

**THE ROLE OF INFORMAL FINANCIAL INSTITUTIONS IN IMPROVING
SOCIAL WELLBEING OF THEIR MEMBERS IN GEITA DISTRICT,
TANZANIA**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
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ABSTRACT

Informal Financial Institutions (IFIs) are likely to have potential contributions to people's enhanced wellbeing in general. However, apart from material wellbeing, there is little knowledge about the contribution of IFIs especially Accumulating Savings and Credit Associations (ASCAs) to the social wellbeing particularly social connectedness to its members. This was the driving force to conducting this research. This study was done to examine the role played by ASCAs in improving social wellbeing of their members. The specific objectives were to examine the factors which motivate people to join ASCAs, identify benefits other than financial enjoyed by the members of ASCAs, determine levels of social wellbeing achieved by participants in ASCAs and analyse challenges faced by members of ASCAs to achieve their goals. The study adopted a cross-sectional research design to achieve the stated objectives in which a combination of purposive and simple random sampling techniques was employed to select a sample size of 108 respondents who were members of ASCAs. Quantitative and qualitative data were gathered through a structured questionnaire survey as well as KIIs and FGDs whereby analysis was done using IBM SPSS Statistics computer programme version 21 and content analysis respectively. The inferential statistics 'paired sample t-test' was employed to test significant improvement in social connectedness before and after membership to ASCAs. The results showed that ASCAs are rich of opportunities sought by people for their wellbeing. Apart from financial benefits, ASCAs have positive contribution to the improvement of social connectedness to their members offering members' improved satisfaction with life. The findings also showed that members' social connectedness increased by 25.8%; the increase was significantly different at 0.05 ($p = 0.000$) as the results of a paired samples t-test of comparing members' level of social connectedness before and after membership to ASCAs. ASCAs face some challenges, among others;

consistent delay of paying back the borrowed funds and defaulting are considered intolerable ones as they limit on time attainment of members' planned goals. Therefore, the study recommends that the government and stakeholders should help strengthening existence and operations of ASCAs so that they constantly continue to deliver all observed benefits people find potential within ASCAs. In addition, ASCAs should practically enforce the agreed norms, rules and principles and other innovative strategies, which may help to avoid the stated challenges.

DECLARATION

I, **Last Lingson**, do hereby declare to the Senate of Sokoine University of Agriculture that this dissertation is my own original work done within the period of registration and that it has neither been submitted nor concurrently being submitted for a higher degree award in any other institution.

Last Lingson
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Date

The above declaration is confirmed by:

Prof. David Gongwe Mhando
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DEDICATION

This academic work is firstly dedicated to the Almighty God, the giver of my life and guidance that enabled me to reach this successful academic ending. I secondly, dedicate it to my dearly loved wife, Agatha Deniss Mwambona Kyusa and my beautiful daughters; Brillia Last Lingson Mwakasendile and Eiseria Last Lingson Mwakasendile for their tireless prayers, comfort and tolerance during my studies as most of the time I stayed away from them. Sweet words from my wife which kept telling me, “I trust you husband”, and curiosity of my firstborn daughter Brillia to know when I was graduating hence kept counting down numbers of remaining months and days were catalysts for me to work harder and harder despite harsh challenges. I also dedicate this work to my late mother Helena Mwankina Kalinga who, despite difficult and challenging life we faced when I was young, could not stop teaching me good deeds and believing in better days ahead, and here now tearfully I say, ‘mama I have made it again. It has been more than you expected’. The dedication also goes to the pastor of Moravian Church in Tanzania in Geita Parish, Geita Region who acted as my father and my best friend in my life, Pastor Nicodemo Nicodemo, as well as blood-brothers and sister and their children for their spiritual, social and psychological support. This dissertation is also dedicated to all ASCAs members in Geita District for their struggle to help building a happy society.

“A wise man is strong; yes, a man of knowledge increases strength.”

(Proverbs 24:5)

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LIST OF ABBREVIATIONS

ASCAs	Accumulating Savings and Credit Association
BoT	Bank of Tanzania
CFGs	Community Financial Groups
DAS	District Administrative Secretary
DC	District Council
FAO	Food and Agriculture Organization
FGD	Focus Group Discussion
FSDT	Financial Sector Deepening Trust
FYDP	Five Years Development Plan
GRCO	Geita Regional Commissioner's Office
HH	Household
HHS	Household Survey
IFGs	Informal Financial Groups
IFIs	Informal Financial Institutions
IMF	International Monetary Fund
ISGs	Informal Savings Groups
KIIs	Key Informant Interviews
NBS	National Bureau of Statistics
NEEC	National Economic Empowerment Council
NMP	National Microfinance Policy
NSGRP	National Strategy for Growth and Reduction of Poverty
RAS	Regional Administrative Secretary
ROSCAs	Rotational Savings and Credit Association
SDG	Sustainable Development Goals
SHGs	Self – Help Groups
SILC	Savings and Internal Lending Community

SPSS	Statistical Package for Social Sciences
TC	Town Council
TDV	Tanzania Development Vision
UN	United Nations
URT	United Republic of Tanzania
VEOs	Village Executive Officers
VICOBA	Village Community Bank
VSLA	Village Savings and Loan association
WB	World Bank
WV	World Vision

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background to the Study

Informal finance is briefly considered as an informal mechanism of financing which is different from those offered by banks or micro-finance institutions (MFIs), credit unions, cooperatives and insurance companies (Aliber, 2015). Informal financial institutions (IFIs), informal financial groups (IFGs), informal savings groups (ISGs) and community financial groups (CFGs) are different terms used by different scholars to refer to the same meaning (Kashuliza *et al.*, 1998; Aryeetey, 2008; Aliber, 2015; BoT and FSDT, 2016; NEEC, 2016; Ntamazeze, 2016). This study uses the term informal financial institutions (IFIs) to mean the same as the stated four terms above.

These institutions are created by indigenous people to make credit/loan facilities more accessible to people and help in solving their socio-economic problems (Sambe *et al.*, 2013; Technoserve, 2014; Aliber, 2015; NEEC, 2016). The mechanism (IFIs) is a diverse and relies on traditional, often unwritten norms, rules, and practices (BoT and FSDT, 2016). IFIs include institutions such as rotating Savings and Credit Associations (ROSCAs), accumulating savings and credit associations (ASCAs). Others are informal money lenders, loan brokers, thrifts, village savings and loan associations (VSLAs), village community banks (VICOBA), savings and internal lending communities (SILC) and funeral societies (Allen and Panetta, 2010; Sambe *et al.*, 2013; Aliber, 2015; BoT and FSDT, 2016; Cheruiyot *et al.*, 2016; NEEC, 2016). IFIs have a long history in poor communities among low-income people, mostly women in managing their financial needs to help alleviate poverty and empower them to become economically active (Kashuliza *et al.*, 1998; Aryeetey, 2008; Beck, 2012; Technoserve, 2014; BoT and FSDT, 2016).

Being embraced by women, IFIs were considered as women's practices in that women have a committed concern for ensuring the wellbeing of children and other family members. In addition, they can generate large sums without interference or even knowledge of their husbands (Lwoga *et al.*, 1999; Coetzee and Cross, 2003; Jazayeri, 2008; Allen and Panetta, 2010; NEEC, 2016). In Niger, about 197,000 women belonged to IFs by 2010 (Allen and Panetta, 2010), whereas in Tanzania it was estimated that there were over 200,000 CFGs, whose 80 percent of the members constituted women in the year of 2015 (NEEC, 2016).

In this study, IFIs, apart from being economically strengthening, are family tethering institutions. Arguably, the core-identifying characteristic of informal financial institutions is that they emphasize on inter-personal relationships and have played the role of solving households' petty and basic needs rather than relying on anonymous interaction between a client and a formal financial institution (Allen and Panetta, 2010; Aliber, 2015; BoT and FSDT, 2016; Cheruiyot *et al.*, 2016). They (IFIs) further create a sense of caring for each other as its operations are concerned with the value of oneness and humankind in their defined environments.

In this dissertation, Informal Financial Institutions (IFIs) specifically refers to accumulating savings and credit associations (ASCAs). In these associations, members' savings are used as a source of capital to provide loans at agreed periods (mostly one-month). Conversely, members get their cumulative savings back, including interests earned from loans at the end of annual cycle or agreed time (Lwoga, 1999; Allen and Panetta, 2010; Ledgerwood and Rasmussen, 2011; Beck, 2012; BoT and FSDT, 2016; Cheruiyot *et al.*, 2016; NEEC, 2016). Moreover, it can be extended as a practice of the

individuals having a good will shared in common for their extended survival in clearly defined humankind.

Although previous studies (Lwoga *et al.*, 1999; Mutesasira *et al.*, 1999) in Tanzania claimed that ASCAs were not prevalent as ROSCAs, nineteen years later Ledgerwood and Rasmussen (2011) affirmed that African countries with the largest numbers of ASCAs include Tanzania, Kenya, Uganda, and Mali. Savings groups such as ASCAs are not only a viable alternative for many people unlikely to be served by brick-and-mortar financial institution; they are the catalyst for enhanced social capital, improved gender relations, women's leadership, and community social and economic development (Allen and Panetta, 2010; Beck, 2012).

There have been risks and challenges associated with the operations of these groups among members, and which include persistent defaulting, unsafe ways of keeping funds, very low booking knowledge, mismanagement, poor records keeping, misuse of funds by leaders and transfer of domiciles among members (Kashuliza *et al.*, 1998; Coetzee and Cross, 2003; Aryeetey, 2008; Technoserve, 2014; BoT and FSDT, 2016). However in spite of the risks and challenges, these groups have continued to thrive all over the world (Aryeetey, 2008). Improving household's business outcomes, women's empowerment and ensuring children's welfare are some of the stated contributions of IFIs (Fadiga and Stewart, 2004; Beck, 2012; Sambe *et al.*, 2013; Karlan *et al.*, 2017). In other words, ASCAs provide a great relief to low income people and hence enhancing their social-psycho welfare, something that other formal institutions have failed to provide to the beneficiaries. It was estimated that by 2016, 10.6 million (37%) of Tanzanian adults in urban and rural areas accessed finance informally (BoT and FSDT, 2016). Additionally, 500 million adults in Africa have remained outside the formal financial system (WB,

2017). IFIs enhance social wellbeing of the members as their operations rely on traditional, often unwritten norms, rules, practices with the consideration of people who know each other (BoT and FSDT, 2016; Shawiza, 2018).

Social wellbeing enhanced by IFIs is the individuals' perceived quality of their social relationships with others embedded in their social networks, performance in social roles and their social participation, hence creating a sense of belonging and social inclusion (Larson, 1993; Keyes, 1998; Keyes and Shapiro, 2004; Zupančič and Kavčič, 2017). In this dissertation, social well-being refers to social connectedness carrying measurable indicators, which are friends, friendship, extent of access to information, and social support. This dimension is chosen because it is the main dimension in social wellbeing within which all other dimensions are defined to mean or represent social cohesion and strong social bond among relating people.

Social connectedness; the degree to which a person has and perceives a sufficient number and diversity of relationships that allow her or him to give and receive information, emotional support, and material aid, creates a sense of belonging and value and fosters growth (Williams and Durrance, 2008; Rossi *et al.*, 2012; FFI, 2013; Radzyk, 2014). Here is to test helpfulness of the level of belongingness of individuals on the attainment of social support, information sharing, and extending number of friends and opportunities. Social connectedness is highly valued by people because it gives them comfort, provides love, allows them to confide with people (feel part of the group) and acts as a channel to other opportunities.

In recent years, Tanzania, like most other African countries, has experienced a rapid growth of ASCAs whereby people of different economic levels have found themselves

participating (Kashuliza *et al.*, 1998; Ledgerwood and Rasmussen, 2011; WB 2017; BoT and FSDT 2016; Yegon, 2016). More specifically, by the mid of 2017, Geita District was estimated to have 378 informal financial groups most of them being ROSCAs, ASCAs and income generating in the distribution of 165 Geita DC and 213 Geita TC (GRCO, 2017).

This growth signifies an opportunity, which alerts the governing system as well to create accommodating environment for the sustainable function of IFIs (including ASCAs) to such individuals (Kashuliza *et al.*, 1998; Aryeetey, 2008; Karlan *et al.*, 2017). This study is based on the assumption that in addition to financial (income) benefits to ASCAs members, there are other benefits accrued to members of these organisations. The study was therefore aimed at identifying the social ties rooted on social benefits ASCAs are providing to members' in Geita District.

1.2 Statement of the Problem

There are various studies on the role and contribution of informal financial institutions (IFIs) in general and in their specific categories such as ASCAs to the wellbeing of the members and the community at large. Some of the studies including Flynn (2013), Sambe *et al.* (2013), Aliber (2015) and Cheruiyot and Yegon (2016) concentrated much on the roles of IFIs in improving financial and economic well-being of their members. However, little is known about the contribution of these IFIs, particularly ASCAs to the social wellbeing (social connectedness) to its members and the community in Geita District. Most of the available studies focused on the contribution of these institutions to the members' income only. There has been little focus on why people continue to use these informal institutions for their survival despite the availability of loans from banks and microfinance, and despite the challenges facing these institutions in their operations as

highlighted in the previous section (Coetzee and Cross, 2003; Aryeetey, 2008; Technoserve, 2014; BoT and FSDT, 2016). Geita is one of the newly formed regions in Tanzania, which has been experiencing an increase of ASCAs. The study on which this dissertation is based, therefore, intended to find out how these ASCAs as part of IFIs have contributed (contribute) to the improvement of social wellbeing (social connectedness) among members in Geita District.

1.3 Justification of the Study

The study is in line with the national continued strategies and plans of achieving sustainable development and livelihoods among Tanzanian people. These strategies and plans are expressed in various national plans and strategies that complying with the international strategies and development plans (Sustainable Development Goals (SDGs) 2030). These development plans include the Tanzania Development Vision of 2025 (TDV 2025) which, among other things, emphasizes on high quality livelihood, good governance and peace, stability, and unity (URT, 1999). Another is National Strategy for Growth and Reduction of Poverty/ *Mkakati wa Kukuza Uchumi na Kupunguza Umasikini* (NSGRP/MKUKUTA) II (2010/11 to 2014/15) in Clusters II and III, which emphasized on the quality of life and social well-being and good governance (URT, 2010).

Also, the study is in line with the second phase of the National Five Years Development Plan (FYDP II-2016/2017 – 2020/2021) through some of its objectives including (vi) improving the quality of life and human well-being, and (viii) strengthening of the role of local actors in planning and implementation (URT, 2016). The other is the revised National Microfinance Policy (NMP, 2017) whose expected outcomes, among other things, includes improving saving culture, and invigorates the microfinance sub-sector. This can be done by mobilizing and coordinating various stakeholders including IFIs,

which in turn will contribute to economic growth, employment creation and poverty reduction (URT, 2017). Internationally, the study is in line with the global Sustainable Development Goals (SDGs 2030) whose goals 1, 3, and 5 emphasize on ending poverty, promoting good health and well-being, and gender equality respectively (UN, 2015). The findings of this study can be useful in designing and evaluating public policies as a means of strengthening the existing knowledge and inform policy makers and development planners on the benefits accrued from roles played by these institutions for the well-being of ASCAs' members.

