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**ROLE OF SACCO SERVICES ON SOCIO-ECONOMIC DEVELOPMENT OF
UMWALIMU IN RWANDA**

CASE STUDY: UMWALIMU SACCO REMERA

PERIOD: 2020- 2023

Dissertation to be Submitted and Presented to the School of Economics and Business Studies in the Partial Fulfillments of the Academic Requirements for the Award of a Bachelor's Degree in Accounting.

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Kigali October, 2024

DECLARATION

I hereby declare that this research work “**Role of SACCO on Socio-Economic Development of Umwalimu in Rwanda, case study: UMWALIMU SACCO REMERA, Period: 2020- 2023**” is my original work and it has never been submitted anywhere else for any academic qualification.

ABISHIMWE Kessie

Date...../...../2024

Signature:.....

APPROVAL

This is to certify that the present research project **“Role of SACCO on Socio-Economic Development of Umwalimu in Rwanda, case study: UMWALIMU SACCO REMERA, Period: 2020- 2023”** was conducted by **ABISHIMWE Kessie** under my guidance and supervision and thereby requests it for acceptance by Kigali Independent University ULK.

Supervisor: Mr. NSABIMANA William

Date...../...../2024

Signature of supervisor

DEDICATION

To my parents;

To my sisters and brothers;

To all my friends and classmates

ACKNOWLEDGMENTS

First and foremost I profound thanks go to Almighty God, to whom I owe my living, wisdom and good health during the time; I have been working on this peculiar work. Glory is to him.

My special thanks go to the Honorable **Prof. Dr. RWIGAMBA Balinda Founder** and president of Kigali Independent University ULK for the work of his hands which gave me opportunity of pursuing our university studies.

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ABISHIMWE Kessie

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LIST OF ACRONYMS, ABBREVIATIONS AND SYMBOLS

%	: Percentage
CIBIL	: Credit information bureau of India Ltd
FSDP	: Financial sector Development Programme
Dr	: Doctor
FAO	: Food and Agriculture Organization
GDP	: Gross Domestic Product
MFI s	: Micro-financial Institutions
IMF	: International Monetary Fund
FOSA	: Front Office Service Activities
GNP	: Gross National Product
NBR	: National Bank of Rwanda
MINECOFIN	: Ministry of Finance and Economic Planning
HDI	: Human Development Index
OECD	The Organization for Economic Co-operation and Development
Prof.	: Professor
RCA	: Rwanda Cooperatives Agency
SACCO	: Savings and Credit Cooperative
SASRA	: Sacco Societies Regulating Authority
SPSS	Statistical Package for the Social Sciences
UBPR	: Uniform Bank Performance Report
ULK	: Université Libre de Kigali
UNDP	: United Nations Development Programme
UNESCO	: United Nations Educational, Scientific and Cultural Organization.
USAID	: United States Agency for International Development
US	: United States
www	: World Wide Web

ABSTRACT

This study investigates the **Role of SACCO Services on Socio-Economic Development of Umwalimu in Rwanda, case study: Umwalimu SACCO Remera, Period: 2020- 2023**” the general objective was to assess the Role of SACCO’s on Socio-Economic Development of Umwalimu in Rwanda, with specific objectives which are to analyze the effectiveness of services of offered by UMWALIMU SACCO Remera to its members and to examine the contribution of UMWALIMU SACCO Remera Services to the Socio-Economic Development of Umwalimu. This study have two hypotheses which says UMWALIMU SACCO offers the effective services to its members and the services of UMWALIMU SACCO Contribute positively to socio-economic development of its teachers (Umwalimu). Data was collected from 89 respondents who are the members of UMWALIMU SACCO Remera and data were interpreted using SPSS where the Key findings include the following:

The information on table 6 was based on 89 participants' opinions about how simple it was to apply for a loan at Umwalimu SACCO REMERA. According to the statistics, most respondents had a favorable opinion of the loan application procedure. To be more precise, 24.7% of participants believe that the process is simple, and a sizable majority 75.3% strongly agrees with this statement. This indicates that members are quite satisfied with this SACCO's loan application process's ease of use and effectiveness. The research data on table 9 shows significant improvements in the frequency and sufficiency of meals for members of Umwalimu SACCO REMERA after receiving loans. Before obtaining the loans, only 22.1% of the respondents reported having highly sufficient meals, while 52.6% experienced insufficient alimentation. After receiving loans, the percentage of members with highly sufficient meal frequencies rose to 26.3%, reflecting an increase in food security. Similarly, the proportion of respondents reporting sufficient meals increased from 25.3% before the loans to a notable 69.5% afterward. This demonstrates the positive impact of the loans on the members' ability to meet their daily nutritional needs. On the other hand, the percentage of members facing insufficient meals dropped dramatically from 52.6% to 14.7%, showcasing a significant reduction in food insecurity among the loan recipients.

Keywords: SACCO Services, Social Development, Economic Development, UMWALIMU SACCO and Members

CHAPTER ONE: GENERAL INTRODUCTION

1.0. Introduction

The purpose of this study is to assess the Role of SACCO's on Socio-Economic Development of Umwalimu in Rwanda. This section presents the background of the study; statement of the problem; objectives of the study; research questions; research hypothesis, significance of the study; scope of the study and finally the structure of the dissertation.

1.1. Background to the study

Worldwide, SACCO's are viewed as instrumental in fostering financial inclusion and empowerment, particularly in developing economies. SACCOs offer teachers a platform to save, access credit, and invest in various income-generating activities. This financial support enables teachers to improve their standard of living, meet their basic needs, and pursue personal development goals. Furthermore, SACCOs promote a culture of thrift and financial discipline among teachers, which can have long-term positive effects on their financial well-being. Additionally, SACCOs often provide financial literacy training to members, enhancing their financial management skills and enabling them to make informed decisions about their finances. This holistic approach to financial inclusion contributes significantly to the socio-economic development of teachers and their communities, aligning with the broader global goal of poverty reduction and sustainable development (Sharma, 2014).

In Africa, including in Rwanda, SACCOs (Savings and Credit Cooperatives) play a crucial role in the socio-economic development of teachers, known as Umwalimu in Rwanda. These cooperative financial institutions provide a range of financial services, including savings, loans, and insurance, tailored to the specific needs of teachers. SACCOs are viewed as vital tools for empowering Umwalimu economically by enabling them to access affordable credit for various purposes, such as housing, education, and investment in income-generating activities. By promoting a culture of saving among Umwalimu, SACCOs help them build financial resilience and achieve their long-term financial goals (Yasuhiko, 2011).

In East Africa, Microfinance providers such as commercial banks, micro deposit taking institutions, microfinance institutions generally serve urban areas and are biased towards financing commercial activities. The professionalization of the microfinance sector, increased

competition in urban areas (also from commercial banks offering microfinance) and the adoption of new technology are driving the outreach of savings and credit services into rural areas. However, the very remoteness of certain areas, the high costs of services, financial illiteracy, and the unsuitability of financial products for agriculture restrict the reach of microfinance (Irma, 2012).

Uganda is generally seen as the country with the most vibrant and successful microfinance industry in Africa. Some MFIs have experienced strong growth and are now reaching a considerable number of clients, with three serving between 25.000 and 45.000 clients. A number of microfinance providers are close to financial sustainability or have already surpassed it.

A series of impact studies conducted in Uganda in the past years have demonstrated that the provision of microfinance services contributes to reduce client vulnerability to economic risks, results in strengthening linkages of clients and their households to the agricultural sector, and enables clients to acquire valued skills (Kafle, 2012).

Micro-finance is an important part of the financial sector in Rwanda, led by the Union des Banques Populaires du Rwanda, a network of micro-finance institutions that served as micro-lenders and micro-banks for nearly two-thirds of all depositors in the country. This institution controlled over 97% of the micro-finance sector in Rwanda, where the development of microfinance programs gained a worldwide acceptance and popularity since 1980s in providing financial services to the poor (UBPR, 2015).

Rwanda's development policy is guided by Vision 2050. This vision statement, issued by the Ministry of Finance and Economic Planning in 2000, describes the Government's aim to transform Rwanda into a middle income country and an economic trade and communications hub by the year 2020. It also sets the stage for the financial sector reform process that led to the development of the Financial sector Development Programme (FSDP) which was launched in 2006. The aim of the FSDP is to develop a stable and sound financial sector for Rwanda. Its objectives include enhancing access to, and affordability of, financial services and the development of financial institutions and market incentives that would facilitate the entrenchment of a savings and long term investment culture amongst Rwandans (Irma, 2017).

National Dialogue meeting held in December 2008 recommended the creation of SACCO at the level of each administrative sector, thus 416 SACCOs created in the line of UMWALIMU SACCO. SACCOs is a Government initiative aimed at increasing the accessibility of financial services to Rwandan citizens. The concept of UMWALIMU SACCO saving and credit cooperatives (UMWALIMU SACCO SACCOs) was based on an understanding that banks and other financial institution were more concentrate in urban areas while the majority of the Rwandan population lives in rural areas. Banks and financial institution were also not able to provide financial service to the poor people. Establishing a SACCO in every UMWALIMU SACCO was aimed as a result of bridging this gap it was to encourage the Rwandan citizen to use financial institution to enable them to save and access loans (Irma, 2012).

1.2. Problem statement

According to World bank (2012), Rwanda is one of developing country in the world with majority of people have a middle income earns and poor, and this implies that they cannot afford financial service offered by formal commercial institution, lack of financial services like credits and savings is the barrier to social economic development of individual in particular and the country in general, to help the people who are not able to access commercial institutions services SACCOs were created. In Rwanda, However, there is an increasing institutional gap in the provision and fulfilling long-term financial service demand in both, rural and urban areas. The operational experiences suggest that different factors influence the efficiency of SACCOs in providing services to meet the members' demand of improving their socio-economic well-being. Unfortunately these factors have not yet been validated (Mwakagire, 2016).

This study, therefore, intends to examine the role of SACCO'S on social-economic development of Umwalimu in Rwanda. Therefore, this study is intended to evaluate whether SACCOs contribute in changing the social-economic development of Umwalimu and taking case study of Umwalimu SACCO Remera.

1.3. Research objectives

The objectives of study are divided into general objectives and specific objectives.

1.3.1. Main objective

The purpose of this study is to assess the Role of SACCO's on Socio-Economic Development of Umwalimu in Rwanda.

1.3.2. The Specific Objectives

This study aims specifically to:

- i. To analyze the effectiveness of services of offered by UMWALIMU SACCO Remera to its members.
- ii. To examine the contribution of UMWALIMU SACCO Remera Services to the Socio-Economic Development of Umwalimu.

1.4. The research questions

- i. Does UMWALIMU SACCO Remera offer effective services to its members (Teachers)?
- ii. Do the services offered by Umwalimu SACCO Remera Contribute to socio-economy of Umwalimu?

1.5. The research Hypothesis

In order to conduct impact assessment and to address the main objective of the study, this particular study has four alternative hypotheses:

- i. UMWALIMU SACCO offers the effective services to its members (Teachers).
- ii. The services of UMWALIMU SACCO Contribute positively to socio-economic development of its teachers (Umwalimu).

1.6. Scope of the study

This section has presented the research scopes of the study as follows:

1.6.1. Scope in time

The scope of this study has covered the period of three years that is from 2020 up to 2023. Therefore, the period of 2020 was chosen as first year to be followed by collecting data then the period of 2023 was considered as last year of data collection.

1.6.2. Scope in domain

This study was limited only to the subject through Accounting precisely in the courses of entrepreneurship.

1.6.3. Geographical scope

The study was based on the information that was collected from the UMWALIMU SACCO Remera located in Gasabo District. Therefore, this area was chosen because it is where UMWALIMU SACCO Remera is currently working.

1.7. Significance of the study

This study has presented three different interests which are personal; academic; scientific and social interest, as follows:

1.7.1. Personal interest

After this research, the researcher gained more knowledge about the Role of SACCOs on socio-economic development of Umwalimu in Rwanda, by putting into practice of all theories that the researcher have learned for all academic years.

1.7.2. Academic and scientific interest

Academically, the realization of this work has complied with the academic requirements by which any student completing the provided undergraduate program of courses has to conduct research, compile and present a dissertation in order to be awarded bachelor's degree in Accounting. The completion of this research has helped the future researchers as the

documentation for realizing their dissertations, having good skills about the role of SACCO's on socio-economic development and students will take it as similar or related courses as reference.

1.7.3. To the social interest

This study beneficial to the members of Umwalimu SACCO Remera as it will release its role to the Socio-economic development of Umwalimu in Rwanda. The research finding will be essential for societies, policymakers and stakeholders seeking to strengthen the financial sector and enhance the Socio-economic development of teachers in Rwanda.

1.8. Structure of the study

This study was organized into four chapters:

Chapter one deals with general introduction and highlights the background of the study, the problem statement, objectives of the study, research questions, hypothesis of the study, scope of the study significance of the study and finally the structure of the study.

Chapter two deals with literature review and definition of key concepts.

Chapter three deals with research methodology, this section show the methods and techniques that were used to obtain data and information from the field. In case of experimental research or in case the researcher has used primary and secondary data.

Chapter four deals with the analysis, presentation of findings; this section provides the answers to the research objectives of the study or results of tests of the hypotheses. Each research objective was verified according to respondents' views.

Finally, the researcher has presented the general conclusion includes the summary of findings and some recommendations.

