

UNIVERSITY FOR DEVELOPMENT STUDIES

FACULTY OF SUSTAINABLE DEVELOPMENT STUDIES

DEPARTMENT OF DEVELOPMENT MANAGEMENT AND POLICY

STUDIES

THESIS WORK TOPIC:

WOMEN'S ACCESS TO FINANCIAL CREDIT AND HOUSEHOLD
WELFARE: A CASE OF VILLAGE SAVINGS AND LOAN ASSOCIATIONS
(VSLAs) MODEL IN THE TOLON DISTRICT, GHANA.

A THESIS SUBMITTED TO THE UNIVERSITY FOR DEVELOPMENT STUDIES IN
PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF
PHILOSOPHY IN DEVELOPMENT EDUCATION STUDIES.

BY

AMINU AWAL

(UDS/MDE/0003/21)

MAY 20



DECLARATION

I hereby declare with sincerity that this thesis is the result of my original work and that no part of it has been presented for another degree in this university or elsewhere. All the sources used have been duly acknowledged.

Signature



19th March 2025

Aminu Awal

(Student)

Signature



19th March 2025

Zachary Pealore

(Supervisor)



DEDICATION

I dedicate this work to the Almighty Allah for granting me victory. I also dedicate this work to my family and supervisor whose guidance, encouragement and prayers helped me to accomplish this work successfully.



ACKNOWLEDGEMENTS

My first gratitude goes to Allah, the Almighty for His protection and guidance throughout my entire studies and this thesis work.

I thank the lecturers of the Department of Development Management and Policy Studies, University for Development Studies, for the knowledge imparted to me, especially the invaluable contributions of my supervisor, Dr. Zachary Pealore for his patience, suggestions, and guidance which enabled me to complete this thesis. The immense role played by my family and friends (encouragement and prayers) is well appreciated.

I thank the Management of the Tolon District Assembly. I am equally grateful to the Tolon District Director of Community Development and Social Welfare, Mr. Sumaila Akurugu. May Almighty Allah bless you all.



TABLE OF CONTENT

Contents

DECLARATION	i
DEDICATION	ii
ACKNOWLEDGEMENTS	iii
TABLE OF CONTENT	iv
LIST OF TABLES	x
LIST OF FIGURES	xii
LIST OF ABBREVIATIONS	xiii
ABSTRACT	xiv
CHAPTER ONE	1
1.0 INTRODUCTION	1
1.1 Background of the Study	1
1.2 Gender disparities in financial access	6
1.2.1 Global overview	6
1.2.2 Regional breakdown	7
1.2.3 Key initiatives	10
1.3 Importance of financial inclusion	11
1.4.0 Structure, functions and advantages	16
1.4.1 Structure	16





1.4.2 Functions.....	18
1.4.3 Advantages.....	19
1.5.0 Impacts of VLSA.....	21
1.5.1 Economic empowerment.....	21
1.5.2 Health resilience and coping mechanism.....	23
1.5.3 Education resilience and coping mechanism.....	24
1.5.4 Resilience and coping mechanism.....	26
1.6 Statement of the Problem	27
1.7 Purpose of the Study.....	29
1.8 Research Objectives.....	29
1.8.1 Research Questions	29
1.9 Significance/Justification of the Study.....	29
1.10 Limitations of the Study	30
1.11 Delimitation of the Study.....	30
1.12 Scope of the study	31
1.13 Organization of the Study	31
CHAPTER TWO	32
LITERATURE REVIEW	32
2.0 Introduction	32
2.1 Conceptual Framework.....	32
2.1.1 The Sustainable Livelihoods Approach	33
2.2 Sustainable Livelihood Framework	33



2.3 The Impact of VSLA on financial Services	36
2.4 Rol of VLSA model	37
2.5 Effects of the VSLA Model on Household Income	39
2.6 Challenges Involved in VSLA Model Operations	40
2.7 Benefits of the VSLA Model Operations on Rural Women and their Households.....	41
2.8 Interest Rates of VSLA Groups	42
2.9 Various Uses of the Loans from VSLA	43
2.10 Influence of VSLA on Beneficiary's Income.....	45
2.11 Challenges in Rural Livelihood Strategies	46
2.12 Chapter Conclusion	48
CHAPTER THREE	50
RESEARCH METHODOLOGY	50
3.0 Introduction	50
3.1 Research Paradigm	50
3.2 Research Approach	51
3.3 Research Design	52
3.4 Research Area	53
3.4 1 Location and Population Size	53
3.4.2 Natural Environment.....	55
3.4.3 The Political and Administration of Tolon District.	56
3.4.4 The Local Economy	57



3.4.5 Education	57
3.4.6 Health.....	58
3.4.7 Financial Institution.....	58
3.4.8 Social System and Arrangement of the Tolon District	58
3.4.9 Housing unit, Household, Household Unit, Household Size, and Household Population	59
3.4.10 Occupation	59
3.5 Population of the Study	60
3.6 Sample Size Determination and Structure.....	61
3.7 Sampling Technique.....	62
3.8 Data Collection Instrument.....	63
3.9 Data Collection Procedure	64
3. 10 Presentation of Data and Analysis	65
3.11 Ethical Considerations.....	66
CHAPTER FOUR	67
DATA ANALYSIS AND PRESENTATION OF FINDINGS.....	67
4.0 Introduction	67
4.1 Questionnaire Return Rate	67
4.2 Demographic Data	68
4.2.1 Gender of Respondents	68
4.2.3 Occupation of Respondents.....	71



4.2.4 Name of VSLA Group of Respondents	72
4.2.5 Higher Educational Level Attained.....	74
4.2.6 Level of Participation in the VSLA Model.....	76
4.2.7 Years of Involvement with VSLA Activities.....	78
4.2.8 Number of Years of VSLA Membership	80
4.3 Average Share Value	81
4.4 Average Share Value per Sitting	83
4.5 Qualifications for a Loan	84
4.6 Average Loan Amount Given within the Cycle.....	85
4.7 What is the Interest Rate of Respondents VSLA group?.....	86
4.8 Does your VSLA group give out loans to members?	87
Various Uses of the Loans from the VSLA.....	88
4.10 Benefits of the VSLA Model Operations on Rural Women and their Households in the	89
4.11 Roles played.....	93
4.12 Other Roles Derived from VSLA Model.....	97
4.13 Effects of VSLA Model on Household Income in the Tolon District.....	98
4.14 Challenges associated with VSLA operation in the Tolon District	98
4.15 Respondents Suggestions to Strengthen VSLA Scheme in The Tolon District	101
CHAPTER FIVE	103
SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATION	103



5.0 Introduction	103
5.1 Summary of Key Findings	103
5.1.1 Roles Played by the VSLA Model.....	103
5.1.2 Effects of the VSLA Model on Household Income	103
5.1.3 Challenges Associated with VSLA Operation	104
5.1.4 Benefits of the VSLA Model Operations on Rural Women and their Households.....	104
5.1.5 Respondents' Suggestions to Strengthen VSLA Scheme.....	104
5.2 Conclusion	105
5.3 Recommendations	105
5.3.1 Enhanced Training Programs	105
5.3.2 Community Engagement.....	105
5.3.3 Governance and Monitoring.....	106
5.3.4 Partnerships and Collaboration	106
5.3.5 Research and Evaluation.....	107
5.4 Limitations of the Study	107
5.5 Areas for Future Research	108
5.6 Conclusion.....	108
REFERENCE.....	110
APPENDIX A: QUESTIONNAIRE.....	115

LIST OF TABLES

Table 1: Gender of Respondents.....	68
Table 2: Age of Respondents.....	69
Table 3: Crosstabulation of Age and Gender of respondents.	70
Table 4: Occupation of Respondents	71
Table 5: Name of VSLA Group.....	72
Table 6: Higher Educational Level Attained	74
Table 7: Crosstabulation of Age, Gender and Higher Educational Level Attained.....	75
Table 8: Level of Participation in the VSLA Model.....	76
Table 9: Crosstabulation of Age, Gender and Level of Participation in the VSLA Model.....	77
Table 10: Years of Involvement with VSLA Activities	78
Table 11: Crosstabulation of Age and Gender with Years of Involvement in VSLA Activities..	79
Table 12: Number of Years of VSLA membership	80
Table 13: Average Share Value	81
Table 14: Average Share Value per Sitting	83
Table 15: Qualifications for a Loan	84
Table 16: Average Loan Amount Given within the Cycle	85
Table 17: Interest Rate of Respondents VSLA group	86
Table 18: Does your VSLA group give out loans to members?	87
Table 19: Various Uses of the Loans from the VSLA.....	88
Table 20: Benefits of the VSLA Model Operations	90



Table 21: Regression Analysis of Age of Respondents and Various Roles Played by the VSLA	94
Table 22: Other Roles Derived from VSLA Model.....	97
Table 23: Challenges associated with VSLA operation in the Tolon District.....	99
Table 24: Strengthening VSLA Scheme.....	101

LIST OF FIGURES

Figure 1: DFID Sustainable Livelihood Framework and VSLA Contributions through credit accessibility.....	35
Figure 2: Map of Ghana Showing Northern Region and Tolon District Map Showing Communities where the studies have carried out	54



LIST OF ABBREVIATIONS

DFID	-	Department for International Development
IDS	-	Institute of Development Studies
MASLOC	-	Microfinance and Small Loans Centre
NBSSI	-	National Board for Small-Scale Industries
NGO	-	Non-governmental Organization
ROSCAs	-	Rotating Savings and Credit Associations
SDG	-	Sustainable Development Goals
SLA	-	Sustainable Livelihood Approaches
SMEs	-	Small and Medium Enterprises
UNCED	-	United Nations Conference on Environment and Development
UNDP	-	United Nations Development Programme
VSLA	-	Village Savings and Loans Associations
WCED	-	World Commission on Environment and Development

ABSTRACT

This study investigates the impact of Village Savings and Loan Associations (VSLAs) on women's access to financial credit and household welfare in the Tolon District of Ghana against pervasive poverty and limited access to financial services in Sub-Saharan Africa, particularly in rural areas. Despite various policy interventions aimed at improving access to financial services in Ghana, challenges persist, hindering the economic empowerment of marginalized communities and vulnerable groups, especially women. The study's objectives are to examine how women access and use financial services through the VSLA model, financial opportunities VSLA model have created, and ascertain whether the well-being of people have improve by the model. The study reveals that petty trading and agricultural investments are standout uses respondents derived, representing 46.5% and 34.5% respectively which go a long way to improve the people well-being. 278 out 345 respondents are of the view that VSLA model improved financial inclusion in the district. It also reveals that, the model developed financial management skills of members. Based on these findings, the study proposed recommendations for improving the effectiveness and sustainability of VSLAs, including improved entrepreneurship capacities by the district Business Advisory Center (BAC) in the study groups to increase their investment prospects, enhanced collaboration between CSOs in the VSLA Schemes and the assembly for sustainability purposes, increased engagement of the groups by the district assembly to improve capacity and compliance with the scheme's rules.



CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Most development initiatives now focus on the critical issue of access to affordable financial services. Frequently calls for initiatives to increase Ghanaians' socioeconomic security of livelihood and Sub-Saharan Africans as a whole. Particularly the vulnerable population, who are known to have experienced the extremes of pain brought on by poverty (Hardi M., 2019). Expanding access to financial services is key to financial development strategies worldwide. An important factor in the growth of economies around the world is financial lending. In emerging countries, where poverty is epidemic, these functions are even more crucial. The vulnerable typically reside in rural regions of developing countries with restricted exposure to credit and other financial services (Theophilus, Paul, 2019). The poor can now access investment capital thanks to financial credit, which raises their wage levels and allows them to save money for themselves to engage in economic activities that generate jobs for the benefit of the entire economy. A major strategy for raising household earnings and standard of living is said to be increased access to financial credit, which is essential for directing resources toward more efficient uses. Expanding financial credit availability facilitates economic entities in capitalizing on expansion prospects. There is a claim that any disturbance in the availability of financial credit has the potential to have a major impact on the level of economic activity. Data from the US and the Eurozone demonstrate that variations in the availability of financial credit cause fluctuations in the production of the economy. A severe downturn pulled down many developed economies in the wake of the 2008 financial crisis, which impacted lending to both consumers



and corporations. This was an impeccable demonstration of the role of financial credit in an economy (Domeher, A., 2012).

Financial service is central to the welfare of many citizens and the effective management of an economy in middle and low-income nations. The suffering of the impoverished in developing countries sharply contrasts with the situation in industrialized countries. The 2006 Peace Noble Prize winner, M. Yunus, contends that having given this, financial loan availability ought to be considered a basic human right of the tremendous steps taken to ensure that everyone has access to financial credit (Hudon, 2009).

In most Sub-Saharan African nations, formal financial institutions seldom reach the weakest people, most of whom are women (Lønborg & Rasmussen, 2014; Lowicki-Zucca et, al. 2014 Musinguzi 2016). Several policies have been devised to make financial services available and accessible to various business sectors in Ghana's urban and rural areas since independence in 1957. For instance, Ghana's 1970s-era rural banking system aimed to help more underserved and rural populations gain access to financial services, An Act of Parliament (Act 434 of 1981) created the National Board for Small-Scale Industries (NBSSI) to guarantee that Micro and Small Enterprises (MSE) across the nation possess sufficient entry to both financial and nonfinancial business support services that are of good quality, reasonable, and easily available (NBSSI, 2017). Together with NBSSI, the Ghanaian governments also established the Microfinance and Small Loans Centre (MASLOC) in 2006 as the primary organization for administering microfinance and credit initiatives aimed towards eradicating poverty, and generating wealth and employment in Ghana (Quansah, Amankwah, Aikins, 2012 cited in Fobih, N., & Adom, A. Y., 2017).





Despite efforts by governments since independence through policy interventions, programs, and projects, access to inexpensive financial credit and services for the poor, enterprises, and other investments remains a significant barrier to local economic development in rural areas in Ghana. The impoverished in Ghana, especially those residing in rural areas, still have restricted accessibility to financial services because of things like high interest rates on loan facilities, limited financial institutions, closeness to customers, and suitability of loan suppliers, timeliness, and service charge of financial institutions (Egyir, 2010; Theophilus P. et al, 2019).

In 1991, CARE International, a cooperative for assistance and relief everywhere, initiated the Village Savings and Loans Associations (VSLA) model for the first time in Niger to increase financial inclusion and make financial services available in rural areas. To enhance rural households' and individuals' ability to obtain financial services and credit, nongovernmental organizations and development practitioners have encouraged the formation of informal savings-led groups that emulate and expand upon the model of informal indigenous associations found in numerous communities (Karlan et al., 2017; Theophilus, Paul, 2019). Following this, other international nongovernmental organizations like Plan International, Oxfam, and World Vision, and local nongovernmental organizations like Ghana Developing Communities Association (GDCA), and Savannah Women Integrated Development Agency (SWIDA), among others are working to duplicate the approach to improve rural residents' access to financial services and credit. The popularity of the savings-led microfinance strategy is demonstrated by the development of these organizations, which, after only a few years of considerable expansion efforts, currently serve over 10 million people in more than 70 countries. Many individuals and organizations, including international funders like the Bill and Melinda Gates Foundation, have

worked to establish and grow these organizations because they see them as a low-cost, grassroots method of providing financial credit and services to the underprivileged (Karlan D., et al. 2017).

According to Karlan D., et al. (2017), the promotion of community-based saving groups improves livelihood outcomes and women's empowerment across three Sub-Saharan African countries (Ghana, Malawi, and Uganda). VSLA model has grown to be a significant source of resources for both households and alternative livelihoods, especially for vulnerable women who are more disadvantaged in access to financial services in many developing nations in Sub-Saharan Africa. There is convincing evidence of the VSLA model's positive effects on rural women's access to financial services, improved livelihoods, and higher incomes. This concept can significantly increase members' self-respect and contribute to the development of social capital within communities, especially among rural women. (Abukaria S.K., 2014). The necessity for women's empowerment is highlighted by the fact that research has found that over 70% of women's income is spent on domestic household upkeep. As a result, improving household welfare is a global priority that many industries are working to achieve. The World Bank remarked that VSLAs are crucial for promoting financial inclusion for women in rural areas of Africa (Sienso et al., 2020). The non-governmental organization CARE International invented the VSLA Concept began to be recognized as an innovative strategy implemented by development allies to ensure that the underprivileged have more sustained and improved utilization of financial services, Small and Medium Enterprises in rural settings in Ghana. It has emerged as a significant source of funding for home expenses, emergencies, and agricultural businesses, particularly for women who typically have limited access to financial credit. With women making up 78% of participants, it is estimated that the VSLAs concept is currently in use



in more than 75 countries in Africa, Asia, and Latin America. Also, more than 17 million members actively use it globally (VSL Associates, 2018).

As a "Susu" scheme, the VSLA idea has been around for over a decade. Members of the rural community founded the Susu Scheme, a self-managed group that saves according to a set schedule after making regular, equal payments to a pooled fund every week, biweekly, or month. Within the Susu system, money is mobilized and disbursed to a client who manages principal and interest repayment. When CARE International in Niger introduced the VSLA idea and operations to other nations in the 1990s, susu collectors became well-known. Due to its development on the widespread adoption of the old Susu system, the VSLAs concept acquired acceptance in Africa more quickly than it did elsewhere. Several local and international non-governmental organizations (NGOs) are working to emulate the VSLA model to increase rural women's access to financial services (Amponsah, D., et al., 2023).

Members of VSLA, a self-managed organization without outside support, have access to loans, emergency insurance, and a secure location to save money. To earn money, members might invest in income-generating ventures or take out loans to pay for expenses. The Rotating Savings and Credit Associations (ROSCAs), were created by CARE International and VSL Associates in the 1990s and served as the stimulus for VSLAs. ROSCAs needed to be improved to make the groups more resilient and adaptable. It was believed that a set of accountability measures would boost sustainability by preventing money theft and elite capture. Flexibility is also increased because members can always borrow if money is available, up to three times their level of savings. In the beginning, VSLAs were created after holding informational sessions with diverse community members in each targeted hamlet, which are typically organized by government agencies or nonprofit organizations (Beyene, 2018).



Village Savings and Loans Associations (VSLA) Model, pioneered by CARE International, was first introduced in Niger in 1991. After this many international and local nongovernmental organizations such as Plan International, Oxfam, World Vision, GDCA, SWIDA, etc., have replicated this model in many African Countries including Ghana. The success of these organizations, which after only a few years of considerable development efforts now reach over 10 million people in more than 70 countries, demonstrates the attractiveness of the savings-led microfinance approach. Many players, including foreign donors like the Bill and Melinda Gates Foundation, have worked to establish and grow these organizations because they see them as a low-cost, local way to offer financial services to the underprivileged (Karlan, et, al., 2017).

The Village Savings and Loan Associations (VSLAs) Model is created as an alternative, informal method of borrowing and saving money. Neither initial funding nor continuing administrative or financial support from a founding organization or government agencies is needed for VSLAs. They are often accessible to those living in rural areas and urban slums (Beyene, 2018).

1.2 Gender Disparities in Financial Access

Gender disparities in financial access remain a significant issue globally, with women facing a range of barriers that limit their financial inclusion. These disparities vary across regions and continents, influenced by cultural, economic, and political factors. Here's a detailed breakdown of the global and regional gender disparities in financial access:

1.2.1 Global Overview

Globally, women are less likely than men to have access to financial services, including savings accounts, credit, insurance, and other banking services. According to the World Bank's Global

Findex Database (2021), around 1.4 billion women worldwide do not have access to a formal financial institution, compared to about 1.1 billion men. Key barriers to financial access for women include:

- **Socio-cultural norms:** In many societies, women are discouraged from managing money or are limited in their ability to own property and control assets.
- **Legal and regulatory barriers:** In some countries, laws prevent women from inheriting land, opening bank accounts, or accessing credit without a male co-signer.
- **Economic barriers:** Women often face lower incomes and job instability, making it more difficult to save money or qualify for credit.
- **Lack of financial literacy:** Many women are excluded from financial education, limiting their ability to navigate financial products and services.
- **Limited access to technology:** While mobile banking and digital financial services have increased access to financial products, women, especially in rural areas, may have less access to smart phones and internet services.