1.4 Objectives of the Study

1.4.1 General objective

The general objective of the study was to examine the role played by accumulating savings and credit associations (ASCAs) in improving social wellbeing of the members.

1.4.2 Specific objectives

The specific objectives of the study were to:

- i. Examine factors which motivate people to join accumulating savings and credit associations (ASCAs),
- ii. Identify non-financial benefits enjoyed by the members of ASCAs,
- iii. Determine levels of social wellbeing achieved by participants in ASCAs, and
- iv. Analyse challenges faced by members of ASCAs to achieve their goals.

1.5 Research Questions

- i. What are the factors that motivate people to join accumulating savings and credit associations (ASCAs)?
- ii. What other benefits are accrued by members of ASCAs apart from financial gains?
- iii. How well-being is perceived by members of ASCAs in their groups?
- iv. What are the challenges faced by members of ASCAs to achieve their goals?

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Conceptualization of Key Concepts

2.1.1 Institutions

Institutions are defined as behavioural rules for social interaction. They (institutions) form 'the rules of the game' that structure social interactions while the actors (human beings) are the 'players of the game' (Skoog, 2005; Hodgson, 2006). Such rules are man-made and govern or shape human behaviour and shaped by the actions of individuals and groups (Lazzarin, 2001; Skoog, 2005:25; Keizer, 2008). Sectors of society can only function well in the presence of institutions that hold society together where actors operate as a group and serve the interests of the groups (Keizer, 2008).

2.1.2 Financial institution

Financial Institution is an institution, which is responsible for the supply of money to the market through the transfer of funds from investors to the companies in the form of loans, deposits, and investments. Examples include commercial banks, investment banks, brokerage firms, insurance companies, asset management funds, credit unions, and financial firms (My Account Course, 2018). These institutions are a key to the financial intermediation process, whereby financial institutions transfer funds from those who save money to those who borrow money (Galloway, 2016).

2.1.3 Informal financial institutions

In this study, Informal Financial Institutions refers to groups that are collectively owned and managed by members. These groups mobilize savings from individuals and provide short-term loans to members, and sometimes to non-members, at varying interest rates, depending on their structure. They operate at the community or village level in rural areas

that often lack commercial or formal providers of financial products and services (Technoserve, 2014; BoT and FSDT, 2016).

2.1.4 Accumulating savings and credit associations (ASCAs)

An ASCA is a form of informal financial institutions (IFIs), which usually has between 15 to 30 members who meet at agreed time intervals. IFIs involve contributions of funds from members. The funds are then loaned to members with minimal interests, and at the end of the agreed harvest time members meet and decide whether to divide equally and start again or divide the benefits and leave the capital for the next season (Fadiga and Stewart, 2004; Beck, 2012; Invested Development, 2012; Kabuya, 2015; BoT and FSDT, 2016; Ntamazeze, 2016). ASCAs provide an opportunity to join a group of people who share experiences and interests, trust each other, accumulate savings together, promote shared decision-making between members and take small flexible loans from the group's funds for investment, consumption, emergencies or social activities (Beck, 2012; Ntamazeze, 2016). In the context of this study and Tanzania in general, IFIs are commonly known by the local name "*Kikundi*" (BoT and FSDT, 2016).

2.1.5 Social wellbeing

Social wellbeing is the extent to which one (an individual) feels a sense of belonging and social inclusion. Lifestyles, ways of living together, value systems, traditions, and beliefs are all important to our social wellbeing and quality of life. Having a healthy social wellbeing is about connecting with your community and having a strong support network and good friends: it is about knowing your neighbours and looking out for each other (Corby, 2018). It is the familiarity to public health professionals in the context of social and income inequality, social capital, social trust, social connectedness and social networks (FPH, 2010).

2.2 Theoretical and Empirical Review

2.2.1 Social capital theory

This study is guided by the social capital theory which was pioneered by Bourdieu (1983, 1985), Granovetter (1983) and Coleman (1986a). The theory was later extended by other scholars including Putnam (1993), Platteau (1994), Moore (1994) and Woolcock (1998). In its broadest sense, Social Capital Theory encompasses the norms and networks facilitating collective actions for mutual benefits (Woolcock, 1998; OECD, 2001). It is these norms and networks in ASCAs that bring members together and act as a foundation for the operations of these groups. In other words, it is the social capital, which informs social well-being whereby measurement of social capital enlarges our understanding of how individuals in a community can work cooperatively to achieve shared goals and deal with difficulties (ABS, 2002).

At one end, social capital is seen as a notion that is based on the premise that social relations have the potential of facilitating social, psychological, emotional, and economic benefits residing in relations and not in the individuals themselves (Lin, 1986; Coleman, 1988a; Lin, 2000; White, 2002). Social capital is a dependent concept and takes many different interrelated forms, including obligations (within a group), trust, intergenerational closure, norms, and sanctions with an underlying assumption that the relationships between individuals are durable and subjectively felt (Bourdieu, 1983). The relationships themselves form a complex web of interactions and communications, which produce profits (Fukuyama, 1999; Putnam, 1993; Lin, 2001; White, 2002). Relating to this theory, operation of ASCAs abides by collectively agreed norms and rules among members from which pertinent social and economic benefits are accrued. Members of ASCAs form a network of individuals with a similar purpose, interests, and shared backgrounds. Through these networks, among others, individuals get access to credit and loans cheaply

and easily which enable them to save and solve their socio-economic problems. They also manage to extend a number of people to interact with for support in needy times.

The social capital theoretical implication is justified in the study area (Geita District) whereby people who are connected to ASCAs through memberships managed to extend and enhance their connections from among participating members. The revealed increase in social connectedness by 25.8% being significantly different at 0.05% ($p = 0.000$) among ASCA members shows clearly that social networks (social connectedness) is well met and strengthened when people extend their relations in groups especially informal groups. A similar observation is made by Rodríguez -Pose and Berlepsch (2012) that the main drivers of social capital appear to be informal social interactions while Pretty (2003) observes that, social capital is built basing on the extent of relations an individual creates and the common rules, norms, and sanctions guiding the group/organization for ensuring that there is a disciplined relationship while continuing accessing the desired resources embedded in the relations. Life satisfaction of people is significantly higher when they have strong social networks, when they make frequent use of these supportive networks, when they trust those among whom they live and work, and when they feel a sense of belonging in their communities (Helliwell and Barrington-Leigh, 2010). This means that ASCAs are reliable sources of extending social connectedness among members and enabling investing and accessing social capital for improved wellbeing.

2.2.2 Empirical review

This section involves a review of various empirical studies relating to this topic. IFIs in general and ASCAs in particular have been potential in improving wellbeing (mostly social wellbeing) in terms of social connectedness of their members and taking it as an

important catalyst for the increased happiness of the members and interest of people of various statuses

Most researchers and scholars, for example, Aryeetey (2008), Sambe *et al.* (2013), Technoserve (2014), Aliber (2015) and Cheruiyot and Yegon (2016) have shown their interest in studying how IFIs have improved financial and economic wellbeing of their members. Such literature focused on the growth of informal financial institutions and the financial benefits (economic wellbeing) they offer to the members, but they took very little interest in how these institutions are powerful to the livelihood of the people socially and hence in the promotion and sustainability of these institutions. Moreover, among all the categories of IFIs, very few studies focused on the roles, important or impact of ASCAs to the wellbeing of the beneficiaries. Many studies focused on ROSCAs and VSLCs. Even the few studies that focused on the roles of ASCAs to the wellbeing of their members have not managed to show how these ASCAs are important in extending and strengthening social connectedness among members and in improving their social wellbeing. Sambe *et al.* (2013) study on the effects of informal financial institutions on socio-economic development of Adikpo town in Nigeria concentrated on the extent these institutions had facilitated access to credit facilities and affected the level of investment among members. They affirmed that people prefer to operate with these institutions as their conditions for credit are soft, which is coupled with faster administration of loans with interest rates that are lower than those in the formal financial institutions. In their study, Sambe *et al.* (Ibid) failed to explain how these institutions are important for enhancing or improving social connectedness as one of the important aspects of social wellbeing and how it has attracted many people into joining the institution.

Moreover, The Bank of Tanzania (BOT) in collaboration with the Financial Sector Deepening Trust (FSDT) assessed the IFGs performance in Tanzania in order to gain deeper insights into their evolution, nature, characteristics, management, and operational features. In their study, they practically concentrated on how financially these IFGs are potential for entrepreneurial purposes and responses. They found that, IFGs are delivering financial services to millions of Tanzanian households whereby in Tanzanian communities today, whether in urban or in remote rural areas, there are many IFGs including upatus, kuzikanas, VICOBAAs, VSLAs, and other varieties and hybrids. They further added that, IFGs in Tanzania are spreading ahead of effective reach of the formal financial sector. Flynn (2013) also assessed the impact of financial Self-Help Groups (SHGs) on poverty alleviation and development in rural areas of Uganda in-terms of earning and small businesses established by the studied community. Focusing on how financial benefits have been the sole factors for people to join informal financial groups, the researcher revealed that SHGAU (the Union of self-help groups in Uganda) discourages (but does not ban) keeping savings in the banks. They encourage members to keep investing the money in different business ventures so as to receive more benefits. The author concluded that SHGs are very effective at reaching the poorest of the poor, a group which is often ignored or hard to reach. The SHG model is effective at relieving people with extreme poverty; it gives the poorest of the poor, who usually have very limited access to financial services, the opportunity of saving their money and take out loans to improve their economic, physical, and mental welfare and the welfare of their families. BoT and FSDT (2016), like Shawiza (2018), acknowledged local norms which guide the operations of these groups, that is, local norms of reciprocity and cooperation, and both studies confirmed that the operation of these IFGs is in membership model whereby some members hold multiple memberships.

The report of FinAccess (2009) discussed the role of informal financial groups in extending access to financial services in Kenya. They reviewed the literature on informal groups mostly ROSCAs and ASCAs to highlight the key ways in which their functions and roles have been analyzed. Much of their emphasis was on explaining why informal groups are so popular. Their findings indicate that the main reasons why people are joining ROSCA and ASCAs include the ability to accumulate, to make savings commitment, and self-discipline. Despite focusing on the role of IFIs in accessing financial services in Kenya, the authors revealed other reasons that made people join informal financial groups and these reasons include the need of obtaining funds in emergencies and of enjoying social contacts and networks. However, the authors did not go in detail in explaining how important these social contacts and networks are in IFIs such as ROSCAs and ASCAs to their members and community at large.

Kondratjeva (2017) acknowledges the existence of informal financial borrowing as being in the form of friends and families, private moneylenders, landlords, informal cooperatives and informal associations such as ROSCAs and ASCAs. His study in Nepal on the connection between borrowing from formal and informal channels and subsequent household well-being showed that the main and all three specific objectives and findings relied on examining household economic wellbeing on how borrowing improves wellbeing of low-income households and facilitating credit delivery. He concluded that households in Nepal borrow and use the borrowed funds to invest directly in self-employment and agricultural activities and indirectly in consumption. Borrowing and investing in productive activities elevate the overall well-being of households, allowing them to increase their consumption levels.

In another study, Beck (2013) looked at the impacts of ASCAs on child wellbeing as engineered by the World Vision (WV) in rural Nampula, Mozambique. The author however put focused more on the economic outcomes and little on social outcomes of the ASCAs to the households of the beneficiary children and to the individual and the community. WV being a child focused organization, the researchers had interest in seeing what influence the ASCA model in WV would have on the wellbeing of children with the aimed of improving WV programming and therefore contribution to the fight against poverty. The author concluded that ASCA participation influence the availability of income and funds to the households leading to greater spending on and ownership of household assets, which are helpful in fulfilling child's wellbeing. The study revealed that in order to achieve income diversification, training on extensive business and agriculture should be necessary which in return will assure investment for caregivers through the ASCA for their children's education and nutrition wellbeing.

Although not very directly stated, Shawiza (2018) observed that despite the advice by analysts of speaking against the unreliability of informal financial groups and the risk of loss of money, many people continue using IFIs. A similar observation is made by Aryeetey (2008) and Mahdi (2018) that members' interest in IFIs is beyond material benefits. Informal financial groups enable people to maintain and develop their resources by encouraging saving and making available lump sums, which can be used for small-scale investment, or meeting household needs such as school fees and on the like. However, the scholar understands the social roles and support provided by these groups among members though not clearly stated. When emergencies strike support often also runs beyond the financial to other forms of material assistance and moral support. Groups are also a place where people can learn from others, share their experience and in where advice can be sought and given (Shawiza, 2018).

Acknowledging the advantages of ASCAs over other IFIs Fanta (2013) identifies transparency of operations, meeting the basic needs of clients for simple and accessible savings and credit needs. However, the author's arguments rely much on financial and economic advantages and expanding micro-businesses. Aliber (2015) did a comparative study of Uganda and India, on the importance of Informal Finance in promoting decent work among informal operators. The author carried out this study by mainly looking at the extent to which informal operators look to informal financial institutions in order to finance the start –up of their enterprises and to understand the reasons for which informal finance rather than formal sector may be used.

2.3 Conceptual Framework

Figure 1 presents the conceptual framework for this research describing the inter-linkages among variables, that is, independent variables which are in the group of “operational criteria” standing for an ASCA in its definition; dependent variables which are expressed as “social wellbeing”, and intermediate variables which are expressed as “affordability” in the figure. The operational criteria being the guiding principles of ASCAs; if complied by members may lead to benefits to members including acquisition of capital for starting a business and managing household expenses as well as extended connectedness within which one gets friends who become supportive in many issues. Also, accessing important information because by gathering which include people from various backgrounds there are always new and useful information within it and social support in hard times. However, activeness of the principles which are considered here as operational criteria depends on the members' ability to stand for it. If such criteria not seriously complied and well managed by members lead to challenges which in return destroy the group (ASCA) since members cannot keep their membership to it. Therefore, the existence of ASCA and its benefits depend much on the members' compliance to the set operational criteria.

