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The Ways in Which Village Saving and Loan Associations Have Contributed Towards Socio-Economic Empowerment of Women in Rubaya Sub County

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Village Saving and Loan Associations, Contribution, Socio-Economic Empowerment, and Women.

The study examined the ways in which village saving and loan associations have contributed towards the socioeconomic empowerment of women in Rubaya Sub County. The researcher used a cross-sectional survey design with both quantitative and qualitative approaches to data collection and analysis. The study population consisted of members and leaders of village savings and loan associations fully registered with the community development officer in the Rubaya sub-county, village saving and loan associations trainers, and local government leaders from selected wards of Rubaya Sub County. The study used a sample of 144 respondents. Purposive and simple random sampling was used during sample selection. Questionnaires, interviews, and focus group discussions were used during data collection. Both quantitative and qualitative data analysis methods were applied. The study established that the main motives for women joining the village saving and loan associations were to save money, inculcation saving discipline, access to savings and loans as well as enjoyment of social networking with friends and other community members. It was concluded that; the women who participated in this study admitted that there is an improvement in their welfare than there was before they joined savings groups. It has put women in a position to acquire money for different activities, especially educating their children. All these benefits have been a solid channel towards empowerment. This is because it helps in the building of not only self-sufficiency but also self-confidence and esteem, hence giving women a sense of belonging in the community. It was recommended that in order to maintain the sustainability of the outcomes secured by women through village savings and loan associations and to provide capacity-building training related to their activities. It is necessary to provide demand-oriented and timely training by either government or nongovernmental organisations, particularly on saving, business skills, entrepreneurship, and bookkeeping which are basic to the associations and income-generating activities.

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INTRODUCTION

Women's empowerment is one of the important issues that are at the forefront of development practitioners in most developing countries because of their contribution to the community (Otero, 2017). Although women comprise the biggest proportion of the population of the world, their status and involvement in decision-making are still very low (Ledgerwood, 2018). In many parts of the world where the male-dominated society system is predominant, women have been constrained by socio-cultural structures. Women have not only been disadvantaged in access to material resources like credit, property, and money, but they have also been excluded from social resources like education and knowledge concerning some businesses (Cheston & Kuhn, 2012). Women have been confined to taking care of the families and house chores such as carrying water, collecting firewood as well as engaging in most of the agricultural work with limited or no financial avenues. Such unpaid labour activities have increased women's economic shocks thus broadening the gender gaps between women and men (Nabayinda, 2014). With such a background, a number of institutions including Village Saving and Loan Associations have come

up to devise ways on how the situation of women can be changed. However, it cannot be argued that all barriers to women's economic empowerment can be addressed through access to micro-credit. Despite the expansion of VSLAs, there seem to be divergent opinions regarding their effectiveness in empowering poor women and which group of people should be the target clientele, i.e., whether the extremely poor or the not-so-poor. This study therefore was concerned with examining the role that VSLAs play in empowering rural women in Mbarara District.

Purpose of the Study

To assess the ways in which VSLAs have contributed towards socioeconomic empowerment of women in Rubaya Sub County.

THEORETICAL REVIEW

The study was guided by Moser's Theory of Empowerment. Moser (1993) as cited in Moser (2012) pointed out different ways and strategies for empowering women. The theory looked at the wellbeing of people, poverty reduction among people, equitable access to opportunities by all people, effective resource utilisation, and capacity

building for people, especially women. It was observed that the capacity-building strategy as an approach to empowering women is a recent development whose main purpose is to promote women’s social, economic, and political participation almost in all aspects of the country’s development process. Moser (1993), as cited in Moser (2012) asserted that women’s empowerment entails people’s capacity to obtain and control economic assets or property. It is important to note that when women are empowered, their sense of belonging is uplifted, their levels of self-esteem are enhanced and their capacity and confidence to engage in gainful employment and participate in the economic development of their communities including their homes is much more vividly noticed. The limitations of this study can be viewed from various perspectives. Mayoux (2016) understands empowerment to be a change process where groups or individuals with virtually no or little power gain decision-making power, which changes their lifestyles. Kabeer (2015) views empowerment as

existing in three dimensions including achievements, agency, and resources. Rodrigues et al. (2018) definition of empowerment consists of four components including cognitive, psychological, political, and economic components. It follows from the above varying views that the concept of “women’s empowerment” has no clear definition and is equally difficult to quantify or measure in real terms using elements described by the researcher.

METHODOLOGY

The researcher used a cross-sectional survey design. The study employed both quantitative and qualitative approaches. The study consisted of members and leaders of village saving and loan associations fully registered with the community development officer in the Rubaya sub-county, VSLA trainers, and local government leaders from selected parishes of the Rubaya sub-county.