1.2.2 Regional Breakdown of Gender Disparities in Financial Access

1. Africa

- **Significant gender gap:** Sub-Saharan Africa has one of the largest gender gaps in financial access. According to the **2021 Global Findex**, **40% of women** in Sub-Saharan Africa do not have access to a formal financial service, compared to **31% of men**.



- **Barriers:** Limited access to banking infrastructure, traditional gender roles, and lower income levels for women contributes to this gap. Women in rural areas often have the hardest time accessing financial services.
- **Mobile money:** While mobile money has made a substantial impact on financial inclusion in countries like Kenya, with platforms like **M-Pesa**, women are still underrepresented in terms of ownership and use of mobile money accounts.

2. Asia

- **East Asia & Pacific:** Gender disparities in financial access are smaller in countries like China, South Korea, and Japan, though challenges remain. Women in rural areas or those with low levels of education face higher barriers to accessing financial services.
- **South Asia:** Gender gaps are more pronounced in South Asia, with countries like India, Pakistan, and Bangladesh facing significant challenges. In India, **only 55% of women** have access to formal financial services compared to **70% of men**. This is largely due to cultural norms, lower literacy rates, and limited control over household finances.
- **Mobile banking:** In South Asia, mobile banking and digital platforms have been promising tools for improving financial inclusion, though women still face barriers due to lower mobile phone ownership and digital literacy.

3. Latin America & the Caribbean

- **Financial inclusion improvement:** In this region, financial inclusion has been steadily improving, but women still face challenges. According to the **Inter-American Development Bank (IDB)**, women in Latin America are less likely to own a bank account or use formal financial products than men, especially in rural areas.

- **Barriers:** The primary barriers include social and cultural norms, lack of financial literacy, and discrimination in financial institutions.
- **Gender-sensitive policies:** Some countries, like Brazil and Mexico, have implemented financial inclusion initiatives aimed at increasing women's access to credit, savings, and insurance.

4. Europe and Central Asia

- **Higher levels of financial inclusion:** Europe has generally seen high levels of financial inclusion for both men and women, but a gender gap still exists. Women tend to save more, but are less likely to use credit services than men, particularly in Eastern Europe.
- **Disparities in credit access:** Despite similar rates of access to basic banking services, women are often less likely to be approved for credit, and their loans may come with higher interest rates than those offered to men.

5. Middle East and North Africa (MENA)

- **Large gender gaps:** The MENA region exhibits some of the most significant gender disparities in financial access, with women being especially disadvantaged in countries like Saudi Arabia, Egypt, and Yemen.
- **Cultural and legal barriers:** Cultural norms, laws, and policies restrict women's economic rights, limiting their ability to open bank accounts, access credit, or own property.
- **Progress:** Some countries, such as the UAE and Bahrain, have made efforts to improve women's financial inclusion, but challenges remain in much of the region.





6. North America

- **Small but significant gap:** In North America, the gender gap in financial inclusion is relatively small but still notable. Women tend to save more and are more financially cautious, but they also tend to have lower incomes and less access to credit, especially for business purposes.
- **Challenges:** The gender pay gap, care giving responsibilities, and higher rates of financial abuse are significant barriers for women in this region.

1.2.3 Key Initiatives to Address Gender Disparities

1. **Digital Financial Services:** Mobile banking and fintech platforms have become powerful tools to improve financial inclusion for women, especially in regions like Africa and South Asia. Services like mobile money and digital wallets are increasingly accessible and are bridging some gaps in traditional banking infrastructure.

2. **Financial Literacy Programs:** Programs aimed at improving financial literacy among women, especially in rural areas, have been implemented globally to help women navigate financial products and services.

3. **Policy and Legal Reforms:** Some countries have introduced legal reforms to improve women's access to financial services, including allowing women to open bank accounts without a male co-signer and enhancing property rights.

4. **Gender-focused Financial Products:** Financial institutions have developed products specifically designed to meet the needs of women, such as savings accounts with lower minimum balances, microcredit, and insurance products for women.

While there has been significant progress toward narrowing the gender gap in financial access, women around the world continue to face significant barriers. These barriers are often magnified by regional and cultural contexts, which require tailored strategies to address them. In regions like Sub-Saharan Africa and South Asia, mobile money has made an impact, but challenges persist. Global initiatives focused on improving digital access, enhancing financial literacy, and reforming discriminatory laws are crucial in ensuring that financial access becomes more equitable for women globally.

1.3 Importance of Financial Inclusion

Financial inclusion refers to the availability and accessibility of financial services to all individuals, particularly those who are disadvantaged or underserved, including women, low-income populations, rural communities, and other marginalized groups. Ensuring that everyone has access to essential financial services, such as savings accounts, credit, insurance, and digital payment systems, is critical for both individual and societal well-being. Below are some of the key reasons why financial inclusion is important:

1. Poverty Reduction and Economic Empowerment

- **Breaking the cycle of poverty:** Access to financial services allows individuals and families to better manage their resources, save money, and invest in opportunities such as education, healthcare, and businesses. This can help lift them out of poverty.
- **Promoting entrepreneurship:** Financial inclusion enables entrepreneurs to access capital, which is crucial for starting and growing businesses. Small and micro-enterprises, often run by women or those from underserved populations, are vital for local economies and job creation.

- **Financial independence:** For individuals, particularly women, access to financial services can foster financial independence. It allows them to have control over their own savings, investments, and credit, which can be transformative in improving their livelihoods.

2. Economic Growth

- **Boosting economic productivity:** Financial inclusion increases the efficiency of economies by facilitating better allocation of resources. With wider access to financial services, businesses can invest in innovation and growth, driving overall economic development.
- **Inclusive growth:** Ensuring that people across all economic segments have access to financial services helps stimulate economic activity. When marginalized groups are included, their contribution to the economy increases, leading to more balanced and inclusive growth.

3. Social and Gender Equality

- **Reducing inequality:** Financial inclusion helps reduce inequalities by ensuring that marginalized groups, including women, the poor and rural populations, have the same access to financial services as the wealthier and urban populations.
- **Gender equality:** For women, access to finance can be particularly transformative. It enables women to save, invest, access credit, and run businesses independently, which helps to reduce gender disparities in income and economic opportunities.





4. Access to Basic Services

- **Health and education:** Financial inclusion enables families to better afford basic needs like healthcare and education. By saving money or accessing loans, individuals can cope with financial emergencies, pay for children's schooling, and meet health expenses, thereby improving overall quality of life.
- **Protection against shocks:** Financial inclusion can provide a buffer against economic shocks such as natural disasters, job losses, or unexpected medical expenses. Products like insurance, savings accounts, and credit facilities help individuals manage risks and maintain stability in times of crisis.

5. Encouraging Saving and Financial Management

- **Promoting savings:** Access to formal financial services encourages individuals to save and build assets over time. Saving in formal institutions is often safer than informal savings mechanisms, and it helps individuals accumulate wealth.
- **Financial literacy:** Financial inclusion is closely tied to improving financial literacy. When people have access to financial products and services, they become more educated about how to manage their money effectively, invest, and plan for the future.

6. Improved Resilience to Financial Shocks

- **Access to credit:** Having access to credit allows individuals and businesses to weather economic downturns, invest in opportunities, and recover from financial setbacks. Without credit, people are often forced into a cycle of borrowing from informal, often

exploitative sources, or using savings that could otherwise be used for long-term investment.

- **Diversified financial products:** Financial inclusion also opens the door to a range of financial products such as micro-insurance and pensions, which help individuals secure their future and deal with unforeseen circumstances.

7. Technological Advancement and Innovation

- **Fintech and digital financial services:** The growth of mobile banking, digital wallets, and fintech solutions has revolutionized financial inclusion. Technology has made it possible for people in remote or underserved areas to access banking services through mobile phones and the internet, reducing geographical and physical barriers.
- **Cost reduction:** Digital banking services can offer financial products at lower costs compared to traditional banking systems, making it more affordable for low-income individuals to access financial services.

8. Stability and Security

- **Formal financial institutions vs. informal systems:** Financial inclusion allows people to access secure, regulated financial services, as opposed to relying on informal lenders or cash-based systems that may be risky or exploitative.
- **Financial stability:** A greater degree of financial inclusion in an economy helps improve overall financial stability by promoting broader participation in the financial system. The formal financial sector can monitor and regulate risks, and people are less dependent on volatile or unreliable informal systems.



9. Increased Government Revenue

- **Tax collection:** As more people and businesses engage with formal financial systems, they become part of the tax-paying economy, increasing government revenues. Governments can then reinvest this revenue into essential public services and infrastructure, helping to stimulate further economic growth and social welfare.
- **Economic formality:** Encouraging individuals to move their financial activities into the formal sector allows governments to better track economic activity, which can lead to better policy-making and a more transparent economy.

10. Sustainable Development Goals (SDGs)

Financial inclusion plays a key role in achieving the United Nations **Sustainable Development Goals (SDGs)**, particularly:

- **SDG 1 (No Poverty):** By facilitating access to financial services, financial inclusion helps reduce poverty and promote economic opportunities for all.
- **SDG 5 (Gender Equality):** Access to finance is crucial for women's economic empowerment and gender equality.
- **SDG 10 (Reduced Inequalities):** Ensuring access to financial services for all segments of society can help reduce economic inequality.

Financial inclusion is fundamental for fostering economic development, reducing poverty and inequality, promoting social stability, and empowering marginalized populations. By ensuring that everyone has access to affordable and appropriate financial products and services, economies can become more resilient, inclusive, and sustainable. In an increasingly digital

world, ensuring that no one is left behind in financial inclusion is essential for achieving long-term global development.

1.4.0 Structure, Functions, and Advantages of Village Savings and Loan Associations (VSLAs)

Village Savings and Loan Associations (VSLAs) are community-based, self-managed, informal financial groups designed to provide savings, credit, and insurance services to low-income individuals, especially in rural areas where access to formal financial institutions is limited. These associations are particularly beneficial for women and marginalized groups, empowering them financially and socially.

1.4.1 Structure of VSLAs

VSLAs typically consist of small groups of members who come together to save and access loans in a sustainable, organized way. The structure of a VSLA generally includes:

- **Membership:** A VSLA is composed of a small group (usually 15-30 members) from the same community or village. Members are often people who share common interests, social ties, or geographic proximity. The group is voluntary and open to any willing individual, but it may sometimes be focused on a specific demographic, such as women or entrepreneurs.
- **Savings System:** Each member contributes a fixed amount of money regularly (e.g., weekly or monthly) into a common pool. These contributions are usually small, making it accessible for low-income individuals. The amount saved is recorded, and each member has a share of the group's total savings.





- **Loan Fund:** The savings collected are then used as a loan fund for members. Members can borrow from this pool for personal or business-related needs. The amount they can borrow is often based on how much they have saved, and loans are typically given for a fixed term with a predetermined interest rate.
- **Loan Terms:** Members can borrow a portion of the accumulated savings, which they must repay within a certain time frame, along with interest. Interest rates are usually lower than those offered by informal lenders or microfinance institutions.
- **Repayment System:** Loans are repaid with interest, which is reinvested into the savings pool. Members can repay loans in installments, and the interest generated is either shared among members as a dividend or added to the group's capital.
- **Social Fund:** Many VSLAs also create a social fund (emergency fund) for unforeseen situations, such as illness or funerals. This fund provides emergency loans or grants to members facing crises.
- **Management and Governance:** VSLAs are usually self-managed by the members themselves. Roles within the group include:
 - **Chairperson:** Oversees the operations of the VSLA, ensuring that rules are followed.
 - **Secretary:** Maintains records of savings, loans, and repayments.
 - **Treasurer:** Manages the group's funds, ensuring money is securely stored and accounted for.
 - **Other roles:** Depending on the group's size, there may be additional positions, such as a loan officer or a social fund manager.

- **Meetings:** The group typically meets on a regular schedule (e.g., weekly or monthly) to collect savings, discuss loans, and manage other activities. These meetings also serve as a social and educational space for members.

1.4.2 Functions of VSLAs

VSLAs serve several key functions for their members, helping to improve financial security and economic independence, particularly in rural or underserved areas:

- **Savings:** The primary function of a VSLA is to encourage savings among its members. Regular savings help members build a financial cushion, which can be used for planned or emergency expenses. The act of saving also promotes financial discipline.
- **Access to Credit:** VSLAs offer a form of microcredit to their members. The loan facility allows members to borrow money at lower interest rates than they might receive from informal lenders or moneylenders. These loans can be used for various purposes, such as expanding small businesses, covering school fees, or managing household expenses.
- **Income Generation and Business Support:** Members can use the loans for income-generating activities (e.g., starting or expanding small businesses) or to enhance their agricultural production. This access to finance enables economic development at the individual and community levels.
- **Emergency Assistance and Risk Sharing:** The social fund within a VSLA provides a safety net for members who face emergencies, such as illness, funerals, or other unforeseen crises. Members can access emergency loans or grants from this fund.



- **Building Social Capital:** VSLAs promote community cohesion by bringing people together. They create networks of mutual support, trust, and collaboration, which can extend beyond financial services to social and cultural ties.
- **Financial Education:** Through their involvement in VSLAs, members often receive basic financial literacy training, learning about saving, budgeting, credit, and interest rates. These skills can help improve financial decision-making and contribute to overall economic empowerment.
- **Asset Building:** Through loans and savings, members are able to accumulate assets, whether through investing in businesses, purchasing land, or improving their homes. Over time, this helps build long-term wealth.

1.4.3 Advantages of VSLAs

VSLAs offer several advantages to their members, communities, and broader society, making them a vital tool for financial inclusion:

For Members:

- **Access to Affordable Credit:** Members benefit from low-interest loans that are often more affordable than those from informal moneylenders or formal financial institutions.
- **Savings Discipline:** Regular savings can help individuals manage their finances more effectively, accumulate funds for specific goals, and protect against financial shocks.
- **Flexibility:** VSLAs offer flexibility in terms of loan terms, repayment schedules, and the ability to borrow smaller amounts without lengthy approval processes.

- **Social Support:** Members benefit from the solidarity of the group, which creates a support system for emergencies, advice, and encouragement. The group also fosters a sense of belonging.
- **Empowerment:** Particularly for women, VSLAs provide an opportunity for economic independence and empowerment, increasing their ability to make decisions regarding money and investments.

For Communities:

- **Economic Development:** VSLAs contribute to local economic growth by enabling individuals to invest in small businesses, agriculture, and other income-generating activities.
- **Social Cohesion:** The communal nature of VSLAs strengthens social bonds and trust, fostering cooperation and mutual assistance within communities.
- **Crisis Management:** VSLAs serve as a community-based safety net, helping members cope with crises like illness, natural disasters, or death. This reduces the reliance on external aid and enhances community resilience.

For Broader Society:

- **Financial Inclusion:** VSLAs are a powerful tool for promoting financial inclusion, particularly in remote or underserved areas where formal financial institutions may be scarce.
- **Reduced Poverty:** By helping individuals save, borrow, and invest, VSLAs contribute to poverty alleviation. They provide the financial resources necessary to improve living standards and livelihoods.



- **Sustainability:** Since VSLAs are self-managed and often operate with low overhead costs, they can be sustainable and resilient to external financial shocks. Their funds remain within the community, contributing to local development.

Village Savings and Loan Associations (VSLAs) are a practical and effective way to promote financial inclusion, particularly in rural or marginalized communities. Fostering a culture of savings, providing access to affordable credit and offering social support, VSLAs contribute to economic empowerment, poverty reduction, and community development. Their advantages, such as low cost, flexibility, and local control, make them an ideal tool for individuals who are excluded from formal financial systems.

1.5.0 Impact of VSLAs;

Village Savings and Loan Associations (VSLAs) have a significant impact on the lives of their members and the broader communities in which they operate. By offering savings, credit, and social support in a community-based, self-managed setting, VSLAs play a critical role in **economic empowerment, health and education resilience**, and enhancing **coping mechanisms** in times of financial or social crises. Here's a detailed look at the impact of VSLAs on these areas:

1.5.1 Economic Empowerment

VSLAs contribute to the economic empowerment of their members, particularly by improving access to finance, encouraging entrepreneurship, and fostering financial independence.

- **Improved Access to Credit:** In many low-income and rural areas, formal financial services are inaccessible. VSLAs provide a low-barrier, informal mechanism for





members to access credit at affordable interest rates. This enables members to invest in small businesses, agricultural activities, or income-generating ventures.

- For example, a member might use a VSLA loan to buy seeds, fertilizers, or livestock, which could increase their agricultural yield and, subsequently, their household income.
- **Business Development:** Many members use the loans to start or expand small businesses. This entrepreneurial support is particularly impactful for women, who often face greater challenges in accessing formal loans due to gender-based discrimination.
- **Case Study:** Women entrepreneurs in sub-Saharan Africa often use VSLA loans to start small retail shops or engage in market-based activities like food processing or trading, which increases their economic independence and ability to support their families.
- **Financial Independence and Decision-Making:** VSLAs promote financial literacy and encourage disciplined savings. Members develop a habit of saving regularly, which helps them accumulate capital for long-term goals. As a result, women, in particular, gain financial independence, which can translate into greater bargaining power within households and communities.
- This economic independence also helps women make key decisions related to household spending, business investments, and savings goals.
- **Wealth Building:** Over time, members of VSLAs accumulate wealth through savings and interest on loans. In rural and underserved communities, this provides a critical asset base for future generations and reduces reliance on external financial aid.

1.5.2 Health Resilience and Coping Mechanisms

VSLAs play a vital role in improving the **health resilience** of their members by providing a financial safety net and enabling access to healthcare.

- **Emergency Health Financing:** VSLAs often create a ‘social fund’ for emergencies, which can be used for health-related expenses such as hospital bills, medical treatments, or health emergencies like childbirth. This is especially important in communities where healthcare services are not easily accessible or affordable.
- For example, when a family member faces a medical emergency (such as a childbirth complication or an accident), they can access a loan or grant from the social fund to cover the costs, avoiding the need for costly and potentially exploitative loans from informal moneylenders.
- **Prevention and Health Education:** Through the VSLA meetings and gatherings, members often exchange information about health issues, preventive measures, and health rights. VSLAs can also be a platform for introducing health education programs, such as those focused on maternal health, child immunization, and disease prevention (e.g., malaria, HIV/AIDS).
- In some cases, **community health workers** are involved in the VSLA groups to share knowledge on hygiene, nutrition, and disease prevention, further strengthening the community’s health resilience.
- **Health Insurance:** In some regions, VSLAs are linked to health insurance schemes, allowing members to pool resources for healthcare coverage. This is particularly valuable in areas where formal insurance systems are not available or affordable.



- **Psychological and Social Support:** Beyond financial assistance, VSLAs also provide **emotional and psychological support** during health crises. The group solidarity aspect of VSLAs means that members can offer moral support and help each other in times of illness, creating a network of care and mutual aid.

1.5.3 Education Resilience and Coping Mechanisms

Access to **education** is another area where VSLAs have a transformative impact, particularly for families with limited financial resources.

- **School Fees and Educational Materials:** Many VSLAs provide members with the ability to borrow funds for essential educational expenses, including school fees, uniforms, books, and other supplies. This is particularly important for families in rural areas where education costs can be a significant financial burden.
- For instance, a parent might borrow from the VSLA to pay for their child's tuition or buy school supplies, ensuring that their children continue their education even in times of financial strain.
- **Improved School Attendance:** By enabling families to meet the financial demands of schooling, VSLAs indirectly help improve **school attendance** and **retention rates**. Education is often the first expenditure to be cut when a family faces financial difficulty, but access to credit through a VSLA allows parents to prioritize their children's education.





- Families who were previously unable to afford the necessary expenses to keep their children in school can now ensure that their children stay in school for longer periods, improving their prospects for the future.
- **Long-Term Investment in Education:** The habit of saving developed through VSLAs allows families to accumulate funds for long-term educational goals, such as higher education or vocational training for their children. Over time, this contributes to improved educational outcomes and social mobility.
- For example, members may use savings to fund secondary or tertiary education, giving the younger generation better opportunities for employment and economic advancement.
- **Women's Education and Empowerment:** In many communities, women have less access to education than men. VSLAs provide an avenue for financial independence and empowerment, helping women gain the means to educate themselves and their children. As more women become educated, they are better equipped to contribute to community development and economic growth.
- Women's involvement in VSLAs can lead to greater awareness of the importance of education, not just for children but also for adults, leading to increased literacy and lifelong learning within the community.