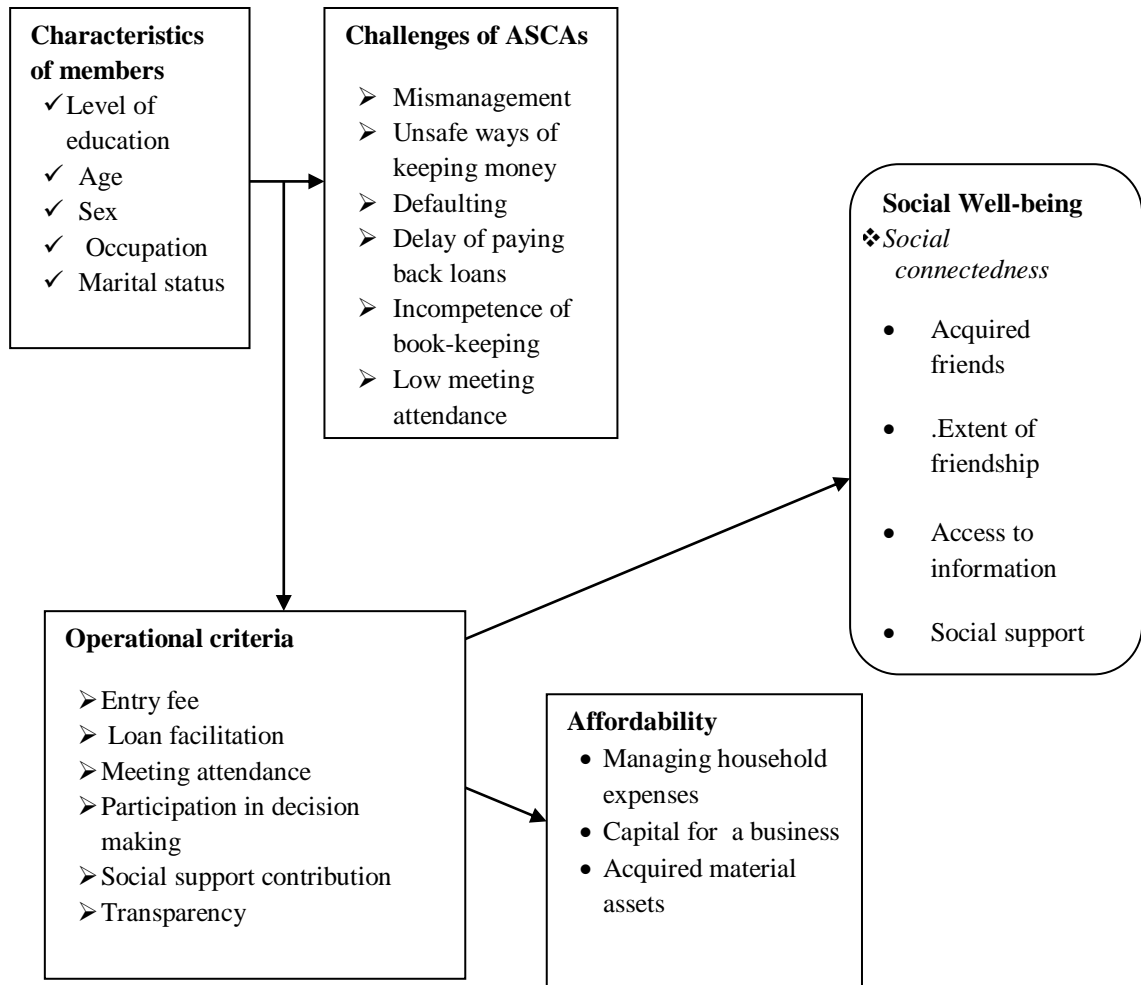


Figure 1: Conceptual framework describing interconnected variables for the study

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Study Area

The research was conducted in Geita District, in Geita Region, Tanzania where two divisions of Geita and Bugando were chosen and whose wards of Nyankumbu and Bugulula were involved. Nyankumbu is a ward in Geita Town Council and its two streets (*Mitaa*) of Uwanja and Elimu were selected for the study while Bugulula and Kasota were the only two villages involved in the study from Bugulula ward in Geita District Council. The divisions and the study groups were selected using purposive technique so as to be sure of the accessibility of the groups for the study. This is because such groups are informally operated. In addition, it was recorded that Geita District was potential for other economic opportunities such as fishing in Lake Victoria. These factors attract a mixture of residents originating from other regions and from other neighbouring countries (URT, 2013). This mixture of the population helped to give a good representation of the general population towards the perception of the role of ASCAs.

Geita District is located in Geita Region lying between latitudes 2° 55' South of the Equator and longitudes 32° 15' East of the Greenwich. The district shares borders with Lake Victoria in the North, Chato District in the West, and Sengerma District in the North-East, Nyang'hwale District in the South-East and Mbogwe and Bukombe Districts in the Southern part. The district has a total surface area of 6375 km², among these 1050 km² are covered by water of Lake Victoria and 5325 km² is occupied by dry land. The district has six (6) divisions with fifty (50) wards distributed into 192 villages, 65 streets, 626 sub-villages, and 285 169 households (URT, 2013; GRCO, 2017).

According to NBS census of 2012, the district had a population of 807 619 in the distribution of 407 144 females and 400 475 males; 136 885 households and an average household size of 5.90. It was projected that by 2017 the District would have a population of 929 414 in the distribution of 468 544 females and 460 870 males. The productive age (15-49 years) by 2012 was said to be 347 207: 179 155 females and 168 052 males, and by 2017, the population of a productive age was projected to rise by 52,361: 27 018 females and 25 343 males to make 399 568 (NBS, 2012; NBS, 2018).

The locations of the research areas; Bugulula and Nyankumbu Wards, in Geita District, Geita Region, are shown on the map of Tanzania in Figure 2, which also shows other regions.

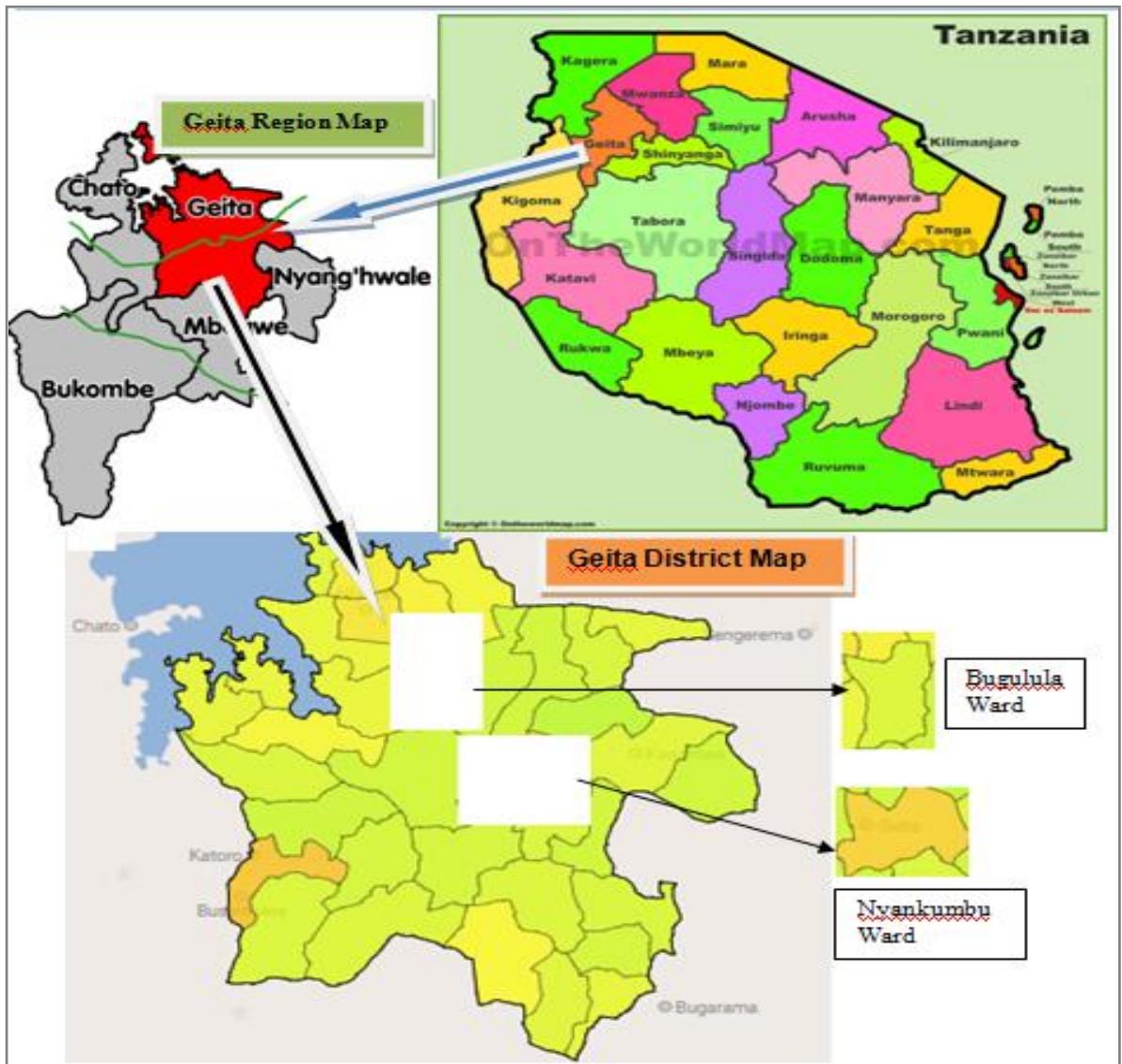


Figure 2: A map of Tanzania showing the study areas

Retrieved from [http:// webcache.googleusercontent.com](http://webcache.googleusercontent.com) on 7th March, 2019

3.2 Research Design

The research design of the study, based on the ability to control independent variables, was a non-experimental research, whereas based on the time of data collection the design was a cross-sectional one whereby data were collected just once and at a single point in time from multiple cases (Creswell, 2014). Such cross-sectional design was useful for the study in the sense that despite being quick, easy, and cheap to conduct; it allowed establishment of relationships between variables (Levin, 2006; Saunders and Thorn,

2009). Both qualitative and quantitative research approaches were employed for data collection.

3.3 Study Population and Unit of Analysis

The targeted population in this study was members of the ASCAs and key informants who were Community Development Officers, Cooperative Officers, Village Executive Officers (VEOs) from Geita District Council and Geita Town Council forming Geita District. In this study, a member of an ASCA was the unit of analysis.

3.4 Sample Size and Sampling Procedures

Purposive multistage sampling was used to select divisions, wards, and villages based on the presence of accumulating savings and credit associations (ASCAs). Two selected divisions; one from each council, that is, Geita DC and Geita TC were selected and each produced one ward to make two study wards. Two villages and two streets (*mitaa*) were selected from the selected wards in Geita DC and Geita TC to make four sub-study areas. Each village and street (*mtaa*) produced two study groups (ASCAs) which made 8 study ASCAs whose respondents were randomly selected as is shown in Table 1.

Table 1: Description of the studied areas and groups

District	Geita							
Councils	Geita DC				Geita Town Council			
Wards	Bugulula				Nyankumbu			
Villages and Streets	Bugulula Village		Kasota Village		Elimu Street		Uwanja Street	
Studied ASCAs	Upendo Wanawake	Budowise & Unguu	AIC No. 1	Amani	Flowers	Upendo Kivukoni	Bhagosha	Tuinuane

Moreover, random sampling through lottery technique was used to select respondents for the study who facilitated in the collection of demographic information of the members in terms of education level, household size, occupation, marital status, age, and gender. The

selection of respondents for in-depth interviews was purposive based on qualification and roles. The lottery method was applied whereby the respondents who met criteria were more than the required number for the interview. Purposeful sampling is widely used in qualitative research for the identification and selection of information—rich cases related to the phenomenon of interest (Palinkas *et al.*, 2015).

The lists of IFI beneficiaries were obtained from leaders of particular ASCAs. Bailey (1994) observes that at least 30 respondents are reasonable to draw a conclusion. In addition, Fadiga and Stewart (2004) in Senegal, and Cheruiyot *et al.* (2016) in Kenya used a sample of 150 and 100 respectively. Therefore, 108 respondents who were involved in this study were enough to help obtain the findings for generalization of the study. Each ASCA provided at least 13 participants for the survey and 2 participants for FGD. Also, two (2) village and street (*mitaa*) leaders (one (1) from each village and street) and four officers (one (1) Community Development Officer and one (1) Cooperative Officer from each of the two Councils) for KI interviews were interviewed.

3.5 Measurement of Variables

In its operational definition, social connectedness carried aspects of extent of newly acquired friends by a member in the ASCA, the extent of friendship from among friends in the ASCA, the extent of receiving social support and access to important information from among ASCA members. The results for all four statements, that is, acquired friends by the member, extent of friendship the member had from among the friends, the extent of accessing information and the extent of reliability of social support were put into five scales of strongly disagree, disagree, neutral, agree and strongly agree. Response on “strongly disagree” was the least point and on “strongly agree” was the highest point. Since an index summated scale was used, the minimum possible scores were set to be

four (4) if one chose “1” point (strongly disagree) for each of the four statements. Also, the maximum possible score was twenty (20) if one chose “strongly agree” (5 points) for each of the four statements.

3.6 Types of Data and Collection Methods

3.6.1 Types of data

Both primary and secondary data were collected. Primary data were collected from the members of ASCAs and key informants (KIs) through semi-structured questionnaire, in-depth interviews, and focus group discussions. Most of the data collected during the survey were attained through a Likert scale, multiple responses, and binary responses. Secondary data were gathered from ASCA’s kept operational records and their constitutions to observe the emphasized contents and members’ eligibility criteria. However, at council level, they did not have databases for these ASCAs, therefore, it was not easy to collect information from them since they were not registered.

3.6.2 Data collection methods and tools

3.6.2.1 Household survey

During the household survey, a structured questionnaire was used as a tool for collecting quantitative information among the sampled ASCA members. The information gathered through this method was on the overall operations of the ASCAs, members’ experiences in ASCAs, benefits gained by being a member of the group, challenges facing members of ASCAs, measures against experienced and projected challenges, and their opinions regarding the operation of ASCAs.

3.6.2.2 Key informant interviews (KIIs)

The method was guided by the prepared checklist containing open-ended questions of collecting information from key informants. Key informants were picked from those who had supervisory and administrative roles to the operation of the ASCAs within the localities including Community Development Officers and Cooperative Officers at the Council level and village leaders (VEOs). Men and women who participated in in-depth interviews were selected by grouping them basing on sex categories; then the lottery method was used to obtain the respondents at equal representation from each group. KIIs were thought important because their information came directly from knowledgeable people who provided data and insights that could not be obtained with other methods.

3.6.2.3 Focus group discussions (FGDs)

A checklist of guiding questions with open-ended questions was used to collect information from among participating members of a particular ASCA with the consideration of gender sensitivity (Krueger, 2002). This helped in obtaining in-depth information about the ASCA and its role to members. The study employed FGDs because the group format stimulates better discussion, generates new ideas, and promotes exploration of unknowns regarding the research objectives. Two (2) FGDs were conducted whereby each ward was involved with only one FGD containing two participants from each ASCA, hence making eight (8) participants in each FGD. Primarily, it was targeted to involve eight FGDs but with the challenges of availability of participants who were very busy with agriculture and construction of service facilities and limitation of time it was technically decided that two FGDs with the representation of two participants from each ASCAs were enough. Participants were selected purposefully based on their good knowledge about the role of informal financial institutions in improving social wellbeing of their members.

3.7 Data Analysis

IBM SPSS Statistics computer programme version 21 was used to analyse quantitative data through descriptive, multiple responses, and comparing means, which helped to produce findings used in this report. As the data collected in this study were both quantitative and qualitative, descriptive statistics was involved in organizing, summarizing, describing, and presenting the data in tabular forms, including frequencies and percentage distributions, graphs, and pie charts. Content analysis was used for analysing the raw data obtained from FGD and in-depth interviews, which were interpreted for making judgment of the studied issues. Through content analysis, information collected from KIIs and FGDs was summarized and categorized thematically. Corroboration of the results was used to link the study with the latest relevant research studies.