CHAPTER TWO: LITERATURE REVIEW

2.0. Introduction

This chapter point out the written document that had been carried out in relation to the topic under study. It deals the reviews the related literature on the role of saving and credit cooperative SACCO in social welfare of its members in Rwanda.

The study try to accomplish several relate literature base on understanding of various authors and scholars about various concepts. As regards the researcher, the main concern is to examine the role of saving and credit cooperative to the social welfare.

2.1. Definition of key concepts

2.1.1. Saving

Saving is income not spent, or deferred consumption. Methods of saving include putting money aside in, for example, a deposit account, a pension account, an investment fund, or as cash. Saving also involves reducing expenditures, such as recurring costs. In terms of personal finance, saving generally specifies low-risk preservation of money, as in a deposit account, versus investment, wherein risk is a lot higher; in economics more broadly, it refers to any income not used for immediate consumption, (Ofei, 2012).

Saving differs from savings the former refers to the act of increasing one's assets, whereas the latter refers to one part of one's assets, usually deposits in savings accounts, or to all of one's assets. Saving refers to an activity occurring over time, a flow variable, whereas savings refers to something that exists at any one time, a stock variable, (Modigliani, 2014).

In many instances the terms saving and investment are used interchangeably. For example, many deposit accounts are labeled as investment accounts by banks for marketing purposes. As a rule of thumb, if money is "invested" in cash, then it is savings. If money is used to purchase some asset that is hoped to increase in value over time, but that may fluctuate in market value, then it is an investment, (Franco, 2009).

2.1.2. Savings and credit cooperative (SACCO)

Sacco is a financial institution under cooperative form. As such it is a cooperative which operates in the financial system; it is legal entity, in which individuals save their money and can get loans in order to invest in various activities, (MINECOFIN, 2008).

The basic structure of the SACCOs and credit unions is what differentials them from banks; they are user-owned financial intermediaries. Members typically have a common bond based on geographic area, employer, community, industry or other affiliation. Each member has equal voting rights regardless of deposit amount or how many shares they own.

SACCO is an easy way of organizing a community to save and recycle savings in a given locality. Since the nature of a SACCO is local, it mobilizes savings locally, within the community, and then the profits are returned to members in the form of loans (MINICOFIN, 2007). The money stays and works within the membership and the area. This mutually achieved success helps not only build a sense of ownership and pride in an area but also create a culture of saving and investing, (MINICOFIN, 2007).

The concept Savings and Credits Cooperatives (SACCO) services is essential developing an understanding of its impact over social and economic development of their members or services beneficiaries. Savings and Credit Cooperative Societies (SACCOs) which are more attractive to members thus deeply entrenching themselves in the financial sectors of many countries In fact, they have solid bases of small saving accounts constituting a stable and relatively low-cost source of funding and low administrative costs, (Munyiri, 2016).

SACCOs are able to advances loans at interest rates like other banking institutions. In addition, SACCOs have the ability and opportunity to reach clients in areas that unattractive to banks such as rural or poor areas. The core objective of SACCOs is to ensure members; empowerment through mobilization of savings and disbursement of credit, (Giordano, 2013).

2.1.3. Credit

According to Jonathan Golin and Varghese, A (2011) , Trust given or received ; expectation of future payment for property transferred, or of fulfillment or promises given ; mercantile reputation entitling one to be trusted ,applied to individuals ,corporations, communities, or

nations; as , to buy goods on credits. According to Jim Rogers, the word credit derives from the ancient Latin credere, which means “to entrust ‘or “to believe.” Though the intervening centuries , the meaning of the term remains close to the original ; lender, or creditors , extend funds “credit” based upon the belief that the borrower can be entrusted to repay the sum advanced , together with interest ,according to the terms agreed.

This conviction necessarily rests upon two fundamental principles ;namely, the confidence of creditors that: the borrower is, and will be, willing to repay the funds advanced and the borrower has ,and have, the capacity to repay those funds, (Varghese, A 2014)

2.1.3. UMWALIMU SACCO

UMWALIMU SACCO is a Rwandan based savings credit and cooperatives whose objective is to pool savings for the members and in turn provide them with credit facilities. Other objectives of SACCO are to encourage co-operation among members, teach them proper investment practices and also proper money management. Unlike banks the Sacco are primarily formed to raise the social welfare of members. The SACCOs initially established in each and every UMWALIMU SACCO of the country and membership has grown from 1.6 million people to as many as 3 million and number about 478 Country wide.

The key elements of a SACCO are the credits and savings products. Unlike most micro-credit NGOs and institutions they provide a savings product which offers interest and a return on their deposits, which provides a new income stream for the individual and can either be reinvested or withdrawn for use, (MINICOFIN, 2007).

Savings and Credit Cooperative Society (SACCOS) Savings and Credit cooperative Society means a registered society whose principal objectives are to encourage thrift among its members and to create a source of credit to its members, (URT, 2013).

2.1.4. Social development

The concept of development is complex to define for development to define for development has many faces. Many societies and different scholars have referred to development in growth of Gross national Product measured in terms of personal income, industrialization, and modernization based on the experiences of western economic history, (Kessel 2004:72).

Social economic development refers to improvement of human development parameters such life expectancy, education, nutrition, medical care. Etc. The quantitative dimension of development is void of significance if economic growth does not impact the development of social aspects of human kind, (Longatte, et al.2008).

Social development is about improving the well-being of every individual in society so they can reach their full potential. The success of society is linked to the well-being of each and every citizen. Social development means investing in people. It requires the removal of barriers so that all citizens can journey toward their dreams with confidence and dignity. It is about refusing to accept that people who live in poverty will always be poor. It is about helping people so they can move forward on their path to self-sufficiency.

2.1.5. Economic development

Formerly economic development has been seen as capacity of an economy to generate and sustain an annual increase in its gross national product (GNP) at the rate of 5 to 7 per cent or more, Many authors have written about economic development. For example, Longatte, et al. (2008: 53) defines economic development is a set of economic and social transformations that follow economic growth.

The economic development is an increase in living standards, improvement in self-esteem needs and freedom from oppression as well as a greater choice. Economic development is further said to include adoption of new technologies, agricultural improvement and general improvement in living standards, economic development is a process in which a nation is being improved in the sector of the economic, political, and social well-being of its people. The term has been used frequently by economists, politicians, (Michael. P. Todaro, 2000).

2.2. Theories relating to saving and Credit Cooperatives SACCOS

SACCOS are cooperative financial organizations owned and operated by and for its members according to democratic principles for the purpose of encouraging savings and using pooled funds to extend loans to members at reasonable rates of interest and providing financial services to enable members improve their economic and social wellbeing.

2.2.1. Services of SACCO

Savings and Credit Cooperatives (SACCOs) A savings and credit cooperative is a cooperative financial organization owned and operated by and for its members, according to democratic principles, for the purpose of encouraging savings, using pooled funds to extend loans to members at reasonable rates of interest and providing tailored financial services to enable members improve their economic and social well-being. Saving is not an end in itself. Rather it is a pre-requisite to investing. It is very vital for a SACCO to understand the needs and interests, priorities of existing and potential clients. This serves well in time after knowing the benefits of saving mobilization, (Saving and Credit Workshop, Musanze, 2003).

Saving and credit cooperatives are recognized by law and the cooperative society's regulations. Some countries in Europe simply call them Credit Unions, others popular or people's banks or Cajas. The poor lack access to safe, formal deposit services institutions that mobilize deposits like banks, Micro Finance Institutions and savings banks are often too far away, or the time and procedures needed to complete transactions are too onerous. These organizations also may impose minimum transaction sizes and require deposits to retain a minimum balance, both of SACCOs take aggressive measures to smooth mobilization and improvement on savings. Despite stringent conditions and restrictions imposed on them by the legal framework

Credit services

These are specified regulations that govern the financial institutions when dealing with loans to different perspectives. Credit is in form of loans. It is usually given after a process which includes appraisal before disbursement with the view of determining whether the applicant will have the ability to pay back the money borrowed without the society taking measures to enforce recovery. Credit is considered to be an essential input to increase agricultural productivity, mainly land labor. It is believed that credit boosts income levels, increases employment at household level thereby boosting economic development. Credit enables people to overcome their liquidity constraints and undertake some investments such as farm technology and inputs thereby increasing agricultural production, (Adugna and Heudhes, 2011).

2.2.2. Opening and Running of Savings Accounts.

SACCOs require that members open savings account as a condition for joining but others do not. The account is maintained by the client for the purpose of accumulating funds over a period of time. Funds deposited in the savings account may be withdrawn only by the account owner or by his formally designated representative. The account may be owned by one or more persons, some accounts require funds to be kept on deposit for a minimum length of time while others permit unlimited access to the funds, (Thomas K.Shaw 2007).

Demand savings accounts can be accessed on demand that is to say at any point in time and for any amount up to the required minimum account balance. Demand savings accounts are therefore highly liquid, easy to deposit into and easy to withdraw from. However they are not especially stable resources for a SACCO's long term investment strategy. These accounts are in form of current savings accounts and ordinary savings accounts. While current savings account pays no interest on savings, has no minimum balance and generally has higher maintenance fees, ordinary account provides small interest return on savings, has a minimum balance and limits withdraws to a pre-determined number per period that is weekly, monthly, quarterly. Demand savings accounts, especially the current savings accounts use the largest percentage of the SACCO resources that is stationery, staff time, office security, cash requirements and have the lowest investment coefficient of any savings products as sources of capital for the SACCO loan products,(Cropp Matt, 2014).

2.2.3. Interest on Savings

Interest is a percentage return paid to savings based upon the stated period and minimum amounts, ordinary savings pays small interest return while fixed deposit interest rate variable (higher than other accounts). Minor savings account pays no interest and Current savings pays no interest and the lack of interest is attributed to more of inability to calculate the cost than a lack of desire for the SACCO to remunerate savings. Therefore, there is no direct incentive for members to maintain higher average balances. He also noted that, although some SACCOs do not offer minor accounts, school fees accounts, in most cases the interest rate paid on these saving accounts is higher than for ordinary savings account but there is still no differentiation by term or amount. Thus there is little or no incentive for members to place larger amount and for

longer terms. SACCOs use their member's deposits to fund loans. In return, the society pays some interest on savings for the use of their money, (Thomas K.Shaw, 2007).

According to Bailey (2001) cited by Ahimbisibwe, (2006) SACCOs offer various products to their members including shares, savings, emergency loans, loans, life and loan insurance, fixed deposits, educational savings, housing loans, funeral insurance benefits of SACCOs to members.

2.3. The Advantages and Disadvantages of SACCOS

Advantages and disadvantages of SACCOS as explained below:

2.3.1. Advantages of SACCOS

Easy to Form: The formation of a SACCOS is very simple as compared to the formation of any other form of business organizations. Any few adults can join together and form a cooperative society. The procedures involved in the registration of a cooperative society are very simple and easy, (Hulme, D, 2010).

No Obstruction for Membership: Unless and otherwise specifically stated the membership of SACCOS is open to everybody. Nobody is obstructed to join on the basis of religion, caste, creed, sex and color etc. A person can become a member of SACCOS at any time he likes and can leave the society when he does not like to continue as member, (Kabuga C, 2013).

Limited Liability: In most cases, the liability of the members of the SACCOS is limited to the extent of capital contributed by them. Service Motive: SACCO's members are provided with better good and services at reasonable prices. The society also provides financial help to its members at the concessional rates, (Joel, 2014).

Democratic Management: SACCOS are managed by the elected members from and among themselves. Every member has equal rights through its single vote but can take active part in the formulation of the policies of the society. Thus all members are equally important for the society.

Stability and Continuity: A SACCOS cannot be dissolved by the death, insolvency, lunacy or permanent incapability of the members. SACCOS possesses a separate legal existence. New members may join and old members may quit the society but society continues to function unless all members unanimously decided to close the same. Economic Operations: The operation

carried on by the SACCOS is economical due to the eliminations of middlemen. The services of middlemen are provided by the members of the SACCOS with the minimum cost,(Hulme, D,2010).

Surplus Shared by the Members: SACCOS sell their products (Financial services) to its members on a nominal profit. In some cases, the society sells goods to outsiders. This profit is utilized for meeting the day-to-day administration cost of the society. The procedure for distribution of profit that some portion of the surplus is spent for the welfare of the members, some portion kept reserve whereas the balance shared among the members as dividend, (Katantazi, D.B, 2009).

Ahimbisibwe, (2006) further showed the following benefits that SACCOs have to members: Members are encouraged to save since SACCOs are readily accessible, interest rate on saving and lending is better than elsewhere a fact sounds idealistic. members are taught how to handle their finances in responsible manner this could be true only when they effectively economically patronize their SACCOs, loans are insured, so if a member dies, the outstanding balance is settled, however, it is not practice across board. Besides; other Micro-finance also do insure loans for their clients, savings are mobilized and turn into loans necessary for members to finance their activities, regular social interaction between members, promote autonomy and economic independence among members. Sacco also promotes self-responsibility, democracy, equality, equality, equity, openness, social responsibility, and caring for others, SACCOs develop communities where they are operating and promote civic education among members.

