

VILLAGE SAVINGS AND LOAN ASSOCIATIONS' CONTRIBUTION TO
POVERTY REDUCTION AMONG WOMEN IN KIBERA SLUM, NAIROBI
COUNTY-KENYA: A CASE OF VISIONARY COMMUNITY CARE PROGRAM

by

Yvette Nishimwe

A thesis presented to the School of Human and Social Sciences

of

Daystar University
Nairobi, Kenya

In partial fulfilment of the requirements for the degree of

MASTER OF ARTS
in Monitoring and Evaluation

May 2019

APPROVAL

VILLAGE SAVINGS AND LOAN ASSOCIATIONS' CONTRIBUTION TO
POVERTY REDUCTION AMONG WOMEN IN KIBERA SLUM, NAIROBI
COUNTY-KENYA: A CASE OF VISIONARY COMMUNITY CARE PROGRAM

by

Yvette Nishimwe

In accordance with Daystar University policies, this thesis is accepted in partial
fulfilment of the requirements for the Master of Arts degree.

Date:

Kennedy Ongaro, PhD,
1st Supervisor

Jane Kositany, MA,
2nd Supervisor

Philemon Yugi, PhD,
HoD, Development Studies

Kennedy Ongaro, PhD,
Dean, School of Human and Social Sciences

DAYSTAR UNIVERSITY

Copyright © 2019 Yvette Nishimwe

DECLARATION

VILLAGE SAVINGS AND LOAN ASSOCIATIONS' CONTRIBUTION TO
POVERTY REDUCTION AMONG WOMEN IN KIBERA SLUM, NAIROBI
COUNTY-KENYA: A CASE OF VISIONARY COMMUNITY CARE PROGRAM

I declare that this thesis is my original work and has not been submitted to another college or university for academic credit.

Signed: _____

Yvette Nishimwe
15-0397

Date: _____

ACKNOWLEDGEMENTS

I am deeply grateful to my supervisors, Dr Kennedy Ongaro and Mrs Jane Kositany Cheruiyot, for their brilliant feedback, advice and guidance. I also thank my lecturers for their tireless effort to ensure that we completed the course in time and to my classmates who encouraged and gave me moral support, I say thank you. I am also thankful to my family members and friends for their encouragement and support. Above all, I thank God for good health, clarity of ideas and inspiration that I have received during the duration of writing this thesis.

DAYSTAR UNIVERSITY

TABLE OF CONTENTS

APPROVAL	ii
DECLARATION	iv
ACKNOWLEDGEMENTS	v
TABLE OF CONTENTS	vi
LIST OF TABLES	viii
LIST OF FIGURES	ix
LIST OF ABBREVIATIONS AND ACRONYMS	x
ABSTRACT.....	xi
DEDICATION.....	xii
CHAPTER ONE.....	1
INTRODUCTION AND BACKGROUND OF THE STUDY.....	1
Introduction.....	1
Background of the Study.....	1
Statement of the Problem.....	6
Purpose of the Study.....	7
Objectives of the Study.....	7
Justification of the Study.....	8
Significance of the Study.....	8
Assumptions of the Study.....	9
Scope of Study.....	9
Limitations and Delimitations of the Study.....	10
Definition of Terms	10
Summary	11
CHAPTER TWO	12
LITERATURE REVIEW	12
Introduction.....	12
Theoretical Framework.....	12
General Literature Review.....	14
Empirical Literature Review.....	21
Conceptual Framework.....	23
Discussion.....	24
Summary.....	25
CHAPTER THREE.....	26
RESEARCH METHODOLOGY.....	26
Introduction.....	26
Research Design.....	26
Population.....	26
Target Population.....	27
Sample Size	27
Sampling Techniques	28
Data Collection Instruments.....	29
Types of Data	31
Data Collection Procedures	31
Data Analysis Plan.....	32
Ethical Considerations.....	33
Summary	34

CHAPTER FOUR	35
DATA PRESENTATION, ANALYSIS AND INTERPRETATION	35
Introduction	35
Presentation, Analysis and Interpretation	35
Response Rate	35
Summary of Key Findings	60
Summary	62
CHAPTER FIVE	63
DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS	63
Introduction	63
Discussion of Key Findings	63
Conclusions	69
Recommendations	70
Recommendations for Further Research.....	71
REFERENCES	73
APPENDICES	77
Appendix A: Introduction Letter	77
Appendix B: Questionnaire for VSLA's Women Members.....	78
Appendix C: Focus Group Discussions Guides.....	83
Appendix D: Interview Guides for Spouses of Women Members of VSLA.....	85
Appendix E: Interview Guide for Leaders	87
Appendix F: Focus Group Discussion Responses.....	92
Appendix G: Response of VICOCAP Staff.....	93
Appendix H: Research Permit	95
Appendix I: Ethical Clearance	96
Appendix J: Research Authorization	96
Appendix K: Anti-plagiarism Report.....	98