1.5.4 Resilience and Coping Mechanisms

VSLAs act as **resilience-building** tools that help members cope with various **economic shocks**, social challenges, and unforeseen events (such as natural disasters or family crises).

- **Crisis Management:** VSLAs provide a **buffer** in times of crisis, allowing members to access emergency loans when faced with unexpected events like job loss, death, or natural disasters. The social fund or emergency fund within a VSLA is often designed specifically to help with unforeseen financial challenges.
- For example, if a member faces the death of a family member, they can withdraw from the social fund to cover funeral expenses or other related costs, reducing the financial stress during an already difficult time.
- **Weathering Economic Shocks:** In areas prone to economic volatility, such as fluctuations in crop prices or weather-related challenges (e.g., droughts or floods), VSLAs provide a financial cushion that enables members to manage these shocks. This makes the community more resilient to both **economic downturns** and **climate change impacts**.
- Farmers who are members of VSLAs can access loans to buy seeds, fertilizers, or equipment to prepare for the next planting season after a bad harvest, helping them recover from losses.
- **Social Cohesion and Collective Action:** The solidarity aspect of VSLAs encourages **collective action** and community-driven solutions. In times of crisis, members can pool their resources or provide moral support to help each other. This enhances the community's ability to cope with adversity.



- The strong social networks built within the VSLA group can provide emotional, financial, and logistical support in times of hardship.

Village Savings and Loan Associations (VSLAs) have a **multifaceted impact** on their members and communities. They enhance **economic empowerment** by providing access to credit, promoting savings, and supporting entrepreneurship. In terms of **health resilience**, VSLAs offer financial support for medical emergencies and contribute to health education. They also bolster **education resilience** by making it easier for families to afford school fees and related expenses. Finally, VSLAs provide robust **coping mechanisms** for their members, helping them manage financial shocks, health crises, and social challenges.

Overall, VSLAs strengthen both the **financial and social fabric** of communities, contributing to **sustainable development**, poverty alleviation, and overall well-being.

1.6 Statement of the Problem

Ghana and the rest of the globe continue to struggle with poverty. By 2030, Target 1.4 of the Sustainable Development Goals (SDG) under Goal 1 "No Poverty" seeks to guarantee that all men and women, especially the impoverished equal opportunities for financial services, including credit, savings, microfinance, ownership, and, control over natural resources. Several initiatives aimed at closing the access to financial service gaps for vulnerable groups in rural areas have been started by some countries and development partners to reduce poverty among vulnerable women. This was demonstrated by the formation of rural banks to provide financial services to rural residents, particularly vulnerable groups. In addition, initiatives to support the access to financial services and growth of Small and Medium Enterprises (SMEs) across Ghana



included the creation of the National Board for Small-Scale Industries (NBSSI) and Microfinance and Small Loans Centre (MASLOC). The Banking Law (1989) and the Non-Bank Financial Institutions Law (1993), which have legalized the establishment and operation of microfinance institutions and businesses in Ghana, are additional examples of efforts to make financial services available and affordable to the country's vulnerable group such as women and Small and Medium-Enterprises in rural areas (SMEs) (Hardi M., 2019).

Rural women and their households still face barriers to accessing financial services, especially credit, despite the commitments and efforts of governments and their agencies (Adjei et al., 2012 in Hardi 2019). This informed some interventions by NGOs in response to the issue of limited access to financial services for vulnerable women. This is demonstrated by the launch of programs to enhance vulnerable groups' access to financial services. The Village Savings and Loans Associations (VSLA) model was introduced as a locally controlled innovation with the potential benefits of small loans with little interest while fostering a culture of savings among the participants as a result of these circumstances (CARE, 2007).

Given this, the study uses the Tolon District to examine how participating women access credit and use it as well as how the model affects the families of the participating women. To enhance knowledge, as it offers a suitable area for achieving the study's goal of determining how the families of participating women are affected by VSLA practice since it has profited from the adoption of this approach by several governmental and Non-Governmental Organizations (NGOs) in their efforts to improve the lives of the impoverished through their interventions.

1.7 Purpose of the Study

The primary goal of this research is to use the VSLAs Model to examine how women obtain credit and its implications on their household's welfare and livelihoods in the Tolon District of the Northern Region of Ghana.

1.8 Research Objectives

Specifically, this study shall seek to:

1. To examine how women's access and use financial service through the VSLA model;
2. Find out the financial opportunities VSLA model have created;
3. Find out the percentage respondents whose well-being is improved by this model.

1.8.1 Research Questions

1. How do VSLA Model participants access and use financial services in the Tolon district?
2. What financial opportunities have been created by the VSLA model?
3. What percentages of the people well-being have been improved in Tolon District by the model?

1.9 Significance of the Study

The research will provide valuable information that will supplement our understanding of the VSLA Model and help guide policymakers and development workers in the spheres of livelihood interventions in Ghana. Additionally, while taking into account the relevance of the study, the study's potential to further shape and improve VSLA model interventions is very high and necessary. The innovative VSLA concept and its contributions to participants' households as a novel livelihood intervention scheme have not yet been the subject of much research, despite the fact that several forms of research have been conducted on the notion of financial inclusion in

Ghana. Thus, this study is one of its kind that will help close the knowledge gap about the VSLA model and its benefits on participants and their households in Ghana. The study will also be used as a source of information for researchers who may have an interest in carrying out similar research or study work.

1.10 Limitations of the Study

The following are some challenges anticipated to be encountered during the research study:

- Findings from the Tolon district may not be easily generalizable to other districts or cultural contexts. The effectiveness of the VSLA model may vary based on local economic conditions, cultural factors, and community dynamics.
- The study employed a cross-sectional design, capturing data at a single point in time. As a result, it cannot account for changes or trends over time, limiting the understanding of long-term patterns in investment and lending practices.
- The study's sample may not be fully representative of the broader population due to potential sampling bias. For example, if certain demographic groups were underrepresented or excluded from the survey, the findings may not accurately reflect the entire community's practices.
- The data collected relied on self-reported information from respondents. This introduces the possibility of bias or inaccuracies, as respondents may misreport information or provide socially desirable responses.

1.11 Delimitation of the Study

The scope of the study shall be limited to Tolon District in the Northern Region of Ghana even though other Districts could not be considered due to limited resources. It shall focus on only



women in the district to apply the VSLAs Model to assess their financial credit and its impacts on their households.

1.12 Scope of the study

The study limited its scope to the Tolon District in the Northern region of Ghana. The research assesses the advantages of VSLA programs for the participant homes in a contextualized manner. The research further assesses the ways in which the model enhances the different facets of the participants' lives. The study assesses how the VSLA model has improved the livelihood actions and financial circumstances of the beneficiary households. The study also documents the advantages of user empowerment. The study additionally assesses some of the model's drawbacks in terms of how well it affects the livelihoods of beneficiaries.

1.13 Organization of the Study

There are five chapters in the study. The overall introduction to the study is outlined in Chapter One. This chapter covers topics including introduction, goals, research questions, study scope and significance of the study, and report organization. The literature review on the main objectives of the study, objectives is generally found in Chapter Two. Chapter three presents the study area's profile; study methodology used is also covered in the chapter. The chapter further presents the study's analytical framework in addition to thorough discussions of the procedures for gathering and analyzing data. The presentation of empirical analysis of field data is saved for Chapter four, where it will be covered. Reviewing the research's major contributions to knowledge and making summary comments in Chapter Five brings the study to a close. The summary, findings, and suggestions are thus covered in chapter five of the study.



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The chapter provides some reviews of relevant related literature on the objectives of this study. The reviews are carried out on relevant existing work based on the following thematic area; Theoretical and conceptual frameworks as well as objectives of the study. Particularly, prior empirical research that is relevant to the study's topic is presented in the review. According to Rowe (2014), a literature review summarizes prior studies on a subject or area of interest, points out significant biases and knowledge gaps in the literature, and suggests new study avenues in response. To determine what remains to be done, it discusses what has already been done. The review's objective is to identify the gaps in the literature that have not been sufficiently handled by research.

2.1 Conceptual Framework

As stated by Rivitch and Riggan (2012) in Tamene (2016), a conceptual framework justifies the significance of the topic under investigation and the rigor of the recommended methodologies. A conceptual framework functions as a guide for empirical research, highlighting specific concerns and suggesting lines of inquiry.

An interconnected collection of assumptions, expectations, and beliefs is referred to as a conceptual framework. The research has been guided by a preliminary theory. It serves as the key and most important component of the research design, directing both the researcher and the reader to the pertinent information and methods (Tamene, 2016). It is characterized by academics in several ways, however, the primary concept highlights two important ideas: the



conceptual framework's significance as a map or plan for research and the interconnectedness of ideas, as well as provisional theory or understanding of the phenomena under study.

2.1.1 The Sustainable Livelihoods Approach

Literature on the sustainable livelihood strategy is included in this area. It begins with the concept's development, different modifications, and modern applications. A 1992 working document from the Institute of Development Studies (IDS) by Robert Chambers and Gordon Conway is where the concept of sustainable livelihoods initially appeared in writings on development in more recent times. In their initial study, the authors sought to place sustainable lifestyles within the framework of environmental and social sustainability, the language of poverty reduction, and actor-oriented development approaches philosophically. It included the core concepts of capabilities (Sen, 1987), assets (Swift, 1989), equity, and sustainability (WCED, 1987), eschewing previous restrictive conceptualizations of poverty (Hardi, 2019). Since then, sustainable livelihood diversification, and enhancement have all emerged as crucial methods for reducing poverty and rural development in general.

2.2 Sustainable Livelihood Framework

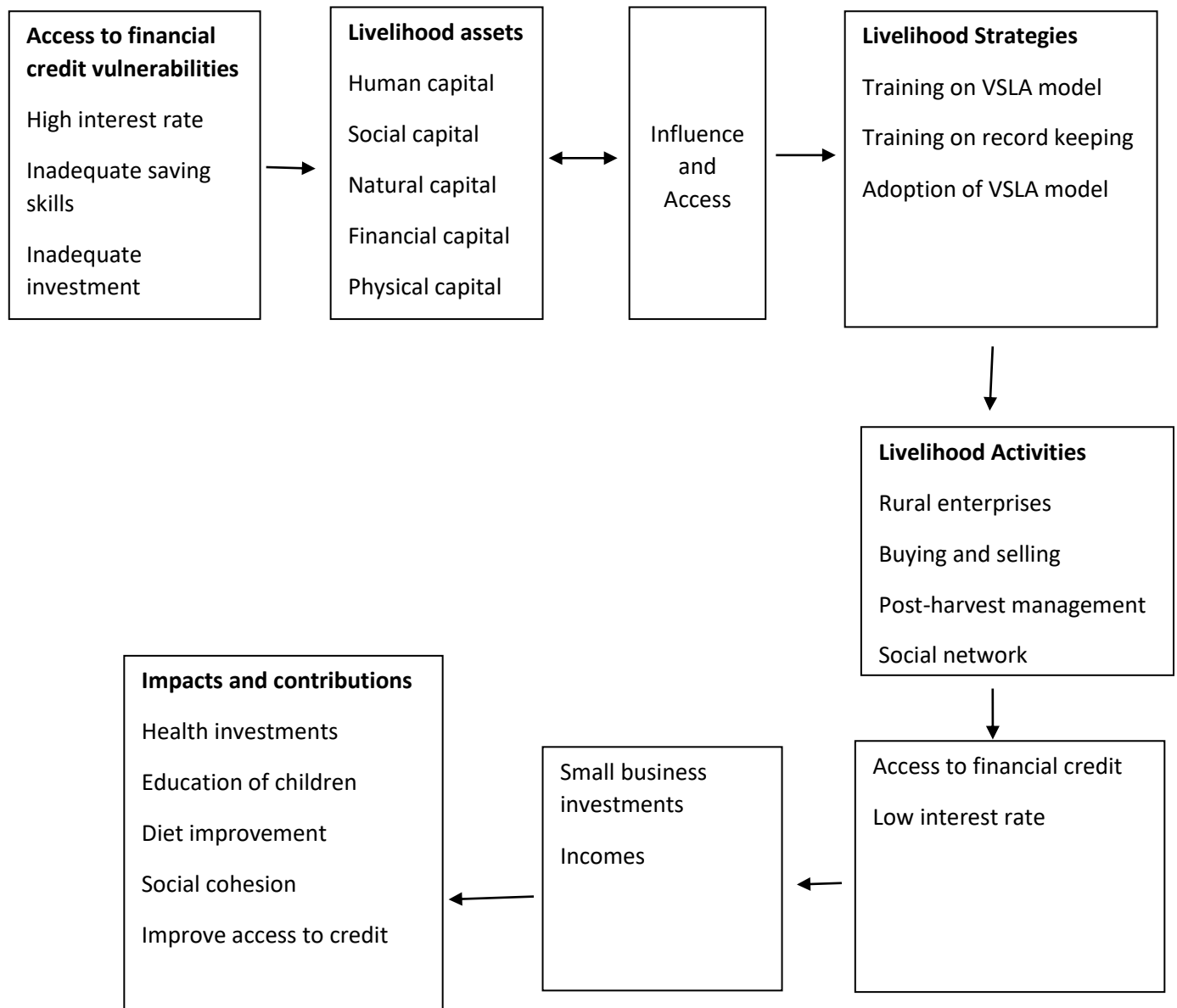
To integrate socioeconomic and ecological problems into a cohesive framework that is relevant to policy, the Brundtland Commission on Environment and Development initially suggested the idea of sustainable livelihoods. In particular, in light of Agenda 21, the United Nations Conference on Environment and Development (UNCED) in 1992 expanded on the concept and advocated for the development of sustainable livelihoods as a general goal in the fight against poverty. "An integrating factor that allows policies to address "development, sustainable resource management, and poverty eradication simultaneously" is how the report describes sustainable livelihoods (Sati et al. 2017).





Worldwide thought processes have been influenced by the theoretical knowledge of poverty and its causes that form the basis of programs aimed at promoting sustainable livelihoods. Various development organizations, including the British Department for International Development (DFID), have tailored the sustainable livelihoods idea to reflect the cornerstone of distinct Sustainable Livelihood Approaches (SLA). Other notable organizations CARE, Oxfam, and UNDP, have looked into sustainable livelihood approaches in the past and created their procedures. Although the DFID sustainable livelihood framework is the most well-liked and conceptually sophisticated of the livelihood models, however, there is no such thing as a livelihood strategy. Numerous variables that impact livelihood strategies and outcomes are included in the framework, which also emphasizes the various ways in which these factors interact. The Sustainable Livelihoods Guidance Sheets provide an overview of the six key ideas that make up the framework: sustainability, building on strengths, a focus on micro-macro linkages, a holistic approach, and people-centeredness. The main ideas expanded must encompass disaggregated (i.e., by gender, household, socioeconomic status, and race), reactive and participatory, multi-level, carried out in cooperation, long-term, and flexible (Carney, 2003). This development was partially in response to later criticisms and discussions. Ellis (2000) examines the topic of livelihoods from the standpoint of diversification, which he views as a tactic for rural households to survive, and bases his study on rural agricultural communities in Africa.

Figure 1: DFID Sustainable Livelihood Framework and VSLA Contributions through credit accessibility



Adopted from DFID, 1999



2.3 The Impact of VSLA on Financial Services

Village Savings and Loan Associations (VSLAs) have demonstrated a favorable impact on various aspects of their members' lives. The main findings of Ksoll's (2013) study revealed that VSLAs in Northern Malawi can improve household outcomes, even in as short a period as two years, without any injection of outside capital. The impacts on participating households are likely to be larger, as the impact estimates are given by the intention-to-treat estimator. The results further suggest that the program seems to have led to significant increases in investments in agriculture and small-scale businesses.

Positive outcomes were also documented by Brannen (2012), who found that the VSLA program has a generally favorable effect on a range of household and individual welfare metrics, such as aspects related to health, nutrition, and the economy. Long-term VSLA members fare better compared to a control group of recent joiners. The VSLA concept is a viable and effective way to increase accessibility for people who are not served by traditional financial services. Supporting these findings, Nnama-Okechukwu et al. (2019) noted that VSLAs in Nigeria contributed to the growth of small and medium enterprises, enhancing family well-being. Surmont, (2017) emphasized the sustainability and cost-effectiveness of VSLAs, especially in rural areas where formal financial institutions face challenges. Collectively, these studies suggest that VSLAs play a pivotal role in enhancing financial services and overall well-being in rural communities.

Adatuu, Pealore, and Gyader, (2022) emphasis on building financial assets and skills through savings, the benefits of VSLA participation in diversifying activities and smoothing consumption patterns, and the importance of VSLAs in achieving financial inclusion.



2.4 Role of the VSLA Model in Enhancing Women's Access to and Use of Financial Credit

The Village Savings and Loan Association (VSLA) model has become a prominent strategy to promote financial inclusion, especially among disadvantaged populations, like women living in rural locations. This section will delve into the literature surrounding the part VSLAs play in improving women's financial credit utilization and accessibility.

VSLAs operate on a simple premise: members regularly save money for a common fund, which is then utilized to lend money to other members who are in need. The model emphasizes self-reliance, collective decision-making, and community empowerment (Okello & Mwesigwa, 2022). For women, who often face significant barriers to accessing formal financial services due to cultural, social, and economic factors, VSLAs offer a vital alternative.

Research suggests that VSLAs play a crucial role in increasing women's access to credit. By providing a platform for savings and lending within the community, VSLAs circumvent the need for collateral or formal credit history, which are common obstacles for women seeking loans from banks or other financial institutions (Nihangaza & Kwizera, 2023). This aspect is particularly important in contexts where women may lack ownership rights or assets that can be used as collateral.

Moreover, participating in VSLAs can empower women by enhancing their financial literacy and decision-making abilities. Many VSLAs incorporate financial education and training into their activities, equipping women with the knowledge and skills needed to manage their finances effectively (Ksoll et. al.2016). This, in turn, can lead to increased confidence and autonomy in financial matters.



Additionally, VSLAs can serve as platforms for social networking and collective action, further strengthening women's position within their communities. Through regular meetings and group activities, women have the opportunity to share experiences, support each other, and advocate for their interests (Mayoux, 1999). This social capital can be invaluable in navigating challenges and accessing resources beyond the confines of the VSLA itself.

However, despite their potential benefits, VSLAs are not without challenges. Cultural norms and gender biases may influence women's participation in VSLAs, affecting their ability to fully engage in group activities or assert their rights within the group (Musinguzi, 2016). In some cases, male relatives may exert control over women's participation or use of VSLA funds, limiting the impact of these interventions on women's empowerment (Khan, Noreen, 2012).

Geographic isolation and lack of resources can also pose significant barriers to women's participation in VSLAs. In remote or underserved areas, women may struggle to access training or support services needed to establish and sustain VSLA operations (Okello & Mwesigwa, 2022). Addressing these challenges requires a multi-faceted approach that considers the socio-cultural context, as well as the specific needs and constraints faced by women in different settings.

The VSLA model holds great promise for improving the availability and utilization of loans for women. By providing a community-based alternative to formal financial institutions, VSLAs can empower women economically, socially, and politically. However, realizing the full potential of VSLAs requires addressing underlying barriers and inequalities that may hinder women's participation and benefit from these initiatives.



2.5 Effects of the VSLA Model on Household Income

The Village Savings and Loan Association (VSLA) model has been lauded for its potential to improve household income and economic well-being, particularly in rural and underserved communities. This section will explore the literature surrounding the effects of VSLAs on household income.

One of the primary mechanisms through which VSLAs are believed to impact household income is by providing access to credit for income-generating activities. By pooling their savings and resources, VSLA members can access loans to invest in small businesses, agriculture, livestock rearing, and other productive ventures (Ksoll et al., 2016). This injection of capital enables households to expand their economic activities, increase productivity, and generate additional income.

Moreover, VSLAs promote a culture of savings and financial discipline, which can have long-term benefits for household income. By encouraging regular savings and providing a safe place to deposit funds, VSLAs help households build financial reserves and buffer against economic shocks (Hardi, 2019). This resilience can be particularly important for vulnerable populations facing uncertainty and volatility in their livelihoods.

