

Vol. 8 | Social and development concerns in Africa (c)

Vol. 8 Article 4/10 | August 2019

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(An International Publisher for Academic and Scientific Resources)

## THE INFLUENCE OF SAVINGS OF VILLAGE SAVING LOANS ASSOCIATION (VSLAS) ON THE ENHANCEMENT TO WOMEN’S ECONOMIC EMPOWERMENT IN HAWLWADAAG, MOGADISHU, SOMALIA

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<p><b>Chief Editor</b> Web: <a href="http://www.ijsdc.org">www.ijsdc.org</a> Email: <a href="mailto:info@ijsdc.org">info@ijsdc.org</a></p> <p><b>Editing Oversight</b> Impericals Consultants International Limited</p>	<p><b>Abstract:</b> <i>The purpose of the study was to investigate the influence of savings of village saving Loans Association on women rural economic empowerment in Hawlwadaag in Mogadishu, Somalia. The study was embedded on Sustainable Economic empowerments Approach theory (SLAT). The study employed descriptive research design. The study was carried out in Hawlwadaag District in Mogadishu which is the capital and most populous city of Somalia. The study targeted all VSLAs in Hawlwadaag district in Mogadishu. To conduct formal survey with women VSLA members the researcher drew respondents using simple random to select VSLAs that participated in the study. The research collected both primary and secondary data and employed both qualitative and quantitative data collection methods. Quantitative data was computed for analysis using Statistical Package for Social Sciences (SPSS V 23) and analyzed using descriptive statistics such as frequency, percentages, means and standard deviation then presented in tables, graphs and pie- charts. Qualitative data were analyzed according to themes and patterns formed. They were presented in narrative form. The findings indicated that VSLAs was implemented through a number of accountability and governance features that are described in more detail .The findings indicated that VSLAs group enabled to improve livelihoods. The researcher recommended by mitigating the challenges viewing should be done for contributions of VSLA towards the economic empowerment of rural women, there is the need for more organizations, particularly state institutions such as the regional coordinating councils, metropolitan, municipal and district assemblies to help empower rural women by supporting them to get organizations that have the expertise to build the capacity of more women particularly in the rural settings to start the process .</i></p> <p><b>Key words:</b> <i>Income generative activities (IGA), Village Savings and Loan Association (VSLA) and Women empowerment</i></p>
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## 1.1 Study background

For a long period, fighting poverty has been one of the major agenda of developing agencies including government, Non-Governmental Organizations (NGOs) as well as financial institutions in Somalia 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 forming village savings therefore, there is a need to examine their participation in savings and how this affects their economic empowerment especially in rural & urban economy.

World Bank (2017) 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 be in the range of reaching the formal financial institutions' services. For instance, Jan & Maes (2012) observed that 3,652 Micro-Finance Institutions (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 poverty line 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), 2015).

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 and urban women (Sarumathi & Mohan, 2011). Therefore, Ghadoliya (2010) and Oxaal and Baden (2017) 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 economic empowerment, as well as making viable decisions in the regional, national as 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.

Hawlwadag, Mogadishu accommodates various cooperative societies. Some of these include Multipurpose, saving and credit, Soapstone mining, Coffee growers as well as Tea grower's co-operative societies. The county 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 (Hawlwadag, Mogadishu Government, 2013).

Most financial service providers in Ethiopia concentrated in major urban towns while a large proportion of the Ethiopian population lives in rural areas. Ethiopia has a favorable macroeconomic policy environment and regulatory framework to promote sustainable microfinance development (Wolday, 2003). The government of Ethiopia supports microfinance institutions as one of the means of addressing the poorest segment of the society to reduce poverty. Since 1991, the government of Ethiopian has been attempted to liberalize the finance sector. No matter how the government allow domestic investors to participate in banking and insurance activities, which were previously monopolized by the government, in Proclamation # 84/94 did not alone solve the financial problems of the economically active poor people in rural and urban areas. Therefore, the government issued another Proclamation # 40/96, which solves the problem of the financial service delivery for the poor. Of course, following the issuance of this proclamation the microfinance industry of Ethiopia showed a remarkable growth in terms of outreach and sustainability although not sufficient in line with addressing all the needy rural poor's. In addition to the issued proclamations, on 2002, the National Bank of Ethiopia issued a new directive on the following: limitation on loan size (maximum Br. 5000 per borrower), repayment period (one year), and lending methodology (social collateral). (Zelalem, E. 2016).