3.7.1 Analysis of the data by the specific objectives

Objective 1: To examine factors which motivate people into joining accumulating savings and credit associations (ASCAs). The objective was analysed through descriptive statistics, multiple responses by summarizing and describing data collected and presented in tabular forms containing frequencies, and percentages analysed hence making interpretation of the findings easy.

Objective 2: To identify non-financial benefits enjoyed by the members of ASCAs. This objective was analysed using descriptive statistics, multiple responses, and content analysis whereby large amounts of data were reduced into simpler forms after coding into their categories then presented into tables.

Objective 3: To determine levels of social wellbeing achieved by participants in ASCAs: This was analysed using descriptive statistics and inferential statistics of comparing means particularly a paired samples t-test which was used to test whether there was significant improvement in social connectedness among members before membership and after membership to ASCAs, and the data obtained were presented into tabular form. The employed formula of the paired samples t-test was as follows:-

$$t = \sum(X_{\text{pre}} - X_{\text{post}}) / SE_{\text{diff}}$$

Whereby:

t = Paired t-test value

X_{pre} = Individual's score on levels of social wellbeing before membership to ASCA

X_{post} = Individual's score on levels of social wellbeing after membership to ASCA

SE_{diff} = Standard error of difference which is a statistical index of the probability that a difference between the statistical means of two samples is greater than zero.

The decision to use the paired samples t-test in this objective was because of its usefulness in determining whether the mean difference between two sets of observations is zero, particularly comparing data of before and after so as to capture the difference.

Objective 4: To analyse the challenges faced by members of ASCAs in achieving their goals. The objective was analysed by using descriptive statistics whereby frequencies and percentages of multiple responses were presented in tabular forms.

3.8 Ethical Considerations

There were no significant ethical issues expected because of the nature of the research and by abiding by the research ethics of Sokoine University of Agriculture. Efforts were made to make sure the rights of the participants were respected at all times on matters which would violate or threaten their welfare or humankind, and that the participants

were fully aware of their rights. The size of the participants and ways responses were given during FGDs and KIIs made it impossible to obtain their information needed from each member hence were verbally requested for their consent to have them audio recorded. After obtaining their consent their responses were recorded in writing and in audio recorders, particularly smart phones. All the respondents and participants were made aware that their participation was voluntary, and that they had the right to withdraw from the research at any time and or stop the interview at any time if they found out that it was compromising their viewpoint and values. It also was made clear to them that they had the right to request some information to be treated as confidential and not used in the research. This was the same for the names of the respondents in survey, FGDs, and KIIs. However, no respondent and participant requested for anonymity of their names. All were willing to give out their contacts for further communication in case the need arose.

3.9. Limitations of the Study

Despite successful exercise of data collection, the researcher faced many setbacks in conducting this research. One of the hindrances was interruption between respondents' own daily plans and activities with the research process. The research period tied up with the season of farming in the study area, which caused some difficulties of getting the respondents because most of them were busy preparing their fields (farms) for growing crops. In addition, people were busy offering their labour by collecting sands, water, and bricks during construction of development projects such construction of dispensaries and classrooms. Financial problem was another limitation. Since the research was self-sponsored, paying frequent visits to meet the respondents in the study area and frequent printing of the questionnaires and other materials needed for the research was so costly. This was extended up to the last stage of dissertation preparation and writing.

Another limitation was researcher's incompetency on communicating in a local language. Some respondents in the study areas faced difficulty in understanding Kiswahili or English (were typically competent in Sukuma and Zinza languages). This forced the researcher to find a local resident who was good at both Kiswahili and local languages as an interpreter. Using interpreters denied the researcher to perfectly deliver his intended message to the audience and to grasp the direct verbal responses (during FGDs) given by the respondents/participants.

CHAPTER FOUR

4.0 RESULTS AND DISCUSSION

This chapter presents the results and discussions. It is divided into five (5) sections. Section one presents the results of the demographic characteristics of the respondents, while section two presents the results and discussion of the factors motivating people into joining ASCAs. In addition, section three explains the non-financial benefits enjoyed by members of ASCAs. Section four presents the results and discussion on the levels of social wellbeing achieved by participants in ASCAs. The last section presents the results and discussion on the challenges faced by members of ASCAs towards achieving their intended goals.

4.1 Demographic Characteristics of Respondents

Demographic and socio-economic characteristics of the respondents have important implications on poverty reduction in its broadest meaning. Demographic and socio-economic characteristics are valuable attributes to any society as they reflect their behaviour in decision making and its probable expected reasons to the stimuli exposed to them. The general characteristics of the respondents that were examined in this study were age, sex, marital status, household size, education level, and main occupation.

4.1.1 Age of the respondents

As table 2 shows that in the villages (rural areas), 55.6% in Bugulula Village, and 48.1% in Kasota Village had the typical dominant age group of 30 – 39 years. In *mitaa*/streets (town areas), on the other hand the dominant age groups ranged from 30 – 49 years whereby Elimu Street (*Mtaa*) had both 30 – 39 and 40 - 49 age groups at a score of 44.4% membership each, and Uwanja Street had 37.0% for age group 30 – 39 and 40.7% for the

age group of 40 – 49. Generally, this implies that membership to these age groups has mostly attracted the youth age group. Youths are considered to be important resources for steering up socio-economic development in any society or country, and it is the group which is struggling to ensure that their future is promising by identifying all potential opportunities for them (Idike and Eme, 2016).

Table 2: Demographic Characteristics of respondents (n = 27 in each village and street)

Characteristics	Statistics	Villages		Streets	
		Bugulula	Kasota	Elimu	Uwanja
Age group					
20 – 29	Freq	4	4	0	3
	Percent	14.8	14.8	0	11.1
30 – 39	Freq	15	13	12	10
	Percent	55.6	48.1	44.4	37.0
40 – 49	Freq	4	5	12	11
	Percent	14.8	18.5	44.4	40.7
50 – 59	Freq	4	4	3	3
	Percent	14.8	14.8	11.1	11.1
60 – 69	Freq	0	1	0	0
	Percent	0.0	3.7	0.0	0.0
<i>Total</i>	Freq	27	27	27	27
	Percent	100.0	100.0	100.0	100.0
Sex					
Female	Freq	19	16	14	17
	Percent	70.4	59.3	51.9	63.0
Male	Freq	8	11	13	10
	Percent	29.6	40.7	48.1	37.0
<i>Total</i>	Freq	27	27	27	27
	Percent	100.0	100.0	100.0	100.0
Marital status					
Single	Freq	1	3	5	3
	Percent	3.7	11.1	18.5	11.1
Married	Freq	20	23	20	21
	Percent	74.1	85.2	74.1	77.8
Widowed	Freq	4	1	1	2
	Percent	14.8	3.7	3.7	7.4
Separated	Freq	2	0	1	1
	Percent	7.4	0.0	3.7	3.7
<i>Total</i>	Freq	27	27	27	27
	Percent	100.0	100.0	100.0	100.0

4.1.2 Sex of respondents

As for sex of the respondents, the findings in Table 2 show that in each area, females were the leading sex whereby in Bugulula Village females were 70.4%, Kasota Village 59.3%, Elimu Street 51.9% and Uwanja Street by 63.0%. In Elimu Street, the percentage of female and male respondents who were members to the studied groups had minimal difference of only 3.8% that is 51.9% (females) against 48.1% (males). Females seem to lead in all groups because of their weak position and for a long time they have been disadvantaged with economic opportunities, so they use these informal ways of finance for savings to strengthen themselves economically. This is supported by Fapohunda (2012) who stated that, employment opportunities in the formal sector are often denied women because of family responsibilities, lack of skills, social and cultural barriers. The informal sector is often the only possibility for women to get access to employment and to earn an income, consequently women dominate the informal sector. They are also the sole sex whose relationships and interactions are enjoyed much (built) in collective (groups) (see Mwangi and Kimani, 2013; Aliber, 2015).

4.1.3 Marital status of respondents

As for marital status, the findings in Table 2 show that married respondents were more than any other category in this group in each village and street (*mtaa*). In Bugulula Village, married people led by 74.1%, followed by 85.2% in Kasota Village, 74.1% in Elimu Street, and 77.8% in Uwanja Street. The percentage for the rest of the categories, that is, single, widowed, and separated varied in each village and street except Kasota Village. This village had no any respondent who reported 'separated.' The fact that married couples are the leading category to have membership in the studied groups was reported during FGDs and KIIs. This implies that they preferred being part of this system of savings and self-help (ASCAs) for the security during hard times financially, and for

social and psychological support. This finding is in line with the observation made by Ellis *et al.* (2010) that households are involved in various sources of financial services to help meet the needs of the households and invest in education or a business that can contribute to economic growth and help the attainment of social needs.

4.1.4 Household size of the respondents

The findings in Table 3 show that all the surveyed respondents had household sizes of ‘six and above’ members whereas two (7.4%) respondents in Elimu Street reported to have only ‘one’ size each, that is, they were single with no dependents.

Table 3: Demographic characteristics of respondents (n = 27 in each village and street)

Characteristics	Statistics	Villages		Streets	
		Bugulula	Kasota	Elimu	Uwanja
HH Size					
One	Freq	0	0	2	0
	Percent	0.0	0.0	7.4	0.0
Between two and three	Freq	3	2	5	3
	Percent	11.1	7.4	18.5	11.1
Between four and five	Freq	12	12	15	5
	Percent	44.4	44.4	55.6	18.5
Six and above	Freq	12	13	5	19
	Percent	44.4	48.1	18.5	70.4
Total	Freq	27	27	27	27
	Percent	100.0	100.0	100.0	100.0
Education level					
Primary education	Freq	16	21	7	16
	Percent	59.3	77.8	25.9	59.3
Secondary education	Freq	1	6	9	3
	Percent	3.7	22.2	33.3	11.1
Tertiary education	Freq	1	0	10	0
	Percent	3.7	0.0	37.0	0.0
No formal education	Freq	9	0	1	8
	Percent	33.3	0.0	3.7	29.6
Total	Freq	27	27	27	27
	Percent	100.0	100.0	100.0	100.0
Sources of income					
Farming	Freq	25	24	3	26
	Percent	92.6	88.9	11.1	96.3
Entrepreneurship	Freq	2	2	15	1
	Percent	7.4	7.4	55.6	3.7
Government employment	Freq	0	1	6	0
	Percent	0.0	3.7	22.2	0
Company employment	Freq	0	0	1	0
	Percent	0.0	0.0	3.7	0.0
NGO employment	Freq	0	0	2	0
	Percent	0.0	0.0	7.4	0.0
Total	Freq	27	27	27	27
	Percent	100.0	100.0	100.0	100.0

In Bugulula village, the leading size was between ‘four and five’, and ‘six and above’ each at 44.4% responses. Kasota Village led by having ‘six and above’ size (48.1%) followed by the ‘four and five’ sizes (44.4%). In addition, Elimu Street was led by the respondents with household sizes of ‘four and five’ (55.6%) people followed by ‘six and above’ and ‘two and three’ both at 18.5%. Uwanja Street dominated by the respondents with household sizes of ‘six and above’ (70.4%) followed by ‘four and five’ (18.5%). These findings imply that households with six and above’ members (averaging 45.4%) have sizes above the National (Tanzania) average households’ size of 4.7 (URT, 2017). Consequently, large household size means an increase of dependence ratio and it could be one of the propelling factors for joining these groups for extra support. .

4.1.5 Education level of the respondents

The findings in Table 3 show that Bugulula village had 59.3% of the respondents with primary education; this is followed by Kasota village (77.8%), and Uwanja Street (59.3%). Elimu Street was reported to have more respondents with tertiary education (37.0%) than any other education level, followed by respondents with secondary education level (33.3%). About 55.6% of the respondents attended primary education. The other percentage in descending order included secondary education level (23.1%), tertiary education level (12.9%), and non-formal education (9.3%). Having higher percentages of holders of primary education as members of the studied ASCAs, followed by 12.9% with tertiary education, and 23.1% with secondary education for both males and females is unprecedented (Mwangi, 2013; Cheruiyot, 2016). This signifies that the groups (ASCAs) had reliable positive effects in the life of people which could not be attained in other forms of financial services.

4.1.6 Sources of income of the respondents

The findings in Table 3 present sources of income in each village. The leading source of income was farming which was reported by 96.3% of the respondents in Uwanja Street, 92.6% in Bugulula Village, and 88.9% in Kasota Village. Elimu Street reported to have the leading respondents whose main source of income was entrepreneurship recorded at 55.6%. In the finding in the case of Elimu Street is an indication that apart from their interest in social support in these groups, people also are involved in these groups for financial gains (savings and cheap loans). In addition, it means that increased level of education helps to enlighten thinking and efforts of doing other things, which seem beneficial. In terms of education level, Elimu Street had 37.7% respondents with tertiary education and 33.3% with secondary education

Generally, despite that, 72.2% of the respondents from ASCAs depend on farming as their main source of income; the other sources were entrepreneurship (18.5%), government employment (6.5%), NGO employment (1.9%), and company employment (0.9%). The fact that farming was reported to be the leading source of income among the respondents implies that ASCAs like other IFIs are very important to farmers during farming and assistance during times of poor harvests. Similar argument is made by other scholars (e.g. Aryeetey, 2008; FinAccess, 2009; Flynn, 2013; Mahdi, 2018) that, IFIs are of crucial importance in the rural areas in granting affordable loans to farmers for purchasing production inputs. Mahdi (2018) argues that people in the formal employment and business have been attracted by IFIs operations of for their services, which are beyond offering a mere financial support.

4.2 Factors motivating people to join ASCAs

Considering results in Table 4 this section presents nine most probable factors obtained from binary response (Yes, No) where the respondent had to assign ‘yes’ or ‘no’ to each outlined factor. Such identified factors included cheap and easy access to loans, the trickling back to members of the saved money and interests, social support during hard times, and making savings for intermediate and future plans. Others include the reality that the group and its operations are owned by members. This helps in extending friendship with new people, accessing vital and reliable information, exposed to new life experiences and ideas and a forum of socialization. The responses from the two villages and two streets involved in this study were analysed by village and street wise to capture unique characteristics of the people of each area.