Table 1: Showing the population size, sample size and sampling technique

Study population	Target population	Sample size	Sampling technique
VSLA members	207	121	Simple random sampling
VSLA leaders	13	13	Purposive sampling
Local government leaders	5	5	Purposive sampling
VSLA trainers	5	5	Purposive sampling
Total	230	144	

(Source: Mbarara District Development Plan, 2019).

The researcher used both primary and secondary information sources. Data collection instruments included; self-administered questionnaires, an interview guide, and a focus group discussion guide. During data analysis, raw data was processed into meaningful information. The process involved editing, tabulation, and analysis with a view to checking the completeness and accuracy of the information. VSLAs members provided quantitative data through questionnaires. They were examined to determine whether they were okay, checked and put in the SPSS computer software for analysing. Descriptive statistics like frequencies,

percentages, mean, and standard deviation were used. Qualitative data analysis involved translating spoken words and observed actions into text by transcribing interviews and typing up observation notes.

RESULTS

Results from *Table 2* show that 73.2% of the respondents indicated that the major source of income is agriculture, 16.5% identified from their employment, 2.1% indicated semis skilled services whereas 8.2% indicated trade. This implies that most respondents involved in the study obtained

their incomes from agriculture however many others were supplementing with trade.

Table 2: The major source of income in VSLA members household

Reponses	Frequency	Percentage
Agriculture	71	73.2
Employment	16	16.5
Commerce/Trade	08	8.2
Semi-skilled services	02	2.1
Total	97	100

Source: Primary Data, 2021

Table 3 shows that the majority of the respondents (47, 48.5%) indicated that their VSLAs offer loans or credit services to their members, while the minority suggested financial literacy services. This means that most of the VSLAs in the area offer credit facilities to their members however in a rotational manner. This was emphasised by one of their group members who was quoted saying “... *for us as a group, we have no too much money since we started in 2015, we have been meeting on every last Sunday of the month, we organise our contribution of Kshs. 10,000 each*”.

Table 3: The services offered by the VSLA in the area

Reponses	Frequency	Percentage
Savings	19	19.6
Loans	47	48.5
Insurance	11	11.3
Social network and support	15	15.5
Finance Literacy	05	5.1
Total	97	100

Source: Primary Data, 2021

Table 3 shows that the majority of the respondents 33(34%) indicated that VSLAs provide soft credit at low-interest rates to members while the minority 7(7.2%) noted that VSLA provide social and monetary assistance for burials and other parties. This indicates Marjory VSLAs offer credit facilities to their members.

Table 4: How VSLA helped to improve the welfare of women in the area

Reponses	n	%
VSLA provide soft credit at low-interest rates to members	33	34
VSLA has enabled women to save for festive seasons	23	23.7
VSLA provide social and monetary assistance for burials and other parties	7	7.2
VSLA has enabled women to meet medical expenses	13	13.4
Women have purchased household assets	21	21.7
Total	97	100

Source: Primary Data, 2021

Mean scores of 3 indicate an agreement of respondents, a mean of 3 shows neutral and a mean score below 3 shows disagreement by the respondents. The standard deviation (Std.) of close to 1 shows the agreement of respondents, while the standard deviation of close to zero shows the disagreement of the respondents.

Table 5: The contribution of VSLAs towards women's socio-economic empowerment

Statement	SD	D	U	A	SA	Mean	Std.
Women in the area have obtained working capital from VSLAs to start their small-scale businesses	0 (0%)	0 (0%)	0 (0%)	62 (63.9%)	35 (36.1%)	4.41	.895
Women have obtained opportunity to attain skills in business, management, and leadership	7 (7.2%)	13 (13.4%)	5 (5.2%)	49 (50.5%)	23 (23.7%)	4.51	.904
Women have gained more confidence and more assertiveness	2 (2.1%)	11 (11.3%)	0 (0%)	31 (32%)	53 (54.6%)	4.10	.846
Women have gained self-esteem due to participating in VSLAs	1 (1.05%)	5 (5.2%)	5 (5.2%)	39 (40.2%)	47 (48.5%)	4.39	.792
Women have become financially independent as a result of participating in VSLAs	7 (7.2%)	0 (0%)	0 (0%)	46 (47.4%)	44 (45.4%)	4.30	.664
VSLAs have enabled women to purchase household assets	0 (0%)	2 (2.1)	0 (0%)	61 (62.8%)	34 (35.1%)	4.42	.818
VSLAs have enabled women in paying children school fees and other scholastic materials	0 (0%)	0 (0%)	0 (0%)	73 (75.3%)	24 (24.7%)	4.18	.722
VSLAs have helped members meet emergency expenses	19 (19.6%)	0 (0%)	0 (0%)	41 (42.3%)	37 (38.1%)	4.06	.688
Women participate in decision-making in the community due to participation in VSLAs	5 (5.2%)	3 (3.1%)	12 (12.4%)	57 (58.7%)	20 (20.6%)	4.28	.811
VSLAs have enhanced access to information that adds value to the women	0 (0%)	4 (4.1%)	05 (5.2%)	51 (52.6%)	37 (38.1%)	4.01	.846
VSLAs have enhanced networking opportunities for women in the area	7 (7.2%)	0 (0%)	2 (2.1%)	55 (56.7%)	33 (34%)	4.62	.878