The primary focus of the concept of VSLA 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, 2011). Through small loans advanced at low interest rates, VSLA schemes play an important role in empowering women, who in most cases lack alternative source of income (Karlan, 2017). 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, 2015). The founder of the New York-based organization – Women's World Banking, Michaela Walsh, pointed out that VSLA schemes are critical in creating business, which in turn, creates job opportunities in developing economies (Wright, 2010).

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, 2017).

## **1.2 Statement of the Problem**

Over the past decades, rural households in Somalia 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).

Evidence of village savings being a beneficial tool for women empowerment has been shown in various studies undertaken. Todd (2010) noted a positive correlation between access to VSLA funds by women and child nutrition, maternal and child health, children's enrolment in school and women's participation in decision-making. Barnes (2011) 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 (2013) found that among the earliest VSLA beneficiaries, poverty rates decreased by more than 20 percent, over half of which was attributed to VSLA loans. Women involved in VSLA 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 VSLA schemes, the study concluded that VSL directly accounted for 40% in reduction of poverty in rural Bangladesh.

With regard to the study site, the study notes that many women in Hawlwadag, Mogadishu City are members of women groups. They assist one another in times of need. They meet regularly for group activities for instance on weekly or monthly basis. In addition they collect individual contributions during these meetings. It is therefore, clear that a substantial amount of money changes hands in these forums. It is however, not clear to what extent involvement in such group activities leads to economic empowerment of the group members. This then raises the question: do women groups' activities really result in women economic empowerment? Additionally, even though VSLA initiatives in Hawlwadaag, Mogadishu have been operational, whether women in Hawlwadag have benefited from the VSLAs is vague or not documented. This has had significant constraints in policy formulation intended to promote the development of VSLA schemes. Hence this study seeks to examine the influence of village savings on women rural economic empowerment in Somalia with focus on Hawlwadaag, Mogadishu. Therefore, this study seeks to answer the question; what is the influence of village savings on women rural economic empowerment in Hawlwadaag, Mogadishu?

### **1.3 Study objective**

The main objective for this study was to find out the influence of savings of VSLAs on the enhancement to women's economic empowerment in Hawlwadaag Mogadishu.

### **1.4 Justification of the Study**

In many developing counties, women are considered vulnerable in terms of economic marginalization (Wainaina, 2011). Women groups are a useful tool for development plans. It is through these groups that women are able to access funds that they can use to start up income generating activities. This study recognizes the role played by VSLAs in women empowerment and therefore seeks to find out if membership of women in these groups influences their economic empowerment.

The study also hopes to provide the different stakeholders and policy makers with information about VSLAs and their influence on women empowerment in Somalia. It is important to note that as much as similar studies have been carried out elsewhere, very few such studies have been conducted in Somalia. Therefore it is expected that the findings of this study will add to the existing literature and also help shed light on the influence of VSLAs on economic

empowerment of Somali women.

### **1.5 Significance of the Study**

In practice, the study will help women to understand how village savings facilitate their empowerment and be able to take advantages of village savings programs to improve themselves economically, socially as well as politically. The study was conceptualized on the understanding that economic empowerment of women opens avenues for the achievement of better life at the national, community or household levels. Information generated by the study will encourage investments in VSLA initiatives by both government and non-government actors to spur development in rural economies.

Researchers find the results of the study useful for it will add to the existing body of knowledge on the effects of village savings on women economic empowerment and provide a source of reference to their studies. The study also provided the basic information beneficial to researchers, scholars as well as research organizations through identification of research gaps to be provided in this study.

### **1.6 Scope and Delimitation of the Study**

The study limited its scope to the geographical area covered by Hawlwadaag district. Additionally, the study area has many women VSLAs that date back several years. However, many VSLAs are formed and some end up dissolving before achieving their objectives. Hence the researcher will focus on VSLAs within the area of study that are actively in operation. In order to achieve its objectives, the study will consider the economic aspect of the VSLAs including the books of account. This might prove to be challenging due to the confidential nature of this information. The researcher risks being viewed with a lot of suspicion due to the questions that was posed to the respondents; some of the respondents could feel that the information is too personal to be shared out to non-members termed as ‘strangers’. To overcome this, the researcher gave the group members the assurance that the information they give will be treated confidentially and would be used for the purpose of the study only.