Table 4: Factors for people to join ASCAs (n = 27) in each village and street)

Influencing factor	Statistics	Villages		Streets	
		Bugulula	Kasota	Elimu	Uwanja
Cheap and easy access to loans	Freq	25	26	26	27
	%	92.6	96.3	96.3	100.0
Saved money and interests returning to members	Freq	27	27	27	27
	%	100.0	100.0	100.0	100.0
Attainment of social support in hard times	Freq	26	26	27	27
	%	96.3	96.3	100.0	100.0
Savings for intermediate and future plans	Freq	25	26	27	26
	%	92.6	96.3	100.0	96.3
The group and its operations owned by members	Freq	27	25	27	27
	%	100	92.6	100.0	100.0
Extending friendship with new friends	Freq	25	27	24	27
	%	92.6	100.0	88.9	100.0
Accessing vital and reliable information	Freq	25	27	27	26
	%	92.6	100.0	100.0	96.3
Exposed to new life experiences and ideas	Freq	25	26	25	24
	%	92.6	96.3	92.9	88.9
A forum of socialization	Freq	26	26	23	25
	%	96.3	96.3	85.2	92.6

4.2.1 Savings and credit

Table 4 shows that among all nine outlined probable factors, 100.0% of the respondents cited savings money and getting the interests back to members as the most important contributing factor for membership in all four studied areas. These findings suggest that the primary motivation of the majority of the respondents in ASCAs is savings and its associated benefits.

The factor on saving money and interests returning to members when dissolving the group was reported by a 100% as factor by all respondents in all studied streets and villages, that is, Elimu, Uwanja, Kasota, and Bugulula. Saving for intermediate and future plans and easy access to cheap loans were reported as the very important factors among the respondents in urban/town (streets) areas vis-a-vis in rural (villages) areas as reported by 100% of the respondents in Elimu Street and Uwanja Street respectively. Both Kasota Village and Uwanja Street had 96.3% of the responses on the saving for intermediate and future plans factor while it was agreed by 96.3% in Elimu Street and Kasota Village that cheap and easy access to loans was an important factor for membership. The findings indicate that respondents in Uwanja and Elimu Streets had higher score on savings for future plans and easy access to cheap loans than respondents from the village areas (Bugulula and Kasota) because residents in town areas have reported to have been participating more in entrepreneurship activities for their survival. This is justified by the findings shown in the section of demographic characteristics of respondents in the part of the sources of income of the respondents.

4.2.2 Ownership of ASCAs

As presented in Table 4 it was reported by 100% of the respondents in Bugulula Village, Elimu Street and Uwanja Street that the operation of ASCAs being owned by members

was an important factor for them to join ASCAs. Basing on the responses, the urban respondents reported and acknowledge that it is important for ASCAs and its operations to be owned by the members to solicit total commitment and reach their expectations.

4.2.3 Social support attainment

A 100% of the respondents in Elimu Street and Uwanja Street reported that social support attainment in hard times was a very important factor. On the other hand, 96.3% of the respondents in rural areas of Bugulula and Kasota Villages agreed on the factor of social support attainment. Accessing vital and reliable information was positively reported by all respondents in Kasota Village and Elimu Street by 100%. But it was 96.3% in Uwanja Street and 92.5% of the respondents at Bugulula Street. The responses on the factor of attainment of social support during hard time were higher in streets (*mitaa*) probably because most of the residents in towns are likely to be non-indigenous of the areas and they need support in time of difficulties. This forces them to make use of these groups to act as collateral and for support in hard times as compared to villagers whose residents are indigenous and provision of social support to the needy one is noted to be communal obligation.

4.2.4 Extending friendship

With regard to Table 4 all respondents (100%) in Kasota Village and Uwanja Street reported to be attracted by the factor on extending friendship with new friends. Similar factor was a motivation for 92.6% of the respondents in Bugulula Village and 88.9% of the respondents in Elimu Street. These findings suggest that extended friendship is needed both in rural and urban areas as Feddes *et al.* (2009) and Taylor *et al.* (2015) report, within friendship there are business opportunities, giving each other support during times of need, prevents loneliness and hence boosting one's happiness and improve self –

confidence. Interest in socialization was found to be an important factor and was reported by 96.3% and 92.6% of the respondents in Bugulula and Kasota Villages respectively. Similar finding was reported by 85.2% of the respondents in both Uwanja Street and Elimu Street.

4.2.5 Experiencing new ideas and opportunities

Factors on experiencing new ideas and opportunities were acknowledged by 96.3% of the respondents in Kasota Village, 92.6 percent of the respondents in Bugulula Village and Elimu Street and 88.9% of the respondents in Uwanja Street. This indicates that rural residents are aware of the need for and the importance of new ideas and opportunities which they can utilise for increasing their income and welfare.

Table 5 presents the combined results showing that people had different interests and expectations when joining these groups. However, among all the factors, some appeared to be common to all the respondents. It was found that 100% of the respondents were attracted by the financial benefits because the saved money and collected interests from among themselves would go back to them again when dissolving the group. The responses on the other factors were 98.1% for both attainment of social support during hard times and savings for intermediate and future plans. In addition, 97.2% of the respondents were on both accessing vital and reliable information and that the group's operations were owned by members themselves. The lowest responses were on the factors that the groups (ASCAs) are a forum for socialization and exposure to new life experiences, each scored by 92.6% of the respondents. Furthermore, the reality no factor was scored by below 90% of the respondents signifies that all the stated factors are the very important.

Table 5: Factors (overall) associated with people having membership in ASCAs (n=108)

Influencing factor	Freq	%	Mean
Cheap and easy access to loans	104	96.3	1.04
Saved money and interests go back to members	108	100.0	1.00
Social support attainment in hard times	106	98.1	1.02
Savings for intermediate and future plans	106	98.1	1.02
The Group and its operations owned by members	105	97.2	1.03
Extending friendship with new friends	103	95.4	1.05
Accessing vital and reliable information	105	97.2	1.03
Exposed to new life experiences and ideas	100	92.6	1.07
A forum of socialization	100	92.6	1.07
Overall Mean	104	96.4	1.04

Attainment of social support during hard times was one of the major reasons for the respondents to join ASCAs. The kinds of social support referred to by all the groups included; financial support during funerals, sickness, and traditional/social ceremonies (e.g. marriages) at the member's household. Also, gathering for comfort during the funeral at the member's households and paying a visit to a sick member. Material support (during funerals and ceremonies) and human labour where necessary were the other kinds of support offered under social support. All these play an important role in strengthening one's self-confidence, psychological relief as they feel a sense of belong in the supportive environment. As Shawiza, (2018) states, during emergency times, support in informal groups often goes beyond financial to other forms of material assistance involving also moral support. Importance of social support among members was reported by one of the participants of FGDs in Bugulula Ward who said:

“Even if the banks and micro-finances remove interest rates and other constraining criteria towards accessing loan, still they cannot afford to give what we get in these ASCAs. The existing relationship among members in our groups is much more the likes of family-hood; we sincerely care each other, and mostly in hard times. Operation of our groups is much more for support and creation of

togetherness rather than for a business purposes which is the core target in formal banks and other financial institutions.”

This account from one of the respondents indicates the importance of these groups in their daily lives. Such motivating benefits had been triggered by binding criteria for membership, which gives the definition or meaning of ASCAs in practice. Table 6 showing the criteria for membership indicates that payment of entry fees and other contributions, ability to pay back the borrowed funds from the group, being a native of the village or area where ASCA operates, attending group’s meetings, and trustworthy were reported by 100% of the respondents. The necessity of acquiring the agreed uniforms and the necessity of being a member of a political party were the least stated criteria with the score of 13.0% and 12.0% respectively.

Table 6: Criteria for membership to the group (ASCA)

Criteria	Frequency	% of response
Payment of entry fee and other contributions	108	100.0
Ability to pay back the borrowed funds from the group	108	100.0
Native of the area	108	100.0
Trustworthy	108	100.0
Confidentiality	107	99.1
Compliance to social support	107	99.1
Compliance to agreed contributions	107	99.1
Commitment to group’s tasks	106	98.1
Must have agreed uniform	14	13.0
Must be a member of a Political Party	13	12.0

4.3 Non-Financial Benefits Enjoyed by Members of ASCAs

This section presents the second objective of the study, which identified the benefits other than financial enjoyed by the members of ASCAs. The attainment of these benefits was done by pre-outlining probable non-financial benefits and put into binary responses where the respondents were to respond ‘yes’ or ‘no’ where appropriate. Such pre-outlined probable benefits included; getting assistance during hard and emergency times,

socialization benefits, getting new friends, strengthening social status, increasing self-esteem, gaining new business opportunities, gaining respect from among community members, and practicing leadership skills. Table 7 presents the findings relating to the second objective.

Table 7: Non-financial benefits enjoyed by members of ASCAs (n = 27 in each village and street)

Non-financial benefit	Statistics	Villages		Streets	
		Bugulula	Kasota	Elimu	Uwanja
Assistance in hard and emergency times	Freq	27	27	26	26
	Percent	100.0	100.0	96.3	96.3
Socialization benefits	Freq	27	26	25	27
	Percent	100.0	96.3	92.6	100.0
Acquired new friends to rely on	Freq	25	27	27	25
	Percent	92.6	100.0	100.0	92.6
Strengthened social status	Freq	24	27	26	22
	Percent	88.9	100.0	96.3	81.5
Increased self-esteem	Freq	23	24	27	23
	Percent	85.2	88.9	100.0	85.2
Gained new business opportunities	Freq	23	24	24	23
	Percent	85.2	88.9	88.9	85.2
Gaining respect from among community members	Freq	19	24	18	18
	Percent	70.4	88.9	66.7	66.7
Practicing leadership skills	Freq	17	22	19	21
	Percent	63.0	81.5	70.4	77.8

4.3.1 Assistance in emergency times

The respondents in Bugulula and Kasota Villages were found to benefit by 100% on assistance during emergency times from the group while 96.3% of the respondents in Elimu and Uwanja Streets each reported the same. All (100%) of the respondents in Bugulula village and Uwanja Street reported to have been enjoying socialization in their groups. Furthermore, 96.3% of the respondents in Kasota village and 92.6% in Elimu

Street reported to have been enjoying such socialization benefit. These findings imply that ASCAs operating both in rural and urban areas play an important role in providing a relief to its members in the times of need.

4.3.2 Acquiring new friends, strengthened social status and self esteem

The respondents from Kasota Village and Elimu Street reported to have acquired new friends and extended their friendship by 100% as opposed to members in Bugulula Village and Uwanja Street who reported the same by 92.6%. This implies that, the need of friends is equally important to people in both villages and town. Moreover, the respondents from Kasota Village were reported to have strengthened their social status by 100%, on the other hand, the same was reported by 96.3% of the respondents in Elimu Street, 88.9% (in Bugulula Village), and 81.5% of the respondents in Uwanja Street. At Elimu Street, self-esteem was reported to have increased by 100% whereas it increased by 88.9%, 85.2% and 85.2% among participants in Kasota Village, Bugulula Village and Uwanja Street respectively. Although financial benefit was noted at the first sight but these findings on non-financial benefits by the respondents confirm that the advantages of ASCAs are beyond a mere financial. Similar findings are reported by Shawiza (2018) who revealed that, members are likely to be attracted to join groups whose members are likely to be motivated by additional support during emergencies. People find these groups to be a place where they can strengthen their social interaction, learn from others, share their experience, and seek for advice.

4.3.3 New business opportunities

Benefiting from new business opportunities was reported by 88.9% of the respondents in both Elimu Street and Kasota Village. Similar findings were reported by 85.2% of the respondents in Bugulula village and Uwanja Street each. This may mean that, extended

knowledge of entrepreneurship across geographic and domestic borders have attracted the attention of people from both urban and rural areas whereby group members can identify and exploit business ideas and other opportunities. This implies that ASCAs have assisted members in making use of the created connections to get business ideas and customers for their businesses as FinAccess (2009) reported that, some of the most important reasons for people to belong to ASCAs is for keeping money safe, to get money easily when one needs it and for exchanging ideas about their businesses.

4.3.4 Leadership skills

Practising leadership skills is one of the non-financial benefits pointed out by the respondents whereby 81.5% of the respondents in Kasota Village reported to have gained knowledge and skills on leadership. The Same experience was recorded by 77.8% of the respondents in Uwanja Street, 70.4% in Elimu Street and 63.0% of the respondents in Bugulula Village. The findings suggest that the respondents understood the need of learning about leadership since everyone has equal chance of becoming a leader in the group as well as in their community where possible.

Village and street wise, the respondents in Kasota Village reported to have been benefiting more from all the identified non-financial benefits as opposed to the respondents from any other village and street by overall responses of 93.1% followed by members in Elimu Street whose overall responses rated 88.9%. In addition to providing important financial benefits and support to its members, ASCAs and other informal financial institutions have proved to be a good mechanism of facilitating members' social status and esteem as their operation is much more of creating environment of caring for supporting each other (Ntamazeze, 2016).

In summary, as shown in Table 8 benefits such as assistance during time of emergency, having a good forum for socialization, acquisition of new friends and strengthening social status were reported as most important among the list of benefits as opposed to other financial factors which were reported by less than 90.0% of the respondents in the series of 98.1%, 97.2%, 96.3% and 91.7% respectively. Acquisition and practicing leadership skills and increased respect were the other two benefits, which scored 73.1% each. These Scores do not mean that they were that of little importance because the difference in percentage and frequency against the most identified factors were minimal. This suggests how important these ASCAs are in ensuring social strength of their members.

Table 8: Other non-financial benefits enjoyed by members in ASCAs (n=108)

Non-Financial Benefits	Response	Frequency	%
Assistance in hard and emergency times	Yes	106	98.1
Socialization benefits	Yes	105	97.2
Acquired new friends to rely on	Yes	104	96.3
Strengthened social status	Yes	99	91.7
Increased self-esteem	Yes	97	89.8
New business opportunities	Yes	94	87.0
Practicing leadership skills	Yes	79	73.1
Increased respect from among community members	Yes	79	73.1

4.4 Levels of Social Wellbeing Achieved by Participants in ASCAs

Social wellbeing in this dissertation means social connectedness. In its operational definition in this study, social connectedness carries aspects of extent of newly acquired friends by a member in the group (ASCA), the extent of friendship from among friends in the group (ASCA), the extent of receiving social support and access to important information from among group (ASCA) members. The results for all four statements, that is, acquired friends by the member, extent of friendship the member had from among the friends, the extent of accessing information and the extent of reliability of social support were set into five scales whereby “strongly disagree” was the least and “strongly agree” was the highest. Since Likert scale was used, the value of each scale was assigned a

number in ascending order from the lowest/least value, which scored “1” to the highest value, which scored “5”.

An increase of the value in each level of scale increased by one unit, that is, “strongly disagree” was assigned ‘1’ value, “disagree” (2), “neutral” (3), “agree” (4) and “strongly agree” (5). Also with regard to the study, it was assumed that index summated scales have equal units as the categories move from negative to positive (as shown in Table 9), whereby value “1 and 2” were perceived as ‘negative’, value “3” was perceived as ‘neutral’ and value “4 and 5” were perceived as ‘positive’. Table 9 shows the results from the respondents.