Key: SD = Strongly disagree; D = Disagree, U = undecided; A = Agree, SA = Strongly agree

Source: Primary Data, 2021

Table 5 shows that all the respondents who participated agreed that there is a contribution of VSLAs towards women's socio-economic empowerment, with a mean score above 3 and standard deviations close to 1. As observed by the study, following a harvest period, rice processing largely becomes a significant economic activity for many women, which indeed calls for supporting capital. As per discussions, the women felt the economic activities they are undertaking had established a certain level of income security, a sense of self-dependency, and a feeling of increased respect from others in the locality. As expressed by a participant during FGD,

In our area (at least) every woman is busy with something (referring to income-generating activity); nobody stays and waits for the husband to provide. The society, especially your fellow women will look down on you (respondent 4) ”.

Another woman noted that;

“After I joined the VSLA, I took loan and started selling vegetables in local market. I use my profits to purchase cereals for my family. In some circumstances, I also take vegetables from my own work for family consumption. This is something that I was not be able to afford before joining VSLA”. (FGD, Jan. 2021)

DISCUSSION

Findings from the field indicated that women have gained more confidence and have become more assertive as a result of being members of VSLAs in the area. The findings are in line with Shekilango (2012) who stated that channelling credits through women enables them to play an active role in intrahousehold decision-making, decrease potential household vulnerability, and increase investment in family welfare, especially in areas of children's nutrition and education.

According to the study, it was revealed that women borrowers have obtained working capital to use in their micro businesses due to participation in VSLAs. Responsibilities have been traditionally divided among women and men in most male-dominated societies. That is to say; women are responsible for domestic chores including food production, cooking, cleaning, fetching water, and caring for children, while men engage in businesses. This has thus restricted women from engaging in business. However, it has been seen that when women have access to loans, they can easily invest their income in a sound business, which assumption was proved with this study. Fazalbhoy (2014) confirmed this too in his statement that support for women entrepreneurs increases their employment thereby tapping the underutilised resource for economic development.

Findings from the study indicated that women had gained self-esteem as a result of using micro-credit services and being part of VSLAs. The study findings are consistent with that of Rana and Sara (2012) that microcredit services led to women's empowerment by positively influencing women's decision-making power at the household level and their overall socioeconomic status. In relation to involvement in leadership activities, some of the women felt that leadership positions with the scheme had a positive potential in promoting them for leadership in other public domains. The finding concurs with Kamaluddeen (2019) in his study of rural Bangladesh women which provides empirical evidence on the impact of microcredit on the non-economical aspect of women empowerment. Findings indicated that women have become financially independent as a result of the utilisation of micro-credit services from VSLAs. This has further reduced cases of domestic violence in most families. The findings are consistent with Al-Shami et al. (2018) that access to credit has the potential to contribute to an improved resource base among women borrowers.

CONCLUSION

The present study concluded that women have become financially independent, loans have been used to expand businesses in the area, and community-based savings schemes have helped members to attain skills in business, management, and leadership because of participating in VSLAs.

Recommendations

It is necessary for VSLAs to provide demand-oriented and timely pieces of training by either government or nongovernmental organisations particularly on saving, business skills, entrepreneurship, and bookkeeping which are basic to the associations and income-generating activities. It should also be noted that the pieces of training need to take into account the member's education levels and the general context of the women.

It is imperative for government to link the VSLA participants with formal banks and microfinance institutions. This linkage will have a double-fold effect. On the one hand, participants will be able to access bigger loans to expand their small businesses, meet their socio needs and make a giant step out of poverty. On the other hand, the participants, in addition to the VSLA, will get an extra convenient spot to save more money in small amounts in microfinance institutions and banks.

There is a need to engage more impoverished non-participants in VSLA and support them to lift themselves out of poverty. Best practices need to be identified and scaled up to support the newly formed VSLAs, while lessons from previous VSLAs should be given due emphasis and used in constructive ways to strengthen VSLAs.

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