Research suggests that participation in VSLAs is associated with increased household income, although the magnitude of the effect may vary depending on contextual factors. A study by Ksoll et al. (2016) found that households participating in VSLAs experienced a significant increase in income compared to non-participating households. This increase was attributed to the ability of VSLA members to invest in income-generating activities and expand their productive assets.



Furthermore, the benefits of VSLAs extend beyond direct economic impacts to include broader social and developmental outcomes. For example, increased household income can lead to improvements in nutrition, education, and healthcare access for family members (Oduro, 2020). This, in turn, can contribute to long-term poverty reduction and human development outcomes.

However, the impact of VSLAs on household income may be influenced by various factors, including the level of participation, the structure of the group, and the broader socio-economic context. In some cases, the effects of VSLAs on income may be modest or limited by factors such as market access, infrastructure constraints, or environmental conditions (Oduro, 2020).

2.6 Challenges Involved in VSLA Model Operations

Despite their potential to promote financial inclusion and economic empowerment, Village Savings and Loan Associations (VSLAs) face various challenges in their operations. This section will explore the literature surrounding the challenges involved in VSLA model operations.

One of the key challenges facing VSLAs is ensuring their long-term sustainability. Many VSLAs rely on external support for training, capacity building, and initial capitalization, making them vulnerable to disruptions if external assistance is withdrawn (Habumuremyi et al. 2019). Additionally, turnover among VSLA members can destabilize groups and affect their ability to meet financial obligations, undermining the sustainability of the model.

Another challenge is governance within VSLAs, particularly regarding decision-making processes and transparency. Research suggests that power dynamics within VSLAs can marginalize certain members, particularly women, and lead to conflicts over resource allocation and management (Simanowitz, 2011). This can undermine trust within the group and hamper its effectiveness in achieving its objectives.



Furthermore, VSLAs may face external threats such as competition from formal financial institutions or changes in government regulations (Toure, 2009). In some cases, the proliferation of VSLAs within a community can lead to oversaturation, undermining the viability of individual groups and diluting their impact. Moreover, VSLAs may struggle to adapt to changing market conditions or economic trends, particularly in contexts characterized by volatility or uncertainty.

Addressing these challenges requires a comprehensive approach that goes beyond purely financial considerations. Strengthening the institutional capacity of VSLAs, promoting good governance practices, and fostering partnerships with other stakeholders can enhance the resilience and effectiveness of these initiatives (Habumuremyi et al. 2019). Moreover, investing in the empowerment of marginalized groups, such as women and youth, can help address underlying inequalities and ensure that VSLAs are inclusive and equitable in their operations.

2.7 Benefits of the VSLA Model Operations on Rural Women and their Households

The Village Savings and Loan Association (VSLA) model has been widely recognized for its positive impact on rural women and their households in various contexts worldwide. This thematic area explores the multifaceted benefits that VSLAs offer to women in rural communities, including economic empowerment, social capital formation, and improved well-being.

Economic Empowerment: Participation in VSLAs empowers rural women by providing them with access to financial services and resources that are otherwise unavailable through formal banking systems. By saving regularly and accessing credit within the group, women can invest in income-generating activities such as small-scale agriculture, livestock rearing, and microenterprises (Oduro, 2020). This access to capital allows women to diversify their income

sources, increase their household incomes, and build financial resilience against economic shocks (Ksoll et al., 2016).

Social Capital Formation: VSLAs foster the formation of social networks and solidarity among rural women, which contribute to their overall well-being and empowerment. Through regular group meetings and collective decision-making processes, women develop trust, mutual support, and a sense of belonging within their communities (Okello, Mwesigwa, 2022). These social connections not only facilitate financial transactions within the VSLA but also provide a platform for sharing knowledge, skills, and experiences related to entrepreneurship, household management, and community development (Musinguzi, 2016).

Improved Well-being: The benefits of VSLA participation extend beyond economic outcomes to encompass broader dimensions of well-being for rural women and their households. Research has shown that women who participate in VSLAs experience increased decision-making power, autonomy, and self-esteem within their families and communities (Nihangaza, Kwizera, 2023). Moreover, access to credit and savings facilities enables women to invest in essential services such as education, healthcare, and housing, thereby improving the overall quality of life for themselves and their families (Ksoll et al. 2016).

2.8 Interest Rates of VSLA Groups

Interest rates within Village Savings and Loan Association (VSLA) groups are pivotal in determining the affordability and accessibility of credit for members. Unlike formal financial institutions, which often impose high interest rates and stringent repayment terms, VSLAs typically operate on principles of mutual support and solidarity, aiming to provide affordable credit to members while ensuring the sustainability of the group.





The determination of interest rates within VSLAs is influenced by various factors, including local economic conditions, group dynamics, and member preferences. Generally, interest rates are set collaboratively by group members based on their collective needs, risk tolerance, and financial capacity (Ksoll et al., 2016).

One of the primary advantages of VSLA interest rates is their affordability compared to other informal lending sources available to rural communities. By pooling resources and sharing risks within the group, VSLAs can offer credit at lower interest rates, making it more accessible to members who may otherwise have limited options for borrowing (Hardi, 2019).

Moreover, the interest rates charged by VSLAs are often designed to reflect the true cost of borrowing, including administrative expenses, risk premiums, and funds set aside for future investments or emergency purposes. Unlike formal financial institutions that prioritize profit maximization, VSLAs prioritize the welfare of their members and seek to balance the need for sustainability with the principles of social inclusion and equity (Oduro, 2020). However, setting appropriate interest rates can be challenging for VSLA groups, particularly in contexts where inflation, market volatility, and external shocks affect the cost of capital. Striking the right balance between affordability for members and financial viability for the group requires careful planning, transparent decision-making processes, and effective governance mechanisms (Toure, 2009).

2.9 Various Uses of the Loans from VSLA

Loans disbursed by Village Savings and Loan Association (VSLA) groups are utilized by members for a diverse range of purposes, including income-generating activities, household expenses, education, healthcare, and emergencies. The flexibility and accessibility of VSLA



loans make them an essential financial tool for rural households, enabling members to address both short-term and long-term financial needs.

One of the primary uses of VSLA loans is to invest in income-generating activities. Members may use credit to start or expand small businesses, purchase agricultural inputs, or invest in livestock or poultry farming. By generating additional income, members can improve their livelihoods, increase household resilience, and contribute to community development ((Khan, Noreen, 2012).

Moreover, VSLA loans are often utilized to meet household expenses and cover essential needs such as food, clothing, shelter, and utilities. In rural areas where income volatility and seasonal fluctuations are common, VSLA loans serve as a critical safety net, helping households smooth consumption and cope with unexpected expenses (Lambongang et al. 2021).

Additionally, VSLA loans are instrumental in financing investments in human capital, such as education and healthcare. Members may use credit to pay school fees, purchase books, and uniforms, or invest in vocational training and skills development programs for themselves or their children. Similarly, loans can be used to access healthcare services, purchase medicines, or cover medical expenses in case of illness or injury (Ksoll et al., 2016).

Furthermore, VSLA loans are often utilized to address emergencies and cope with financial shocks. Whether it's repairing a home damaged by natural disasters, covering funeral expenses, or responding to health emergencies, VSLA loans provide members with timely and flexible access to finance when they need it most (Fafchamps & Lund, 2003).

However, while VSLA loans offer numerous benefits for rural households, they also pose risks, particularly if not used judiciously or if the borrower faces challenges in repaying the loan. Over-

indebtedness, default, and loan delinquency can undermine the financial stability of individual members and the sustainability of the group as a whole (Simanowitz, 2011).

2.10 Influence of VSLA on Beneficiary's Income

Village Savings and Loan Associations (VSLAs) have emerged as a popular financial inclusion strategy, particularly in developing countries, to address poverty and enhance the economic well-being of rural communities. This section provides a review of the impact of VSLAs on the income of their beneficiaries. Village Savings and Loan Associations (VSLAs) have been demonstrated to positively affect the income of those involved. According to Ksoll's study in 2013, VSLAs in Northern Malawi resulted in heightened savings and credit, leading to increased investments in agriculture and higher income for small businesses. Similarly, Nnama-Okechukwuet et al research in 2019 indicated that VSLAs in Nigeria played a role in fostering self-reliance and the development of entrepreneurship. These findings align with the income elasticity observed in the value of statistical life (VSL), as proposed by Viscusi in 2011, suggesting that VSLAs can exert a noteworthy influence on the income of their beneficiaries.

Beyene's (2018) study in Ethiopia assesses the effects of VSLAs on poverty reduction. The findings highlight that VSLA participation positively influences the income of beneficiaries. Through the provision of financial resources and training, VSLAs empower individuals improving women's utilization and access to finance, contributing to poverty alleviation. The study emphasizes the importance of context-specific interventions and community engagement in enhancing the effectiveness of VSLAs. Orame et.al (2020) study focuses on the influence of VSLAs on the well-being of poor households in a specific region of Nigeria. Their study suggests that VSLAs contribute positively to household income and overall well-being. It explores the multifaceted impact of VSLAs beyond financial gains, such as improved social



cohesion and community development. The findings underline the potential of VSLAs to address broader dimensions of poverty and enhance the overall quality of life for beneficiaries. Furthermore, Bannor et al. (2023) study investigates the participation of rural women in VSLAs and its impact on off-farm income. The research indicates a positive association between VSLA participation and increased off-farm income. VSLAs provide a platform for women to access financial resources, build entrepreneurial skills, and diversify their income sources. The study emphasizes the role of VSLAs in empowering women economically and enhancing their contributions to rural livelihoods. However, VSLAs play a vital part in influencing the income of their beneficiaries, contributing to poverty reduction and improved household well-being. The studies highlight the importance of context-specific considerations and the multifaceted impact of VSLAs beyond financial gains. Overall, VSLAs emerge as a promising strategy for promoting economic empowerment and fostering sustainable development in rural communities.

2.11 Challenges in Rural Livelihood Strategies

Even though many developing countries have vibrant informal finance markets, Zellar and Sharma (2000) discovered data that implies that financial services for the poor continue to be insufficient. According to a study by Robinson (2001), there is a significant need for small-scale commercial financial services in the developing world, particularly for lending and savings. These and other financial services, when available, help low-income individuals become more productive, reducing costs associated with consumption, enhancing home and business management, expanding and diversifying their micro-businesses, and raising their earnings.

Kassa's (2019) study in Ethiopia explores the determinants and challenges of rural livelihood diversification. The research identifies factors influencing the decision to diversify livelihoods and discusses the challenges faced by rural communities in adopting diverse strategies. Key



determinants include economic, social, and environmental factors. Challenges range from limited resources to institutional constraints. Nair (2014) on the other hand, work focuses on the challenges of rural development and opportunities for sustainable livelihoods. The article talks about the various issues that rural communities deal with, like poor facilities and restricted access to healthcare and education. It may also explore potential solutions and opportunities for promoting sustainable rural livelihoods.

This study investigates by Jioa et.al (2017) on the livelihood strategies and dynamics in rural Cambodia. Their study shed light on the diverse approaches employed by rural communities in Cambodia to sustain their livelihoods. They discuss how external factors, such as economic policies or environmental changes, impact the choices and outcomes of rural livelihood strategies in this particular context.

Scoones, (2013) provide an overview of the challenges faced by rural communities in southern Africa. Their study focuses on crises affecting livelihoods, including issues related to land use, natural resource management, and social factors. The article may set the stage for understanding the broader challenges in the region.

Mphande (2016) also explore the intersection of infectious diseases and rural livelihoods in developing countries. The study discusses how health challenges impact rural communities and their livelihood strategies. It may emphasize the need for holistic approaches that consider health, livelihoods, and development in tandem.

Qi and Dang (2018) research delve into the dual challenges of food security and environmental sustainability in rural China. The study discusses how changing livelihood strategies, possibly influenced by economic transitions or environmental changes, impact food security and

environmental sustainability. It may provide insights into policy implications for addressing these challenges.

The selected literature provides a comprehensive overview of challenges in rural livelihood strategies, offering insights from diverse geographical and thematic perspectives. The articles contribute valuable knowledge to the understanding of factors influencing rural livelihoods and the challenges that need to be addressed for sustainable development in rural areas.

2.12 Chapter Conclusion

In conclusion, this chapter has provided a comprehensive review of literature related to the objectives of the study, focusing on conceptual frameworks, the sustainable livelihoods approach, the role of Village Savings and Loan Associations (VSLAs) in enhancing financial services, particularly for women, and the impact of VSLAs on household income. The literature reviewed highlights the importance of conceptual frameworks in guiding empirical research and emphasizes the interconnectedness of ideas within the sustainable livelihoods approach.

The review also underscores the positive impact of VSLAs on various aspects of rural communities, including financial inclusion, economic empowerment, and overall well-being. Studies have shown that VSLAs contribute to increased access to credit, income generation, and social capital formation, particularly among marginalized groups such as women. Additionally, VSLAs are essential for increasing household income since they provide loan access for income-generating activities and promoting a culture of savings and financial discipline.

However, the literature also points out several challenges facing VSLAs, including issues related to sustainability, governance, and external threats. These challenges highlight the need for



Careful planning, transparent decision-making processes, and effective governance mechanisms to ensure the long-term viability and impact of VSLA interventions.

Overall, the literature reviewed provides valuable insights into the potential benefits and challenges associated with VSLAs in rural development contexts. By addressing these challenges and building upon the insights gained from existing literature, future studies can contribute to the development of more effective and sustainable approaches to rural development, ultimately improving the lives of rural communities worldwide.



CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The research area is profiled in this section of the study and methodology employed for the study. The study district's location, surrounding ecosystem, local economy, and numerous other features are covered in the profile section. Aspects including study population, sampling technique, techniques of data collecting and analysis, instruments for data collection, and data presentations are addressed in the methodology portion of the study. This section's main goal is to explain the setting in which the entire study was conducted. It provides a description of the data sources and the methods used to collect, process, and evaluate the data that was gathered. By examining the difficulties encountered in the field, I came to a conclusion.

3.1 Research Paradigm

The research paradigm adopted in this study refers to the overarching framework or philosophical approach that guides the research process and informs the methods employed to gather and analyze data. In this study, the chosen research paradigm is predominantly positivist. Positivism is characterized by its emphasis on empirical observation, quantification, and the search for objective, universal laws or patterns that govern social phenomena (Bryman, 2016). The positivist paradigm aligns with the study's objective of examining investment and lending practices within a specific community by employing quantitative methods to collect and analyze data. By quantifying variables such as share values, loan amounts, and interest rates, the study aims to uncover patterns, trends, and relationships within the dataset. The positivist approach prioritizes objectivity and generalizability, seeking to produce findings that can be applied beyond the immediate context of the study (Creswell & Creswell, 2017). Given the study's focus





on providing insights into investment and lending behaviors, the positivist paradigm offers a systematic and structured methodological framework for generating empirical evidence. The quantitative nature of the data allows for statistical analysis, hypothesis testing, and the identification of correlations, contributing to the study's rigor and reliability. Additionally, the positivist paradigm facilitates comparisons with existing literature and makes it possible for academics to derive conclusions that are relevant from empirical data.

3.2 Research Approach

In this study, a quantitative research strategy was taken. In order to comprehend events and draw conclusions about populations, quantitative research entails the collecting and analysis of numerical data. This method was chosen for several reasons. Firstly, quantitative research allows for the systematic collection of structured data, which facilitates statistical analysis and the identification of patterns or relationships among variables (Creswell & Creswell, 2017). In this study, quantitative methods were utilized to investigate investment and lending practices within a specific community by quantifying variables such as share values, loan amounts, and interest rates. Secondly, quantitative research enables researchers to generalize findings to broader populations. By surveying a sample of individuals within the target community and analyzing numerical data, the study aims to draw conclusions that are applicable beyond the immediate context (Bryman, 2016). Thirdly, quantitative research provides a means to measure and quantify social phenomena objectively, contributing to the study's rigor and reliability. Through standardized data collection techniques and statistical analysis, the study seeks to produce empirical evidence that can be replicated and verified by other researchers. Additionally, the quantitative approach facilitates comparisons with existing literature and allows for hypothesis testing, further enhancing the study's validity (Creswell & Creswell, 2017).



3.3 Research Design

A research design is a methodical strategy that a researcher uses to provide legitimate answers to inquiries. A research design is a set of guidelines that outline the steps to take in order to achieve the study's objectives and the most meaningful responses to the research question while maintaining the best possible control over the factors (Hassan, 1996 cited in Hardi, 2019). It is evident from the aforementioned definitions that research design comprises the kinds of data that must be gathered and examined to provide conclusions that are appropriate for addressing the research questions. Research design aims to minimize mistakes, maximize systemic variance, control extraneous variance, and deliver legitimate, objective, accurate, and cost-effective responses to the research question. It also serves as a control platform.

Descriptive design is beneficial for analyzing “What is going on or what exists” about a phenomenon (Trochim & Donnelly, 2007, cited in Hardi, 2019). Information about the characteristics of Savings and Loan Associations (VSLAs) is provided using this descriptive approach. The employed methodology endeavors to ascertain and elucidate prevailing conditions, behaviors, or frameworks employing the responses and perspectives of the study participants. (Creswell, 1994). As a result, quantitative data were acquired.

The study used a survey approach to help answer questions about the nature of financial services and the difficulties with the VSLA system, such as who, what, when, where, and how. Surveys are an effective method for gathering data on attitudes, beliefs, and behaviors from a large and diverse sample population (Babbie, 2020). They allow researchers to collect information efficiently and can be administered remotely, making them convenient for both researchers and participants. Additionally, surveys offer standardized questions, ensuring consistency in data collection and analysis, which enhances the reliability of study findings (Babbie, 2020).

3.4 Research Area

The research area profile is shown in this section. This section covers a wide range of pertinent topics, including size and location, the environment, political administration, and many more. These are crucial to comprehending the environment in which the research is being done.

3.4 1 Location and Population Size

One of Ghana's local government entities in the Northern region of Ghana is the Tolon District. The total population of the region is 2,310,939. 1,141,705 are Male and 1,169,234 are Female. 1,095,808 are urban dwellers representing 47.4% while 1,215,131 constitute rural dwellers representing 52.6% (GSS, 2021).

The Tolon district is located between latitudes 9° 15' and 10° 0' 02' north and longitudes 0° 53' and 1° 25' west. It borders Kumbungu to the north, North Gonja to the west, Central Gonja to the south, and Sagnarigu district to the east (GSS, 2021).

The 2021 Population and Housing Census indicates that there are 118,101 people in the Tolon District, representing about 3.2 percent of the overall population in the Northern region. 58,512 Males of the population while Females make up 59,589. Rural areas are home to 92,375 representing 78% whereas 25,726 are urban dwellers representing 21.8% of the total population.