Table 9: Achieved levels of social connectedness (n = 27 in each village and street)

Category	Extent/Level attained	Statistics	Villages		Streets	
			Bugulula	Kasota	Elimu	Uwanja
Acquired friends by the member	Strongly disagree (<i>Very few</i>)	Freq	2	1	1	1
		Percent	7.4	3.7	3.7	3.7
	Disagree (<i>Few</i>)	Freq	5	3	2	3
		Percent	18.5	11.1	7.4	11.1
	Neutral (<i>Normal</i>)	Freq	7	6	4	4
		Percent	25.9	22.2	14.8	14.8
	Agree (<i>Many</i>)	Freq	5	8	9	9
		Percent	18.5	29.6	33.3	33.3
	Strongly agree (<i>So many</i>)	Freq	8	9	11	10
		Percent	29.6	33.3	40.7	37
Total	Freq	27	27	27	27	
	Percent	100.0	100.0	100.0	100.0	
Access to information	Neutral	Freq	1	1	1	1
		Percent	3.7	3.7	3.7	3.7
	Agree	Freq	4	9	8	4
		Percent	14.8	33.3	29.6	14.8
	Strongly agree	Freq	22	17	18	22
		Percent	81.5	63.0	66.7	81.5
Total	Freq	27	27	27	27	
	Percent	100.0	100.0	100.0	100.0	
Friendship from friends	Neutral	Freq	0	2	0	1
		Percent	0.0	7.4	0.0	3.7
	Agree	Freq	4	6	14	3
		Percent	14.8	22.2	51.9	11.1
	Strongly agree	Freq	23	19	13	23
		Percent	85.2	70.4	48.1	85.2
	Total	Freq	27	27	27	27
		Percent	100.0	100.0	100.0	100.0
Attainment of social support	Neutral	Freq	0.0	0.0	1	0.0
		Percent	0.0	0.0	3.7	0.0
	Agree	Freq	4	1	4	1
		Percent	14.8	3.7	14.8	3.7
	Strongly agree	Freq	23	26	22	26
		Percent	85.2	96.3	81.5	96.3
	Total	Freq	27	27	27	27
		Percent	100.0	100.0	100.0	100.0

4.4.1 Acquired friends

The findings on the new acquired friends by respondents (member) showed that the respondents who reported “strongly agree” had “five and above’ new friends in each studied sub-area. This translated into 40.7% (Elimu Street), 37.0% (in Uwanja Street), 33.3% (Kasota Village) and 29.6% (Bugulula Village). Both Elimu Street and Uwanja Street had a tie of 33.3% “agree” responses on having ‘four’ new friends; while on the same aspect 29.6% of responses were for Kasota Village and 18.5% were for Bugulula

Village. There were more respondents who indicated, “Strongly agree” and “agree” which implies having ‘five and above’ and ‘four’ friends respectively. The respondents in Elimu and Uwanja Streets reported to have many new friends (four and above), which means having many supporters in the times of need. During interviews with the Village Executive Officer (VEO) in Bugulula Village, the interviewee gave one of the reasons for people to join ASCAs as follows;

“Friends mean assistance during emergence times. Having friends helps one to be free from tensions. And, if I compare domestic wise, in terms of those who reside here in villages and those who reside in towns like those in Geita town centre, life in town is more challenging that forces a person to have a wide network of friends so that they assist in hard times, although the need is also high to people in rural areas as life styles change each day”.

The observation by the VEO of Bugulula Village suggests why the respondents in Elimu and Uwanja Streets have reported to have new friends who counted “four” and ‘five and above’. This finding is in-line with what is reported by Pateman (2011) who revealed that rural areas are better off than urban areas on many things such as income, crime, and social life in general. Interaction in rural areas is much easier than in urban areas because people are united for various reasons such as common ethnic background and clan ties.

4.4.2 Access to vital information

On access to vital information, the respondents in Bugulula Village and Uwanja Street reported to be much better off in terms of reliability of access to vital information in groups, whereby about 81.5% of the respondents reported ‘strongly agree’ in each of the stated area. Kasota Village had the lowest response of about 63.0% on reliability of

access to vital information. The small difference on the scored percentages among responses from both rural and urban areas confirms that the need for access to information has no border because information is power. It is noted that these days, people in both town and rural areas are very busy struggling to make a living; thus, using these groups is an important source of accessing information. Literature, for example, (UNDP, 2003; Mitchel, 2012; IFLA, 2018) reported that, information is important for improving people's wellbeing; it is one of the international human rights norms that ordinary people need in order to make informed decisions on matters that affect their lives.

4.4.3 The extent of friendship

As for the extent of friendship, 85.2% of the respondents from Bugulula Village and Uwanja Streets each indicated, "Strongly agree" that friendship among friends in ASCAs were reliable. In Kasota Village 70.4% of the respondents indicated, "Strongly agree" while in Elimu Street the least 48.1% of the respondents indicated, "Strongly agree." In this category, there was also no respondent from the studied village and street who reported 'strongly disagree' or 'disagree'. Thus, although members of ASCAs in Bugulula Village and Uwanja Street reported to have more friends as compared to members of ASCAs in Kasota Village and Elimu Street, the extent of friendship among their friends is equally dependable. As Celine (2011) stated, the final form of friendship can be a best friend which is considered as ultimate kind of friendship for an individual characterized as having deeper level of love, care, trust, loyalty, understanding, knowledge and intimacy. Such level of intimacy often makes the best friend act like extended family member and not just like any other guest or visitor at the home.

4.4.4 Facilitation in social support

As for facilitation in social support, the respondents in Kasota Village and Uwanja Street each had a score of 96.6% on “strongly agree” that groups facilitated them with the needful social support. Thus, 85.2% and 81.5% of the respondents indicated “Strongly agree” responses from among respondents in Bugulula Village and Elimu Street respectively on the mentioned matter. This may mean that, the respondents and members of ASCAs in Kasota Village and Uwanja Street are very keen on the attainment of such support and their groups (ASCAs) are committed to the provision of that social support very fairly. As PlanH (2018) argues, social support is important for buffering the effects of an adverse event or stressful life circumstance. Uwanja Street had the highest percent (73.1%) of the respondents who reported to have highly enjoyed social connectedness in their ASCAs as opposed to other respondents. This is followed by 66.8% in Kasota Village, 65.8% in Bugulula Village, and 60.2% in Elimu Street.

4.5 Inferential Status of the Level of Social Connectedness of Members

The findings in Tables 10 and 11 relate to the verification of the extent of social connectedness. This was measured and scaled up using a four statements index summated scale which included newly acquired friends, level of friendship, access to vital information and attainment of social support. Each of the statements had five potential answers, which were “strongly disagree,” “disagree,” “neutral,” “agree” and “strongly agree”. The minimum possible scores were four (4) if one chose one for each of the four statements. In addition, the maximum possible score was twenty (20) if one chose “strongly agree” (5 points) for each of the four statements.

Table 10: Social connectedness before and after membership

Category	Mean	N	Std Dev.
Points scored on wellbeing before becoming a member of ASCA	15.2407	108	2.09971
Points scored on wellbeing before becoming a member of ASCA	18.8056	108	1.55556
Percentage increase in points scored on wellbeing	25.7862	108	20.14946

Table 11: Inferential results on the significance level of social connectedness

Paired Samples Test	Paired Differences 95% Confidence Interval of the Difference Upper	t	df	Sig. (2-tailed)
Points scored on wellbeing before becoming member of ASCA – Points scored on wellbeing after becoming member of ASCA	-3.08022	-14.583	107	.000

The average points scored on the scale of measuring social connectedness were 15.2 and 18.8 over 20 before and after membership respectively. Connectedness increased by 25.8% which means that becoming a member to ASCAs increased wellbeing in terms of social connectedness to friends, friendship, access to social support and access to vital information from the group (ASCA). The increase in wellbeing was also supported by inferential analysis using a paired sampled t-test which showed that the average points scored on the scale that was used to determine wellbeing before (15.2 points scored) and after (18.8 points scored) were significantly different at 0.05 ($p = 0.000$).

The community, which is socially connected, is a place where everyone can experience the following, feels a sense of belonging; motivated to get involved, build relationships, create new friendships, and contribute to the community through volunteering. As PlanH (2018) reports, socially connected communities support strong citizen engagement and increase the health and wellbeing of residents. People with extensive and strong support networks tend to have better physical health through lower rates of unhealthy behaviours (such as smoking, drinking, and inactive lifestyle), a low prevalence of mental illness, and

have more opportunities of securing and sustaining employment. Research shows that belonging to social groups and networks is just as important a predictor of health as are diet and exercise (Moffatt and Anderson, 2017; PlanH, 2018). Social support is important for buffering the effects of adverse events or stressful life circumstances in other words; social connectedness facilitates social support to the needy individuals.

4.6 Challenges Faced by Members of (ASCAs) to Achieve Their Goals

This objective was meant to understand the constraints regarding the overall operation and membership to these ASCAs as one of the categories of IFIs. Grasping challenges means to be able to describe how they (challenges) contributed to people's perception towards this system and how they affected the ASCAs. About 79.6% of the respondents reported to have faced and experienced challenges in ASCAs, whereas 20.4% of the respondents did not report to experience any challenge while in this scheme (Table 12 shows the percentage of responses).

Table 12: Responses from the respondents about their experiences on challenges in ASCAs (n=108)

Statement	Responses	n	%
If experienced any challenge in ASCA	Yes	86	79.6
	No	22	20.4
Total		108	100

Table 13 shows the responses on the challenges experienced by members of ASCAs. The respondents provided nine types of challenges they faced in the overall although some of them were more specific to a village and street. Among the nine challenges, delay in paying debts, defaulting, members' reluctance of paying fines, poor attendances to meetings, smaller than the expected amounts of earning and exposure of group's confidential information to non-members were reported as noxious challenges by the

respondents in all villages and streets. Unfair treatment, untrustworthy leaders, and decisions being reached by few individuals were other outlined challenges that were specific to a village and or street.

Table 13: Challenges facing ASCAs (n = 108 village and street wise)

Challenge	Statistics	Villages		Streets	
		Bugulula	Kasota	Elimu	Uwanja
Delay in paying back loan	Freq	23	17	18	21
	% of response	29.1	35.4	37.5	32.3
	% of cases	85.2	63.0	66.7	77.8
Defaulting	Freq	16	8	7	16
	% of response	20.3	16.7	14.6	24.6
	% of cases	59.3	29.6	25.9	59.3
Earning little amount than expected when dissolving the group	Freq	10	9	6	9
	% of response	12.7	18.8	12.5	13.8
	% of cases	37	33.3	22.2	33.3
Reluctance to paying fines	Freq	11	4	5	4
	% of response	13.9	8.3	10.4	6.2
	% of cases	40.7	14.8	18.5	14.8
Low meeting attendance	Freq	5	3	5	10
	% of response	6.3	6.3	10.4	15.4
	% of cases	18.5	11.1	18.5	37
Exposing group's secrecy to non-members	Freq	6	5	7	5
	% of response	7.6	10.4	14.6	7.7
	% of cases	22.2	18.5	25.9	18.5
Unfair treatment	Freq	3	2	0	0
	% of response	3.8	4.2	0.0	0.0
	% of cases	11.1	7.4	0.0	0.0
Untrustworthy leaders	Freq	4	0	0	0
	% of response	5.1	0.0	0.0	0.0
	% of cases	14.8	0.0	0.0	0.0
Decisions under few people	Freq	1	0	0	0
	% of response	1.3	0.0	0.0	0.0
	% of cases	3.7	0.0	0.0	0.0

4.6.1 Failure to pay loans on time

Basing on the respondents, 85.2% of the respondents in Bugulula Village reported to have faced persistent delays in loan repayments from members. A similar challenge was reported by 77.8% of the responses in Uwanja Street, followed by 66.7% and 63.0% of the respondents in Elimu Street and Kasota Villages respectively. Both Bugulula Village

and Uwanja Street each had 59.3% of the respondents who reported to have faced a defaulting problem from among ASCA members. Defaulting problem was also reported by 29.6% and 25.9% of the respondents in Kasota Village and Elimu Street respectively. The reported problems of delay in loans repayment and defaulting reported in Bugulula Village and Uwanja Street imply that such challenges are persistent among groups operating in both urban and rural areas. Oxfam America (2013) in their report on the impact evaluation of the saving for change program in Mali 2009 - 2012 indicate that, defaulting of the borrowed fund in many informal financial groups are due to weak mechanisms of holding the defaulters accountable. Many groups often continue to have challenges in terms of group management.

4.6.2 Earning little cumulative money than expected and low meeting attendance

Moreover, Bugulula Village led other villages and streets with the highest (37.0 %) percentage of the respondents who reported to have faced the challenge of earning little than the expected amount of their cumulative money at the end of dissolving their groups. This is followed by Kasota Village and Uwanja Street each 33.3% of the respondents reporting to have faced such challenge, and Elimu Street whereby 22.2% of the respondents had the same challenge. Earning little than the expected amount was largely contributed by defaulting and delay paying back of the borrowed funds by some members. Reluctance in paying fines by some stubborn members was reported by 40.7% of the respondents in Bugulula Village, followed by 18.5% of the respondents in Elimu Street, and 14.8% of the respondents in Kasota Village and Uwanja Street each. Attendance to meetings as one of the obligations of members was reported to be challenging by 37.0% of the respondents in Uwanja Street, followed by 18.5% of the respondents in Bugulula Village and Elimu Street each, and lastly 11.1% of the respondents in Kasota Village.

4.6.3 Exposing secrets of the group

Members' tendency of exposing prohibited group's secrets to non-members was reported by 25.9% of the respondents in Elimu Street as a notorious problem among members, followed by 22.2% of the respondents in Bugulula Village. The same challenge was responded by 18.5% of the respondents in Uwanja Street and Kasota Village each. Bugulula Village and Kasota Village were the only villages where 11.1% and 7.4% of the respondents respectively reported of the existence of elements of unfair treatment in ASCAs. Bugulula was the only Village that reported the prevalence of untrustworthy leaders and decisions being reached by few individuals in their ASCAs by 14.8% and 3.7% of the respondents respectively. Bugulula Village was found to be leading by an average of 32.5% of the overall responses across villages in terms of all nine challenges facing ASCAs members. This denotes that by-laws of groups in Bugulula Village were either loose or leaders have failed to take disciplinary measures against their members.

Combined results (as described in Table 14) showed that delay in loans repayment among group members was the biggest challenge with highest response rate of 90.8% of the respondents followed by defaulting which was responded by 47 respondents (54.0% of the respondents). These findings are in line with the findings in a study by Mwangi and Kimani (2015) who confirmed that defaulting by members is one of the major challenges, which hinder some people from continuing with membership in their groups for a long time. In addition, Chioma and Ngozi (2014) revealed that defaulting and delayed payment of the borrowed money by some members were major problems encountered by IFIs. Additionally, on the same defaulting problem, Thomas (1992) revealed that informal financial sector faces potential defaulting, which reduces the funds available for members' future loans and disbursement among themselves.

Reluctance of paying fines when a member violated the agreed set of norms and rules, the poor attendance to meeting and exposing of group's secrets to non-members were the other frequently reported challenges, registered by of 27.6%, 26.4%, and 26.4% of the respondents respectively. Similar challenges are reported by other studies, for example, Mwangi and Kimani (2015) on the challenges experienced by men and women in the informal finance groups identified poor attendance to meeting as one of the common problems. This was followed by poor governance and burdensome gender roles were other challenges, which hindered smooth running of informal finance groups and therefore discouraged the participation and the rate of saving among men and women. Untrustworthy leaders and the tendency of few individuals making decisions for the group were the least cited challenges by 4 respondents (4.7%) and 1 respondent (1.1%) respectively.