### **1.7 Limitation of the Study**

This study might be limited by the fact that very little literature exists on the milestones so far made by the Village Savings and Loans Associations in empowering women economically. This will be overcome by keenly perusing through literature on VSLAs and women empowerment to get the link. Furthermore, the study will be limited by the extent to which the findings of the study could be generalized beyond the study area. This will however be overcome by the fact that the VSLA methodology is uniform hence findings can be generalized with minimal error. Another anticipated limitation is that it might not be possible to link all the milestones made on women economic empowerment in the study area to Village Savings and Loans Associations since there are other microfinance initiatives that promote women’s well-being. This will be overcome by limiting the question to VSLA and ensuring that the milestones are not a contribution of other microfinance initiatives.

## Literature review

### Theoretical review

#### *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 Hawlwaadag, Mogadishu and their behaviors 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.

#### **Empirical review**

Saving reduces poverty by helping people manage financial risks, smooth consumption, and invest in the future (Demirgüç-Kunt and Singer 2017). In addition, access to savings can have multiple benefits for women. According to Hoff & Stiglitz (2016). Access to savings accounts that women can use privately and securely, including those made accessible over mobile phones and those that build in some form of commitment to incentivize saving rather than sharing or spending, have positive economic outcomes. Such accounts decrease the pressure on women to share income or to spend it right away and increase their decision making power and economic independence.

According to Kabeer (2001) - women's empowerment means enhancing women's ability to make choices which is strategic to their life change. According to him it has three dimensions such as: (a) *resources* - access and control over material, human and social resources in the future; (b) *agency* - participate in and negotiate with decision making process; and (c) *achievements* - the outcome of the empowerment process. According to Rowlands (1995) - to empower women the time dimension is very important since the empowerment effect needs considerable time to take root in a loyally male-controlled society.

The Women's Roadmap identified savings vehicles as one of the few programs that could increase the productivity and earnings of both poor and non-poor women, and thus found it to be a worthy investment (Buvinic et al, 2013). Based on this initial evidence, and suggestive evidence on the potential of mobile technologies to overcome women's mobility and time constraints, the ExxonMobil Foundation invested in further testing the power of mobile savings and the effects of

business training. Two randomized controlled trials were launched in 2015, in Indonesia and in Tanzania, to assess the power of mobile savings and training for women entrepreneurs (Buvinic et al, 2016).

The United Nation conferences have been advocated that for sustainable development women empowerment is the engine driving force. For instance, the Copenhagen Declaration of the World Summit on Social Development (WSSD) recognize that empowering women means strengthening their capacity and hence the empowerment requires their full participation in the formulation, implementation and evaluation of decisions determining their functioning and well-being in the society. The other good example is the report of the United Nations Fourth World Conference on Women and it called its platform for action on agenda for women's empowerment (Ogato, 2013; cited Baden and Oxaal, 1997).

In the Tanzania intervention, women micro entrepreneurs (mostly market and street vendors) in two cities were provided access to an interest - bearing mobile savings platform, M-Pawa, plus weekly reminders to save. They also received twelve 2.5 hour weekly training sessions on business skills. After a few months, users of M-Pawa also became eligible for microloans (Bastian et al, 2018). Women assigned to receive M-Pawa had significantly more and larger deposits and withdrawals in the 58 weeks after the start of M-Pawa compared to controls, and the business training boosted this behavior. On average, women in the -M-Pawa group saved three times more money weekly than women in the control group, while those in the M-Pawa plus business training group saved almost five times more. Average weekly savings were 600 Tanzanian shillings (TS; equivalent to \$0.30) in the control group, TS1,900 (\$0.90) in the M-Pawa group, and TS3,000 (\$1.40) in the M-Pawa plus business training group. Women shifted savings from alternative sources to M-Pawa: there was a 4.6 percentage point reduction in the likelihood that women would save in an alternative form (at home or through a bank or microfinance) (Bastian et al, 2018). The overall positive and significant impact of access to M-Pawa on women's subjective empowerment was driven mainly by women's increased say over how to spend money earned from their businesses and over major household expenditures. The finding that women have greater control over their business incomes is consistent with the idea that mobile savings provide access to a safe and private savings platform that can boost financial independence to counter the social pressures that women might face to share their incomes with family and friends. The business training did not have these empowerment impacts. Additionally, all women reported a high level of life satisfaction: 38% of the women in the control group reported that they were very happy, and 51% reported that their lives were improving. The M-Pawa intervention significantly raised women's satisfaction with their lives. These women were 5.0 percentage points more likely to report being very happy and 4.8 percentage points more likely to report that their lives have improved (Bastian et al, 2018).