According the USAID in the study conducted in Uganda (2006), there are benefits and cost associated with being a member of SACCO. The Cost includes: willingness to join the SACCO and accept the laws, regulations and responsibilities, ready to spend time in the SACCO meetings, Registration fee, Strong participation in all the SACCO movement and assignments, ready to spend time in promotion of new members and creating pressure for defaulters. While the benefits of being a member of SACCO are among others: time minimization, cost of transport minimization, risk minimization, Wealth accumulation, Building Collateral and Guarantors for loan, Building easy accessible financial institution, i.e. save place for Savings and loan with in his/her village, Building bargaining power to negotiate with financial institutions to get long term investment loans, Ability to get knowledge on how to utilize his/her resources in a wise manner

that increases their income, Get interest and dividend on their savings and share, In general, they will able to escape from the line of poverty and build self-confidence.

2.3.2. Disadvantages of SACCOS

Despite many advantages, SACCOS suffer from certain limitations. Some of these limitations, which a SACCO's form of business has, are as follows:

Limited Resources: SACCOS' financial strength depends on the capital contributed by its members and loan raising capacity from state cooperative banks. The membership fee is limited for which they are unable to raise large amount of resources as their members belong to the lower and middle class. Thus, SACCOS are not suitable for the large scale businesses which require huge capital, (RCA.2006).

Inefficient Management: SACCOS are managed by the members only. They do not possess any managerial and special skills. This is considered as major drawback of this sector. Inefficiency of management may not bring success to the societies

Lack of Secrecy: SACCOS does not maintain any secrecy in business because the affairs of the society are openly discussed in the meetings. But secrecy is very important for the success of a business organization. This paves the way for competitors to compete in better manner

Cash Trading: SACCOS sell their products to outsiders only in cash. But, they are usually from the poor sections. These persons require to obtained credit facilities which are not possible in the case of SACCOS, (Obina S., 2009).

Absence of Motivation: The members may not feel enthusiastic because the law governing the cooperatives put some restrictions on the rate of return. Absence of relationship between work and reward discourage the members to put their maximum effort in the society, (Okurut and Mukungu A., 2008).

Disputes and Differences: The management of the society constitutes the various types of personnel from different social, economic and academic background. Many times they strongly differ from each other on many important issues. This becomes detrimental to the interest of the society. The different opinions and disputes may cripple the effectiveness of the management (Obina S.2009).

2.3.3. Types of loans offered by SACCO

According to BNR (2017), the following are the types of loans offered by SACCOs in Rwanda:

Construction loans: also called a home construction is any value added loan where the processes are used to finance construction of same kind.

Commerce loans: loan advanced to a business instead of to a consumer, commerce loans are usually for a short- term (from 30 days to one year), and banks usually require the commercial borrowers to submit monthly and annual financial statements and to maintain insurance cover on the financed item.

Agricultural loans: Those loans are meant for any type of agricultural activities, production, processing or distribution.

Others loans (school fees): materiality this loan is for new assets, to replace old ones or to expand your current business operations as school fees also is loan for your children so that they can fulfill their dreams and live a prosperous life, (BNR, 2017).

2.4. SACCO in the world

Savings and Credit Co-operatives first appeared in Germany in the 1870's. The idea moved to North America in 1900 with European immigration. Canada, the United States, Australia and Ireland had the most established movements. In many regions of these countries SACCOs are much larger than the commercial banks. Globally there are almost 100 million individual members in 60 plus countries around the world and. SACCOs are a member of World Council of Credit Unions. Through this relationship SACCOs enjoys a reciprocal relationship with member countries throughout the world SACCOs was formed in 1993. It evolved from the Cape Credit Union League (SACCOs), which was formed in 1981. At this time various Catholic Church parishes decided to form Credit Unions and SACCOs was formed to help them to coordinate their activities and standardize their operations. At this time though the Credit Unions were formed as social organizations and did not operate their co-operatives as businesses. This brought about a whole lot of problems. Because the Credit Unions did not pay good interest on savings but gave out loans very cheaply, members were not interested in saving with the SACCOs, only getting loans from the SACCOs. Without savings and shares the SACCOs were

unable to grow. However, because members were enjoying the cheap loans, they did not want to change the way they operated. Without growth, it was inevitable the SACCOs would stagnate (SACCOs, 2011).

This resulted in the ministers of the parishes taking a leadership position in the SACCOs. If the minister was transferred to another parish, it would depend whether the incoming minister had knowledge about a Sacco and whether he was interested in continuing its activities. However the idea of a Sacco grew in impoverished communities as an alternative to other savings schemes, where you could get cheap loans. In 1987, the SACCOs extended its activities outside of the Western Cape Region and formed itself into the South African Credit Union League. The problem of non-viable SACCOs still existed and in 1991, when the World Council of Credit Unions did an assessment of the viability of the movement in South Africa, they found that only three of the existing 47 SACCOs were viable. As a result of much discussion within the movement it decided to change its entire orientation toward a business orientation. The viable co-operatives argued that making a surplus and developing strong SACCOs was in member's interests in the longer term, rather than short-term gain of cheap loans only. Thus in 1993 the Savings and Credit Co-operative League of South Africa (SACCOs) was born, (Saccos.2011).

2.4.1. SACCO in East Africa

In Kenya, according to The Ministry of Co-operative Development, Kenya (2011), there are 5,000 registered SACCOs out of a total of 12,000 registered cooperative movements in Kenya. All these SACCOs operate back office operations and they have been able to mobilize over Ksh 170billion and granted loans to the tune of Ksh 120billion. Out of the 5,000 Saccos 200 have ventured into Front Office Service Activities (FOSA). According to The Ministry of Cooperative Development, Kenya (2010), Sacco societies were first registered in Kenya as a thrift licensee in 1964 with the objective of mobilizing savings from their members. However, it was not until 1969 that the Government encouraged the registration of Sacco's to mobilize savings and give credit to employed people who had a similar common bond.

The government enacted the cooperative societies Act and the rules to better manage the Sacco's in 1966. From 1973, many Government Ministries and Departments registered Sacco's in accordance with the common bond. By 1975, there were over 1,000 registered Sacco's in the

country offering back office and credit facilities. Sacco's in Kenya have grown tremendously and currently they have 3.7 million members. Sacco's in Kenya have mobilized deposits from member's equivalent to Ksh 170 billion and have disbursed credit of about Ksh 120 billion. The 200 Saccos with FOSA's have diversified into specialized bank like activities which include deposit taking, saving facilities, debit card taking, and money transfer both local and internationally. In the year 2009, The Ministry of Cooperative Development realized the need to have a regulator for the Sacco which culminated into the Sacco Societies Act 2010 giving rise to The Sacco Societies Regulating Authority (SASRA).

According to The Sacco Societies Act (2008), SASRA has the mandate of, licensing Sacco's to carry out deposit taking activities, regulate and supervise deposit taking Sacco's, manage the deposit guarantee fund, and advise the minister. The policy objective of the Kenyan cooperative movement is to spur sustainable economic growth by focusing on achievement of desired outcomes through strengthening of the movement, improving cooperative extension service delivery, corporate governance, access to markets and marketing efficiency (IMF, 2007). The cooperatives have an immense potential to deliver goods and services in areas where both the public and the private sector have not ventured (Verma, 2004).

In most cases cooperatives are local institutions that address "local needs", employ "local talent" and are lead by "local leaders" either directly or through local branches. The Cooperatives in Kenya are organized into service and producer cooperatives. The cooperatives have made remarkable progress in agriculture, banking, credit, agro-processing, storage, marketing, dairy, fishing and housing. Service cooperatives are the closest to communities organized on a shareholder basis formed by individual members of organizations voluntarily working in a specific geographic area International Monetary Fund (2007).

2.5. Savings and Credit Cooperative Organization (SACCO)

A SACCO is one form of a cooperative society whose business is to provide financial services to its member's. SACCO's are legal institutions registered under the cooperative laws (cooperatives Act and cooperative Regulations 1991). Sacco's are owned by their members through payment of share capital and membership fees to the institution. In addition to the above, as per SACCO (1998), "a savings and credit cooperative (SACCO) is a democratic, unique member driven, self-

help, not for profit financial cooperative. It is owned and governed by members who have the same common bond. A SACCO's membership is open to all that belong to a group, regardless of race, religion, color, creed, and gender or job status. These members agree to save their money together in the SACCO and to make loans to one another at reasonable rates of interest. Interest is charged to cover the interest cost on saving and the cost of administration. There is no profit paid to any one. The members are the owners and the members decide how their money will be used for the benefit of one another. Saving and credit cooperatives (SACCO's) which are known as the credit unions in some other countries are defined as cooperatives which furnish their members with convenient and secure means of saving money and obtaining credit at reasonable rates of interest (Kabuga and Batarinyebwa 2005) an observation that is in agreement with (Bailey, 2001).

2.6. The Role of Cooperatives in Financial Intermediaries

According to The Ministry of Cooperative Development Kenya (2011), the cooperative movement is an important player in the social economic development of the country. Cooperatives cut across all sectors of the economy and provide an important framework for mobilization of both human and capital resources. They also play an integral role in the production, processing, and marketing of goods and services through their wide network in both urban and rural areas. In Kenya, with a membership of over eight million in 12,000 registered cooperatives, the movement has mobilized more than Ksh 200 billion in savings and investments. According to Macpherson, (1996), a cooperative is defined as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. The definition emphasizes the very fact that cooperatives are independent of Government and not owned by anyone other than the members (MacPherson, 1996).

On the contrary, informal cooperative are formed at the local level to serve various purposes in rural and urban areas which are found in plenty in several sub-Saharan African countries. Cooperatives have arisen, too where the cost of adjustment to economic change has threatened to destroy communities, where local people needed power to control the pace and direction of change in order to preserve what they valued (Kangara, 1995).

The cooperative enterprise is the only form of organization meeting so fully all dimensions of avoiding poverty among the all cadres of people in developing countries. According to (Kangara, 1995), cooperatives give opportunity to farmers unable to market their products and enjoy economies of scale and acting through their own cooperative organizations small-scale producers, workers and the poor especially in rural areas, access goods, markets and government services more efficiently aimed at improving their livelihoods and undertake other self-help action to improve their communities.

2.6.1. Savings Mobilization Strategies

According to Mauri (2009), governments in many African countries neglected personal savings in the 1960s. In the wake of the “vicious circle” model (Nurkse, 2013), aid programs were considered the only tool for fighting underdevelopment for more than three decades (Adams, Graham and Von Pischke, 2004), while the mobilization of savings was “the forgotten half” of development finance programs. The awareness that poor people are potential savers, resulting from studies of micro finance activities, is leading to a new paradigm in development issues (Adams, 2007). The mobilization of domestic savings for economic development is the next century’s challenge for Africa. Indeed, “no country is too poor to save if the available potential is effectively used” (Adera, 2005). SACCO’s could be a vehicle for this task because they are currently the only semi - formal financial institutions able to provide financial services to all populations in Africa.

2.6.2. Loan Screening, Monitoring and Contract Enforcement in Sacco’s

Unlike formal finance, informal lenders often attach more importance to loan screening than to monitoring the use of credit. Screening practices often include group observation of individual habits, personal knowledge by individual moneylenders and recommendations by others, and creditworthiness. In group lending programmes, members are made jointly liable for the loans given. The joint liability plus the threat of losing access to future loans motivates members to perform functions of screening loan applicants, monitoring borrowers and enforcing repayment. Investigations of the effect of intragroup pooling of risky assets show that groups exploit scope and scale economies of risk by pooling risks and entering into informal insurance contracts. This confirms the role of social cohesion in group repayment (Huidhues, 2000).

In group lending, the financial intermediary reduces the recurrent transaction costs by replacing multiple small loans to individuals by a large loan to a group. This enables financial intermediaries to bank with poor loan applicants who would not receive any loans under individual loan contracts due to excessive unit transaction costs. One of the most important rationales for group lending is the information and monitoring advantages that member based financial institutions have compared with individual contracts between bank and borrower. The main argument in the rationale is that in comparison with distant bank agents, group members obtain information about the reputation, indebtedness and wealth of the applicant. They are also able to use social sanctions to compel repayment (Zeller, 1998).

However, it has been shown that a number of factors may undermine repayment performance of group lending under joint liability. These include reduced repayment incentives for individual borrowers where other members default, and the incentive to borrow for riskier projects under group based contracts. There are strong incentives for individuals with similar risk characteristics to form credit groups (Zeller, 1998), while other scholars have indicated that group lending schemes work well with groups that are homogeneous and jointly liable for defaults, (Huppi and Feder, 1990).

Little evidence exists showing substantial investment in loan monitoring by informal lenders. Aryeetey and Udry (1997) conclude that the observation that commercial lenders spend more time screening new applicants than on monitoring activities of current borrowers suggests that they are more concerned with adverse selection than moral hazard. The saving and credit cooperatives are usually organized within a group which is already knit together by a bond of common interests such as workers in same factory or members of the same community who are fairly well acquainted with one another (Kabuga and Batarinyebwa 2005). Furthermore, the savings and credit cooperatives are cooperative organizations which are guided by the practices, philosophy and principles of the cooperative movement. They differ from the rest of other cooperatives because they are financial cooperative organizations with a social context, (Kabuga and Batarinyebwa, 2005).

2.7. Loan Character of SACCO

According to Murali (2012) the objective of credit management is to ensure that the funds lent are repaid without default on the due dates. To ensure this, the selection of the client becomes very important. A businessman who wanted to take a decision on whether to sell goods on credit to a new prospect, used to follow “3Cs of lending”, viz., character, capacity and capital. These parameters hold good in case of a bank too. Over a period of time, three more Cs have been added, i.e. collateral, conditions and credit record. Thus, the banker has to evaluate any prospect on the basis of these 6Cs.

