

## **Thrift Credit Services and Socio Economic Wellbeing of Community Dwellers in Cross River State**

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### **A b s t r a c t**

**G**iven the continuing challenge of rural poverty, the socio-economic wellbeing of rural dwellers remains a serious concern. The intervention of community associations financially offers opportunity for improved income among rural dwellers. The determination of the impact of thrift credit services on the socio economic wellbeing of community dwellers in Owerri West Local Government Area of Imo State is the objective of this study. The theoretical framework adopted was the endogenous model while the research design employed was the survey design. One null hypothesis was stated in the study. Both research questionnaires and key informant interview schedules were used to obtain qualitative and quantitative data. Data were obtained from 365 respondents from the study area and analysed using chi-square statistical technique. The data were tested at 0.05 level of significance. The result from the analysis of data shows that a significant relationship exists between thrift credit services and socio economic wellbeing of rural dwellers in terms of improved household income. The study therefore advocated for the intervention of community associations by encouraging financial initiatives which offer opportunity for improved income among rural dwellers.

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**Keywords:** *Thrift credit services, Socio economic wellbeing, Community dwellers, Community development*

### **Background to the Study**

Development initiatives to a great extent are responsible for exposing and seeking to improve life situations particularly in rural economies. As such, communities are now restructuring their production and consumption habits to reap the benefits of development initiatives. Both locally and globally, new potentials for improved socio-economic wellbeing are available. This has also been facilitated by globalization that has contributed towards opening up of national economies for increased level of innovation from the advanced societies to the local environment (Warner, 2006).

Development initiatives have come to play significant roles in transforming economies. Based on this, rural communities are now strengthening their commitments towards the socio-economic transformation of their environment. Within the rural economy, an increased capacity to respond and adjust to existing underdevelopment challenges has been in the form of initiatives. The overall aim of such has been to improve the welfare of the inhabitants. This means mobilizing human, economic and social capacities of communities to cope creatively and effectively with efforts to improve the socio-economic wellbeing of rural people (Todaro & Smith, 2010).

Within Nigeria rural communities today, the need to create conditions necessary for people to harness the benefits of improved standard of living has been very appealing. This is so because these communities in rural areas are subjected to various adversities which make life in the area precarious. The rural communities themselves are devoid of modern attractions that characterize the urban centres. The result has been a catalogue of woes, rapid decay and absolute poverty (Ntui, 2005). The conditions of poverty and underdevelopment rife among rural dwellers include, lack of regular income, etc.

Despite this generalised problem among rural dwellers in Nigeria, those in Owerri West Local Government Area in particular are subjected to more severe challenges such as inability to mobilize financial resources for enhanced livelihoods. Access to credit facility is particularly difficult for productive enterprises. Only very few rural farmers recourse to formal or informal credit. Credit services to dynamic segments of rural economy including non agricultural activities which could have fostered self employment are lacking. Non bank loans such as trade credit could have helped to extend the frontier of credit available to rural households (OECD, 2013).

The absence of credit services for economic activities poses a challenge to the socio economic wellbeing of the rural dwellers in Owerri West Local Government Area. It means that wellbeing has not improved because of the impoverished rural situation. Based on this concern, community associations' initiatives have been motivated by the impoverished rural inhabitants due to failure of governmental efforts to improve rural lives. These social cultural groups have made immense contributions to sustainable rural development in many areas of community lives. Through their initiatives, new approaches for fostering community economic development have been created (Musa, 2010). Their initiatives have supported and opened up rural communities to new development opportunities. By virtue of their grassroots orientation these associations have strengthened the operating capacity and sustainability of communities.

One of such effort is the provision of thrift and credit services to rural dwellers in the community. Community associations tend offer rural people the opportunity for financial independence through instilling the spirit of entrepreneurship and saving culture. Such access to financial resource seems to enhance their choices in life thus empowering them economically. However, the purpose of this study is to examine the impact of thrift credit services on the socio economic wellbeing of community dwellers in Owerri West Local Government Area, Imo state, Nigeria.