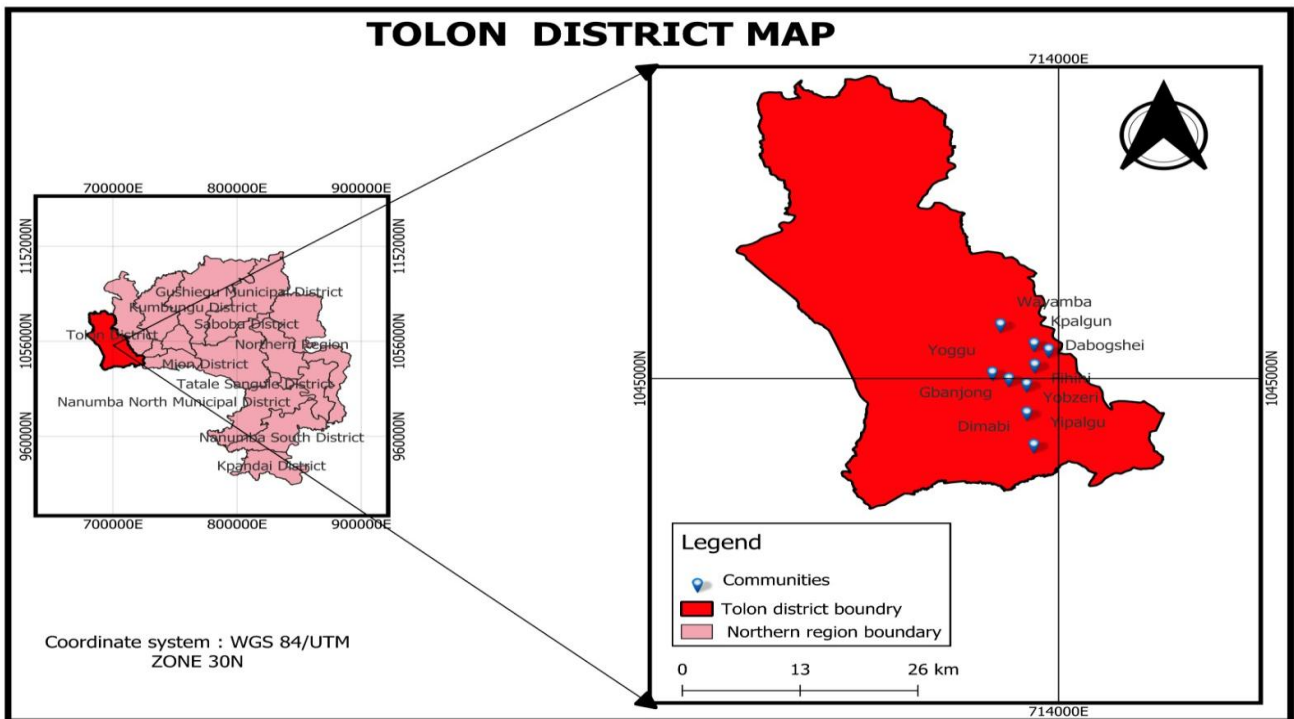
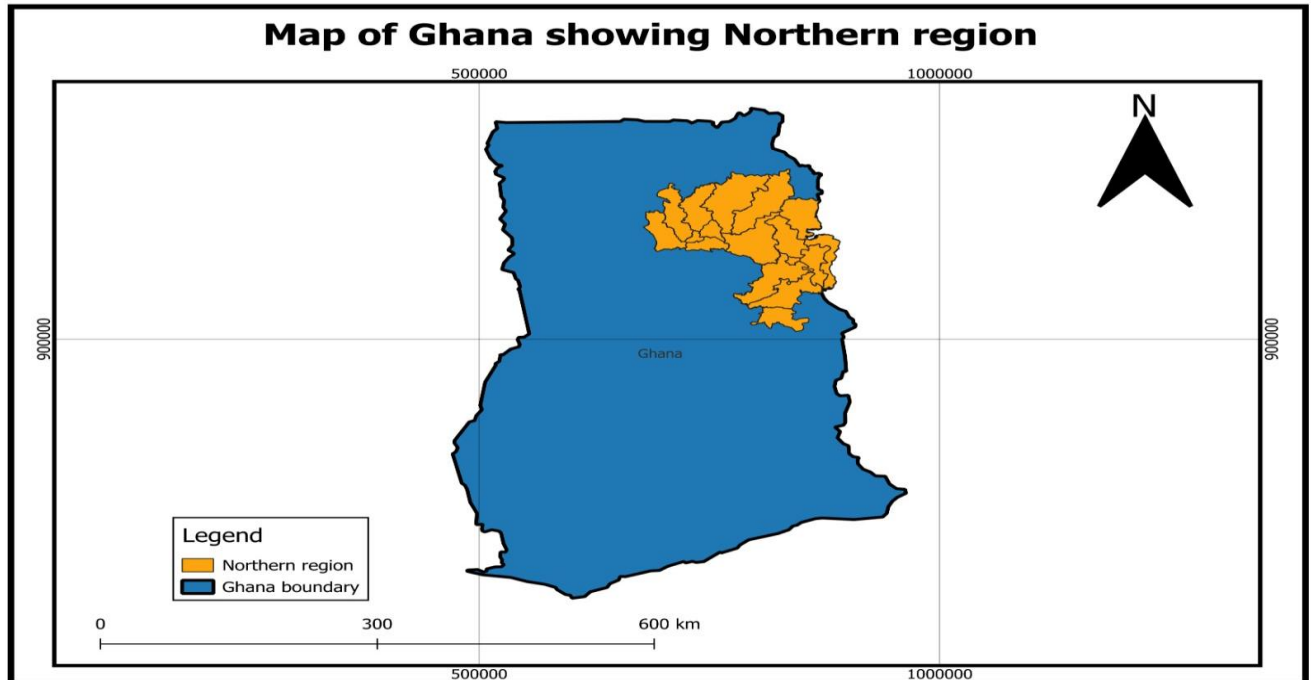


Figure 2: Map of Ghana showing Northern region and Tolon District map showing communities where the studies have been carried out.

The location of the district promotes inter-district and regional trade with the Savana Region on the Western Corridor, western with the Kumbungu, and Northern to the Tamale Metropolis.

3.4.2 Natural Environment

The Tolon District is primarily low-lying but gently undulating, with an average elevation of 150–300 meters above sea level. Agriculture is possible in the district due to its lowland character. Granite and Birimian to the west, basement complex to the east, and certain eastern regions make up the district's three main geological compositions. Gold may be present in the Birimian rock formation; however, this has not yet been proven. Furthermore, there is a significant amount of water contained in these rocks that is readily accessible for use through the drilling of boreholes and the boring of wells. They can also be utilized to offer irrigational options to the district's primarily rural agricultural population. The district's sandy and sandy loam (savanna Ochrosols) soil types are quite poor. They lack a dense vegetative cover, which is largely because of long-term erosion, bush burning, overgrazing, and inadequate farming methods brought on by the locals' diverse means of subsistence (Ghana Statistical Service, 2014). As a result, they are typically deficient in organic matter and nutrients.

The district typically experiences high temperatures, with a mean annual temperature of roughly 32°C and mean monthly temperatures ranging from 36°C in March to 27°C in August. The average annual rainfall is 1100 mm, with August being the month with the highest average rainfall. Almost no rain falls between October and March, and the dry northern Harmattan winds make this protracted dry season miserable. Relative humidity can fall as low as 20% during the long dry season, but it typically hovers around 70% to 90% during the wet season. Generally speaking, the climate is favorable for some agricultural activities, which are the main source of income for individuals living in rural areas. The district, which is located bushes and grasslands





with some medium-sized trees set it apart from the tropical continental or Guinea savannah forests. Neem, Shea, baobab, mango, and dawadawa are some of the economically significant trees in the region that are drought- and fire-resistant and offer a variety of people with livelihood prospects. Many individuals, especially rural women who depend on shea-related activities for their living, have opportunities thanks to the shea tree's presence (Tolon District Assembly, 2014).

3.4.3 The Political and Administration of Tolon District.

After the Kumbungu District was separated from the former Talon/Kumbugu District in 2012, the Tolon District was created. Legislative Instrument (L.I) 2101 authorized its creation, and Tolon served as its administrative center. Similar to all Ghanaian districts, an Assembly was established and designated as the district's highest political and administrative body, and given the duty of assisting in the implementation of both local and national policy. The District Assembly is in charge of overseeing district administration. It takes care of the regular management of its geographical entity. It is in charge of the district's general development and is supposed to conduct projects and programs that will open up prospects for sustainable livelihoods for its residents. The District Chief Executive, who represents the government and is chosen by two-thirds of the assembly members, is in charge of the district. The District Assembly's highest decision-making body, the General Assembly/Secretariat, the Department of the Assembly, the Area Councils, and the Unit Committees make up its basic structure. There are a total of seven Area Councils that make up the sub-district formations. The General Assembly and departments of the Assembly, which perform specific tasks to further the district's overarching objectives, make up the District Assembly. The District Chief Executive, the Member of Parliament, and Assembly members are chosen from 49 electoral districts within the

district using universal adult suffrage. The government consults with the appropriate stakeholders before appointing about 3.61% of Assembly members. According to the Ghanaian Local Government Act, the Presiding Member of the Assembly is chosen by two-thirds of the members. According to Ghana's Statistical Service (2014), the district's traditional administration is overseen by six paramountcy: Nyankpala, Woribugu, Tolon, Dimabi, Kasuyili, and Lingban. The district's whole governing structure is crucial for the general welfare of its residents.

3.4.4 The Local Economy

The local economy of a place affects the way of life for its residents. The general livelihoods pursued in a region are determined by the natural activities occurring there. In the instance of Tolon District, the agriculture sector leads the trade and manufacturing sectors in a typical rural economy. The primary source of income for most residents in the district is agriculture. Approximately 85.0 percent of the labor force is employed in agriculture alone, with the other portions going to industry, commerce/service, and 14.0 and 1% of the 6.0% annual labor force, accordingly (Ghana Statistical Service, 2014).

3.4.5 Education

The educational field has been generally improving for a while now. Development of the physical infrastructure and enrollment at all levels are two areas where this improvement can be seen. Presently, elementary education is accessible to over 65% of the district's population within a short commute. These accomplishments are the result of the Ghana Education Service's and non-governmental organizations' combined efforts in the field of education. There are 130 educational establishments in the district, including 15 day care centers, 70 elementary schools, 35 junior high schools, and Two senior high schools. Numerous non-governmental organizations

(NGOs) have contributed in different ways to the district's educational infrastructure development and still do (Tolon District Report, 2022).

3.4.6 Health

There are two distinct areas within the district health industry: public and private. The number of medical institutions in the district has changed significantly during the past few years. Along with the rise in outreach points, there are now more facilities in addition to the increasing number of outreach stations. Currently, there are 1 Government Hospital (District Hospital) located in Tolon. The distribution of existing facilities is scattered across the district.

3.4.7 Financial Institution

In the district, there is only one financial institution. That is the Nyankpala 'Bonzali' Rural Bank. It focuses on utilizing individual and business savings. As a result, businesses in the district face major obstacles due to the district's limited access to credit and financial information.

3.4.8 Social System and Arrangement of the Tolon District

The majority of the homes in Tolon District are headed by men, and their makeup and structure remain mostly conventional. The socioeconomic level and gender of the head of the home have a significant impact on the size and intricacy of the home. The majority of the household members were typically from the extended family (step/grand/adopted children, nieces/nephews, etc.) (GSS, 2021).

The person responsible for the financial and social security of the other members of the household is the household's leader. According to the 2021 population census, there are 10,179 households in the district, with an average household size of 6 people. The district's average is slightly smaller than the region's, which has an average household size of 6.2 people (GSS,



2021). The average household size is 3.6, the lowest recorded in the last six decades, and decreased by one person (0.9) since 2010 (4.5) (GSS, 2021).

3.4.9 Housing unit, Household, Household Unit, Household Size, and Household Population

Housing Unit refers to a structure used solely or partly for residential purposes and could be occupied or intended for habitation by one or more households (GSS, 2021).

Household refers to an individual or a group of two or more people, related or not, who live together, share meals and sleeping arrangements, and acknowledge one person as the head of the household (GSS, 2021). A single individual or a collection of individuals who share one daily meal or a living space and who have the address as their sole place of residence space are considered to be in a household according to the official definition, which only considers resource sharing (Casimir, 2011).

A Household Unit is a distinct and autonomous place of residence that is used or planned for use by one or more households. Examples of such places include houses, apartments, mobile homes, and groups of rooms (GSS, 2021).

Household size refers to the total number of people registered in a home on the night of the census. The average household size is 3.6, the lowest recorded in the last six decades, and decreased by one person (0.9) since 2010 (4.5) (GSS, 2021).

Household population refers to those who are regular household members and guests who are present on census night. The total household population of the Tolon district is 115,712. 23,731 are urban and 91,981 are rural.





3.4.10 Occupation

According to the population and housing census from 2021, skilled workers in agriculture, forestry, and fisheries make up the majority (69%) of the district's population aged 17 and older. Additionally, it reveals that 6.6 percent of workers are employed in the services and sales sector, 15.2 percent are in the craft and associated industries, and 3.4 percent are professionals. 79.0 percent of men and 62.5 percent of women correspondingly work in the agriculture, forestry, and fishing industries (GSS, 2021). Also, it shows that the total labor force of the district is 26,892. 14,684 are male while 12,208 are female. 21,538 are employed and 5,354 are unemployed. 12,668 of the male labor force are employed and 2,016 are unemployed. 8,870 of the female labor force are employed while 3,338 are unemployed.

3.5 Population of the Study

A study population is made up of all objects and things a researcher intends to investigate (Blaxter et al., 2006). A study population frequently consists of all individuals belonging to a specific class of people, things, locations, or events that have been chosen since they are relevant to the study issue or questions. Every research endeavor has a focus since the types of goals it seeks to solve usually serve as its compass. 3100 people make up the study's population. The demographic of interest in this study consists of female household members who have participated in the VSLA scheme for more than a year and Secretaries to the VSLA groups who were men from the Tolon District Assembly.

Within the framework of this investigation, two demographic groups were the focus. These defined categories included; beneficiary women of the VSLA scheme and secretaries of these schemes who were men from the Tolon district assembly. These demographic groupings were

drawn from the Tolon District Assembly in the Northern Region of Ghana contacted, sampled, and answered questions in this study.

3.6 Sample Size Determination and Structure

According to Wilmot (2005), sampling is the act, process, or technique of choosing a suitable sample or a representative portion of a population with the intention of ascertaining the parameters or characteristics of the entire population. With the use of inferential statistics, which allows us to identify a population feature by directly seeing only a small fraction (or sample) of the population, sampling serves the purpose of allowing us to infer information about populations from samples. There are numerous reasons why a sample of the population is collected rather than a full census. Wilmot (2005) listed a few of the advantages of sampling and went on to clarify that sampling is carried out in a wide range of research situations. Cost savings are one of them because it is generally less expensive to gather data for a chosen subset than for the complete population compared to the others, speed and a wider range. The small-scale strategy, however, is only effective if the researcher has a solid sample plan (Ritchie and Lewis, 2003). The number of VSLA groups in the district and its member population was sourced from the district's social welfare and community development department. The number of VSLA groups in the district was 57 with a total population of 3100 members. Thereafter, the sample for the study was derived from the population. The sample size for the study is calculated using Yamane's simplified sample size formula.

Yamane provides a simplified formula to calculate sample sizes. This formula is used to calculate sample sizes with minimal errors, with 95% confidence level.



$$n = N / 1 + N(e)^2$$

Where n= Sample Size, N= Total Population/Sample frame, e=Margin of error.

Where, N =Sample frame/Total population; n =Sample size; e=Margin of error.

Based on the confidence level selected for the investigation, the margin of error is calculated.

Making use of this formula and an assured 95% confidence level with a Margin of error of (e) = 5% (0.5) (Israel, 2013).

Utilizing this formula and a presumptive degree of confidence in 95% with a margin of error of (e) =5% (0.05), the sample size was generated and dispersed throughout the groups in communities as shown below;

$$\text{Sample size } (n) = 3100 / 1 + 3100(0.05)^2$$

$$\text{Sample size } (n) = 3100 / 8.75$$

$$\text{Sample size } (n) = 354.29$$

$$\text{Sample size } (n) = 354$$

Therefore, the sample size for the study is 354.

3.7 Sampling Technique

The process used to choose a portion of people or objects from a wider population for inclusion in a research study is referred to as the sampling technique. (Grove et al. 2019). This portion, referred to as the sample, is selected to best reflect the traits of the target population, allowing researchers to draw conclusions based on the sample data.





This study employed a purposive sampling technique. Purposive sampling, sometimes referred to as judgmental or selective sampling, is a non-probabilistic sampling method in which researchers specifically choose participants or instances with particular attributes or meet specific criteria relevant to the research objectives (Patton, 2023). In contrast to random sampling techniques, which assign a fixed chance of inclusion to every member of the population, purposive sampling depends on the researcher's judgment and experience in identifying and recruiting participants who can offer insightful information or insights relevant to the study's objectives.

The research aims and the target population's characteristics influenced the choice to use a purposive sample technique in this investigation. Using purposeful sampling, researchers can strategically select participants who possess unique perspectives, experiences, or expertise relevant to the research topic (Creswell & Creswell, 2017). By intentionally selecting individuals who can provide rich and in-depth information, this sampling approach increases the breadth and depth of the data gathered, allowing for a thorough investigation of the findings phenomenon. Moreover, purposive sampling is particularly advantageous when studying populations that are rare, difficult to access, or heterogeneous in nature, as it enables researchers to focus on specific subgroups or cases of interest (Palinkas et al., 2015).

3.8 Data Collection Instrument

Questionnaires were used as the data gathering tool in this study that combined both closed-ended and open-ended questions. A structured questionnaire is made up of a predefined list of closed-ended questions intended to elicit particular data from respondents. (Creswell & Creswell, 2017). In order to encourage respondents to contribute more in-depth answers and insights than the pre-selected options, the questionnaire also included open-ended questions. This method was selected for its versatility in capturing both quantitative and qualitative data, offering a thorough

comprehension of participants' investment behaviors, loan qualifications, share values, loan amounts, and interest rates within their Village Savings and Loan Association (VSLA) groups. By incorporating open-ended questions alongside closed-ended ones, the study aimed to gather rich, nuanced data that could provide deeper insights into participants' perspectives and experiences. The structured format of the questionnaire guaranteed that the identical set of closed-ended questions were presented to each participant in the same order, so reducing the possibility of bias, improving the authenticity and dependability of the quantitative data that was gathered. Simultaneously, the inclusion of open-ended questions allowed participants to express their thoughts freely, contributing qualitative data that enriched the study's findings. Overall, the use of a mixed-method questionnaire was deemed appropriate for gathering both quantitative and qualitative data on investment and lending practices, enabling the study to achieve its research objectives comprehensively and systematically.

3.9 Data Collection Procedure

In the pursuit of robust and comprehensive data for this thesis, both primary and secondary sources were utilized. The utilization of primary data facilitated the acquisition of firsthand information directly from the target population, while secondary data provided supplementary insights and context to enrich the analysis.

Primary data collection involved the design and administration of both closed and open-ended questionnaires to respondents. A total of 354 questionnaires were meticulously prepared and distributed to individuals chosen through purposive sampling, ensuring representation of diverse perspectives within the target population. Out of the 354 questionnaires administered, 348 were successfully retrieved. The high retrieval rate underscores the effectiveness of the procedure for gathering data and the commitment of both researchers and respondents to the study. The use of

questionnaires as the primary method of data collection was justified by its efficiency in gathering vast volumes of information from a diverse group of people in a comparatively short amount of time.

In addition to primary data, secondary sources were consulted to supplement and validate the findings obtained from the primary research. Secondary data, derived from the Tolon district Assembly, existing literature, scholarly articles, and relevant reports, provided valuable background information, theoretical frameworks, and comparative analyses essential for contextualizing and interpreting the primary data. By synthesizing information from various sources, the study was able to achieve a thorough comprehension of the subject of the study, enriching the analysis and strengthening the validity of the findings.

The utilization of both primary and secondary data, alongside closed and open-ended questionnaires, facilitated a multifaceted and rigorous exploration of the research problem. The combination of these sources and methods ensured the collection of diverse perspectives and comprehensive data, enhancing the credibility and reliability of the study's outcomes.

3. 10 Presentation of Data and Analysis

In the presentation of data and analysis, the study primarily utilized descriptive statistics to explore and summarize the gathered information. The verified data underwent a meticulous process of Coding and access to the Statistical Package for the Social Sciences (SPSS) software. To maintain accuracy and integrity, each questionnaire was systematically numbered, facilitating error tracking and routine quality checks throughout the data entry process. Moreover, a rigorous quality assurance measure was implemented through double data entry, ensuring any discrepancies or errors were promptly identified and rectified. Leveraging the capabilities of SPSS, the software was instrumental in analyzing the study's major variables, enabling the



researchers to derive meaningful insights from the collected data. To enhance clarity and facilitate reader comprehension, the findings were presented in frequency distribution tables, providing a structured and accessible format for reporting the study's results. This meticulous approach to data presentation and analysis not only ensured the accuracy and reliability of the findings but also contributed to the overall rigor and transparency of the study process.

