuboi sub-county Kalaki district, Otuboi sub-county consists of five (05) parishes where the researcher purposively samples two (02) parishes.

The study used a cross-sectional case study like interviewing, questionnaire. It also employed a scientific model to determine the sample of the study which included respondents both VSLA leaders and the clients. Simple random and purposive sampling was used in-order to get the respondents. Data used was from primary and secondary data sources. Validity and reliability of the study has been tested in-order to ensure the quality control of the information collected. The findings revealed the effects of VSLA loans to the livelihood of rural women welfare in Otuboi sub-county which interns reduces poverty.

Majority of respondents (40%) were between 31-40 years, followed by (30%) were between 41-50 years, (20%) was at the age bracket of 18-30 years and (10%) are between 51 years and above. Respondents between the age of 31-40 have more responsibilities and most of them are mothers with many children. Assets women had before the VSLA loans; Poultry as reported by 20%, utensils as reported by 25%, Radios as reported by 5%, Garden tools as reported by 12%, bedding as reported by 10% of the respondents, bicycle as reported by 6%, Cows as reported by 8% and Land as reported by 14%. Agriculture as reported by 50%, brewing local brew as reported by 10%, selling cassava chips as reported by 8%, keeping local poultry as reported by 20%, going for casual labor as reported by 10% of the respondents and selling tomatoes, Omena with little capital as reported by 2%. Capital women had before VSLA loan; less than 50,000 as reported by 65%, 50,000-500,000 as reported by 25%, 500,000-1,000,000 as reported by 10%.

Conclusively VSLA Loan were the source of income for the rural women which enabled women to expand their businesses and open businesses hence enabling them fight poverty, meet their home basic needs, acquire their assets, enable women to pay school fees of their children.

CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

1.1 Background to the study

World over, poverty remains the one of the biggest challenge affecting households especially in rural areas characterized by dependence on subsistence agriculture with limited financial services. However, over the years' remarkable progress has been made in reducing poverty across the world. Nearly 1.1 billion fewer people are living in extreme poverty than in 1990. In 2015, 736 million people lived on less than \$1.90 a day, down from 1.85 billion in 1990.

In Uganda, great strides have been made in reducing poverty. Between 1993 to 2006, annual reduction in the national poverty rate of 1.9 percentage points a year was realized thereafter remained impressive over the years. Uganda has also set out an ambitious plan of vision 2040 of attaining middle income status. Therefore, sustained gains in poverty reduction and the achievement of this vision for Uganda will require a fundamental shift in the nature of production and financial inclusion.

Financial inclusion is a key enabler to reducing poverty and boosting prosperity by facilitating day-to-day living, and helping families and businesses plan for everything from long-term goals to unexpected emergencies. Moreover, well-functioning financial systems enable financial institutions to provide affordable credit and other financial services to more people. This, in turn, stimulates the growth of existing businesses, and encourages the emergence of new ones. At the household level, it enables individuals and families to better balance their spending and savings, to invest in their children's education and access good health care, and to accumulate physical and other assets to guard against shocks, such as the drought we have recently experienced (Groups & Model, 2015).

In Uganda, a number of institutions are working towards providing financial inclusion. Growing evidence highlights that for poor households (as with less poor households), savings is a much higher priority than borrowing, as savings builds assets and can help to address risks as well as planned life-cycle events. Finance institutions (MFIs) are the institutions that extend financial and