Table 14: Overall responses on the challenges facing ASCAs (n=108)

Challenge faced	Freq	% of Response	% of Cases
Delaying in paying debts	79	32.9	90.8
Defaulting (never paying back the borrowed money)	47	19.6	54.0
Earning little amount than expected	34	14.2	39.1
Reluctance to paying fines	24	10.0	27.6
Low meeting attendance	23	9.6	26.4
Exposing group's secrecy o non-members	23	9.6	26.4
Unfair treatment	5	2.1	5.7
Untrustworthy leaders	4	1.7	4.6
Decisions under few people	1	0.4	1.1

Moreover, the respondents were asked if they had been members of other groups (ASCAs) before joining the current ones and the factors of withdrawing from the previous groups. About 48 respondents (44.4%) had been members of other groups. The remaining 55.6% of the respondents had never been members of other groups before. A few more other still had membership to old ASCAs. Defaulting and poor leadership, which were reported by 39 respondents (33.9%) and 32 respondents (27.8%) respectively were cited

as the most factors which made these 48 people withdraw from their older ASCAs. In other words, and as supported by Mwangi and Kimani (2015) this study affirmed that despite many challenges people face in ASCAs, persistent defaulting and poor leaderships forced many people to cease membership of their former groups. Other reported factors for ceasing membership to the former groups include transfer of place of domicile (16.5%), persistent health problems (8.7%), and disciplinary actions taken against a member (3.5%).

4.7 Measures Against Challenges Faced by Group Members

Table 15 shows the measures adopted by the groups and put into practice to mitigate the reported challenges in ASCAs in each studied village and street.

Table 15: Measures taken against stated challenges (n = 27 in each village and street)

Stated measure	Statistics	Villages		Streets	
		Bugulula	Kasota	Elimu	Uwanja
Friendly talk and consensus	Freq	27	25	27	27
	% of response	23.9	18.2	21.3	19.3
	% of cases	100.0	92.6	100.0	100.0
Fines charging	Freq	20	23	27	27
	% of response	17.7	16.8	21.3	19.3
	% of cases	74.1	85.2	100.0	100.0
Expelling from membership	Freq	23	23	23	27
	% of response	20.4	16.8	18.1	19.3
	% of cases	85.2	85.2	85.2	100.0
Charged at the village government level	Freq	20	20	11	22
	% of response	17.7	14.6	8.7	15.7
	% of cases	74.1	74.1	40.7	81.5
Assets confiscation	Freq	16	23	12	23
	% of response	14.2	16.8	9.4	16.4
	% of cases	59.3	85.2	44.4	85.2
Giving loan to a member valuing his or her total saving	Freq	7	23	27	14
	% of response	6.2	16.8	21.3	10.0
	% of cases	25.9	85.2	100.0	51.9

The findings revealed that, friendly talk was the highly preferred measure in all the groups in each village and street despite serious challenges of defaulting and delay of paying back the borrowed money from members. A hundred percent (100%) in Bugulula Village and Uwanja Street, and Elimu Street and 92.6 percent of the respondents in Kasota Village admitted that friendly talk was the highly preferred measure. This implies that, despite all the stated challenges such groups should not be taken as business entities, but rather as the mechanism of helping one another in solving social problems as members of the community. Charging fines to members who violated norms and rules was found to be the other highly practiced measure and reported by 100% of the respondents in Elimu and Uwanja Streets; 85.2% and 74.1% of the respondents among groups in Kasota and Bugulula Villages respectively. 100% of the respondents in Uwanja Street and 85.2% of the respondents in Kasota Village, Elimu Street, and Bugulula Village reported members' expulsion from membership as a common mechanism. This was particularly for members, who misbehave and violate the set norms and rules, (particularly those who default, delay in repaying the loans, fail to contribute, fail to attend meetings, and those involved in perpetual disputes. Fines and expulsion of a member from membership were mostly taken in a harsh way in urban (Elimu and Uwanja Streets) because most of the members in urban areas have financial interests for strengthening their entrepreneurial businesses. The study revealed further that, about 81.5% of the respondents across the groups in Uwanja Street (if other options failed) considered charging the culprit at the village government level for solutions. The same measure was reported by 74.1% of the respondents in Kasota and Bugulula Villages, while in Uwanja Street fewer (about 40.7%) respondents across the groups reported a similar measure.

Assets confiscation from a member who was found to be a notorious defaulter was taken as important measure by the groups in Kasota Village and Uwanja Street as it was recorded at 85.2% of the respondents in each. A similar measure was reported by 59.3% of the respondents in Bugulula Village and 44.4% of the respondents in Elimu Street. About 100% of the respondents in Elimu Street reported that giving a member loan to the value of his or her total savings was one of the highly preferred measures of minimizing or mitigating defaulting problems among borrowers. The measure was also reported to be practiced by groups in Kasota Village, Uwanja Street, and Bugulula Village as it was responded by 85.2%, 51.9%, and 25.9% of the respondents respectively. The combined findings on measures employed by ASCAs in their operations are shown in the Table 16.

Table 16: Measures (overall) against experienced challenges in ASCAs (n = 108)

Measures considered	Freq	% of response	% of cases
Friendly talk and consensus	106	20.5	98.1
Fines charging	97	18.8	89.8
Expelling from membership	96	18.6	88.9
Assets confiscation	74	14.3	68.5
Charged at the village government level	73	14.1	67.6
Giving loan valuing maximum member's total savings	71	13.7	65.7

Friendly talk and consensus was the measure reported by 98.1% of the respondents as important and preferred by all the groups in the study area. The main reason for this practice was that the essence of ASCAs and probably of other IFIs had been to help people in times of need and creating family-hood situation where each one should feel loved and well taken care of. Therefore, to them the first measure was a polite one, which is aimed at creating a sense of self-obligation and commitment instead of applying unfriendly coercive measures. A female member of a group in Nyankumbu Ward clarified this point as follows:

“Our groups are not like banks or others for profit making, which all the time enforce their harsh rules and regulations to any customer who fails to comply with their regulations. The Banks do not understand excuses but in our groups, we do. Friendly conversation and reaching consensus amicably with the indebted individuals are our priorities. This is because our aim is to help each other and to create a friendly atmosphere of caring for and supporting each other. We all face life challenges every day and we understand that problems do not inform you in advance as to when they will knock at your door.”

Charging fines and expelling the member from membership were the other mostly and somewhat harsh reported measures taken by the groups as responded by 97 respondents (89.8%) and 97 respondents (88.9%) respectively. Fines were charged or fixed to be charged to whoever went against the agreed rules, norms, and those who seemed to endanger the fate of their group. Rim and Rouse (2002) in their group savings resource book prepared for FAO confirm that in savings groups all group members must have discipline and agree on a common set of rules to follow otherwise punishments are imposed upon them including fine for late payment or for missing a meeting, and even expulsion from the group. In the current study, 74 respondents (68.5%) said if an individual owed the group enough money for a long time, then confiscation of assets accompanied by expulsion from membership were unavoidable. Other measures with percentage of their responses in brackets were as follows charging at the village government level (67.5%) and giving to a member loan, which was equivalent to his/her total savings (13.7%).

4.8 Extent of Level of Satisfaction With the Measures Taken Among Members

About 92.6% of the respondents gave 5 scores which meant “very satisfied” with the measures taken against the observed and projected challenges. About 6.5% and 0.9% of the respondents gave a score of 4 (indicating satisfied) and 3 (indicating neither dissatisfied nor satisfied) respectively. The 92.6% of the respondents who reported to have been satisfied with the measures taken among themselves argued that those rules or principles and norms were formulated and agreed upon them. They were set prior to the operation of the group and each member; whether the founder or late comer was well informed about them before joining the membership. In the other words, satisfaction with the measures against challenges lied at the mean score of 4.92 which was almost 5 scores of the “very satisfied”, and at the standard deviation of 0.310.

CHAPTER FIVE

5.0 CONCLUSIONS AND RECOMMENDATIONS

This chapter presents conclusion, recommendations, and areas for further studies based on the findings of this study.

5.1 Conclusions

Although it was found that 100% of the respondents joined ASCAs for financial benefit, other highly recorded factors were attainment of social support during hard times and savings for intermediate and future plans both recorded at 98.1% whereas lowly recorded factors were extending friendship with new friends (95.4%), being exposed to new life experiences and ideas (92.6%) and socialization factor (92.6%). The findings showing each factor had above 90.0% responses imply that all the factors have strong influence on individual decision of joining ASCA. Therefore, this confirms that ASCAs are rich in potential opportunities sought by people for their wellbeing.

Moreover, among all stated non-financial benefits, aspects such as assurance of assistance during hard times, socialization benefits and extended number of friends found as the most enjoyed non-financial benefits reported by 98.1%, 97.2% and 96.3% of the respondents respectively, while acquisition and practicing leadership skills and increased respect being the other two benefits with the lowest score of 73.1% each across the groups. Such findings indicate that apart from financial benefits, ASCAs offer other potential intangible benefits whose importance are more likely that of financial whereby if well managed, they will play a significant role of improving members' livelihood and welfare.

Social wellbeing, measured in terms of social connectedness increased by 25.8% among respondents specifically in terms of newly acquired friends, attainment of social support, extent of friendship among friends and access to information since membership to ASCAs. This affirms that, among the financial institutions and ASCAs; their ability to ensure social connectedness to its members is one of the unique wishes people seek. ASCAs' ability to provide that wish means advantage for it to keep on gaining attention of many people thus continued prosperity of ASCAs than other forms of financial institutions.

According to the study findings, delay in paying back the borrowed money and persistent defaulting among other challenges, were the serious and intolerable experienced challenges reported by 90.8% and 54% of the respondents respectively. If such challenges are well addressed by ASCAs' participants, then the prosperity of this mechanism will increase.

5.2 Recommendations

This study presents the following recommendations, which need to be taken into considerations by the responsible parties in order to increase the role of IFIs in social well-being:

- i. The local governments through their responsible departments and stakeholders should be playing a role of strengthening the operations of ASCAs through community mobilization and seminars to ASCAs. This would enable these associations to continue delivering all the benefits to their members. Also, this will enhance income, peace, love and cohesion among community members.
- ii. People of different levels should make use of ASCAs, which have proved to be rich in social connectedness to extend their social interactions for positive

relationships and shared activities contributing to their wellbeing, and hence increasing satisfaction with life and happiness.

- iii. Operations and management of ASCAs should strive to enforce the agreed norms, rules, and principles and other innovative strategies, which may ensure self-commitment of all members to their obligations.

5.3 Contribution to Knowledge

The study results showing that social wellbeing (social connectedness) among members of ASCAs increased by 25.8% after membership being significantly different at 0.05 ($p=0.000$) justifies that social connectedness (networks) are well met and strengthened when people extend their relations in informal groups. That is, it justifies that, social capital theory is a living theory in contemporary life in its application since it emphasizes that norms and rules in groups are the core principles which facilitate collective actions for mutual benefits and extended beneficial networks. It is these norms and rules in ASCAs which bring members together and facilitate them work cooperatively to achieve shared goals and deal with difficulties.

Also, the findings of this study inform the policy makers and other social welfare stakeholders on issues of maintaining and bringing back Tanzania's humanity and kinship that, they should think of sensitizing the community members to join these informal groups as one of the important means of ensuring humanity, love, caring for each other hence strengthened people's wellbeing.

5.4 Recommendation of Areas for Further Studies

With regard to this study, more efforts were devoted to understanding how ASCAs contribute to the improvement of social wellbeing of its members, particularly social

connectedness in the two wards of Geita District. It is recommended that, further studies should be conducted on factors for persistent defaulting and delays of loan repayment among members despite the regulations and rules guiding operations of ASCAs.

Moreover, this study employed cross-sectional approach and the major problem of cross-sectional studies is their weakness of not being representative of the total population of Tanzania. In this case, there is a need for further studies (like longitudinal study) on the subject in other parts of the country to facilitate generalization of the findings.

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APPENDICES

Appendix 1: Operationalisation of Variables

Variable	Definition	Measurements	Unit of measurements
Sex	Biological being a male or female	Nominal	1=Female, 2=Male
Age	Number of Years since one was born	Ratio	Actual years
Education Level	Number of years attended formal school	Nominal	1= Primary, 2= Secondary, 3= Tertiary 4= No formal education
Marital Status	Having Spouse around or away	Nominal	1= Single, 2 =Married, 3= Divorced, 4 = Widowed, 5 = Separated
Occupation	Mostly source of income	Nominal	1 = Faming, 2= Entrepreneur, 3 = Government employee, 4 = Company employee, 5= NGO employee, 6 = Housewife, 7 = Others (specify)
Family size (Household members)	Total people who daily or most of their time spend night within a particular household	Ratio	Actual number of family size
Membership factors	Reasons which attract an individual to join membership to a particular group	Nominal	List or number of factors mentioned by respondents
Membership to groups	Means if the member has membership to more than one group.	Nominal	1= Yes 2 = No
Participation in decision making	Involvement of a group member into the act or process of making thoughtful and deliberate choices about something with fellow members in the group or community.	Ordinal	1=Does not participate, 2=Not active, 3= Somewhat active, 4= Active 5=Very active
Social contribution	Special fund set by the group or contributed by members for supporting among themselves freely when facing social problems or events.	Nominal	1=Yes 2=No
Loan access	Means understanding if the group's operation involve	Nominal	1=Yes 2=No

	borrowing the saved money and if with or without interest among members.		
Entry fee	Means understanding the amount set to be paid for a person to be a member of a particular group and members' compliance to it.	Ratio	Actual amount
Transparency	Openness in conducting and handling group activities that members can trust they are fair and honest.	Ordinal	1=No transparency 2=Little transparency 3=Neither transparency nor not transparency 4=Transparency 5=All the time transparency
Networking/Connectedness			
Friends	People apart from family relatives a member is close to and has a bond of mutual affection exclusive of sexual or family relations.	Ratio	Actual number of friends.
Friendship	A state of emotional mutual trust and support the member has with other close group members in needy times as compared to before being involved in groups.	Ordinal	1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree 5= Strongly agree
Access to information	Reliability on attainment of important information from among fellow group members by an individual as compared to before being involved in groups.	Ordinal	1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree 5= Strongly agree
Access to Social support	Reliability of special help a member receives in needy times from the group as compared to before being involved in groups.	Ordinal	1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree 5= Strongly agree
Social support	The support considered as a special help to the needy fellow member facing hard times	Nominal	Type of help
Challenges			
If faced challenge	Understanding of one's comfortability on his/her existence in ASCA	Nominal	1 = Yes 2= No
Challenge	Circumstances which constrain a person or group from reaching goals	Nominal	List or number of constraints spoken out by group members towards reaching their goals
Measures	Solutions taken by the	Nominal	List of solutions

	group to deal with the experienced challenges		
Intermediate variable			
Managing household expenses	Being able to afford all basic household's requirements	Nominal	List of expenses to handle or a list of handled requirements
Community contribution	Being able to pay out the agreed contribution for the community matters.	Nominal	Actual contribution provided
Capital	Cash or funds acquired by a member from the group to start a business	Nominal	Actual amount benefited

Appendix 2: Household Survey Questionnaire

I am Last Lingson; a Master student in project Management and evaluation from Sokoine University of Agriculture situated -Morogoro, hereby conducting my academic research on the role of accumulating savings and credit associations (ASCAs) popular by local name “vikundi” in improving social wellbeing of their members. The research aims at informing the community and the policy makers on how potential these groups are in ensuring collective action, family hood and happy life to the general population. Moreover, aims at informing the decision makers and development partners on how they can think about strengthening these groups without violating the unique ways of operations which represent their natural existence and practices.