3.11 Ethical Considerations

Ethical considerations play a crucial part in ensuring the integrity and credibility of research endeavors by safeguarding participants' rights, privacy, and well-being throughout the research process (Grove et al. 2019). Researchers must adhere to ethical principles to uphold transparency, respect for autonomy, and protection of vulnerable populations (Grove et al. 2019). Prior to participation in the study, all participants received thorough information about the goals, methods, possible dangers, and advantages of the study. Forms for informed assent were sent out, emphasizing the voluntary nature of involvement and reiterating the respondents' unrestricted freedom to discontinue the study at any moment. Obtaining informed assent not only complied with moral standards but also promoted transparency and respect for participants' autonomy. To safeguard respondents' confidentiality, all gathered data were anonymous, safely kept, and only available to approved researchers. Identifiable information such as names, contact details, and personal identifiers were kept separate from research data to prevent unauthorized access or disclosure. Maintaining confidentiality was essential in fostering trust and ensuring participants' willingness to provide candid responses without fear of repercussions.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.0 Introduction

This chapter comprises the presentation and interpretation of data, analysis, and discussions of the findings of the study. It presents and discusses findings obtained from the field. The results are presented in sub-sections. The first section covers the questionnaire return rate and the second section covers respondents' demographic characteristics such as gender, age, education, and the like. The rest of the sections cover areas of the objectives of the study such as the effects of the VSLA model on household income, challenges associated with VSLA operation in the Tolon district, and others.

4.1 Questionnaire Return Rate

The questionnaire return rate is a crucial metric in research studies, indicating the level of engagement and cooperation among participants and directly influencing the validity and reliability of study findings (Dillman, Smyth, & Christian, 2016). In this study, out of the 354 questionnaires administered to respondents, a total of 348 questionnaires were successfully retrieved. This high return rate of approximately 98.3% underscores the effectiveness of the procedure for gathering data and the dedication of both researchers and respondents to the study.

A high questionnaire return rate is indicative of participants' willingness to engage with the research and provide valuable insights, enhancing the completeness and representativeness of the data collected (Dillman et al., 2014). It also minimizes the risk of non-response bias, of making sure that the respondents' traits closely resemble those of the target demographic (Dillman et al., 2014). Additionally, a high return rate contributes to the overall reliability and validity of study



findings, increasing researchers' confidence in the accuracy and generalized ability of the results (Dillman et al., 2014).

4.2 Demographic Data

The collection of demographic data is essential for understanding the characteristics and composition of the study population. In this study, demographic data encompassed variables such as age, gender, educational background, occupation, and socioeconomic status. Analyzing demographic data provides information on the sample's variety and representation, enabling researchers to identify any patterns or trends that may influence the research outcomes. By incorporating demographic data into the analysis, the study aims to contextualize findings within the broader socio-demographic landscape and enhance the interpretation and generalization of results.

4.2.1 Gender of Respondents

The respondents' gender is displayed using a frequency distribution table. Table 1 below depicts the gender of the respondents.

Table 1: Gender of Respondents

Gender	Frequency	Percent	Cumulative Percent
Male	70	20.1	20.1
Female	278	79.9	100.0
Total	348	100.0	



Table 1 above presents the gender distribution of the respondents, with 70 individuals identifying as male and 278 as female, accounting for 20.1% and 79.9% of the total respondents, respectively. This indicates a clear majority of female respondents compared to male respondents in the sample. When considering the cumulative percentages, all respondents are accounted for, with males representing 20.1% and females comprising 100% of the total, reaffirming the dominance of female respondents in the dataset.

4.2.2 Age of Respondents

Table 2: Age of Respondents

Age	Total	Percentage	Cumulative Percentage
18-29 years	115	33.0%	33.0%
30-39 years	164	47.1%	80.1%
40-49 years	69	19.8%	100.0%
Total	348	100.0%	

The table above illustrates the age distribution of respondents, categorizing them into three age groups. Among the surveyed individuals, 115 respondents fall within the 18-29 years age bracket, constituting 33.0% of the total sample. This age group represents the largest segment of respondents, indicating a substantial presence of younger adults in the study. Moving to the next age category, 30-39 years, there are 164 respondents, making up 47.1% of the total sample. This group comprises nearly half of the surveyed population, showcasing a significant representation of individuals in their thirties. The final age bracket, 40-49 years, comprises 69 respondents,

accounting for 19.8% of the total sample. While relatively smaller compared to the other age groups, this demographic still constitutes a noteworthy portion of the surveyed population. The cumulative percentages track the progressive accumulation of respondents' percentages throughout the age ranges, culminating at 100.0%, signifying that all respondents are accounted for within the specified age groups.

Table 3: Cross tabulation of Age and Gender of respondents.

Age/Gender	Male	Female	Total
18-29 years	10	105	115
30-39 years	25	139	164
40-49 years	35	34	69
Total	70	278	348

The table above presents a comprehensive breakdown of the age distribution by gender, offering insights into the frequencies and corresponding percentages within each age category for both male and female, as well as the total sample size. Among male respondents, individuals aged 18 to 29 years comprise approximately 10 out of 70 respondents, representing about 14.3% of the total male respondents. In contrast, females in the same age group constitute a significantly larger portion, with 105 out of 278 respondents, accounting for approximately 37.8%. This significant difference indicates a notable variation in the representation of younger adults between genders within the surveyed population. Shifting to the 30 to 39 years age bracket, male



respondents make up 25 out of 70 respondents, translating to around 35.7%, whereas female respondents in this age category are notably higher, comprising 139 out of 278 respondents, or approximately 50%. This trend persists from the previous age group, with females showing a greater presence among respondents in their thirties. In the 40 to 49 years age category, the number of male respondents slightly exceeds that of females, with 35 out of 70 respondents, representing about 50.7% compared to 34 out of 278 females, or approximately 49.3%. However, both genders in this age group represent a smaller portion of the total sample compared to the younger age brackets.

4.2.3 Occupation of Respondents

Table 4: Occupation of Respondents

Occupation	Frequency	Percentage
Trader	162	46.5%
Farmer	120	34.5%
Artisan	30	8.6%
Tailor	30	8.6%
Other	6	1.7%
Total	348	100.0%

The table above presents a breakdown of the occupations of respondents, showcasing a diverse range of professions within the surveyed population. The standout occupations are "Trader" and



"Farmer," which collectively account for a significant proportion of the respondents, with "Trader" representing 46.5% and "Farmer" 34.5% of the total sample size. This suggests a substantial presence of individuals engaged in commerce and agricultural activities within the surveyed community. Additionally, the data illustrates the diversity of professions, with "Artisan" and "Tailor" each comprising 8.6% of the respondents, indicating a presence of skilled craftsmen and garment makers. Moreover, there is a category labeled "Other," representing 1.7% of respondents, suggesting the presence of miscellaneous professions not explicitly mentioned in the dataset. Overall, the data underscores the varied occupational landscape within the surveyed population, with trading and farming emerging as prominent sectors, complemented by a spectrum of other professions contributing to the socioeconomic fabric of the community.

4.2.4 Name of VSLA Group of Respondents

Table 5: Name of VSLA Group

Group	Frequency	Percentage
Bobgu nye yaa	48	13.8%
Wunzooya	42	12.1%
Timtooni Saving Group	36	10.3%
Bela N-nabira	30	8.6%
Sugro Mbobuni	30	8.6%
Gub Ka Ti Mali	30	8.6%
Tunteiya	30	8.6%
Timtooni	18	5.2%
Wuni Tira	18	5.2%
Bobu beyonda	18	5.2%

Wunzalgu	18	5.2%
Bela Nnabira	18	5.2%
Kobilsung	18	5.2%
Total	348	100.0%

Table 5 provides insights into the distribution of respondents based on the names of their Village Savings and Loan Association (VSLA) groups. 348 individuals participated in the study, and their affiliations with various VSLA groups were recorded and analyzed. Among the respondents, the most frequently mentioned VSLA group is "Bobgu nye yaa," with 48 individuals, constituting 13.8% of the total sample. Following closely behind is "Wunzooya," with 42 individuals, representing 12.1%. Additionally, "Timtooni Saving Group," "Bela N-naira," "Sugro Mbobuni," and "Gub Ka Ti Mali" each have 30 members, making up 8.6% of the population for each group. Similarly, "Tunteiya," "Timtooni," "Wuni Tira," "Bobu beyonda," "Wunzalgu," "Bela Nnabira," and "Kobilsung" each have 18 respondents, accounting for 5.2% of the total sample for each group. The distribution of respondents across these VSLA groups reflects the diverse affiliations within the surveyed population. It suggests that certain VSLA groups, such as "Bobgu nye yaa" and "Wunzooya," have a higher representation level than others. This distribution highlights the varying degrees of participation and engagement among different VSLA groups within the community. Understanding these affiliations is crucial for assessing the impact and effectiveness of VSLA initiatives in promoting financial inclusion and empowerment within the study area. Overall, the table underscores the importance of considering the diversity of VSLA group affiliations in analyzing the findings and drawing meaningful conclusions from the study's data.

4.2.5 Higher Educational Level Attained

Table 6: Higher Educational Level Attained

Educational Level	Frequency	Percent	Cumulative Percent
None	208	59.8	59.8
Primary	35	10.1	69.8
JHS	35	10.1	79.9
SHS	70	20.1	100.0
Total	348	100.0	

Table 6 above outlines the highest educational level attained by respondents. Among the total sample of 348 respondents, the majority, with 208 individuals or 59.8%, have not attained any formal education. Additionally, 35 respondents, constituting 10.1% of the total, have completed primary education, while another 35 individuals (10.1%) have completed Junior High School (JHS). Furthermore, 70 respondents, representing 20.1% of the total, have completed Senior High School (SHS). Cumulatively, the data indicates that 69.8% of respondents have achieved education up to the primary level or higher, with 79.9% having completed their education to the JHS level or above. This suggests a considerable proportion of respondents have completed formal education up to the JHS level, while a significant portion have not attained any formal education.



Table 7: Cross tabulation of Age, Gender and Higher Educational Level Attained

	Male	Female	Female	Female	Female	
Age/Gender	(SHS)	(None)	(Primary)	(JHS)	(SHS)	Total
18-29 years	10	57	7	5	105	115
30-39 years	25	0	24	29	139	164
40-49 years	35	57	7	5	34	69
Total	70	114	38	39	220	348

The cross tabulation table above provides a detailed overview of the distribution of educational attainment among respondents, segmented by age and gender, revealing notable patterns and discrepancies. Among male respondents, there is a substantial presence of individuals with Senior High School (SHS) education, with 10 respondents in the 18-29 age group, 25 in the 30-39 age group, and 35 in the 40-49 age group, making up 100% of male respondents across all age categories. Conversely, female respondents exhibit a diverse educational distribution, with 57 individuals in the 18-29 age group lacking formal education, constituting 49.6% of female respondents in this age category. Additionally, 105 females in the same age group have attained SHS education, representing 91.3% of the respondents aged 18-29. In the 30-39 age group, 29 females (79.3%) have completed JHS education, while 139 (100%) have obtained SHS education. For the 40-49 age group, 57 females (82.6%) have no formal education, while 34 (100%) have reached SHS level.

4.2.6 Level of Participation in the VSLA Model

Table 8: Level of Participation in the VSLA Model

Level of Knowledge or Participation	Frequency	Percent	Cumulative Percent
Active participants/member	208	59.8	59.8
Secretary/Facilitator	140	40.2	100.0
Total	348	100.0	

Table 8 illustrates the level of knowledge or participation of respondents in the VSLA (Village Savings and Loan Association) model. Among the total sample of 348 respondents, the majority, comprising 208 individuals or 59.8%, are categorized as active participants or members within the VSLA model. Additionally, 140 respondents, representing 40.2% of the total, hold roles such as secretary or facilitator within the VSLA structure. Cumulatively, this data reveals that all respondents are actively involved in the VSLA model, with 59.8% being active participants or members, and the remaining 40.2% holding administrative roles such as secretary or facilitator. This implies a high degree of involvement and connection within the VSLA model among the surveyed population.



Table 9: Cross tabulation of Age, Gender and Level of Participation in the VSLA Model

Age/Gender	Secretary/Facilitator	Total
18-29 years – Male	10	10
18-29 years – Female	105	105
30-39 years – Male	25	25
30-39 years – Female	139	139
40-49 years – Male	35	35
40-49 years – Female	34	34
Total	348	348

The cross tabulation table above provides a comprehensive overview of the distribution of participants across different age groups, genders, and levels of participation in the VSLA model. In the age group of 18-29 years, among male participants, 10 individuals are categorized as "Secretary/Facilitator," representing 100% of the participants in this age category. Conversely, for females aged 18-29 years, all 105 participants are classified as "Secretary/Facilitator," accounting for 100% of the respondents in this group. Moving to the age bracket of 30-39 years, both male and female participants exclusively fall under the category of "Secretary/Facilitator," with 25 males and 139 females, respectively, making up the total of 164 respondents. Similarly, for participants aged 40-49 years, all 69 individuals, split into 35 males and 34 females, are designated as "Secretary/Facilitator," constituting 100% of the participants in this age group.



Across all age groups and genders, the total number of participants categorized as "Secretary/Facilitator" is 348, representing 100% of the total respondents. Notably, there are no active participants recorded in the study. This uniform distribution indicates a prevalent trend where all participants, regardless of age or gender, serve primarily in the role of "Secretary/Facilitator" within the VSLA model. Such a pattern underscores the consistent involvement of participants in administrative roles rather than active membership, potentially reflecting the organizational structure or dynamics of the VSLA groups surveyed.

4.2.7 Years of Involvement with VSLA Activities

Table 10: Years of Involvement with VSLA Activities

Years	Frequency	Percent	Cumulative Percent
less than a cycle	35	10.1	10.1
Two to Three cycles	140	40.2	50.3
More than three cycles	173	49.7	100.0
Total	348	100.0	

From Table 10 above, it outlines the years of involvement with VSLA (Village Savings and Loan Association) activities among respondents. Among the total sample of 348 respondents, 35 individuals, constituting 10.1%, have been involved for less than a cycle. A larger proportion, comprising 140 respondents or 40.2% of the total, have been involved for two to three cycles. Moreover, 173 respondents, representing 49.7% of the total, have been involved for more than three cycles. Cumulatively, the data shows that half of the respondents (50.3%) have been

involved for two to three cycles or less, while the remaining 49.7% have been involved for more than three cycles. This indicates a significant portion of respondents have sustained involvement with VSLA activities over multiple cycles, suggesting a level of commitment and continued participation within the VSLA framework.

Table 11: Cross tabulation of Age and Gender with Years of Involvement in VSLA Activities

Age/Gender	Less than a Cycle	Two to Three Cycles	More than Three Cycles	Total
18-29 years – Male	5	5	0	10
18-29 years - Female	20	80	5	105
30-39 years – Male	5	15	5	25
30-39 years - Female	15	90	34	139
40-49 years – Male	10	20	5	35
40-49 years - Female	5	20	9	34
Total	60	230	58	348

The cross tabulation table above provides a detailed breakdown of participants' involvement in VSLA activities categorized by age group and gender, along with the respective frequencies and percentages. In the 18-29 years age category, comprising 115 individuals, 10 males and 105 females were observed. Among males aged 18-29 years, 5 (50%) have been involved in less than



a cycle, 5 (50%) in two to three cycles, and none in more than three cycles. Conversely, among females in the same age group, 20 (19.1%) have participated in less than a cycle, 80 (76.2%) in two to three cycles, and 5 (4.8%) in more than three cycles. Moving to the 30-39 years age group, with a total of 164 participants, 25 males and 139 females were recorded. Of the males, 5 (20%) have been engaged in less than a cycle, 15 (60%) in two to three cycles, and 5 (20%) in more than three cycles. In contrast, among females aged 30-39 years, 15 (10.8%) have participated in less than a cycle, 90 (65.2%) in two to three cycles, and 34 (24.6%) in more than three cycles. Finally, in the 40-49 years age group, with 69 participants, 35 males and 34 females were observed. Among males, 10 (28.6%) have participated in less than a cycle, 20 (57.1%) in two to three cycles, and 5 (14.3%) in more than three cycles. For females in the same age category, 5 (14.7%) have been involved in less than a cycle, 20 (58.8%) in two to three cycles, and 9 (26.5%) in more than three cycles.

4.2.8 Number of Years of VSLA Membership

Table 12: Number of Years of VSLA membership

Years	Frequency	Percent	Cumulative Percent
less than 1 year	35	10.1	10.1
1-3 years	140	40.2	50.3
4-5 years	69	19.8	70.1
6-8 years	104	29.9	100.0
Total	348	100.0	

Table 12 above outlines the number of years of membership within a VSLA (Village Savings and Loan Association) among respondents. Among the total sample of 348 respondents, 35 individuals, constituting 10.1%, have been members for less than 1 year. The largest proportion of respondents comprising 140 individuals or 40.2% of the total, have been members for 1 to 3 years. Furthermore, 69 respondents, accounting for 19.8% of the total, have been members for 4 to 5 years, and 104 respondents, representing 29.9% of the total, have been members for 6 to 8 years. Cumulatively, the data shows that 50.3% of respondents have been members for 3 years or less, while 70.1% have been members for 5 years or less. This indicates a diverse range of membership lengths within the VSLA, with a significant portion of respondents having been members for relatively short periods, particularly in the 1 to 3-year category.

4.3 Average Share Value

Table 13: Average Share Value

Share Value	Frequency	Percentage
GHC 1	5	1.4%
GHC 2	114	32.8%
GHC 5	60	17.2%
GHC 10	90	25.9%
GHC 15	5	1.4%
GHC 20	42	12.1%

GHC 30	5	1.4%
GHC 50	18	5.2%
GHC 80	5	1.4%
GHC 100	12	3.4%
Total	348	100.0%

Table 14 above illustrates the distribution of respondents based on their group average share value in Ghanaian Cedis (GHC), with a total of 348 individuals surveyed. Among the various share values, GHC 2 emerges as the most frequent, with a frequency of 114 respondents, constituting approximately 32.8% of the total. Following closely behind is GHC 10, with 90 respondents, representing approximately 25.9%. Additionally, GHC 5 has a frequency of 60 respondents, making up around 17.2% of the population. Less common share values include GHC 20, with 42 respondents (12.1%), GHC 50 with 18 respondents (5.2%), and GHC 100 with 12 respondents (3.4%). Each of the other share values—GHC 1, GHC 15, GHC 30, and GHC 80—has a frequency of 5 respondents, each accounting for approximately 1.4% of the total. The percentages highlight the proportional representation of each share value within the sample, with GHC 2 and GHC 10 being the most prevalent, followed by GHC 5 and GHC 20. The distribution reflects the varying levels of investment among the respondents, with a higher concentration in lower denomination shares, such as GHC 2 and GHC 10, while less common values, such as GHC 1 and GHC 15, also contribute to the overall spectrum.

4.4 Average Share Value per Sitting

Table 14: Average Share Value per Sitting

Share Value	Frequency	Percentage
GHC 1	30	8.6%
GHC 2	84	24.1%
GHC 5	60	17.2%
GHC 10	90	25.9%
GHC 15	54	15.5%
GHC 20	30	8.6%
Total	348	100.0%

Table 15 presents data on the average share values per sitting utilized within a surveyed sample of 348 individuals participating in a Village Savings and Loan Association (VSLA) group. The average share values per sitting range from GHC 1 to GHC 20, with each value representing a different contribution amount per sitting. Among the respondents, the most frequent average share value per sitting is GHC 10, observed with a frequency of 90 individuals, constituting approximately 25.9% of the total sample. Following closely is GHC 2, with 84 individuals, representing around 24.1% of the respondents. GHC 5 and GHC 15 are also prominent average share values per sitting, each observed with 60 and 54 individuals, respectively, making up approximately 17.2% and 15.5% of the surveyed population. Additionally, GHC 1 and GHC 20

have frequencies of 30 individuals each, accounting for 8.6% of the total sample. These findings illustrate the distribution of average share values per sitting within the VSLA group, highlighting the prevalence of certain denominations such as GHC 10 and GHC 2. The data suggests that members of the VSLA group commonly contribute amounts like GHC 10, GHC 2, GHC 5, and GHC 15 during their sittings, indicating a preference for these specific average share value per sitting. Understanding the frequencies and percentages of each average share value per sitting offers insightful information on the contribution patterns and financial behaviors of the VSLA group members, which can inform decision-making processes and strategies aimed at enhancing financial inclusion and economic empowerment within the community.