1. Character: the client should possess good character. We all know character is very difficult thing to judge and not easily measurable. Character of a person can be found out by talking to the person, his friends, business partners.

2. Capacity: even though a prospective client may be very honest and his character is very good, a businessman if he does not possess the required skills for doing the job. He should have the entrepreneurial abilities like knowledge of the business process, the product undertaking risk, strategies to beat the competitors, etc. The unit that he is going to start should run profitably and also generate sufficient cash flows.

3. Capital: the commitment of any person to any Endeavour he undertakes would come only when he has his share of money invested in the business. This is called capital or owner's take if the client did not invest any amount in the business. This is called capital or owner's take if the client did not invest any amount and the entire amount is financed by the bank, the chance of the firm not being run professionally are there (Arnold, 2004).

4. Collateral: the word “collateral” literally means something additional but subordinate. In banking parlance, it means taking some security in addition to the primary securities, i.e., the assets created out of bank credit. Bank takes collateral security in the form of mortgage of the property, pledge of shares and securities, hypothecation of movable, etc.

5. Conditions. Conditions refer to the political stability of the country, demand for the product, the industry prospect, availability of raw materials, infrastructure facilities, etc.

6. Credit Record : what is the past record of the client regarding payment due for credits taken from the same bank or other banks ,credit card defaults ,etc. the availability of information from the new agency CIBIL (credit information bureau of India Ltd) would help in knowing the credit record of the proponent, (Crouhy, 2005).

2.8. Theories relating to socio economic development

Socio-economic development encompasses the process of improving the economic and social conditions of a community or country, and various theories have emerged to explain this phenomenon. The major theories include modernization theory, dependency theory, world-systems theory, and human development theory.

2.8.1. Modernization Theory

Modernization Theory posits that development follows a linear path, where societies progress from traditional to modern stages of growth through industrialization, education, and technological advancement. Developed in the mid-20th century by scholars like Walt Rostow, this theory suggests that underdeveloped nations can achieve progress by emulating the development processes of Western industrialized nations. Rostow's Stages of Economic Growth (1960) outlines five key stages: traditional society, preconditions for takeoff, takeoff, drive to maturity, and high mass consumption. However, this theory has been criticized for being ethnocentric, assuming that all societies must follow the same path as Western countries (UNDP. (2023).

2.8.2. Dependency Theory

Dependency Theory, emerging as a critique of modernization theory in 2018, suggests that underdeveloped countries remain economically dependent on developed nations, inhibiting their growth. Scholars like Andre Gunder Frank argued that developed nations exploit the resources and labor of underdeveloped countries, creating a system where the latter become economically stagnant while the former continue to prosper. This theory suggests that socio-economic development is influenced by global capitalist structures, which perpetuate inequality between the global North and South (Frank, 2018).

2.8.3. World-Systems Theory

World-Systems Theory, advanced by Immanuel Wallerstein in 2017, expands on dependency theory by classifying nations into core, semi-periphery, and periphery categories. Core countries, which are highly industrialized, exploit peripheral nations that provide raw materials and cheap labor. Semi-periphery nations fall in between, benefiting from some industrialization but also dependent on the core. Wallerstein's theory emphasizes that development and underdevelopment are interconnected processes shaped by historical and systemic inequalities within the capitalist world economy (Wallerstein, 2017).

2.8.4. Human Development Theory

Human Development Theory, introduced by economist Amartya Sen, shifts the focus from purely economic measures of development to human well-being. This theory argues that development should be about expanding individuals' capabilities, such as health, education, and freedom, rather than just increasing income or economic growth. The Human Development Index (HDI), developed by the United Nations Development Programme (UNDP), combines life expectancy, education, and income indices to measure socio-economic progress. Sen's approach highlights that development is multidimensional and should be evaluated by how it improves people's quality of life (UNDP, 2023).

2.9. Role of saving and credit cooperative on socio development

It is a primary cooperatives society that lends money collect from its members at low rate of interest. SACCOs are very effective tools for mobilizing savings and building a critical mass of capital that is made available to the members for borrowing at relatively cheaper interest rates compared to those offered by commercial banks and other lenders. That is a type of cooperatives that is easy to start and manage (Rwanda Cooperative Agency, 2011).

Cooperatives organized as business enterprises for the benefit of their members such as:
Contribution of cooperatives in education

Concerning education, it seems that participation in the cooperative contributed to expanding this members' capability. In fact, the rural area where access to education was very difficult among small-scale farmers and even more difficult in the management of the co-operative constituted a

significant “learning by doing’ opportunity for practicing and improving their educational skills, especially for illiterate members for the well-being of families and children (Huidhes, F, 2015).

2.10. Indicators of socio-economic development

To increase the availability and widen the distribution of basic life sustaining food, shelter, health and protection, to raise level of living concluding in addition to higher incomes, provision of better education , more jobs and greater attention to culture and humanity value , beliefs and norms (Demas, 2002).

2.10.1. Indicators of economic development

According to Khambata D. (1996), Economic development cannot be equated with economic growth, though growth and development are related. Economic development is more difficult to define and a number of different economic development indicators are used. The factors involved in development relate to the welfare of the population, so they are often subjective in nature. The United Nations Development Programme (UNDP) uses the Human Development Index (HDI) to measure a population's education, health and standard of living. Other economic development indicators look at people's ability to meet basic needs and achieve dignity and freedom.

2.10.1.1 Income Generation

Economic development promotes increased production and income generation in a country. This allows individuals and households to earn higher wages and access more economic opportunities. As people's incomes rise, they are better equipped to meet their basic needs, afford healthcare, education, and improve their overall quality of life (Klasen, S. 2013).

2.10.1.2. Job Creation

Economic development often leads to the growth of industries and sectors, resulting in job creation. More job opportunities mean reduced unemployment rates and increased incomes for individuals. Access to stable employment helps individuals escape the cycle of poverty and enhances their economic well-being (Kakawni, N. 2010).

2.10.1.3. Human Capital Development

Economic development can facilitate investments in education, healthcare, and skills training. These investments enhance human capital, improving the productive capacity of individuals and enabling them to participate in economic activities more effectively. Better education and healthcare contribute to reducing poverty by increasing productivity, employability, and overall human development (Paternostro, S. 2002).

2.10.1.4. Social Welfare Programs

Economic development provides governments with more resources to invest in social welfare programs targeted at poverty reduction. These programs may include cash transfer schemes, subsidized healthcare, education initiatives, and infrastructure development in impoverished areas. Such interventions directly assist the poor and vulnerable populations, helping to reduce poverty levels (Fields, G. S. 1989).

2.10.1.5. Inclusive Growth

For poverty reduction efforts to be effective, economic development must be inclusive, ensuring that the benefits reach all segments of society. Inclusive growth means that the gains of economic development are distributed equitably and reach those who are marginalized or living in poverty. It involves reducing income inequality, addressing social disparities, and promoting opportunities for disadvantaged groups (A. Kraay 2010).

2.10.1.6. Sustainable Development

Economic development should be pursued in a sustainable manner to ensure long-term poverty reduction. Sustainable development focuses on balancing economic growth with environmental protection and social well-being. It emphasizes the importance of preserving natural resources, reducing carbon emissions, and promoting resilient and inclusive economic systems that benefit present and future generations (Bourguignon, F. 2012).

2.10.2. Indicators of social development

According to Pencheon, D, (2008), Some of the major indicators of social development are as follows:

2.10.2.1. Nutrition

Nutrition plays a crucial role as an indicator of poverty reduction, reflecting the overall health and well-being of a population. Adequate nutrition is essential for human development, economic productivity, and social progress. A well-nourished population is more likely to lead productive lives, have better educational outcomes, and contribute effectively to the workforce. Conversely, inadequate nutrition can lead to a cycle of poverty, reduced productivity, increased healthcare costs, and hindered economic growth (World Bank. (2016).

One of the key ways nutrition is linked to poverty reduction is through its impact on child development. Malnourished children face stunted growth, cognitive impairments, and weakened immune systems, making them more vulnerable to illnesses. The World Bank, in its report on "Nutrition and Development," highlights that investing in nutrition interventions can significantly improve a child's future potential and contribute to breaking the cycle of poverty.

A well-nourished child is more likely to perform better in school, achieve higher educational levels, and eventually secure better employment opportunities (Bhutta, Z. A., et al. (2013)

Nutrition is also closely connected to the health and productivity of the adult population. Insufficient access to nutritious food can lead to undernutrition and micronutrient deficiencies, affecting physical and mental well-being. (FAO). (2013).

2.10.2.2. Health insurance

Health insurance can play a crucial role in poverty reduction by providing financial protection and improving access to healthcare services for vulnerable populations. Poverty is often associated with limited access to healthcare due to financial constraints, and without adequate health coverage, individuals and families may face significant economic burdens when dealing with medical expenses. Health insurance serves as a protective mechanism, mitigating the impact of unexpected health issues on household budgets and, in turn, contributing to poverty reduction (Notowidigdo, M. J. (2011).

One of the key ways health insurance contributes to poverty reduction is by reducing out-of-pocket expenses for healthcare services. Without insurance, individuals and families may be forced to pay the full cost of medical treatments, consultations, and prescription drugs, which can

quickly deplete their savings or push them into debt. Health insurance helps alleviate this burden by sharing the financial responsibility, making healthcare more affordable and accessible.

According to a study published in *Health Affairs*, health insurance coverage significantly reduces the likelihood of facing catastrophic out-of-pocket spending, which is crucial for protecting low-income individuals and families from falling deeper into poverty (Finkelstein et al., 2019).

Furthermore, health insurance promotes preventive care and early intervention, leading to better health outcomes and reduced long-term healthcare costs.

When people have insurance, they are more likely to seek regular check-ups, screenings, and preventive services, catching potential health issues early on. This proactive approach not only improves individual health but also reduces the need for costly medical treatments that may arise from neglecting preventive measures. (Holahan et al., 2015).

2.10.2.3. Education

Education plays a crucial role in poverty reduction and is widely recognized as a key indicator of socio-economic development. There is a strong correlation between education and poverty, with research and studies consistently showing that increasing access to quality education can significantly contribute to poverty reduction (Stromquist & Monkman, 2014).

One of the fundamental ways education helps reduce poverty is by empowering individuals with knowledge and skills to improve their economic prospects. Education equips individuals with the necessary tools to secure better job opportunities and higher incomes. According to a report by the United Nations Development Programme (UNDP), each additional year of schooling can increase an individual's earnings by 10% in low-income countries. This increased earning potential can lift individuals and their families out of poverty and create a path towards sustainable economic growth (Hanushek & Woessmann, 2012).

Moreover, education enhances people's capacity to make informed decisions, particularly regarding health, family planning, and financial matters. Studies have shown that educated individuals are more likely to adopt healthier practices and have smaller, more manageable families, which can alleviate the burden of poverty.

The World Bank's World Development Report 2019 emphasizes the role of education in promoting human capital, health, and overall well-being, contributing to a reduction in poverty rates (Population Reference Bureau, 2020).

Additionally, education fosters social mobility and breaks the intergenerational cycle of poverty. When children from impoverished backgrounds have access to quality education, they have the opportunity to improve their circumstances in adulthood. As educated individuals rise above the poverty line, they can then support their families, invest in their communities, and contribute to economic development. This ripple effect is highlighted in research by the UNESCO Global Education Monitoring Report, which emphasizes the transformational power of education in reducing poverty (UNESCO, 2021).

2.10.2.4. Housing

Housing plays a crucial role as an indicator of poverty reduction, reflecting both the standard of living and the overall well-being of individuals and communities. Adequate housing is a fundamental human right and a key component of sustainable development. The quality and availability of housing can significantly impact poverty levels and serve as a barometer for assessing the progress of poverty reduction efforts within a country or region.

One of the primary ways in which housing acts as an indicator of poverty reduction is through its direct impact on living conditions. Improved housing facilities, such as access to clean water, sanitation, and adequate living space, can lead to better health outcomes and reduced vulnerability to diseases. According to the World Health Organization (WHO), substandard housing conditions are linked to various health issues, including respiratory illnesses, waterborne diseases, and mental health problems, particularly affecting vulnerable populations in poverty-stricken areas.

As poverty declines, governments and communities often invest in improving housing conditions, thereby enhancing the overall health and well-being of their citizens (WHO). (2018). The Joint Center for Housing Studies at Harvard University highlights that millions of low-income households in many countries are severely cost-burdened by housing expenses. As

poverty reduction efforts progress, affordable housing programs and policies can alleviate this burden, allowing families to save, invest in education, and break the cycle of poverty (Harvard University, 2021).

Furthermore, the location of housing also plays a vital role in poverty reduction. Affordable housing located in proximity to job opportunities, public transportation, and essential services can empower individuals to access better economic prospects (OECD, 2019).

2.10.2.5. Clothing

Clothing serves as a significant indicator of poverty reduction, reflecting the improvements in economic conditions and overall living standards within a society. As countries or communities experience a reduction in poverty levels, several noticeable changes occur in their clothing patterns, styles, and access to garments. The link between clothing and poverty reduction can be observed through various aspects, such as increased access to affordable and diverse clothing options, improved quality of clothing, and changes in fashion trends.

One of the primary indicators of poverty reduction is the increased access to affordable and diverse clothing options. As people's income levels rise and living standards improve, they can afford to purchase a more extensive range of clothing items. This can be seen in the shift from basic, worn-out garments to a wider variety of outfits suited for different occasions and weather conditions.