In a report by Kamataka Human Development - KHDR (2005) shows that cultivating the habit of regular savings and the ability to access them when required through credit not only reduces significantly the vulnerability of the livelihood base of the poor and their dependence, it also enhances human development. The role that VSLAs has is in building financial buffers for members to overcome dependence and vulnerability. VSLAs members have access and control over a huge sum of money and average savings of members in the VSLAs increases as their membership matures. It must also be noted that apart from their savings, VSLAs members also

credit all the interest earned on loans to the group's common fund. This amount from interest adds significantly to their "own" funds and is a major indicator of how well the group is functioning, financially, as well as its level of self-reliance.

In a mid-term review exercise conducted in Northern Uganda by Nsabagasani et al (2008), 76 VSLA members were interviewed for the case of Amuru district. It was noted during the focus group discussions that VSLAs had increased the member's ability to mobilize savings whereby through savings, group members are able to send their children to school. It was further noted that the lifestyle of individual members had changed for instance as a result of joining VSLAs, over drinking had lessened and the money which was used to be spent on alcohol is being saved regularly.

According to Hongo, (2013) VSLA was intervention were widely welcomed and applied. Almost all of the economic empowerment related trainings and activities yielded economic and social benefits for the women and their families and were directly related to the women's needs in the seven targeted areas. Although many women and even men were much interested in VSLAs process and was interested to join its groups. Because they only looking to satisfy their hardship needs and they not have any concern to join any activity, the majority of the sample around 75%, still there part in the community 25% of the sample interested in the ROSCAs. Micro-credit contributes to a women's decision-making power; however, the author notes that this is a symptom of status within the household and control in their farming businesses as much as an impact of micro-credit (Wakoko 2004). Hugh (2009) asserts that, omen's decision-making in the household has increased both for participants and non-participants, but is far more pronounced amongst participants.

The VSLA model is relatively new to Ethiopians. In Ethiopia the model was started since 2004 at CARE Ethiopia intervention Districts of West and East Harerge, as a path way out of poverty for rural poor by creating a financial service. Since then CARE together with other international and national NGOs promoted the model to different parts of the country. As a result, CARE Ethiopia, since 2009, in its PSNP Plus project has promoted the model in Loka Abay district. The project used the model to empower poor households in general and women in particular to make informed decisions about scarce resources, while facilitating their entry into markets and access to informal and formal financial products and services. So far, no study was conducted on any aspect of it in Ethiopia. Therefore, this study is unique in its kind in the area which can serve as a reference for others who are interested to conduct similar studies. The results of this study can also inform both current users and future adopters of the VSLA model as to its contribution for women economic empowerment. Hence, it is helpful for decision making regarding future usage of the model with implicit or explicit objective of women economic empowerment.

In developing countries, including Ethiopia, the rural poor community did not get a financial service from formal financial institutions. According to Bamlaku (2006, cited; (Bouman, 1984, cited in Padma and Getachew, 2005; Chowdhury (N.D); Ghate, 1992); Khandker, 1998; and Henk M, 1998)) The main reasons for not getting a financial access by the rural poor include that the formal financial sectors: (i) require collateral and credit rationing, (ii) prefer for high-income clients and large loans, (iii) processes and procedures of providing loan are bureaucratic and

lengthy, (iv) are often urban based and give lending to those engaged in trade and industry and (v) usually consider the demand for loan by the poor as unattractive and unprofitable.

Paulo Freire was the first practitioner who discussed about empowerment in a formal way for the first time in 1970s and then many scholars discussed it as human potential especially for women empowerment. Due to its widespread usage, the word empowerment, is used in different context and has different perspectives by different organisation and practitioners. For instance: (i) for the United Nation it is about participation; hence, people must participate fully in the decisions and processes that shape their lives (development must be by people, not only for them). Therefore, investing in women's capabilities and empowering them to exercise their choices is not only valuable in itself but is also the unquestionable way to contribute to economic growth and overall development (UNDP, 2001); (ii) on the other hand empowerment is about challenging oppression and inequality. Therefore, empowerment involves challenging the forms of oppression which compel millions of people to play a part in their society in terms which are inequitable, or in ways which deny their human rights (Kristin 2012, cited Zoë Oxaal and Sally Baden, 1999); (iii) for feminist activists women's empowerment is not about replacing one form of empowerment with another. Therefore, women's empowerment should lead to the liberation of men from false value systems and ideologies of oppression; (iv) it is a bottom-up process and cannot be bestowed from the top down (Rowland, 1995) and (v) for a World Bank empowerment is more than participation in decision making because 'it must also include the processes that lead people to perceive themselves as able to and entitled to make decisions. On the other hand the empowerment concept can discussed from liberalist, structuralist and culturalist perspective as follows (Aminur, 2013).