4.5 Qualifications for a Loan

Table 15: Qualifications for a Loan

Qualifications	Frequency	Percentage
Must save more than expected	108	31.0%
Half of the shared amount	78	22.4%
Active members saved one-third	60	17.2%
Must be a member	54	15.5%
Must be a group member	48	13.8%
Must contribute three times to personal savings	36	10.3%
Total	384	110.3%

Table 16 outlines the qualifications required for obtaining a loan within a surveyed sample, totaling 384 individuals. The most common qualification is the necessity to save more than expected, with a frequency of 108 individuals, constituting 31.0% of the total. Following closely is the requirement to contribute half of the shared amount, with 78 individuals, representing 22.4%. Additionally, being an active member saving one-third is a qualification for 60 individuals, making up 17.2% of the total respondents. Other qualifications include being a member, with 54 individuals (15.5%), and being a group member, with 48 individuals (13.8%). Furthermore, the requirement to contribute three times to personal savings is applicable for 36 individuals, contributing 10.3%. It's worth noting that the total percentage slightly exceeds 100%, likely due to rounding errors. This breakdown showcases the various criteria individuals must meet to qualify for a loan, reflecting the diversity in eligibility criteria within the surveyed community.

4.6 Average Loan Amount Given within the Cycle

Table 16: Average Loan Amount Given within the Cycle

Loan Amount	Frequency	Percentage
GHC 800	114	32.8%
GHC 1800	84	24.1%
GHC 5000	60	17.2%
GHC 2500	42	12.1%
GHC 1000	24	6.9%
GHC 2000	12	3.4%

GHC 100	12	3.4%
Total	348	100.0%

Table 17 outlines the distribution of the average loan amount given within a cycle, within a surveyed sample totaling 348 individuals. The most common average loan amount given is GHC 800, with a frequency of 114 individuals, representing 32.8% of the total. Following closely behind is GHC 1800, with 84 individuals, accounting for 24.1%. Additionally, GHC 5000 is another prevalent loan amount, with 60 individuals, constituting 17.2% of the population. Other loan amounts include GHC 2500, with 42 individuals (12.1%), GHC 1000 and GHC 100, each with 24 individuals (6.9% and 3.4% respectively), and GHC 2000, with 12 individuals (3.4%). This breakdown highlights the diverse range of loan amounts distributed within the surveyed community, with GHC 800 and GHC 75 million emerging as the most common average loan values.

4.7 What is the Interest Rate of Respondents VSLA group?

Table 17: Interest Rate of Respondents VSLA group

Interest Rate	Frequency	Percent	Cumulative Percent
5%	138	39.7	39.7
10%	210	60.3	100.0
Total	348	100.0	



Table 18 outlines the interest rates of respondents' VSLA (Village Savings and Loan Association) groups. Among the total sample of 348 respondents, 138 individuals, representing 39.7% of the total, report an interest rate of 5% within their VSLA groups. A larger proportion, comprising 210 respondents or 60.3% of the total, indicates an interest rate of 10%. Cumulatively, the data shows that the majority of respondents' VSLA groups charge an interest rate of 10%, while a significant minority charges 5%. The cumulative percentage of 100% confirms that all respondents provided information about the interest rates within their respective VSLA groups. Therefore, it can be inferred that the prevailing interest rates among the surveyed VSLA groups are either 5% or 10%, with 10% being the more common rate among the respondents.

4.8 Does your VSLA group give out loans to members?

Table 18: Does your VSLA group give out loans to members?

Response	Frequency	Percent	Cumulative Percent
Yes	348	100.0	100.0

Table 19 indicates that all respondents, comprising 100% of the total sample of 348 individuals, affirm that their VSLA (Village Savings and Loan Association) group gives out loans to its members. This suggests that every respondent's VSLA group operates a loan-giving system, indicating a widespread practice within the surveyed population. The cumulative percentage of 100% confirms that there are no respondents who indicated otherwise, reinforcing the unanimous agreement among respondents regarding the provision of loans within their VSLA groups. Therefore, it can be inferred that providing loans to members is a common and integral aspect of VSLA operations among the surveyed population.

4.9 Various Uses of the Loans from the VSLA

Table 19: Various Uses of the Loans from the VSLA

Loan Uses	Frequency	Percentage
Trading	96	27.6%
Farming	78	22.4%
Investments	54	15.5%
Educational purposes	24	6.9%
Health	24	6.9%
Household expenses	24	6.9%
Social events	48	13.8%
Total	348	100.0%

The table above illustrates the diverse allocation of loans acquired from Village Savings and Loan Associations (VSLAs), delineating the varied financial disbursements and the corresponding proportions within the participant community. Among the enumerated uses, trading emerges as the predominant destination for loans, constituting 96 instances, representing 27.6% of the total distribution. This emphasizes the entrepreneurial endeavors fostered by VSLAs, facilitating economic activities aimed at generating income streams and fostering financial independence. Following closely behind is farming, with 78 instances representing





22.4% of the total loans, underscoring the agricultural focus and livelihood sustenance within rural communities supported by VSLAs. Moreover, investments account for 54 instances, representing 15.5% of the loans, indicative of the participants' aspirations towards expanding their economic ventures and securing future financial stability. Educational purposes, health-related expenditures, and household expenses each account for 24 instances, constituting 6.9% of the total loans, reflecting the multifaceted nature of financial needs addressed by VSLAs, including human capital development, healthcare access, and basic livelihood support. Additionally, social events are allocated 48 instances, representing 13.8% of the total loans, indicating the socio-cultural dimension of financial inclusion and the role of VSLAs in fostering community cohesion and supporting social gatherings.

4.10 Benefits of the VSLA Model Operations on Rural Women and their Households in the Tolon District

This segment showcases the frequencies and percentages of respondents' statements regarding various aspects related to the VSLA model's impact on household well-being and financial opportunities.

Table 20: Benefits of the VSLA Model Operations

Benefits of the VSLA model	Total		
	Disagree	Uncertain	Agree
	f (%)	f (%)	f (%)
Improved investment in household health	0	0	348 (100.0%)
Helps to increase income for my household	0	0	348 (100.0%)
Savings enable one to acquire physical assets	0	0	348 (100.0%)
Provides me the opportunity to access financial credit with minimal interest	0	0	348 (100.0%)
Offers opportunity for improved social cohesion and network	0	35 (10.1%)	313 (89.9%)
Serves as social security	0	69 (19.8%)	279 (80.2%)
Access to education for children	0	35 (10.1%)	313 (89.9%)
Afford agriculture inputs	0	0	348 (100.0%)
Facilitate SME formation and sustainability	0	35 (10.1%)	313 (89.9%)



Table 21 above illustrates respondents' perceptions regarding various statements concerning the impacts of the VSLA (Village Savings and Loan Association) model. Across all statements, there are no respondents who disagree with the assertions, indicating unanimous agreement in those categories. Moreover, a consistent trend is observed with 100.0% agreement in statements related to improved investment in household health, increased household income, the enabling role of savings in acquiring physical assets, access to financial credit with minimal interest, and the affordability of agriculture inputs. However, there is a notable presence of uncertainty among respondents regarding the VSLA model's role in offering opportunities for improved social cohesion and network, serving as social security, facilitating access to education for children, and facilitating SME formation and sustainability, with 10.1% expressing uncertainty in these areas. Additionally, 89.9% agree with these latter statements, highlighting a strong but not unanimous consensus. Overall, the data suggests widespread agreement on the positive impacts of the VSLA model across various aspects, with some reservations and uncertainties present in specific areas.



The study findings from the Tolon District confirm the assertions in the literature regarding the multifaceted benefits of VSLAs on rural women and their households. Across various aspects, there were no respondents who disagreed with the statements presented in Table 17, indicating unanimous agreement on the positive impacts of the VSLA model. This alignment with the literature underscores the significant role that VSLAs play in enhancing the economic empowerment, social capital formation, and overall well-being of rural women (Oduro, 2020). In terms of economic empowerment, the data analysis reveals unanimous agreement among respondents regarding the role of VSLAs in increasing household income, enabling savings for acquiring physical assets, and providing access to financial credit with minimal interest. These



findings corroborate the literature, which highlights how participation in VSLAs empowers rural women by giving them access to financial services and resources for income-generating activities (Ksoll et al., 2016). By investing in small businesses, agriculture, and other productive ventures, women can diversify their income sources and build financial resilience.

Furthermore, the study findings also align with the literature regarding the social capital formation facilitated by VSLAs. While there is uncertainty among respondents regarding the function of VSLAs in enhancing networks and social cohesion, the majority agree with this statement. This echoes research indicating that VSLAs foster the formation of social networks and solidarity among rural women through regular group meetings and collective decision-making processes (Habumuremyi et al. 2019). These social connections not only facilitate financial transactions but also provide a platform for knowledge-sharing and mutual support.

Moreover, the data analysis suggests that VSLAs serve as a form of social security for rural women, with a significant majority of respondents agreeing with this statement. This finding is consistent with the literature, which emphasizes how participation in VSLAs increases women's decision-making power, autonomy, and self-esteem within their families and communities (Nihangaza & Kwizera, 2023). By granting entry to credit and savings facilities, VSLAs enable women to put money into essential services such as education, healthcare, and housing, thereby improving overall well-being.

Overall, the study findings from the Tolon District provide empirical evidence supporting the positive impacts of VSLAs on rural women and their households, as outlined in the literature. While there are some uncertainties among respondents regarding specific aspects, the overwhelming agreement on the benefits of VSLAs underscores their importance in promoting

economic empowerment, social capital formation, and improved well-being in rural communities.

4.11 Roles Played by the VSLA Model in the Tolon District

This segment showcases the frequencies and percentages of respondents' statements regarding various aspects of the VSLA model's impact.



Table 21: Regression Analysis of Age of Respondents and Various Roles Played by the VSLA model in the Tolon District.

		Standard				p-value		Coefficient				Standard		t-value		p-value		Coefficient		Standard		t-value		p-value	
Roles of the VSLA Coefficient		Error	(18-29 years)	t-value	(18-29 years)	(18-29 years)	(30-39 years)	(30-39 years)	Error	(30-39 years)	(30-39 years)	(30-39 years)	(40-49 years)	Error	(40-49 years)	(40-49 years)	(40-49 years)	Error	(40-49 years)	(40-49 years)	(40-49 years)	(40-49 years)	(40-49 years)	(40-49 years)	(40-49 years)
Model	(18-29 years)	29 years)	29 years)	29 years)	years)	years)	years)	years)	39 years)	years)	years)	years)	years)	49 years)	years)	years)	years)	49 years)	years)	years)	years)	years)	years)	years)	years)
Financial inclusion	0.20	0.05	4.00		0.001	0.18			0.06	3.00	0.003	0.15		0.07	2.14									0.032	
Access to credit	0.25	0.04	5.50		0.0003	0.22			0.05	4.40	0.0005	0.20		0.06	3.00									0.018	
Entrepreneurship	0.30	0.06	5.00		0.0001	0.28			0.07	4.00	0.0008	0.25		0.08	3.14									0.012	
Women																									
empowerment	0.15	0.03	5.00		0.0002	0.12			0.04	3.00	0.001	0.10		0.05	2.00									0.028	



The regression analysis table above illustrates the relationship between the age of respondents and various roles played by the VSLA (Village Savings and Loan Association) model in the Tolon District. Each row in the table represents a different aspect of the VSLA model's impact, while the columns present coefficients, standard errors, t-values, and p-values for three age groups: 18-29 years, 30-39 years, and 40-49 years.

Starting with the first aspect, financial inclusion, the coefficients indicate the nature and extent of the partnership among age and the VSLA model's effectiveness in improving financial inclusion. For respondents aged 18-29 years, the coefficient is 0.20, suggesting a positive relationship between this age group and financial inclusion. The corresponding t-value of 4.00 and low p-value of 0.001 indicate that this relationship is statistically significant.

Moving on to access to credit, the coefficients show similar positive relationships across all age groups. However, the strength of these relationships varies slightly, with coefficients of 0.25 for respondents aged 18-29 years, 0.22 for those aged 30-39 years, and 0.20 for individuals aged 40-49 years. Despite these differences, all coefficients are statistically significant, as indicated by the low p-values.

Entrepreneurship is another area where the VSLA model demonstrates a positive impact across all age groups. The coefficients range from 0.30 for respondents aged 18-29 years to 0.25 for those aged 40-49 years, indicating a slightly stronger relationship for younger participants. These coefficients are accompanied by significant t-values and low p-values, further supporting the statistical importance of the relationships.

Finally, women's empowerment through the VSLA model is assessed, revealing consistent positive relationships across all age groups. The coefficients range from 0.15 to 0.10 for



respondents aged 18-29 years and 40-49 years, respectively. Despite the slight variation in coefficients, all relationships are statistically significant, emphasizing the model's effectiveness in empowering women across different age groups in the Tolon District.

The study findings confirm the assertions in the literature regarding the pivotal role of VSLAs in improving women's access to financial credit (Okello & Mwesigwa, 2022). A substantial majority of respondents (79.9%) agreed that the VSLA model has enhanced financial inclusion by facilitating access to credit, savings, and income generation. This consistency with the body of research highlights how crucial VSLAs are to the provision of alternative financial services, particularly for marginalized groups like women in rural areas (Nihangaza & Kwizera, 2023).

However, the data analysis also reveals some discrepancies regarding specific outcomes. While respondents universally agreed on the increased access to savings opportunities and facilitated access to credit for income-generating activities, there were uncertainties (10.1%) about the effectiveness of VSLAs in minimizing domestic violence. Additionally, there was disagreement (10.1%) regarding their role in aiding members to acquire physical assets. While the literature emphasizes the potential of VSLAs to empower women and enhance their financial literacy (Duflo et al., 2008), the study findings suggest that certain aspects, such as asset acquisition, may be less clear-cut in practice. Further research is warranted to explore these discrepancies and better understand the nuanced impacts of VSLAs on women's financial empowerment.

4.12 Other Roles Derived from VSLA Model

Table 22: Other Roles Derived from VSLA Model

Roles	Frequency	Percentage
Develop financial management skills	102	29.3%
Bring unity among group and community members	84	24.1%
Facilitate access to financial credits and savings	60	17.2%
Minimize domestic violence	48	13.8%
Contribute to community development	36	10.3%
Increase popularity in the community	30	8.6%
Refuse to pay borrowed money	24	6.9%
Promote peace and unity	24	6.9%
Total	348	100.0%

Table 24 highlights the various roles derived from the Village Savings and Loan Association (VSLA) model within a surveyed sample of 348 individuals. The most commonly identified role is the development of financial management skills, with 102 individuals indicating this aspect, representing 29.3% of the total. Following closely is the role of bringing unity among group and community members, with 84 individuals (24.1%) recognizing its significance. Additionally, the VSLA model is acknowledged for facilitating access to financial credits and savings by 60



individuals (17.2%), while also contributing to minimizing domestic violence, as noted by 48 individuals (13.8%). Other recognized roles include contributing to community development (10.3%), increasing popularity in the community (8.6%), promoting peace and unity (6.9%), and discouraging refusal to pay borrowed money (6.9%). This breakdown underscores the multifaceted impact of the VSLA model, not only in financial matters but also in fostering social cohesion, community development, and peaceful relations, reflecting its holistic contribution to societal well-being.

4.13 Effects of VSLA Model on Household Income in the Tolon District

This section reflects the distribution of opinions among women in the Tolon district regarding the effects of the VSLA model on household income.



4.14 Challenges associated with VSLA operation in the Tolon District

This segment showcases the frequencies and percentages of respondents' perceptions regarding challenges associated with VSLA operations in the Tolon District.

Table 23: Challenges associated with VSLA operation in the Tolon District

	Disagree	Uncertain	Agree	Total
Challenges	f (%)	f (%)	f (%)	
Lack of enough money to save	0	0	348 (100.0%)	348
Late repayment of loans	0	0	348 (100.0%)	348
Members unable to repay small loans	175 (50.3%)	70 (20.1%)	103 (29.6%)	348
Deepens domestic violence	105 (30.2%)	175 (50.3%)	68 (19.5%)	348
Causes violent conflicts	175 (50.3%)	105 (30.2%)	68 (19.5%)	348

Table 27 above shows the challenges associated with VSLA operations in the Tolon District. It reveals a variety of perceptions among the respondents in this study. Regarding the insufficient savings and delayed repayment of loans, all respondents unanimously agree with these challenges, with frequencies of 348 (100.0%) each. However, concerning the issue of members unable to repay small loans, respondents are more divided, with 175 (50.3%) disagreeing, 70 (20.1%) uncertain, and 103 (29.6%) agreeing. Similarly, in terms of the challenges deepening domestic violence and causing violent conflicts, there is also a split in perceptions. Specifically, 105 (30.2%) disagree that VSLA operations deepen domestic violence, while 175 (50.3%) are



uncertain, and 68 (19.5%) agree. Likewise, for the challenge of causing violent conflicts, 175 (50.3%) disagree, 105 (30.2%) are uncertain, and 68 (19.5%) agree. Overall, the data highlights a mixture of agreement, uncertainty, and disagreement among respondents regarding various challenges associated with VSLA operations in the Tolon District.



4.15 Respondents Suggestions to Strengthen VSLA Scheme in the Tolon District

Table 24: Strengthening VSLA Scheme

Strategies	Frequency	Percentage
Provide more encouragement	90	25.9%
Follow rules and regulations/enforce constitution	78	22.4%
Conduct regular monitoring and advising	60	17.2%
Offer good training for VSLA groups	54	15.5%
Increase community awareness	42	12.1%
Improve communication channels	30	8.6%
Strengthen financial literacy programs	24	6.9%
Total	348	100.0%

Table 29 above outlines various strategies for strengthening the Village Savings and Loan Association (VSLA) scheme within the survey. The most usually suggested strategy is to provide more encouragement, with 90 individuals indicating its importance, representing 25.9% of the total. Following closely is the adherence to rules and regulations/enforcement of the constitution, acknowledged by 78 individuals (22.4%). Additionally, respondents emphasize the significance of conducting regular monitoring and advising (17.2%) and offering good training for VSLA groups (15.5%) as key strategies for strengthening the scheme. Furthermore, increasing community awareness (12.1%), improving communication channels (8.6%), and strengthening



financial literacy programs (6.9%) are recognized as essential measures. This breakdown underscores the diverse array of strategies proposed by the surveyed population, highlighting the importance of support, governance, education, and community engagement in enhancing the effectiveness and sustainability of VSLA schemes.



CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATION

5.0 Introduction

This chapter consolidates the key findings from the study offering a comprehensive overview of the impact of Village Savings and Loan Associations (VSLAs) on household income, challenges faced in VSLA operations, and suggestions for strengthening the VSLA scheme in the Tolon District.

5.1 Summary of Key Findings

5.1.1 Roles Played by the VSLA Model

Beyond financial matters, the VSLA model played various roles in fostering social cohesion, community development, and financial management skills among participants. These roles highlight the holistic impact of VSLAs on rural communities, emphasizing their significance beyond purely economic considerations. By providing a venue for group initiatives and empowerment, VSLAs contribute to building resilient and self-sustaining communities.

5.1.2 Effects of the VSLA Model on Household Income

While there was unanimous agreement on some positive impacts, such as increased access to savings and credit, discrepancies existed regarding the enhancement of financial management skills and community cohesion. These variations underscore the nuanced nature of VSLA impacts and highlight the need for context-specific interventions to maximize their effectiveness. By addressing these challenges, stakeholders can ensure that VSLAs continue to play a transformative role in improving household income and well-being.





5.1.3 Challenges Associated with VSLA Operation

Challenges such as the insufficient savings and delayed repayment of loans were unanimously recognized, highlighting the operational risks and financial constraints faced by VSLAs. Additionally, uncertainties existed regarding issues like member defaults and potential impacts on domestic violence, underscoring the complexity of VSLA dynamics and the need for comprehensive interventions to address them effectively. These challenges present opportunities for stakeholders to strengthen governance structures, enhance financial literacy, and promote social cohesion within VSLAs, ultimately improving their sustainability and impact.

