

ROLE OF VOLUNTARY SAVINGS AND LOANS (VSL) IN IMPROVING SOCIO-ECONOMIC CONDITIONS OF PRO-POOR PEOPLE IN RURAL AREA

Case study of CARE International in Busasamana Sector, Nyanza District: 2009-2013

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Abstract

This paper dealt with the Role of Voluntary Savings and Loans (VSL) in improving Socio- Economic Conditions for pro-poor people in rural area with Care International in Busasamana Sector of Nyanza District, period 2009-2013 as case study. The researcher concentrated on finding out if the CARE's VSL have a positive and significant role on the actual socioeconomic status of the pro-poor people in rural area of Busamana sector. To achieve this, the researcher used questionnaire, interview and documentation to collect both primary and secondary data from 88 people randomly and systematic chosen from the pro-poor people of Busasamana Sector. Data processing was done through editing, coding, recoding in Statistical Package for Social Sciences (SPSS) software, classification and tabulation. Data analysis used descriptive statistics such frequencies, percentages, and Spearman correlation coefficient. The study revealed that employment was created and income was improved as it passed from \$20 up to \$40 per month. Possession of both regular employment and sound monthly income constituted the basics to boost businesses and thus develop their social conditions in terms of welfare, dwelling, health, nutrition, and education. The correlation analysis and the perception of the beneficiaries confirmed that VSL of Care International contributed positively and significantly to the socioeconomic conditions of the beneficiaries in Busasamana sector, though it was still low (30.4%). The study recommends VSL to strengthen existing activities and put much effort on service activities.

Keywords: Voluntary Savings and Loans, Socio-economic conditions, Pro-poor people, and rural areas.