Ogato, (2013) cited Bhatta, (2001) and argued that a human development is sustainable if and only if it can meets today's needs without compromising the lives of the future and hence a sustainable human development considered gender equality and women's empowerment as one dimension. Therefore, to empower and benefit the rural poor women the following four components should be in place: (i) economic growth with social equity (including addressing the pattern and rate of growth and who benefits from this); (ii) sustainable livelihoods; (iii) social justice (which takes into account people's basic needs and political participation); and (iv) Ecological sustainability (that is how the stock of natural resources is being used and who is bearing the burden of environmental change). In addition, (Ogato, 2013; cited Bhatta, 2001) advised policy makers, to responded for women's felt need as they should give emphasis for the following eight development agendas (Table 2).

To achieve a sustainable human development the least developed countries including Ethiopia should empower women first. Therefore, women should be empowered to participate in decision making process of any development agendas. Different literature defines women's empowerment differently and the following are the major ones related with the theme of this study: According to Herma (2009), women empowerment refer women participation in social and political activities due to the women's economic uplift and power transformation in relationship.

According to UN (2008) - women's empowerment should have five components: (a) women's sense of self-worth, (b) right to have and to determine choices, (c) right to have access to opportunities and resources, (d) right to have the power to control their own lives, and (e) their ability to influence the direction of social change, nationally and internationally. According to

Kishor (2008) – women empowerment means if women capability to control their lives, bodies and environment is increased and if her participation in decision making process enhanced mainly during her role delineation, economic self-reliance and legal rights benefits exercise (equal treatment, inheritance, protection against discrimination and to protect women from any form of barriers to access resources).

According to Longuew (2002) – women empowerment has five dimensions such as (a) *welfare* – meeting women’s resource need, (b) *access* – giving equal opportunity for women to access resources based on the social, political and economic context of the society and it is important dimension for empowerment process, (c) *conscientization* – women should consider and believe as gender role is not a natural order rather it is constructed socially and as gender equality is possible, (d) *participation* – women capacity to establish and join women organizations and networks as well as they have equal right to participate in decision making process of any form; as a result even if she come across with any discrimination and oppression she can design a strategy to overcome her encountered challenges, and (e) *control* - refer a balanced power relation between women and men without anyone’s domination; as a result both have equal right on balancing benefits (equal contribution on required production factors and equal right to claim the benefits).

## 1.8 Methodology

The study used quantitative approach where the information sourced through this approach was used for descriptive purpose. Qualitative information is mainly gathered and collected by use of in-depth interviews, focus groups, and reviews of relevant documentaries for types of themes. The sample for this study included the VSLA members established in Hawlwadag, Mogadishu City, Somalia. To draw sample VSLAs and respondents the researcher employed a probability sampling technique. To conduct formal survey with women VSLA members the researcher draw respondents using simple random to select VSLAs that participated in the study. A sample of 10% was used in the study. Mugenda and Mugenda (2003) have shown that a sample of 10% of the total population is adequate for a descriptive study. The research collected both primary and secondary data and employed both qualitative and quantitative data collection methods. In generating the primary data, structured questionnaires was used as a tool. In addition to primary data collection, secondary data was collected from different sources. These include necessary documents, studies and other useful written materials needed for the study.

## 1.9 Findings

### *Age of the respondents*

#### **Table 1: Showing age of the Respondents**

The table below Shows age of respondents which were aged from 18, 19-28, 29-38,39-48 ,49 and above as shown below.

Age of the respondents	Frequency	Percent	Valid Percent	Cumulative Percent
18	9	8.3	8.3	8.3
19-28	18	16.7	16.7	25.0
29-38	30	27.8	27.8	52.8
39-48	13	12.0	12.0	64.8
49 and above	38	35.2	35.2	100.0
<b>Total</b>	<b>108</b>	<b>100.0</b>	<b>100.0</b>	

Source: Field data, 2019

From the finding findings it shows that age of respondents who were 18 9(8.3%), 19-28 18 (16.7%),29-38 30(27.8%), 39-48 13 (12.0%) and 49 and above 38(35%).Therefore the findings shows that majority of the respondents were 49 years and above 38 (35.2%) while the minority were 35.2%) while the minority were under 18 9(8.3%).