As reported by the World Bank, a reduction in poverty rates often leads to increased consumption and expenditure on clothing, which positively impacts the textile and apparel industry (World Bank, 2019).

Moreover, poverty reduction is linked to an improvement in the quality of clothing available to individuals and communities. Higher disposable incomes enable people to invest in better fabrics, durable materials, and well-constructed clothing items. The United Nations Development Programme (UNDP) emphasizes that improvements in economic conditions lead to better access to essential goods, including clothing and a decline in the consumption of low-quality and poorly made items (UNDP, 2018).

2.11. Contribution of SACCOS in National Economy

Mumanyi (2007) highlighted major contributions posed by SACCOS as follow: Gaps identification in the poverty reduction strategic programs. SACCOS in the country provide means of fighting poverty. Capacity building among members themselves through advocacy of participation, improving literacy and information sharing. SACCOS help learning from best practices and up-scaling the members/society by using the success of the fellow member one stage success as the model in running their business. SACCOS provide experience in critical analysis of problems and identify the stockholders' weakness so that they can be in strengthening policy advocacy role. Innovations to improve of income of members and benefits. Facilitation of micro-financial services

2.12. Empirical studies

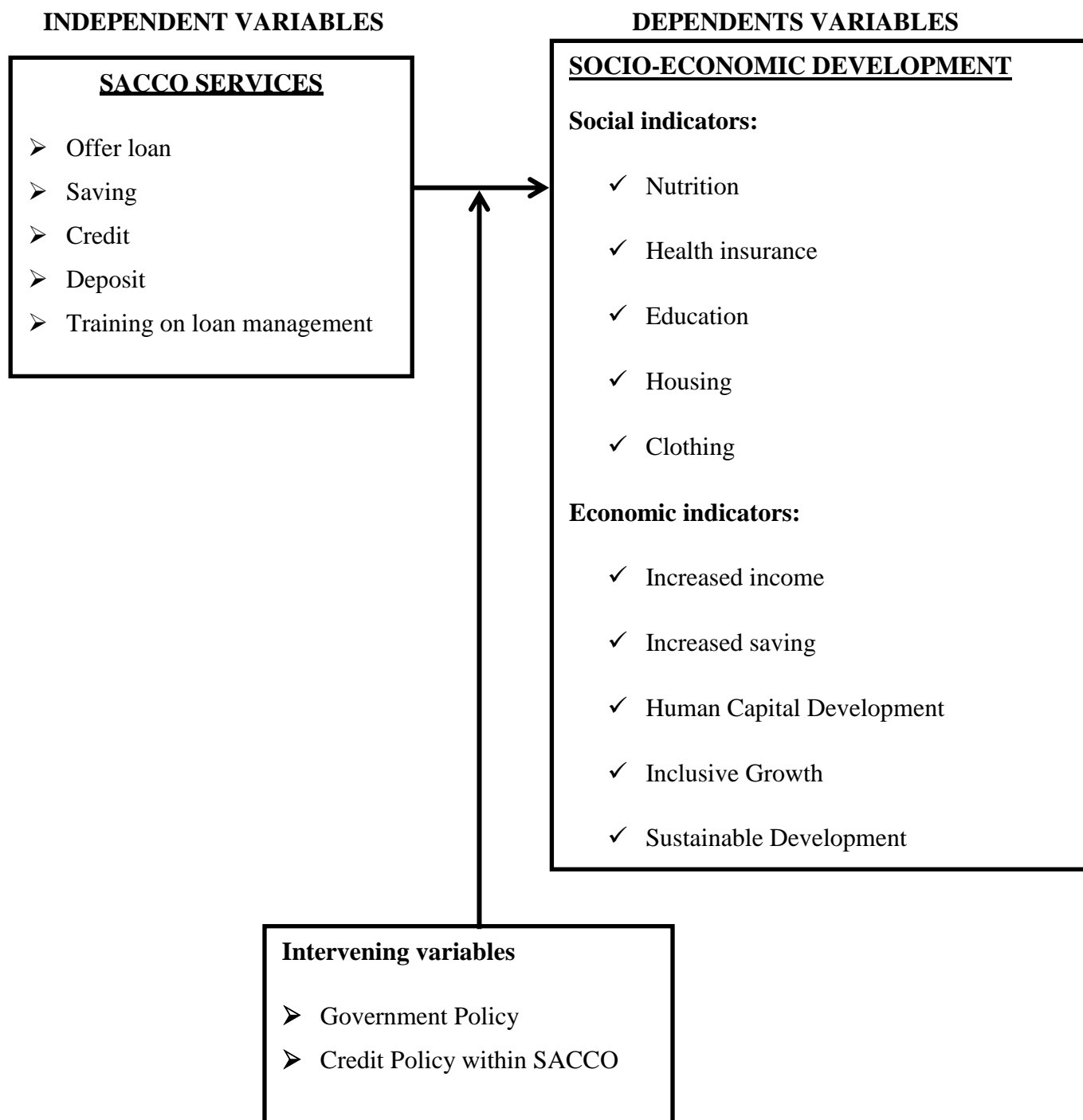
Saving and credit was invented in Bangladesh during the famine of 1974, when Professor Yunus studied the lives of the poor entrepreneurs in Bangladesh. Yunus began by loaning to groups of women an equivalent of \$30 to forty two basket weavers to help them purchase bamboo. Upon the advice of banks and government, he carried on giving out micro-loans and in 1983 formed the Grameen Bank. The program proved that small loans could not only quickly improve lives of poor people, but were paid back with interest and on time. By 1997, there were 1.8 million poor borrowers in 22,000 out of 68,000 villages in Bangladesh with 830 million credits worth every month, (Yunus M. B., 2004).

A study carried out by the World Bank's sustainable banking for the poor with the title of the project "Worldwide Inventory of Microfinance Institutions" found that female programs are group based with the characteristic of having small loan size and short loan term (Paxton, 2006). (Gine, 2004) show that based on a general equilibrium model of the economy, the expansion of access to the financial sector has significantly raised Thailand's growth rate. Conversely, (Micro, (2009).) Emphasize the efficiency and productivity losses associated with preferential access to finance by the better off, and suggest a potential first-order effect of access on investment and growth. Finally, (Burgess, 2005) find a strong positive effect on rural poverty, using a "natural experiment" of new branching regulations in India that incentivized banks to expand into underserved areas. However, the high cost of this expansion policy outweighed the aggregate

benefits. This result suggests large potential benefits from technology-enabled, lower-cost branch expansion. Income improvement involves the strategic use of tools such as education, economic development, health and income redistribution to improve the livelihoods of by governments and Internationally approved organizations. They also aim at removing social and legal barriers to income growth among the people.

There has been limited research on the impact of savings on the lives of the poor, but what is there finds evidence that savings accounts help the poor save up and invest in their future as well as withstand emergency needs for cash without depleting their other assets, such as business inventory. One randomized field study found that women given access to savings accounts were investing 45 percent more in their businesses (mostly in inventory) than were women who were not given accounts, had 27 percent to 40 percent higher daily expenditures, and were less prone to sell business assets to deal with health emergencies (Jake Kendall, 2010).

Figure 1: Conceptual Framework



Source: Researcher, 2024

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Introduction

This chapter presents the methodology that was used in carrying out this study. Practically it focuses on the research designs, sources of data, study population, sampling designs, sample size data collection methods and tools, data presentation, processing and analyses that was used by the researcher.

3.2. Research design

In this study a descriptive survey was used. Descriptive research portrays an accurate profile of persons, events, or situation (Robson, 2012). Surveys allow the collection of large amount of data from a size able population in highly economical way. It has allowed one to collect quantitative data, which will be analysed quantitatively using descriptive and inferential statistics (Saunders et al, 2017). Therefore, the descriptive survey will deemed the best strategy to fulfil the objectives of this study. Descriptive Research is the investigation in which quantity data is collected and analysed in order to describe the specific phenomenon in its current trends, current events and linkages between different factors at the current time. Descriptive research design was chosen because it enabled the researcher to generalize the findings to a larger population (Dalton L. R. and Todors, C, 2018).

In order to analyse the distribution of a variable, the data was organized according to the occurrence of different results in each category. As for categorical variables, frequency distributions made presented in a table or a graph, including bar charts and pie or sector charts. The term frequency distribution has a specific meaning, referring to the way observations of a given variable behave in terms of its absolute, relative or cumulative frequencies. In order to synthesize information contained in a categorical variable using a table, it is important to count the number of observations in each category of the variable, thus obtaining its absolute frequencies (Baptista Menezes, 2017).

3.3. Target Population

Target population as described by (Borg and Crall , 2014) is a universal set of study of all members of real or hypothetical set of people, events or objects to which an investigator generalized the result. The target population of this study was composed by 1300 members and 6

employees of Umwalimu SACCO Remera. These respondents were the best informed to provide accurate information to carry out this research.

3.4. Sampling Techniques and sampling size

Sampling techniques are fundamental methods used in research to select a subset of individuals, events, or objects from a larger population. The primary goal of sampling is to draw conclusions about the entire population based on the observations made from the sample. There are several sampling techniques, broadly categorized into probability and non-probability sampling. Probability sampling methods, such as simple random sampling, stratified sampling, and cluster sampling, ensure that every member of the population has a known and non-zero chance of being selected (Creswell, 2017).

3.4.1. Sampling Techniques

Purposive sampling technique was employed for the qualitative aspect. This technique involves selecting individuals who have specific knowledge or experience with the services provided by Umwalimu SACCO Remera, such as long-term members, new members, and those who have utilized multiple services. Purposive sampling allows for in-depth insights into the perceived effectiveness of SACCO services from diverse perspectives within the membership.

For the quantitative analysis, cluster sampling technique was advantageous. This technique involves dividing the population into clusters, such as different geographical locations or schools within the area served by Umwalimu SACCO, and then randomly selecting entire clusters for study. By combining these sampling techniques, researcher can obtain a comprehensive understanding of both the effectiveness of services and the promotion of a savings culture by Umwalimu SACCO, ensuring that diverse and representative data is collected from the membership.

3.4.2. Sampling size

According to William (2017) if the sample is selected properly, the information collected about the sample can represent the entire population. That's why the sample which is composed of 89 people that will be chosen among a whole population of 1300 customers who used services of Umwalimu SACCO Remera from 2020 up to 2023. To conduct such investigation on the entire

concerned universe, it has been necessary to use the formula proposed by Alain BOUCHARD (1991) to calculate the size of the sample collected appears as follows:

N = Size of the sample collected

n = Size of the sample for an infinite statistical universe

nc : size of the sample collected

Therefore, we have applied the following formula:

$$nc = \frac{n}{1 + \frac{n}{N}}$$

where N : size of the population,

n : size of the sample which corresponds to 89 individuals

nc : corrected sample size

Then

$$nc = \frac{N \times n}{N + n}$$

Our statistical universe is 1300 members; the size of the sample for an infinite universe is 96 persons

Then therefore, the sample size is $nc = \frac{N \times n}{N + n} = \frac{1300 \times 96}{1300 + 96} = 89$ members

Therefore, on one side a sample of 89 members was considered and on the other side 4 employees were randomly selected among 6 staffs of the Sacco under study.

3.5. Data collection tools

According to (Martin. K, 2015:170) in scientific research, techniques defined as procedure which allows the research to collect the data and information about in relation to his the research subject. All along the study, the following techniques were used:

3.5.1. Documentary technique

According to (Aktouf, 2010:62) documentation includes all references and hat offer to the reader a way to retrace his research. This means any written materials that contain information about the phenomenon I wish to study.

This technique was used in this study as the researchers consulted various books, articles, websites, reports which can provide more information on credit and saving cooperatives on social-economic development of women. These documents were consulted in order to help the researcher to have a good understanding of the topic and to be able to verify the research hypotheses.

3.5.2. Questionnaire technique

The researcher will use a questionnaire during the research as a list of designed questions with a view to collect the required information. Questions are sent to all targeted element and after administering the research, waits for answers (Daloz, 2011:88).

For this research, this technique has helped the researcher to collect information whereby members and staff of Umwalimu SACCO Remera, will receive questionnaires containing questions intending to achieve the study objectives. The questionnaire technique is very useful in finding out how SACCO impacts Socio-Economic Development of Umwalimu in Rwanda as the main objective of this study.

3.5.3. Interview technique

According to Bailey (2012:120), an interview is a conversation between two or more people (interviewer and interviewee).

The term “interview” is defined as: a method of collecting data that necessitates presentation of oral- verbal motivation and respond on in term of oral-responses (Kothar, 2014:97). This

technique has helped the researcher to make direct contact with the staff of Umwalimu SACCO Remera.

3.6. Reliability and validity

Reliability and validity are fundamental concepts in research methodology, essential for ensuring the accuracy and credibility of scientific studies. Reliability refers to the consistency of a measure, indicating the extent to which it produces stable and consistent results over repeated applications. Validity, on the other hand, pertains to the extent to which a test or instrument measures what it purports to measure. It is crucial for the integrity of research findings, encompassing several types, such as content validity, construct validity, and criterion-related validity (Twycross, 2015).

3.6.1. Reliability of the research

The reliability of a research instrument concerns the extent to which the instrument yields the same results on repeated trials. Although unreliability is always present to a certain extent, there was generally a good deal of consistency in the results of a quality instrument gathered at different times. The tendency toward consistency found in repeated measurements is referred to as reliability (Carmines and Zeller, 2019).