LIST OF TABLES

<i>Table 3.1: Sample Size</i>	28
<i>Table 4.1: Response Rate</i>	36
<i>Table 4.2: Rules that Govern VSLA</i>	39
<i>Table 4.3: Respondents' Trust of the Method of Saving</i>	40
<i>Table 4.4: How Safety of the Savings was Maintained in VSLA</i>	41
<i>Table 4.5: The Criteria of VSLA Members to Access a Loan</i>	42
<i>Table 4.6: Members of VSLA in Charge of Giving Loans</i>	43
<i>Table 4.7: Shillings Saved Per Week by VSLA Members</i>	44
<i>Table 4.8: Interest Rate Charged on the Loan</i>	45
<i>Table 4.9: Repayment Period of the Loan</i>	46
<i>Table 4.10: Amount of Loan Given</i>	46
<i>Table 4.11: Challenges Faced by VSLA Members</i>	47
<i>Table 4.12: What Action was Taken by the Group in Case of Loan Default</i>	49
<i>Table 4.13: Suggestion on Ways Challenges Could be Solved</i>	50
<i>Table 4.14: How VSLA Members Used Loans Obtained</i>	51

DAYSTAR UNIVERSITY

LIST OF FIGURES

Figure 2.1: Conceptual Framework24
Figure 4.1: Ages of Respondents36
Figure 4.2: Level of Education of Respondents.....37
Figure 4.3: Marital Status38

DAYSTAR UNIVERSITY

LIST OF ABBREVIATIONS AND ACRONYMS

ASCA	Accumulative Savings and Credit Association
BRAC	Bangladesh Rural Advancement Committee
CARE	Cooperative for Assistance and Relief Everywhere
IAWPD	Inter-Organizational Assessment of Women's Participation in Development
IGAs	Income Generating Activities
KWFT	Kenya Women Finance Trust
NACOSTI	National Commission for Science Technology and Innovation
NGOs	Non-Governmental Organizations
OVC	Orphans Vulnerable Children
RCT	Rational Choice Theory
SACCO	Savings and Credit Cooperative Organization
SLAT	Sustainable Livelihood Approach Theory
SPSS	Statistical Package for Social Sciences
UN	United Nations
UNDP	United Nations Development Program
VICOCAP	Visionary Community Care Program
VSLA	Village Savings and Loans Associations
WEF	Women Enterprise Fund

ABSTRACT

CARE International launched a microfinance model program called Village Savings and Loan Association (VSLA) in Kenya. The goal was to help women participants to cope with numerous responsibilities that they face in a challenging socio-economic environment. The objectives of this study were; to examine the management structure of VSLA within VICOCAP in Kibera slum, to determine the challenges women under VICOCAP in Kibera slum faced while participating in VSLA, to analyse the benefits of VSLA on women's livelihoods within VICOCAP in Kibera slum and to recommend the activities in which women could use the loans acquired in a productive way. The target population for this study was 173 respondents from Kibera slum with a sample size 87 respondents. Data was collected using the questionnaires, interview guides and focus group discussions. The study established that the VSLA made a considerable contribution in reducing poverty among the VSLA members. The findings of the study indicated that VSLA members had improved their livelihoods by 17 (45.8%) however 22 (54.2%) used their loans to pay bills such as educating their children, meeting daily living expenses and repayment of loans. The study further revealed that VSLA under VICOCAP operated with governing rules which required proper record keeping and meeting regularly by 15 (39%) and 14 (36.2%) respectively. However VSLA members faced challenges in repaying loans by 20 (51.3%), which the management of VSLA recommended to reduce the interest rate on the loans. The study recommends that VSLA members should be educated on how to choose, begin and sustain savings. The government and other stakeholders should support the VSLA financially to increase their capacity in giving out loans to members and recruit more members countrywide.

DEDICATION

I dedicate this thesis to my parents, Mr. Vénant Mahuna, and Libérate Nijimbere, to my brothers and sisters especially to Ildéphonse Ndayirase and Marie Alice Irakoze who sacrificed their decent life to make sure I attained education to advanced level.

DAYSTAR UNIVERSITY

DAYSTAR UNIVERSITY