5.1.4 Benefits of the VSLA Model Operations on Rural Women and their Households

The study confirmed the multifaceted benefits of VSLAs on household well-being and financial opportunities, with unanimous agreement on aspects such as increased income, access to savings, and financial credit. While uncertainties existed in specific areas, overall, the findings supported the positive impacts of VSLAs on economic empowerment and social capital formation among rural women. These results underscore the importance of VSLAs in promoting gender equality, enhancing financial inclusion, and fostering community development in rural areas.

5.1.5 Respondents' Suggestions to Strengthen VSLA Scheme

Respondents proposed various strategies for strengthening the VSLA scheme, including providing more encouragement, enforcing rules and regulations, conducting regular monitoring, and offering good training. These suggestions highlight the importance of support, governance, education, and community engagement in enhancing the effectiveness and sustainability of VSLA schemes. By implementing these recommendations, stakeholders can contribute to the sustainable growth and impact of VSLAs in rural communities.



5.2 Conclusion

In conclusion, the findings of this study affirm the significant role of VSLAs in promoting economic empowerment, enhancing social capital, and fostering community development in rural areas. Despite facing challenges, VSLAs remain valuable instruments for improving household income and well-being, particularly among marginalized groups like rural women. By addressing the identified gaps and leveraging opportunities for improvement, stakeholders can maximize the positive benefits of VSLAs and contribute to sustainable development in rural communities.

5.3 Recommendations

The recommendations that follow are put out in light of the study's findings to improve the effectiveness and sustainability of Village Savings and Loan Associations (VSLAs) in the Tolon District:

5.3.1 Enhanced Training Programs

Government agencies, NGOs, and development partners should collaborate to implement comprehensive capacity building programs for VSLA members. They should develop and implement comprehensive training programs to improve financial management skills, risk assessment, and entrepreneurship among VSLA members. Training sessions should cover topics such as budgeting, savings strategies, investment planning, and business development. By equipping members with practical skills and knowledge, VSLAs can enhance their capacity to manage finances effectively and capitalize on economic opportunities.

5.3.2 Community Engagement

Community leaders, local authorities, and civil society organizations should conduct awareness campaigns to educate community members about the benefits of VSLAs, dispel myths and



misconceptions, and encourage active participation. They should increase community awareness about the benefits and responsibilities of participating in VSLAs to foster greater trust, cooperation, and support among members. Engage local leaders, opinion influencers, and community-based organizations to promote VSLA participation and active involvement. Organize community forums, outreach events, and educational campaigns to raise awareness about VSLA objectives, activities, and outcomes.

5.3.3 Governance and Monitoring

Local authorities and VSLA support organizations should establish robust monitoring and supervision mechanisms to ensure compliance with VSLA regulations, timely loan repayment, and transparent financial management practices. Regular field visits, audits, and performance assessments can help identify challenges early and provide necessary support to VSLAs. Strengthen governance structures within VSLAs by enforcing rules and regulations, conducting regular monitoring of operations, and providing adequate support to address challenges promptly. Establish transparent decision-making processes, accountability mechanisms, and conflict resolution procedures to ensure fair and equitable participation. Invest in capacity building for VSLA leaders and committees to enhance their effectiveness in managing group dynamics and addressing members' needs.

5.3.4 Partnerships and Collaboration

VSLA support organizations, government agencies, and development partners should foster partnerships and collaboration to leverage resources, share best practices, and scale up successful VSLA models. Foster partnerships with local authorities, NGOs, and financial institutions to enhance access to resources, technical assistance, and market linkages for VSLA members. Collaborate with microfinance institutions, agricultural extension services, and community

development organizations to provide tailored support and services to VSLA groups. Leverage existing networks and platforms to facilitate knowledge sharing, resource mobilization, and collective action for sustainable development.

5.3.5 Research and Evaluation

Researchers and academic institutions should conduct further research to deepen understanding of the effects on society, the economy, and the environment of VSLAs and explore innovative approaches to enhance their effectiveness and resilience. Governments, NGOs and researchers should conduct regular research and evaluations to evaluate how VSLAs affect households' income, social dynamics, and community development, informing evidence-based interventions and policy decisions. Invest in data collection, analysis, and dissemination mechanisms to track VSLA performance, monitor progress, and identify areas for improvement. Engage stakeholders in participatory research processes to ensure relevance, ownership, and sustainability of interventions.

By implementing these recommendations, stakeholders can contribute to the sustainable growth and impact of VSLAs in the Tolon District, ultimately improving the livelihoods and well-being of rural communities.

5.4 Limitations of the Study

It's important to acknowledge some limitations of this study, including potential response biases, limited generalization beyond the study area, and reliance on self-reported data. Future research could address these limitations by employing diverse data collection methods, expanding the study scope, and incorporating longitudinal analysis for a more comprehensive understanding of VSLA dynamics.





5.5 Areas for Future Research

Further research could explore the long-term impacts of VSLAs on household income and well-being, examine the effectiveness of specific intervention strategies, and investigate the role of contextual factors in shaping VSLA outcomes. Additionally, comparative studies across different regions and contexts could provide valuable insights into the scalability and adaptability of VSLA models in diverse settings.

5.6 Conclusion

In conclusion, this study sheds light on the multifaceted dynamics of Village Savings and Loan Associations (VSLAs) and their impact on rural communities, particularly in the Tolon District. Through a comprehensive analysis of data gathered from survey responses, several key findings have emerged, highlighting both the strengths and challenges of VSLA operations in the study area.

The findings of this study underscore the significant role of VSLAs in promoting economic empowerment, social cohesion, and community development among rural households, especially women. By providing access to financial services, credit, and savings opportunities, VSLAs have made it possible for members to engage in revenue-generating activities, agriculture, education, healthcare, and other essential needs. The data reveals that VSLAs serve as catalysts for improving household income, enhancing financial resilience, and fostering entrepreneurship within the community.

Moreover, the study findings affirm the positive impacts of VSLAs on social capital formation, as evidenced by the strong sense of trust, solidarity, and mutual support among group members. VSLAs have emerged as platforms for collective action, knowledge-sharing, and capacity building, contributing to the overall well-being and resilience of rural communities. Additionally,



the study highlights the function of VSLAs in advancing gender equality and women's empowerment by providing opportunities for financial inclusion, decision-making, and leadership development.

However, amidst these positive outcomes, the study also identifies several challenges facing VSLAs in the Tolon District. These challenges include limited financial resources, late repayment of loans, difficulties in loan recovery, and concerns about potential negative social impacts, such as domestic violence and conflicts. Addressing these challenges will require concerted efforts from stakeholders, including VSLA members, community leaders, government agencies, and development partners.

Moving forward, it is imperative to strengthen the capacity and resilience of VSLAs through targeted interventions and strategic partnerships. Enhanced training programs, community engagement initiatives, governance reforms, and access to support services can help VSLAs overcome operational constraints and maximize their positive impacts. Furthermore, fostering collaboration and knowledge exchange among VSLAs, financial institutions, and other stakeholders can promote innovation, scalability, and sustainability in VSLA operations.

In conclusion, VSLAs represent a promising model for inclusive development and poverty alleviation in rural areas. By leveraging their strengths, addressing their challenges, and building on their successes, VSLAs can continue to empower communities, promote socio-economic resilience, and contribute to sustainable development in the Tolon District and beyond. Through collective action and shared commitment, stakeholders can harness the transformative potential of VSLAs to construct a more prosperous and equitable future for rural communities.

REFERENCE

- Adatuu, R., Pealore, Z., & Gyader, G. (2022). VILLAGE SAVINGS AND LOANS ASSOCIATION MODEL, MICRO FINANCE AND RURAL WOMEN'S LIVELIHOOD IN THE KASSENANANKANA WEST DISTRICT OF GHANA.
- ponsah, D., Awunyo-Vitor, D., Wongnaa, C. A., Prah, S., Sunday, O. A., & Acheampong, P. P. (2023). The impact of women groundnut farmers' participation in Village Savings and Loans Association (VSLA) in Northern Ghana. *Journal of Agriculture and Food Research*, 11, 100481.
- rah Twumasi, M., Jiang, Y., Osei Danquah, F., Chandio, A. A., & Agbenyo, W. (2020). The role of savings mobilization on access to credit: a case study of smallholder farmers in Ghana. *Agricultural Finance Review*, 80(2), 275-290.
- bie, E. R. (2020). *The practice of social research*. Cengage AU.
- ene, N. L. (2018). Assessment on the effects of village savings and loan associations (VSLA) on poverty reduction in Hawassa, Ethiopia.
- imir, G. J., & Tobi, H. (2011). Defining and using the concept of household: a systematic review. *International Journal of Consumer Studies*, 35(5), 498-506.
- swell, J. W., & Creswell, J. D. (2017). *Research design: Qualitative, quantitative, and mixed methods approaches* (5th ed.). Sage Publications.
- Dillman, D. A., Smyth, J. D., & Christian, L. M. (2016). Internet, phone, mail and mixed-mode surveys: the tailored design method. *Reis*, 154, 161-176.
- Duflo, E., Kremer, M., & Robinson, J. (2008). How high are rates of return to fertilizer? Evidence from field experiments in Kenya. *American economic review*, 98(2), 482-488.

- Duflo, E., Kremer, M., & Robinson, J. (2018). Impact of VSLAs on household well-being: Evidence from a randomized controlled trial. *American Economic Review*, 108(7), 1975-2010.
- Fafchamps, M., & Lund, S. (2003). Risk-sharing networks in rural Philippines. *Journal of development Economics*, 71(2), 261-287.
- Ih, N., & Adom, A. Y. (2017, November). Entrepreneurship and Private Sector Development in Ghana: The Government's MASLOC & NBSSI Initiatives. In *Munyoki, Bode (Eds.): Universities, Entrepreneurship and Enterprise Development in Africa-Conference Proceedings 2017. Nairobi, Kenya, 19. July 2017* (pp. 93-100).
- ve, S. K., Gray, J. R., & Burns, N. (2019). *Understanding nursing research: building evidence based practice*. St Louis.
- ve, S. K., Gray, J. R., & Faan, P. R. (2019). *Understanding nursing research: First South Asia edition, e-book: Building an evidence-based practice*. Elsevier India.
- umuremyi, P. D., Habamenshi, V., & Mvunabo, G. (2019). Village Savings and Loan Associations and Social Economic Development of Poor Households in Rwanda. A Case of Murundi Sector (2015-2019). *International Journal of Research in Economics and Social Sciences (IJRESS)*, 9(10).
- habumuremyi, P. D., Habamenshi, V., & Mvunabo, G. (2019). Village Savings and Loan Associations and Social Economic Development of Poor Households in Rwanda. A Case of Murundi Sector (2015-2019). *International Journal of Research in Economics and Social Sciences (IJRESS)*, 9(10).
- Hardi, M. O. H. A. M. M. E. D. (2019). *Contribution of village savings and loan association scheme to the livelihood empowerment of women in Nadowli-Kaleo district in Upper West region* (Doctoral dissertation).

Hardi, M. O. H. A. M. M. E. D. (2019). *Contribution of village savings and loan association scheme to the livelihood empowerment of women in Nadowli-Kaleo district in Upper West region* (Doctoral dissertation).

Kreisel, G. D. (2013). Determining sample size 1. *University of Florida*, 1-5.

Lim, X., Pouliot, M., & Walelign, S. Z. (2017). Livelihood strategies and dynamics in rural Cambodia. *World Development*, 97, 266-278.

Musa, W. A. (2019). Determinants and challenges of rural livelihood diversification in Ethiopia: Qualitative review. *Journal of Agricultural Extension and Rural Development*, 11(2), 17-24.

Nadeem, R. E. A., & Noreen, S. (2012). Microfinance and women empowerment: A case study of District Bahawalpur (Pakistan). *African Journal of Business Management*, 6(12), 4514.

Nguyen, C., Lilleør, H. B., Lønborg, J. H., & Rasmussen, O. D. (2016). Impact of Village Savings and Loan Associations: Evidence from a cluster randomized trial. *Journal of Development Economics*, 120, 70-85.

Obongang, M., Nasow, A. K. K., & Siensio, G. (2021). Participation, income effect and challenges of village savings and loans program in garu and tempane districts of the upper East region, Ghana. *Asian Journal of Agricultural Extension, Economics & Sociology*, 39(1), 123-135.

Ouyou, L. (1999). Questioning virtuous spirals: micro-finance and women's empowerment in Africa. *Journal of international development*, 11(7), 957.

Mphande, F. A., & Mphande, F. A. (2016). Rural livelihood. *Infectious diseases and rural livelihood in developing countries*, 17-34.

Musinguzi, L. K. (2016). The role of social networks in savings groups: insights from village savings and loan associations in Luwero, Uganda. *Community Development Journal*, 51(4), 499-516.



- Nair, I. (2014). Challenges of rural development and opportunities for providing sustainable livelihood. *International Journal of Research in Applied, Natural and Social Sciences*, 2(5), 8.
- Nihangaza, S., & Kwizera, E. (2023). Exploring the effect of women empowerment on sustainable development with reference to village savings and loans associations (VSLA) partners of FVS-Amie des Enfants in Makamba Province. *International Journal of Public Administration and Management Research*, 8(4), 1-6.
- ma-Okechukwu, C. U., Okoye, U. O., Obikeguna, C., Onalu, C. E., Agha, A. A., Eneh, J., ... & Okunsanya, T. (2019). An impact study of the Village Savings and Loan Association (VSLA) in Nigeria. *African Population Studies*, 33(2).
- ro, E. (2020). *Impact of village savings and loans associations (VSLAS) on livelihood of women in rural communities: the case of Asikuma Odoben Brakwa District of Ghana* (Doctoral dissertation).
- llo, T., & Mwesigwa, D. (2022). Analysing the significance of village savings and loan association (VSLA) to community development in Uganda.
- me, N., ANIGBOGU, T. U., & Nwankwo, F. O. (2020). Influence of Village Savings and Loan Associations (VSLA) on Poor Household Wellbeing in Ayamelum Local Government Area, Anambra State.(2015-2019). *Forshen Hub International Journal of Entrepreneurial and Cooperative Studies*, 3(1), 1-17.
- Palinkas, L. A., Horwitz, S. M., Green, C. A., Wisdom, J. P., Duan, N., & Hoagwood, K. (2015). Purposeful sampling for qualitative data collection and analysis in mixed method implementation research. *Administration and policy in mental health and mental health services research*, 42, 533-544.

Patton, M. Q. (2023). *Qualitative research & evaluation methods: Integrating theory and practice*. Sage publications.

Qi, X., & Dang, H. (2018). Addressing the dual challenges of food security and environmental sustainability during rural livelihood transitions in China. *Land Use Policy*, 77, 199-208.

Re, F. (2014). What literature review is not: diversity, boundaries and recommendations. *European Journal of Information Systems*, 23, 241-255.

, V. P., Vangchhia, L., Sati, V. P., & Vangchhia, L. (2017). Sustainable livelihood approach to poverty reduction. *A sustainable livelihood approach to poverty reduction: an empirical analysis of Mizoram, the eastern extension of the Himalaya*, 93-100.

ones, I. (2013). Livelihoods perspectives and rural development. In *Critical perspectives in rural development studies* (pp. 159-184). Routledge.

anowitz, A. (2011). Challenges to the Field and Solutions: Over-Indebtedness, Client Drop-Outs, Unethical, Collection Practices, Exorbitant Interest Rates, Mission Drift, Poor Governance Structures and More. *New pathways out of poverty*, 53-120.

nont, T. (2017). Analyzing Village Savings and Loans Associations through the Sustainable Livelihoods Approach. *A case study in Kabarole district. Ghent: University of Ghent*.

ene, E. H. (2016). Theorizing conceptual framework. *Asian Journal of Educational Research* Vol, 4(2), 50-56.

Toure, K. (2009). What's wrong with microfinance?

APPENDIX A: QUESTIONNAIRE

QUESTIONNAIRE

This questionnaire is designed to assess the benefits of the Village Savings and Loans Association (VSLA) model on the households of rural women in the Tolon District of the Northern region of Ghana. Kindly spare us some time out of your tight schedule to complete this questionnaire as objectively as possible. The information given out is solely for academic purposes and would be treated as confidential. Thank you.

SECTION A: PERSONAL DATA OF RESPONDENT(S)

Write or tick (✓) the appropriate response to each of the questions.

1. Sex: Male ☐ Female ☐

2. Age: a. 18-29 ☐ b. 30-39 ☐ c. 40-49 ☐ d. 50 and above ☐

3. Number of years as a VSLA member or facilitator? Less than 1yr ☐ 1-3 ☐ 4-5 ☐ 6-8 ☐

4. Educational Level: None ☐ Primary ☐ JHS ☐ SHS ☐ Tertiary ☐

Others

5. Occupation.....



6. Name of a community if applicable

7. Name of the group if applicable

8. Name of Institution /Agency if applicable

SECTION B: ROLES OF THE VSLA MODEL IN THE TOLON DISTRICT

9. Please specify your level of knowledge or participation in the VSLA model.

a. Active Participants/Member

b. Former Participant/Member

c. Observer

d. Secretary/Facilitator.

10. How long have you been involved with VSLA activities

a. Less than a cycle

b. One cycle

c. Two to three cycles

d. More than three cycles.

11. What is the average share value?

.....

12. What is the average share value per each sitting?

.....

13. Does your VSLA group give out loans to its members?

Yes [] No []

14. What are the qualifications for a loan?

.....

.....

15. What is the average loan amount given within the cycle?

.....

16. What is the interest rate?

a. 5%

b. 10%

c. 15%

d. 20%



17. What are the various uses of the loans from the VSLA

.....

18. To what extent do you agree/disagree with the following roles played by the VSLA model?

Using a scale of 1 - Strongly disagree; to 5 - Strongly agree with the table below:

Roles of the VSLA Model	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
The VSLA model operations improved financial inclusion in the district					
The model has facilitated access to financial credit, savings, and income generation in the district.					
The Model has enhanced entrepreneurship and income generation in the district					
The model has empowered women financially					
VSLA operations helped participants develop financial management skills					
The model has aided members to acquire physical assets					
The model has helped minimize domestic violence					



19. What other roles do you derive from the VSLA model in the community?

.....

.....

SECTION C: BENEFITS OF THE VSLA MODEL OPERATIONS ON RURAL WOMEN AND THEIR HOUSEHOLDS IN THE TOLON DISTRICT

20. Using a scale of 1–5 [where 1 = *strongly disagree*; 2 = *disagree*; 3 = *Uncertain*; 4 = *agree*; 5 = *strongly agree*] indicate the extent to which you agree or disagree to the benefits associated with the VSLA model.

Benefits of the VSLA model	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
Improved investment in household health					
Helps to increase income for my household					
Savings enables one to acquire physical assets					
Provides me the opportunity to access financial credit with minimal interest					
Offers opportunity for improved social cohesion and network					
Serves as social security					
Access to education for children					
Afford agriculture inputs					
Facilitate SME formation and sustainability					



21. Are there any other benefits members derive from the VSLA model operations?

.....

.....

SECTION D: CHALLENGES ASSOCIATED WITH VSLA OPERATION IN THE TOLON DISTRICT

22. Using a scale of 1 – 5 [where 1= Strongly Disagree; 5= Strongly Agree],

Indicate the extent to which you agree/disagree with the challenges associated

With VSLA

Challenges	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
Lack of enough money to save					
Late repayment of loans					
Members unable to repay small loans					
Deepens domestic violence					
causes violent conflicts					



23. What other challenge(s) affecting VSLA schemes?

.....

.....

24. How best can VSLA scheme be strengthened to make it more effective and sustainable?

.....

SECTION E: EFFECTS OF VILLAGE SAVINGS AND LOANS ASSOCIATION (VSLA)

MODEL ON HOUSEHOLD INCOME

25. Using a scale of 1 – 5 [where 1= Strongly Agree; 5= Strongly Disagree],

Indicate the extent to which you agree/disagree with the effects of VSLA model on household income

Effects of VSLA model on household income	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Increased access to savings opportunities					
Facilitated access to credit for income-generating activities					
Enhanced financial management skills among participants					
Improved community cohesion and support networks					
Reduced reliance on high-					





interest loans from external sources					
Encouragement of entrepreneurship and small business development					
Empowerment of women through participation in financial decision-making					