One method of testing for reliability is the internal consistency method. The internal consistency method provides a unique estimate of reliability for the given test administration. The most popular internal consistency reliability estimate is given by Cronbach's alpha. It is expressed as $\alpha = \frac{Np}{[1+p(N-1)]}$ Where N equals the number of respondents and p equals the mean interitem correlation.

3.6.2. Validity of the research

Validity is defined as the extent to which the instrument measures what it purports to measure (Allen and Yen, 2017). Content validity pertains to the degree which the instrument fully assesses or measure the construct of interest. The questionnaires were carefully designed and tested with a few members of the population for further improvements. This was done in order to enhance its validity and accuracy of data to be collected for the study.

3.7. Methods of data analysis

(CARCINOMA 2001:351) defines method' Like all intellectual operations by which a discipline seeks achieve the truths continues demonstrated and verified''. The following methods will be used to analyze data of this study:

3.7.1. Historical method

According to (OCTAVE Julien, medievalist 2015:150), historical method is basic set of method that has been commonly used by historians for a couple of centuries now: study primary sources, read secondary literature (works from other historian), establish new facts or give new interpretation.

3.7.2. Statistics method

Statistics is a numerical representation of information. Whenever researcher quantify or apply numbers to data in order to organize, summarize, or better understand the information (Howell and Martha, 2014:82).

Statistics method was used in analysis and presentation of data. It was also used in the presentation of data into tables and using percentages.

3.7.3. Comparative method

According to (Mulumbati 2010:27) this comparative analysis is useful to compare the difference and similarities existing between situations. This method has helped researcher to make a necessary comparison between the information from Umwalimu SACCO Remera in order to compare changes before and after getting services/products from Umwalimu SACCO Remera.

3.7.4. Synthetic method

This method helps the researcher to synthesize or to globalize the elements in coherent set. The spirits of synthesizing consider the different elements in their globality (Amin, 2005:21).

The synthetic method has helped to synthesize the data collected from the field in order to come up with the general conclusion and suggestions.

CHAPTER FOUR: DATA ANALYSIS, INTERPRETATION, PRESENTATION OF FINDINGS

4. 0. Introduction

The purpose of carrying out this research is to identify the **Role of SACCO on Socio-Economic Development of Umwalimu in Rwanda, case study: Umwalimu SACCO REMERA**, data collected. The findings of study are based on both primary and secondary data analysis and the researcher analyses questionnaire using SPSS program, then expressed results in the form of percentage and table presentation. This chapter deals with data presentation, analysis and interpretation of findings.

4.1. Profile of respondents

The socioeconomic and demographic traits of study participants are referred to as the profile of respondents in research. Typically, this part gives a quick summary of important characteristics like age, gender, income, occupation, education level, and other pertinent details that assist put the results in context.

4.1.1. Gender of respondents

Table 1: Gender of respondent

	Frequency	Percent	Cumulative Percent
Male	55	61.8	61.8
Valid Female	34	38.2	100.0
Total	89	100.0	

Source: Primary data, 2024

Findings on table 1 above shows analysis of the gender distribution among respondents in a certain study is provided by the data offered. Fifty-five of the 89 respondents or 61.8% of the sample population were men. Given that men made up the majority of respondents, it is possible that the study's findings will be dominated by the male perspective. On the other hand, 34 respondents, or 38.2% of the sample as a whole, were female. Despite making up a smaller

percentage of the population, women's viewpoints are nonetheless important and add to the research's overall findings.

The cumulative percentage shows that when the male and female respondents are combined, the total comes to 100%, indicating that the data accurately represents the entire respondent pool. The distribution of genders can have an impact on how the study's findings are interpreted because an overrepresentation of one gender could lead to biased outcomes or reflect particular trends related to gender; knowing this distribution is crucial for analyzing the results in the context of gender dynamics and making sure the study's conclusions are fair and representative of the population under investigation.

The involvement of more male members in Umwalimu SACCO could have implications for the broader goal of promoting gender equality in socio-economic development. While male members are reaping the benefits of financial services, efforts should be made to encourage more female teachers to participate actively in SACCO activities. This could include targeted outreach programs, financial literacy training for women, and addressing specific barriers that prevent women from accessing these services.

4.1.2. Age of respondent

The socioeconomic and demographic traits of study participants are referred to as the profile of respondents in research. Typically, this part gives a quick summary of important characteristics like age, gender, income, occupation, education level, and other pertinent details that assist put the results in context. In order to ensure that the research findings are appropriately understood in respect to the particular population being investigated, it is essential to comprehend the respondent profile, which provides insights into the variety and representativeness of the sample.

Table 2: Age of respondent

	Frequency	Percent	Cumulative Percent
Less than 25 Years	17	19.1	19.1
25-35 Years	56	62.9	82.0
35-50 Years	16	18.0	100.0
Total	89	100.0	

Source: Primary data, 2024

The presented data illustrates in table 2 above shows the age distribution of participants in a specific study. Three age groupings are used to group the respondents' ages: "Less than 25 Years," "25-35 Years," and "35-50 Years." There are 89 responders in all in the trial.

With 56 respondents, or 62.9% of the sample as a whole, the "25-35 Years" age group has the greatest percentage of respondents. This suggests that the bulk of participants are young adults, potentially indicating a group that is actively involved in the experiences or activities being studied. Given the popularity of this group, it is possible that the study's conclusions will be especially representative of the viewpoints and actions of individuals in this age range.

The data shows that the largest group of respondents falls within the **25-35 years** age range. This may be attributed to the fact that this age group represents a significant portion of working professionals in Rwanda, especially teachers who are actively engaged in their careers. Many individuals within this age bracket are likely to have completed their studies, secured stable employment, and started families. Consequently, they may seek SACCO services to improve their socio-economic standing, including purchasing assets, investing in housing, or acquiring other financial benefits.

On the other hand, respondents aged **35-50 years** (18.0%) form the smallest portion of the sample. One possible reason for this is that individuals in this age group may already have acquired significant financial stability through other means, such as investments or government pensions. They may be less reliant on SACCO services for immediate socio-economic development, especially if they are nearing retirement or have already achieved many of their financial goals.

All things considered, the results show that the study is significantly biased in favor of younger persons, especially those who are between the ages of 25 and 35. This could have an impact on the study's findings, particularly if age plays a major role in the setting of the research. Younger respondents' representation and the lower percentage of participants in their middle age may be related to the study's focus or the demographics of the population the sample was taken from.

4.1.3. Occupation of respondents

Comprehending the employment of participants is vital in research investigations, as it offers valuable insights into their professional experiences, educational background, and socio-economic standing. Data pertaining to a respondent's occupation may have an impact on their attitudes, actions, and survey responses.

Table 3: Occupation of respondents

	Frequency	Percent	Cumulative Percent
Teacher	72	80.9	80.9
Valid Non-teaching staff	17	19.1	100.0
Total	89	100.0	

Source: Primary data, 2024

The data shows the professions of the study participants, emphasizing the definite prevalence of teachers in the sample. 89 people answered the survey, 80.9% of the total identified as instructors. This sizable majority raises the possibility that the research findings significantly reflect the viewpoints and experiences of educators, so pointing to a significant impact of their professional setting on the study's conclusions.

On the other hand, just 19.1% of the responders were non-teaching personnel, consisting of 17 individuals. Although they are represented, it is still very little in comparison to teachers. This discrepancy may indicate that the perspectives and experiences of non-teaching staff were not adequately captured in the insights obtained, which could have limited the scope of the research.

In general, the respondents' occupational distribution points to a teacher-centric perspective, which should be taken into account while analyzing the study's findings. To guarantee a thorough grasp of the topics covered, future study could benefit from a more fair representation of various occupations.

4.1.4. Years of Membership with Umwalimu SACCO

Years of membership in research is a term used to describe how long a person or organization has been a part of a particular research community, organization, or project. This idea is important since it frequently corresponds with one's degree of expertise, impact, and contribution within a field of study.

Table 4: Years of Membership with Umwalimu SACCO

	Frequency	Percent	Cumulative Percent
Less than 1 year	34	38.2	38.2
1-5 years	39	43.8	82.0
5-10 years	16	18.0	100.0
Total	89	100.0	

Source: Primary data, 2024

The findings on table 4 above shows that 89 respondents' length of membership with Umwalimu SACCO is shown by the data that is supplied. Three different membership periods are used to categorize the information: less than a year, 1–5 years, and 5–10 years.

The 43.8% (39 out of 89) of the respondents, or the majority, had been Umwalimu SACCO members for one to five years. This implies that a sizeable percentage of the SACCO's members have developed a somewhat long-term relationship with the organization, demonstrating a degree of dedication and perhaps contentment with the services rendered. With a cumulative proportion of 82%, this group demonstrates that more than four-fifths of members have been with the SACCO for a maximum of five years.

After then, 34 respondents or 38.2% of the total said they had been members for less than a year. This very high percentage of new members may indicate that Umwalimu SACCO is drawing in new customers, which could be a sign of the success of the organization's outreach initiatives or

the demand for its financial services. Since these members are new, it is possible that their commitment to the SACCO and their long-term involvement are still growing.

Finally, 18% have been members for five to ten years. Despite being the smallest group, their sustained membership may be a sign of great satisfaction and faith in the SACCO's offerings. The group's continuous affiliation with the SACCO probably indicates a solid and long-lasting partnership, which might help the organization maintain seasoned members who might also act as ambassadors for the organization.

The bulk of members have been with the SACCO for one to five years, and the data generally shows a balanced mix of new, moderate, and long-term members. According to this distribution, Umwalimu SACCO is successful in bringing in new members while also retaining a core of devoted, long-term members.

4.2. Respondents Views on the effectiveness of the services offered by Umwalimu SACCO REMERA.

It is essential to comprehend respondents' opinions regarding the efficacy of the services provided when doing research. These opinions offer insightful information about the impact, availability, and caliber of the services being examined. Researchers can find areas of strength, identify areas for growth, and formulate well-informed recommendations by collecting and evaluating input from respondents.

4.2.1. The loan services provided by Umwalimu SACCO REMERA meet the respondent's financial needs.

Umwalimu SACCO Remera offers tailored loan services designed to support the financial needs of its members, particularly those involved in research activities. These services provide flexible financing options that cater to the specific demands of educational professionals, ensuring access to funds for research projects, educational materials, and other academic-related expenses.

Table 5: The loan services provided by Umwalimu SACCO REMERA meet respondent's financial needs.

	Frequency	Percent	Cumulative Percent
Neutral	16	18.0	18.0
Agree	34	38.2	56.2
Valid Strongly Agree	39	43.8	100.0
Total	89	100.0	

Source: Primary data, 2024

The findings on table 5 above shows that 43.8% of respondents, or the majority, strongly felt that the lending services satisfied their demands financially. This suggests that a sizable percentage of SACCO members are highly satisfied, indicating that the loan services are likely to meet their financial needs and offer them practical financial solutions.

Nonetheless, 18% of the participants had no opinion, suggesting that a tiny portion of the participants were undecided about the statement. Although the services are generally excellent, this neutrality may imply that there are certain situations or regions in which the services fall short of expectations.

Overall, the data indicates that most of Umwalimu SACCO Remera's members have a favorable opinion of the loan services provided by the organization, with a sizable percentage expressing considerable pleasure. Even if they were few, the neutral replies can call for additional research to find and close any possible holes in the services provided.

4.2.2. The process of applying for loans at Umwalimu SACCO REMERA is straightforward.

Umwalimu SACCO REMERA's loan application procedure is intended to be simple and easy to use, especially for members and instructors. With the help of this financial cooperative, members will be able to obtain loans with the least amount of red tape. Usually, the application process is sending in the necessary paperwork, which includes a loan request form, employment information, and evidence of membership.

Table 6: The process of applying for loans at Umwalimu SACCO REMERA is straightforward.

	Frequency	Percent	Cumulative Percent
Agree	22	24.7	24.7
Valid Strongly Agree	67	75.3	100.0
Total	89	100.0	

Source: Primary data, 2024

The information shown above in table 6 is based on 89 participants' opinions about how simple it was to apply for a loan at Umwalimu SACCO REMERA. According to the statistics, most respondents had a favorable opinion of the loan application procedure. To be more precise, 24.7% of participants believe that the process is simple, and a sizable majority 75.3% strongly agrees with this statement. This indicates that members are quite satisfied with this SACCO's loan application process's ease of use and effectiveness.

An improved representation of this consensus is given by the cumulative percentage. The total proportion rises to 100% with 24.7% agreeing and an additional 75.3% strongly agreeing. The respondents' complete agreement highlights how well Umwalimu SACCO REMERA's loan application procedure satisfies the requirements and expectations of its members. Such a favorable result would indicate that the SACCO has put in place effective protocols, transparent

communication, and user-friendly systems that streamline and simplify the loan application process for its members.

Overall, the data clearly suggests that most members find Umwalimu SACCO REMERA's loan application process to be simple, with no members having opposing views. This may be a sign of the SACCO's improved member satisfaction and operational effectiveness.

4.2.3. Credit facilities at Umwalimu SACCO REMERA are easily accessible.

Credit facilities at Umwalimu SACCO Remera have been the subject of research, and it has been noted that these facilities are very accessible, especially to the targeted members, who are mainly teachers. Because of the SACCO's dedication to offering financial services that are specifically designed to meet the needs of educators, the loan application and approval processes have been expedited, which has encouraged financial inclusion and member empowerment.