### **Level of Education**

The table below shows level of Education as shown below

**Table 2: Education level of participants**

Level of Education	Frequency	Percent	Valid Percent	Cumulative Percent
Primary	8	7.4	7.4	7.4
Secondary	30	27.8	27.8	35.2
Certificate	70	64.8	64.8	100.0
<b>Total</b>	<b>108</b>	<b>100.0</b>	<b>100.0</b>	

Source: Field data, 2019

From the findings indicated that level of education were primary 8(7.4%), Secondary 30(27.8%) and Certificate 70(64.8%).Therefore the findings indicated that majority of the respondents were university 70(64.8%) while the minority were primary 8(7.4%).

***Duration of Being A Member of the Women Group*****Table 3: Membership duration**

<b>Duration of Being Member of the Women Group</b>	<b>A</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
1 year		10	9.3	9.3	9.3
1-5 years		14	13.0	13.0	22.2
6-10 years		36	33.3	33.3	55.6
Valid 11-15 years		30	27.8	27.8	83.3
16-20 years		12	11.1	11.1	94.4
above 20 years		6	5.6	5.6	100.0
<b>Total</b>		<b>108</b>	<b>100.0</b>	<b>100.0</b>	

*Source: Field data, 2019*

From the findings it was indicated that Duration of Being A Member of the Women Group was noted as from 1 year 10(9.3%)1-5 years 14(13%), 6-10 years 36(33.3%), 11-15 years 30(27.8%), 16-20 years 12(11.1%) and above 20 years 6(5.6%).The findings shows that majority of the respondents were 11-15 years 30(27.8%) while the minority were above 20 years 6(5.6%).

***Influence of Vslas on Savings***

The table below shows whether respondents agreed or disagreed on influence of vsla savings

**Table 4: Influence of VSLAs on savings**

<b>Influence of VSLA Savings</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Yes	100	92.6	92.6	92.6
Valid No	8	7.4	7.4	100.0
<b>Total</b>	<b>108</b>	<b>100.0</b>	<b>100.0</b>	

The findings indicated that Influence of VSLA Savings they were respondents who noted yes 100(92.6%) and other noted No 8(7.4%).The findings shows that majority of respondents noted yes 100(92.6%) this shows that they were aware of influence of VSLA savings while the minority noted No 8(7.4%).

### *Approximation of Saving per month*

**Table 5: Showing Approximation of saving per month**

The table below shows the Approximation of saving per month in Kenyan shillings.

<b>Approximation of saving per month(Kshs)</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
5000	48	44.4	44.4	44.4
10000	42	38.9	38.9	83.3
15000	18	16.7	16.7	100.0
<b>Total</b>	<b>108</b>	<b>100.0</b>	<b>100.0</b>	

*Source: Field data, 2019*

From the findings, it was realized that, approximately, women savings ranged from 5000 48(44.4%), 1000 42(38.9%), 15000 18(16.7%), These findings indicated that majority of the respondent's their saving were 5000 (48) (44.4%) while the minority were 15000 (18) (16.7%).The researcher found out that savings of respondent they preferred 5000 Kenyan shillings since they can afford that.

#### **1.10 Conclusions**

The findings indicated that VSLAs was implemented by number of accountability and governance features that are described in more detail .The findings indicated that VSLA group enabled to improve livelihoods. The researcher found out from the interview schedules the challenges faced by VSLA members on savings were lack of economic empowerment and has proven to be successful in addressing the issue.

#### **1.11 Recommendations**

Women should be encouraged to save with VSLA as it empowers them to work their own way out of the poverty trap, while avoiding dependency and the 'hand out' shame of conditional aid

The researcher further recommended that VSLAs are formed initially after conducting awareness meetings with various community members in every targeted village mostly facilitated by government bodies or nongovernmental organizations. The newly formed VSLAs are then visited every week in the first three months to set up the procedures by the government bodies or nongovernmental organizations. Associations work as a member-owned financial intermediary with savings, credit and insurance as main products. Savings are compulsory and are collected at the weekly meetings and are considered as buying shares.

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