This questionnaire is designed for collecting information from members of the sampled ASCAs only within your village (yours being one of the sampled ASCA). Therefore, being one of the ASCA members I would like to request you to contribute in providing information needed for the study. Any given information will remain confidential and special for purpose of this research only. Moreover, this interview has no any motivation to the respondent; being some money or anything material but just a respondent’s self will.

Are you willing to participate in this research? 1=YES 2=NO []

SECTION A: IDENTIFICATION VARIABLES AND MEMBER'S SOCIO-ECONOMIC GENERAL INFORMATION

Identification variables		
1	Date of interview	
2	Time of interview	
3	Name of the respondent and phone	
4	Name of the group (ASCA)	
5	Number of the questionnaire	
6	Village/Ward	
7	District/Region	

Provide the socio-economic related information as shown in the table below

SOCIO-ECONOMIC CHARACTERISTICS OF THE RESPONDENT		
S/N	Variable	Categories of options for responses
1	Sex	1. Female 2. Male []
2	Age	
3	Marital status	1. Single 2. Married 3. Divorced 4. Widowed 5. Separated []
4	Family size (HH members)	
5	Level of education	1. Primary 2. Secondary 3. Tertiary 4. No formal education []
6	Occupation and Sources of income	1. Farming 2. Entrepreneurship 3. Government employee 4. Company employee 5. NGO employee 6. Others (specify)

SECTION B: MEMBERSHIP INFORMATION, ROLE AND POSITION

Objective 1: Factors motivating people to join ASCAs

7. When did you join this group? -----

8. What is your position in your group? 1) Leader 2) Just a member []

9. How many are you in your group?

10. How much a person is supposed to contribute to the group as entry fee for membership?

.....

11. How many other groups you have membership with currently? i) None ii) One iii) Two
iv) Three v) Four and above []

12. What are the processes of joining your group if someone wishes to have membership?

13. What are the criteria for someone to qualify for membership in your group?

14. What attracted you to have membership in your group? (Tick the appropriate)

- i. Easy access to cheap loans
- ii. To have lump sum money when dissolving the group
- iii. Social support facilitation in hard times
- iv. Savings for intermediate and future plans
- v. The group and its operations being owned by members
- vi. Extending friendship with new friends
- vii. Accessing reliable information
- viii. Exposed to new ideas and opportunities
- ix. Is a good forum of socialization
- x. Others (mention)

15. How does your group operate?

- a. Have leadership
- b. Have guiding constitution: rules and norms
- c. Have scheduled meetings discussing matters of the group
- d. The accumulated membership contributions are loaned out to members with interests in return
- e. The accumulated membership contributions are loaned out to members without interests in return
- f. Have social support for members who face serious issues; problem or sharing happiness
- g. Others (mention)

16. What are the obligations of a member in your group?

- a. Paying membership fees
- b. Participating in the meetings of the group
- c. Paying back the borrowed loans and its interests
- d. Participating in decisions making
- e. Participating in group works
- f. Each one is mandated to borrowing loans
- g. Others (mention)

17. Does your group involve borrowing the accumulated contributions (funds)? 1=YES

2=NO []

17.1. If YES, how fairly is the accessibility to loan among needy members?

1= Very unfairly 2= unfairly 3=Somewhat fairly 4= Fairly 5=Very unfairly []

18. How frequent do you meet discussing group matters?

19. How active do you participate in decisions making in your group?

1=Does not participate 2=Not active 3= Somewhat active 4= Active 5= Very active []

20. How transparent is the operation and handling of matters which affect members in your group?

1=No transparency 2= Little transparency 3 = Neither transparent nor not transparent 4= Transparent 5=All the time transparent []

21. Thinking about the members of your group, are most of them of the same? Put 1 for YES and 2 for NO in each option in the table.

Neighbourhood	
Gender	
Income level	
Education background level	
Occupation	
Religion	
Age	
Ethnic group	
Political view point	
Family or Kin group	

SECTION C: BENEFITS AND CHALLENGE BASED INFORMATION

Objective 2: Non-financial benefits enjoyed by members of ASCAs

22. What are the benefits apart from financial do you enjoy being a member in your group?

- a) Acquisition of assistance in needy times
- b) Socialization benefits

- c) Acquired new friends to rely on d) Assured access to important information
 e) Practicing leadership skills f) Gained new ideas and opportunities for a business
 g) Increased self-esteem and level of peace of mind h) Strengthened social status
 j) Increased level of general knowledge k) Others (mention)

23. Does your group involve social contributions for supporting yourselves in needy times?

1=YES 2=NO

23.1. If YES, how a members benefits from it? (Circle the appropriate)

- i) Financial ii) Material iii) Manpower iv) Gathering for comfort v) Food support vi)
 Others

24. What your group has helped you to afford since membership? (Tick the appropriate)

- i. Providing educational needs to the school going dependants
 ii. Acquisition of food for the family members
 iii. Starting a business iv. Being able to pay house/room rent
 v. Accessing health care services vi. House construction
 vii. Paying debts viii. Purchase of indoor furniture
 ix. Being able to contribute to community and social events x) Others (specify)

25. What are the financial and economic benefits you have managed to benefit since your membership?

Objective 4: Challenges faced by members of ASCAs to achieve their goals

26. Have you ever faced any challenge since membership in your group? 1=YES 2=NO []

26.1. If YES, what are some of the challenges among the listed below? (Circle the appropriate)

- a) Delay in paying debts
 b) Defaulting
 c) Low meeting attendances d) Members' reluctance to paying fines
 e) Untrustworthy leaders f) Earning little amount than expected
 g) Decisions resting under few people h) Others (specify).

27. What has been the trend of membership to your group in the past times to present time?

1= Declined 2= Fluctuating 3=Remained the same 4=Increased []

27.1. If **1 & 2** above, what have been the causes of that trend?

28. Have you ever been a member to other groups apart from this one before? 1=Yes 2=No []

28.1. If YES, but you are no longer a member to that group(s) what were the factors for your withdrawal? (Circle the appropriate)

- i. Uncontrolled defaulting problem ii. Transfer of place of domicile
- iii. Continued delay of paying back the borrowed money among members
- iv. Disciplinary actions v. Poor leadership of the group
- vi. Unfair treatment among members vii. Untrustworthy leaders
- viii. Others (mention)

29. How do you deal with such outlined challenges in your group?

30. How satisfied are you with the way challenges are dealt by your group? (Circle the appropriate)

1=Very unsatisfied 2=Unsatisfied 3=Neutral (normal) 4=Satisfied 5=Very satisfied

31. What are the reasons for your indicated level of satisfaction?

32. Do you wish to continue with membership in this group after dissolving and starting afresh?

1= YES 2=NO

SECTION D: DEPENDENT AND KEY VARIABLES

Objective 3: Levels of social wellbeing achieved by members of ASCAs

Social connectedness

Circle the appropriate answer as per your experienced knowledge relating your social wellbeing **before** participation in ASCA in each statement

	One	Two	Three	Four	Five and above
33	How many friends did you have before membership to your group (ASCA)?				
	1=Strongly disagree	2=Disagree	3=Neutral	4=Agree	5=Strongly agree
34	Was the level of friendship from among friends before being into the group (ASCA) reliable?				
	1=Strongly disagree	2=Disagree	3=Neutral	4=Agree	5=Strongly agree
35	Was social support attainment before your membership to this group (ASCA) reliable and helpful?				
	1=Strongly disagree	2=Disagree	3=Neutral	4=Agree	5=Strongly agree
36	Was your access to vital information reliable before your membership/participation to this group (ASCA)?				

Circle the appropriate answer as per your experienced knowledge relating your social wellbeing *after* participation in ASCA in each statement

	One more	Two more	Three more	Four more	Five and above
37	How many friends have you acquired since your membership to your group (ASCA)?				
	1=Strongly disagree	2=Disagree	3=Neutral	4=Agree	5=Strongly agree
38	Has your membership to this group (ASCA) increased reliability on the support and trust from your friends?				
	1=Strongly disagree	2=Disagree	3=Neutral	4=Agree	5=Strongly agree
39	Has your membership to this group (ASCA) increased attainment and reliability of social support in your life?				
	1=Strongly disagree	2=Disagree	3=Neutral	4=Agree	5=Strongly agree
40	Has your membership/participation in this group (ASCA) increased reliability on the access to information you consider important?				

41. In which issues does your group help in terms of social support among members?

i. Death ii. Sickness iii. Marriage and wedding iv. Disasters v. Others (Specify)

42. If you suddenly had to go away for a day or two, could you count on your neighbour who is your fellow member in the group to take care of your children?

1=definitely not 2 =probably not 3=Probably 4=definitely

43. How strong is the feeling of togetherness or closeness (belongingness) in your group? (circle the appropriate)

1=Very distant 2=Somewhat distant 3=Neither distant Nor close 4=Somewhat close
5=Very close

44. If today you would have faced a serious problem (like death of a close person at your household), how likely is that people apart from group members will show up and cooperate?

(Circle the appropriate)

1=Very unlikely 2=Somewhat unlikely 3=Neither likely Nor unlikely 4=Somewhat likely

5=Very likely

Thank you for your cooperation.

Ending time: _____

Appendix 3: Interview guide at the Council level

Interview Guide to the Government Officers (in-charge of supervising community groups)

Checklist No. _____

Name _____ Position _____

Sex _____ Council _____ District _____ Region _____

Date _____ Contacts _____

Dear (position)....., I am **Last Lingson** a Master student in project Management and evaluation from Sokoine University of Agriculture in Morogoro. My sincere appreciation that you have stopped all other important things in hand just to come and listen to my concerns; you are warmly welcome. The interview is aimed at collecting information about the role of accumulating savings and credit associations (ASCAs) popular by local name “vikundi” on improving social wellbeing of their members. The research aims at informing the community and the policy makers on how potential these groups are on ensuring collective action, family hood and happy life to the general population while operating in their very traditional ways. Being one among the government officers in-charge of supervising these kinds of community groups, I would like to ask for your participation on this interview. It is a self will interview with no any material incentives, however, incase of any worry about confidentiality on some issues I assure you that all given responses will be just for this research. You are warmly welcome.

1. If you would be asked to say anything about ASCAs, what would have been your word?
2. How ASCAs are operated?

3. What do you think are the benefits accrued from ASCAs; among members and to the whole community?
4. What do you think are the challenges facing and pertaining the operation of this kind of groups; among members, to the community and to the government?
5. As the officer in charge of this kind of groups, would you advice to let these groups operate in the way they operate? Why?
6. Tell any conflict you have ever witnessed or heard resulted from this kind of groups.
7. How did you solve such conflicts?
8. As the officer in-charge, what is your role to this kind of groups and how have you ever helped them?
9. What do you think are the social benefits members enjoy from being part of these groups?
10. Apart from getting loans/monetary benefits, what other benefits are offered by these groups to their members?
11. What is or are your suggestions concerning the operation of these groups?

This is the end of our discussion, thank you for your sincere participation

Appendix 4: Focus Group Discussion checklist

A checklist for Focus Group Discussion

Name of the group _____ No. of Participants _____ Region _____

District _____ Council _____ Ward _____

_____ Village _____

Date _____ Contacts _____

Dear participants, I am **Last Lingson** a Master student in project Management and evaluation from Sokoine University of Agriculture in Morogoro. My sincere appreciation that you have stopped all other important things in hand just to come and listen to my concerns; you are warmly welcome. The discussion is aimed at collecting information about the role of accumulating savings and credit associations (ASCAs) popular by local name “vikundi” on improving social wellbeing of their members. The research aims at informing the community and the policy makers on how potential these groups are on ensuring collective action, family hood and happy life to the general population while operating in their very traditional ways. Being some of the members of ASCAs, I would like to have a discussion with you on the topic. Incase of any worry about confidentiality on some issues I assure you that all given responses will be just for this research, however, it is a self will discussion with no any material incentives.

1. Why did you decide to join this group?
2. How did you join this group; that is what is (was) the modality of membership to your group?
3. What is or are your obligations to the group?
4. What are the benefits you gain from your group?
5. What are the challenges accrued from being a member or operation of your group?
6. How do you compare yourself as you are today and before being part of these groups:- (i) Socially

(ii) Psychologically

(iii) Economically

7. Do you have anything to be proud of being part of your group?
8. Apart from monetary gain, what other benefits do you gain?
9. What factors keep you together in your group?
10. What would be your suggestions concerning your group or this kind of groups and their operations?

This is the end of our discussion, thank you for your sincere participation.

Appendix 5: Interview guide at the village government level

Interview Guide to the Government Officers (in-charge of supervising community groups)

Checklist No. _____

Name _____ Position _____

Sex _____ Village/Mtaa _____ Ward _____

_____ Division _____ Council _____

District _____

Date _____ Contacts _____

Dear (position)....., I am **Last Lingson** a Master student in project Management and evaluation from Sokoine University of Agriculture situated in Morogoro municipal. My sincere appreciation that you have stopped all other important things in hand just to come and listen to my concerns; thank you. The interview is aimed at collecting information about the role of accumulating savings and credit associations (ASCAs) popular by local name “vikundi” on improving social wellbeing of their members. The research aims at informing the community and the policy makers on how potential these groups are on ensuring collective action, family hood and happy life to the general population while operating in their very traditional ways. Being one among the key village government leaders who are in-charges of people’s welfare in the community; peace, harmony and material development, I would like to ask for your participation on this interview. It is a self will interview with no any material incentives, however, incase of any worry about confidentiality on some issues I assure you that all given responses will be just for this research. You are warmly welcome.

1. If you would be asked to say anything about ASCAs, what would you say?
2. How are ASCAs operated?

3. What do you think are the benefits accrued from ASCAs; among members and to the whole community?
4. What do you think are the challenges facing the operation of this kind of groups; among members, to the community and to the village government?
5. As the leader at this level where these groups and their members reside, would you advice to let these groups operate in the way they operate? Why?
6. Tell any conflict you have ever witnessed, heard or come to solve resulted from this kind of groups.
7. How did you solve such conflicts?
8. As the village leader, what is your role to this kind of groups and how have you ever helped them?
9. What do you think are the social benefits members enjoy from being part of these groups?
10. As a leader, what do you think you are proud of on the existence of these groups in your administrative area?
11. What are your suggestions concerning the operation of these groups?

This is the end of our discussion, thank you for your sincere participation