Table 7: Credit facilities at Umwalimu SACCO REMERA are easily accessible.

	Frequency	Percent	Cumulative Percent
Agree	17	19.1	19.1
Valid Strongly Agree	72	80.9	100.0
Total	89	100.0	

Source: Primary data, 2024

The statistical information offered illustrates how respondents felt about Umwalimu SACCO Remera's lending facilities' accessibility. A sizable majority of the 89 respondents to the poll firmly concur that these loan facilities are freely available. In particular, 72 respondents or 80.9% of the sample strongly agreed with the statement. This broad agreement demonstrates that members of the SACCO are well-met by its credit facilities, indicating a high degree of satisfaction.

Apart from the strong agreement, 19.1% of the total respondents, or 17 people, concur that the loan facilities are conveniently available. Even while their opinions are not as strongly held as those of the majority, they nevertheless acknowledge how accessible the SACCO is. The cumulative percentage shows that 100% of those surveyed either strongly agree or agree with the statement indicating that all respondents, without exception, have a positive opinion of credit facilities' accessibility.

According to this data, Umwalimu SACCO Remera has been effective in implementing credit services that are popular among its members and easy to use. The fact that there were no indifferent or unfavorable replies highlights how successfully the SACCO works to offer easily available financing options, which probably helps its members' financial situation. Positive responses from the respondents may also be a sign of faith in the SACCO's capacity to meet members' financial requirements by providing easily available loan facilities.

4.2.4. The savings products offered by Umwalimu SACCO REMERA are attractive and beneficial.

Within the framework of financial inclusion and socio-economic advancement, Umwalimu SACCO Remera provides its members with a selection of savings solutions that are not only appealing but also extremely advantageous.

Table 8: The savings products offered by Umwalimu SACCO REMERA are attractive and beneficial.

	Frequency	Percent	Cumulative Percent
Agree	50	56.2	56.2
Valid Strongly Agree	39	43.8	100.0
Total	89	100.0	

Source: Primary data, 2024

The statistical data presented represents the opinions of the respondents on the savings products that Umwalimu SACCO REMERA offers. The comments that fall into the "Agree" and "Strongly Agree" categories show that there is a strong positive mood among respondents regarding these savings programs.

More precisely, 56.2% of respondents concurred that the savings products are useful and appealing. This indicates that a majority of the participants hold a positive perception of the savings choices offered by the SACCO. Their agreement implies that a sizable segment of the membership finds the products to be satisfactory or match their expectations, suggesting a well-received service that is in line with many users' financial objectives.

Furthermore, 43.8% more respondents said they strongly agreed with the statement. This group of responders has a heightened sense of contentment and endorsement for the products in addition to having a positive opinion of them. Those that indicate a "Strongly Agree" response are probably more devoted to using these savings products and may even consider them to be very beneficial or necessary.

The data indicates that all respondents (100%) agreed or strongly agreed with the statement, indicating that the members of the survey are generally satisfied with the savings programs. This shows that Umwalimu SACCO REMERA has successfully adapted its savings products to match the requirements and goals of its members, which may have a positive impact on member loyalty and the SACCO's overall performance.

4.3. Respondents Views on the contribution of UMWALIMU SACCO services to the socio - economic development of Umwalimu.

In Rwanda, the UMWALIMU Savings and Credit Cooperative (SACCO) was founded to offer financial services that are especially designed to meet the needs of educators. UMWALIMU SACCO is a special kind of financial organization that helps its members grow socioeconomically by providing low-cost loans, savings plans, and financial literacy initiatives.

4.3.1. Umwalimu SACCO REMERA has helped respondent improve my daily meal frequency

For many, including me, Umwalimu SACCO REMERA has significantly improved the quality of life. I've been able to better manage my finances because to this cooperative's reasonable and teacher-focused financial services.

Table 9: Umwalimu SACCO REMERA has helped members to improve daily meal frequency

Are there changes for Umwalimu SACCO REMERA in alimentation before and after getting a loan?	Before getting a loans		After getting a loans	
	Number of respondents	Percentages (%)	Number of respondents	Percentages (%)
High sufficient	17	22.1	47	26.3
Sufficient	22	25.3	28	69.5
Insufficient	50	52.6	14	14.7
Total	89	100	89	100

Source: Primary data, 2024

The research data on table 9 shows significant improvements in the frequency and sufficiency of meals for members of Umwalimu SACCO REMERA after receiving loans. Before obtaining the loans, only 22.1% of the respondents reported having highly sufficient meals, while 52.6% experienced insufficient alimentation. After receiving loans, the percentage of members with highly sufficient meal frequencies rose to 26.3%, reflecting an increase in food security.

Similarly, the proportion of respondents reporting sufficient meals increased from 25.3% before the loans to a notable 69.5% afterward. This demonstrates the positive impact of the loans on the members' ability to meet their daily nutritional needs. On the other hand, the percentage of members facing insufficient meals dropped dramatically from 52.6% to 14.7%, showcasing a significant reduction in food insecurity among the loan recipients.

Overall, the data underscores that access to loans from Umwalimu SACCO REMERA has played a crucial role in improving the daily meal sufficiency of its members, allowing them to better meet their dietary requirements. This finding highlights the importance of financial support in enhancing the well-being of individuals, particularly in terms of access to adequate food.

4.3.2. The services from Umwalimu SACCO REMERA have enabled members to secure health insurance

The effects of Umwalimu SACCO REMERA's services have revealed that the organization's advisory and financial assistance services were vital in helping obtain health insurance. The SACCO has enabled members to prioritize and invest in family's health and well-being by providing them with accessible credit programs and financial planning support, thereby guaranteeing them access to crucial healthcare services. This demonstrates how SACCOs can improve the socioeconomic well-being of their members and their families on a larger scale.

Table 10: Ability of Umwalimu SACCO REMERA members to access to mutual health before and after getting a loan

Have you ability to access health care before and after getting a loan in Umwalimu SACCO REMERA?	Before getting a loan		After getting a loan	
	Number of respondents	Percentage (%)	Number of respondents	Percentage (%)
With access to mutual health	35	36.8	79	89.5
Without access to mutual health	54	63.2	10	10.5
Total	89	100	89	100

Source: Primary data, 2024

The research data provided offers insight into the impact of obtaining a loan from Umwalimu SACCO REMERA on members' ability to access mutual health care services. Before receiving a loan, only 36.8% of the respondents (35 out of 89) had access to mutual health care, while a significant majority, 63.2% (54 respondents), did not. This demonstrates that many members were financially constrained and unable to secure health insurance coverage before obtaining financial support through a loan.

After receiving a loan, the situation improved dramatically. The number of respondents with access to mutual health care rose to 79, representing 89.5% of the sample. This sharp increase indicates that the financial boost provided by the loan played a crucial role in enabling members to access health care services, significantly reducing the proportion of those without health care coverage to just 10.5% (10 respondents).

In conclusion, the research data strongly suggests that obtaining a loan from Umwalimu SACCO REMERA had a positive impact on members' ability to access mutual health care. The financial support likely eased their economic burden, allowing them to prioritize health insurance and improve their overall well-being. This shift from 36.8% to 89.5% in mutual health access illustrates the effectiveness of the SACCO's loan services in enhancing socio-economic conditions for its members.

4.3.3. Umwalimu SACCO REMERA has contributed to my ability to pay for education expenses.

Umwalimu Savings and Credit Association Remera has been a major contributor to my improved ability to pay for schooling while I conduct research. Its customized financial services, made just for educators, have given me access to reasonably priced loans and savings plans.

Table 11: Ability of members Umwalimu SACCO Remera in paying school fees before and after getting a loan from Umwalimu SACCO Remera

Have you realized any change in school fees payment before and after getting a loan in Umwalimu SACCO Remera?	Before getting a loan		After getting a loan	
	Number of respondents	Percentage (%)	Number of respondents	Percentage (%)
Very good	34	38.2	47	53
Good	25	28	39	44
Poor	30	34	3	3
Total	89	100	89	100

Source: Primary data, 2024

The research findings reveal significant changes in the ability of Umwalimu SACCO Remera members to pay school fees before and after obtaining a loan. Before receiving the loan, only 38.2% of respondents reported being in a "very good" position to pay school fees, while 28% rated their ability as "good," and a notable 34% reported difficulties, categorizing their situation as "poor."

After securing the loan, there was a clear improvement. The percentage of members who indicated a "very good" ability to pay school fees increased to 53%, showing a significant boost in financial capability. Similarly, those reporting a "good" ability to pay fees rose to 44%, reflecting a positive impact on their overall financial stability. Most notably, the number of members experiencing difficulty ("poor") in paying school fees dropped dramatically to just 3%, indicating that access to loans had a transformative effect on their financial situation.

Overall, the data demonstrates that obtaining a loan from Umwalimu SACCO Remera significantly enhanced members' ability to meet their children's educational needs. The improvement in school fee payment ability suggests that these loans provided vital financial support, helping members bridge gaps in their income and better manage their educational expenses.

4.3.4. Respondent views about buying their own house after receiving loan from Umwalimu SACCO REMERA.

The process of purchasing a home with financial assistance from Umwalimu SACCO Remera, it is critical to comprehend how cooperative organizations, in particular, empower people in Rwanda, especially teachers. The study focuses on how the borrower was able to build or buy their own home thanks to a loan from Umwalimu SACCO.

Table 12: Respondent views about buying/building their own house before and after receiving loan from Umwalimu SACCO REMERA.

Have you get ability of acquiring your own house assets before and after getting a loan Umwalimu SACCO Remera?	Before getting a loan		After getting a loan	
	Number of respondents	Percentage (%)	Number of respondents	Percentage (%)
People with new assets	54	61	76	85.39
People with not new assets	35	39.32	13	14.6
Total	89	100	89	100

Source: Primary data, 2024

The research data presents a clear distinction in respondents' ability to acquire new house assets before and after receiving a loan from Umwalimu SACCO Remera. Before accessing the loan, 54 respondents, representing 61%, reported that they had acquired new house assets. In contrast, 35 respondents, making up 39.32%, had not managed to acquire such assets. This indicates that prior to receiving financial assistance; a significant portion of the respondents had struggled with asset acquisition, likely due to financial constraints.

After obtaining the loan, however, a substantial improvement is evident. The number of respondents who were able to acquire new house assets increased to 76, accounting for 85.39% of the total sample. This suggests that the loan significantly empowered a majority of individuals

to invest in new housing. Conversely, the number of people who still had not acquired any new assets after receiving the loan dropped drastically to just 13 respondents, representing 14.6%.

The comparative analysis reveals that Umwalimu SACCO Remera's loans had a profound impact on the respondents' ability to purchase or build their own houses. The increase in asset ownership post-loan demonstrates that the financial support provided by the SACCO played a crucial role in improving the socio-economic status of its members by facilitating homeownership, which is often a significant indicator of financial stability and security.

4.3.5. Respondent views whether income has increased since joining Umwalimu SACCO REMERA.

Enrolling in Umwalimu SACCO REMERA has improved my financial circumstances. My salary has significantly increased since I became a member, which has improved my overall financial security. This progress may be credited to the SACCO's financial assistance, savings options, and customized services, which have given me the confidence to handle my money more wisely and make investments in sources of revenue.

Table 13: Respondent views whether income has increased since joining Umwalimu SACCO REMERA.

Respondent views whether income has increased before and after joining Umwalimu SACCO REMERA.

Income per month in Rwf	Before getting a loan		After getting a loans	
	Number of respondents	Percentages (%)	Number of respondents	Percentages (%)
15,000 - 30,000 Rwf	42	47.19	8	8.98
30,000 - 45,000 Rwf	24	27	42	47.19
45,000 - 60,000 Rwf	14	15.73	6	6.74
60,000 - 75,000 Rwf	6	6.74	20	22.47
75,000 Rwf and above	3	3.37	13	14.6
Total	89	100	89	100

Source: Primary data, 2024

The data presented reflects respondents' views on changes in their monthly income before and after receiving loans from Umwalimu SACCO REMERA. Initially, 47.19% of respondents earned between 15,000 and 30,000 RWF per month, but this figure dropped significantly to 8.98% after obtaining a loan. This suggests a notable improvement in income levels for those in this lower income bracket. Similarly, respondents earning between 30,000 and 45,000 RWF rose sharply from 27% before the loan to 47.19% after the loan, indicating that a large proportion of members moved to this middle-income bracket following access to credit.

For those earning between 45,000 and 60,000 RWF, there was a slight decline, with 15.73% of respondents reporting this income level before the loan and only 6.74% afterward. This could suggest that some respondents in this income category experienced either an upward or downward shift in earnings after taking out loans. However, the data shows a positive shift for higher income categories, as the percentage of respondents earning between 60,000 and 75,000 RWF increased from 6.74% before the loan to 22.47% after. Furthermore, the number of respondents earning 75,000 RWF and above also increased from 3.37% to 14.6%.

Overall, the research indicates that access to loans from Umwalimu SACCO REMERA has had a positive impact on respondents' income levels, with many moving from lower to higher income brackets after receiving loans. This suggests that the SACCO's financial services have contributed to improved economic well-being for its members.

4.3.6. The services from Umwalimu SACCO REMERA have helped me purchase an asset (land / house / TV / car , ...)

The effects of Umwalimu SACCO REMERA's services, with an emphasis on how these services have made it possible for people to buy important assets. Members' capacity to purchase valuable property, including homes and land, has been made possible by the cooperative's financial support.

4.4. Relationships between Umwalimu SACCO Remera services and Socio- economic Development of its members

Table 14 : Relationships between Umwalimu SACCO Remera services and Socio- economic Development of its members

		SACCO Services	Socio-Economic Development
SACCO Services	Pearson Correlation	1	.691**
	Sig. (2-tailed)		.000
	N	89	89
Socio-Economic Development	Pearson Correlation	.691**	1
	Sig. (2-tailed)	.000	
	N	89	89

** . Correlation is significant at the 0.01 level (2-tailed).

The presented data explores the relationship between the services offered by UMWALIMU SACCO REMERA and the socio-economic development of its members. The analysis uses Pearson correlation to determine the strength and significance of this relationship.

The Pearson correlation coefficient between SACCO services and socio-economic development is 0.691, indicating a strong positive relationship. This suggests that as SACCO services improve, members tend to experience significant growth in their socio-economic development. A correlation value closer to 1 indicates a strong linear relationship, meaning that members who benefit more from SACCO services are likely to report better socio-economic outcomes, such as improved access to assets, income growth, and overall economic stability.

The significance level (Sig. 2-tailed) is 0.000, which is less than the standard threshold of 0.05. This shows that the relationship is statistically significant, meaning there is a very low probability that the observed correlation occurred by chance. Therefore, the services provided by UMWALIMU SACCO REMERA play a critical and measurable role in enhancing the socio-economic well-being of its members.

Furthermore, the sample size (N) for both variables is 89, meaning the analysis is based on data from 89 participants. This sample size is reasonable, giving credibility to the findings that the relationship between SACCO services and socio-economic development is not only positive but also statistically significant.

In summary, the interpretation of this data reveals that SACCO services have a significant positive impact on the socio-economic development of its members, as evidenced by a strong correlation and statistically significant results.

GENERAL CONCLUSION, SUGGESTIONS AND RECOMMENDATIONS GENERAL CONCLUSION

The overall objective of this research was to” **Role of SACCO on Socio-Economic Development of Umwalimu in Rwanda, case study: UMWALIMU SACCO REMERA, Period: 2020- 2023**” for this research work, in order to reach to main objective, concentrated on the following specific objectives which are:

- To analyze the effectiveness of services of offered by UMWALIMU SACCO Remera to its members.
- To examine the contribution of UMWALIMU SACCO Remera Services to the Socio-Economic Development of Umwalimu

This study was guided by the following two research questions:

- iii. Does UMWALIMU SACCO Remera offer effective services to its members (Teachers)?
- iv. Do the services offered by Umwalimu SACCO Remera Contribute to socio-economy of Umwalimu?

This study verified two hypotheses formulated as follows:

- i. UMWALIMU SACCO offers the effective services to its members (Teachers).
- ii. The services of UMWALIMU SACCO Contribute positively to socio-economic development of its teachers (Umwalimu).

The first chapter dealt with the literature review which also constitute by definition of key concepts, conceptual and theoretical framework and theories related to the study

The first objective was obtained to analyze the effectiveness of services of offered by UMWALIMU SACCO Remera to its members.

The information on table 6 was based on 89 participants' opinions about how simple it was to apply for a loan at Umwalimu SACCO REMERA. According to the statistics, most respondents had a favorable opinion of the loan application procedure. To be more precise, 24.7% of participants believe that the process is simple, and a sizable majority 75.3% strongly agrees with this statement. This indicates that members are quite satisfied with this SACCO's loan application process's ease of use and effectiveness. The total proportion rises to 100% with 24.7% agreeing and an additional 75.3% strongly agreeing. The respondents' complete agreement highlights how well Umwalimu SACCO REMERA's loan application procedure satisfies the requirements and expectations of its

members. Such a favorable result would indicate that the SACCO has put in place effective protocols, transparent communication, and user-friendly systems that streamline and simplify the loan application process for its members.

The statistical information offered illustrates how respondents felt about Umwalimu SACCO Remera's lending facilities' accessibility. A sizable majority of the 89 respondents to the poll firmly concur that these loan facilities are freely available. In particular, 72 respondents or 80.9% of the sample strongly agreed with the statement. This broad agreement demonstrates that members of the SACCO are well-met by its credit facilities, indicating a high degree of satisfaction.

Apart from the strong agreement, 19.1% of the total respondents, or 17 people, concur that the loan facilities are conveniently available. Even while their opinions are not as strongly held as those of the majority, they nevertheless acknowledge how accessible the SACCO is. The cumulative percentage shows that 100% of those surveyed either strongly agree or agree with the statement indicating that all respondents, without exception, have a positive opinion of credit facilities' accessibility.

According to this data, Umwalimu SACCO Remera has been effective in implementing credit services that are popular among its members and easy to use. The fact that there were no indifferent or unfavorable replies highlights how successfully the SACCO works to offer easily available financing options, which probably helps its members' financial situation. Positive responses from the respondents may also be a sign of faith in the SACCO's capacity to meet members' financial requirements by providing easily available loan facilities.

From these findings, researcher is confirming the first hypothesis which is saying that UMWALIMU SACCO offers the effective services to its members (Teachers).

The research data on table 8 provided offers insight into the impact of obtaining a loan from Umwalimu SACCO REMERA on members' ability to access mutual health care services. Before receiving a loan, only 36.8% of the respondents (35 out of 89) had access to mutual health care, while a significant majority, 63.2% (54 respondents), did not. This demonstrates that many members were financially constrained and unable to secure health insurance coverage before obtaining financial support through a loan.

After receiving a loan, the situation improved dramatically. The number of respondents with access to mutual health care rose to 79, representing 89.5% of the sample. This sharp increase indicates that the financial boost provided by the loan played a crucial role in enabling members to access health care services, significantly reducing the proportion of those without health care coverage to just 10.5% (10 respondents).

In conclusion, the research data strongly suggests that obtaining a loan from Umwalimu SACCO REMERA had a positive impact on members' ability to access mutual health care. The financial support likely eased their economic burden, allowing them to prioritize health insurance and improve their overall well-being. This shift from 36.8% to 89.5% in mutual health access illustrates the effectiveness of the SACCO's loan services in enhancing socio-economic conditions for its members.

The research data on table 9 shows significant improvements in the frequency and sufficiency of meals for members of Umwalimu SACCO REMERA after receiving loans. Before obtaining the loans, only 22.1% of the respondents reported having highly sufficient meals, while 52.6% experienced insufficient alimentation. After receiving loans, the percentage of members with highly sufficient meal frequencies rose to 26.3%, reflecting an increase in food security.

Similarly, the proportion of respondents reporting sufficient meals increased from 25.3% before the loans to a notable 69.5% afterward. This demonstrates the positive impact of the loans on the members' ability to meet their daily nutritional needs. On the other hand, the percentage of members facing insufficient meals dropped dramatically from 52.6% to 14.7%, showcasing a significant reduction in food insecurity among the loan recipients.

Overall, the data underscores that access to loans from Umwalimu SACCO REMERA has played a crucial role in improving the daily meal sufficiency of its members, allowing them to better meet their dietary requirements. This finding highlights the importance of financial support in enhancing the well-being of individuals, particularly in terms of access to adequate food.

The research data presents a clear distinction in respondents' ability to acquire new house assets before and after receiving a loan from Umwalimu SACCO Remera. Before accessing the loan, 54 respondents, representing 61%, reported that they had acquired new house assets. In contrast, 35 respondents, making up 39.32%, had not managed to acquire such assets. This indicates that prior to receiving financial assistance; a significant portion of the respondents had struggled with asset acquisition, likely due to financial constraints.

After obtaining the loan, however, a substantial improvement is evident. The number of respondents who were able to acquire new house assets increased to 76, accounting for 85.39% of the total sample. This suggests that the loan significantly empowered a majority of individuals to invest in new housing. Conversely, the number of people who still had not acquired any new assets after receiving the loan dropped drastically to just 13 respondents, representing 14.6%.

The comparative analysis reveals that Umwalimu SACCO Remera's loans had a profound impact on the respondents' ability to purchase or build their own houses. The increase in asset ownership post-loan demonstrates that the financial support provided by the SACCO played a crucial role in improving the socio-economic status of its members by facilitating homeownership, which is often a significant indicator of financial stability and security.

It is from the findings above that researcher confirmed the second hypothesis saying the services of UMWALIMU SACCO Contribute positively to socio-economic development of its teachers (Umwalimu).

SUGGESTIONS

After analyzing the findings, the researchers have realized that the management of UMWALIMU SACCO REMERA needs to improve: Customer care services, to train its members on the use of loans. The credit committee and the management team should teach the members of UMWALIMU SACCO REMERA loans on how to create small business projects generating income in order to increase the number of those who overcome poverty.

The government should finance the UMWALIMU SACCOs because only the deposits of the members cannot finance by granting loans to all members to solve problems of shortage amount of loans.

Perspective for further research

Due to resources and time constraints the researcher was not able to extract everything about loan management, the research suggests that further research should be carried out on:

- The contribution of credit cooperatives on poverty reduction in Rwanda.
- The contribution of saving and credit cooperatives to saving culture among Rwandans.

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APPENDIES

QUESTIONNAIRES

Dear respondent,

This questionnaire is designed to obtain the necessary information about “**Role of SACCOS on Socio-Economic Development of UMWALIMU in Rwanda**” the information from your responses will help the researcher to fulfill a Bachelor’s Degree in the Faculty of Economic and Business Study, Department of Accounting at Kigali Independent University.

The questions in these questionnaires paper are entirely for the use of Academic research. You are requested kindly to answers all question correctly and the information given will be helpful for academic.

Thank you for your cooperation

ABISHIMWE Kessie

INSTRUCTIONS

Please tick the right answer or fill the gap of the question below

SECTION A: Demographic Information**1. Gender:**

- a. Male
- b. Female
- c. Prefer not to say

2. Age Group:

- a. Less than 25 Years
- b. 25-35 Years
- c. 35-50 Years
- d. Above 50 Years

3. Occupation:

- a. Teacher
- b. Non-teaching staff
- c. Other (Please specify).....

4. Years of Membership with Umwalimu SACCO:

- a. Less than 1 year
- b. 1-5 years
- c. 5-10 years
- d. More than 10 years

SECTION B: OBJECTIVE 1: To analyze the effectiveness of the services offered by Umwalimu SACCO REMERA.

Please indicate the level of agreement with the following statements: (5) strongly agree; (4) Agree; (3) Disagree; (2) Neutral and (1) strongly disagree.

NO	Questions	1	2	3	4	5
A	The loan services provided by Umwalimu SACCO REMERA meet my financial needs.					
B	The savings products offered by Umwalimu SACCO REMERA are attractive and beneficial.					
C	Credit facilities at Umwalimu SACCO REMERA are easily accessible.					
D	Leasing options provided by Umwalimu SACCO REMERA are affordable and convenient.					
E	Training programs offered by Umwalimu SACCO REMERA enhance my financial literacy.					
F	The process of applying for loans at Umwalimu SACCO REMERA is straightforward.					
G	The interest rates on loans at Umwalimu SACCO REMERA are reasonable					
H	The customer service at Umwalimu SACCO REMERA is responsive and helpful.					
I	I feel confident in the security of my savings with Umwalimu SACCO REMERA.					
J	The financial advice provided by Umwalimu SACCO REMERA is valuable for my personal growth					

SECTION C: OBJECTIVE 2: To examine the contribution of UMWALIMU SACCO services to the socio - economic development of Umwalimu

Please indicate the level of agreement with the following statements: (5) strongly agree; (4) Agree; (3) Disagree; (2) Neutral and (1) strongly disagree

NO	Questions	1	2	3	4	5
K	Umwalimu SACCO REMERA has helped me improve my daily meal frequency					
L	The services from Umwalimu SACCO REMERA have enabled me to secure health insurance of my relatives					
M	Umwalimu SACCO REMERA has contributed to my ability to pay for education expenses.					
N	I bought / built my own house after receiving loan from Umwalimu SACCO REMERA.					
O	My housing conditions have improved due to loan I received from Umwalimu SACCO REMERA.					
P	I am able to access the clean water because of the services received from Umwalimu SACCO REMERA					
R	The services from Umwalimu SACCO REMERA have helped me purchase an asset (land / house / TV / car , ...)					
S	The services from Umwalimu SACCO REMERA have helped me set a business which is currently generating an additional income to my salary					
T	My income has increased since joining Umwalimu SACCO REMERA.					
AA	Umwalimu SACCO REMERA has contributed to inclusive economic growth for its members					
BB	My human capital development has been positively impacted by Umwalimu SACCO REMERA					
CC	Umwalimu SACCO REMERA has contributed to inclusive economic growth for its members					

Interview Guide for the Manager of UMWALIMU SACCO REMERA

1. How does Umwalimu SACCO REMERA ensure the effectiveness of its loan and credit services to meet the needs of Umwalimu?
2. What specific training programs does Umwalimu SACCO REMERA offer to enhance the financial literacy of its members, and how are these programs evaluated for success?
3. Can you describe how the services provided by Umwalimu SACCO REMERA contribute to the socio-economic development of its members, particularly in areas like health, education, and income generation?
4. What strategies does Umwalimu SACCO REMERA employ to continuously improve its services and meet the evolving needs of its members?

Thank you for your kindly cooperation!!