### **Statement of the Problem**

Socio-economic wellbeing of rural dwellers has been a serious concern to development policy designers. This is, perhaps so because of limited access by rural dwellers to economic resources and services. As a consequence, they are subjected to the vicious cycle of poverty, hunger, degradation and squalor etc. The impoverished and underdeveloped rural environment makes it difficult for rural dwellers to satisfy their fundamental needs for survival. Thus, the 85 percent of poor rural dwellers are unable to optimize their potentials (Nwankwo, 2009). This inability is reflected in low level of income, high infant and maternal mortality and morbidity, shorter life expectancy, illiteracy, malnutrition, inability to access clean water, better sanitation etc. This means that the basic human and socio-economic capabilities necessary to be functionally involved in the locality development process is absent (IFAD, 2011).

Among other development initiatives, the provision of thrift credit facilities by community associations to its members, in order to boost entrepreneurial development among community dwellers is considered an important strategy in enhancing the socio economic wellbeing of rural dwellers. The question that this study sought to answer was to what extent has thrift credit services impacted on the socio economic wellbeing of community dwellers in Owerri West Local Government Area of Imo state?

### **Objective of the Study**

The aim of this study is to determine the association between promotion of thrift credit services and socio-economic wellbeing of rural dwellers in terms of improved income.

### **Statement of Hypothesis**

There is no significant association between promotion of thrift credit services and socio-economic wellbeing of rural dwellers in terms of improved income.

### **Literature and Theoretical Framework**

Community development associations belong to rural dwellers, they are also local based organizations managed by elected leaders. They carryout different responsibilities in the interest of their communities such as: mobilization of labour, infrastructural development, tradition duties, conflict resolutions and maintaining relationship with outsiders etc. They are culturally rooted organizations that the poor feel they own and trust (Adelesi, 2015). The objective of community association development is to enhance the ability of community to execute fundamental projects which could add value to the livelihood of rural dwellers and involved them in building sustainable communities. Community development associations are usually a group of people within the same landed confines who agree to come together and

work together in order to build the area in which they have found themselves so it can be easier and safer for all of them to live in (Adelesi, 2015). By people in the same locality agreeing to work together it becomes possible to consolidate on and benefit from each other's effort. These eventually become avenues for the government to reach the people at the grassroots (Adelesi, 2015).

Associations provide an opportunity for individuals to put together their opinions on issues concerning their community. It seeks to help inhabitants living in a region to recognize their social desires and find a way of achieving them as far as their available resources permit. Thus, their goal is that of community maintenance, corporation and enhancement of the livelihood of rural populace (Okwakpam, 2010). Okwakpam (2010) maintained that community development associations have significantly contributed to Emohua community in Rivers State, Nigeria. These association activities have enhanced the people's wellness, ease of movement, education, transport, economic and cultural conditions of the people. Adebaga (2006) observed that these associations serve as umbrellas for community educational, social, economic and organisational dimensions of rural life. Therefore, community organisations imbued the people with confidence and make them have the feeling that the organisations are responsive to their needs.

Community associations are of diverse origins and forms and are directed at a whole range of goals. They focus on traditional institutions, occupational groups, cooperatives, women's groups, welfare associations and religious organizations. They have been responsible for considerable local development achievements in areas of schools, health centres and community halls, mosques and churches, wells and boreholes, culverts etc. Community development associations promote membership accessibility to reliable and flexible financial services through indigenous savings and credit system. They have also been able to extend welfare services to some extent to community members (Azubike, 2011).

Community development associations are becoming important players in the rural development process. The abysmal performance of the state in enhancing the livelihood of the populace is seen as a major factor that give rise to community development associations (Ogundipe, 2003). He argued concerning developing nations' persistent reliance on their government to meet most basic socio economic needs. Abegunde (2009) posited that governments in developing society's adoption of top-bottom approaches for sustainable development of their people have been less successful. These involve establishing industries to create job opportunities, provision of basic infrastructure and utilizing resources for development expected to spread to lagging regions. Agboola (2008) observed that governments in Nigeria have responded to socio-economic problems in both rural and urban areas by embarking on development policies or projects to stir development simultaneously at the grassroots.

Rural development programme must be viewed as part of a continuous, dynamic process. Lack of long-term improvement of living standards among subsistence farmers may be the result of limited objectives, ignorant about impact of policy on performance, suitability of techniques adopted, socio-political influence and scarcity of trained local manpower (Abegunde, 2009). A planned, systematic measure is needed for optimizing scarce resources

and farmers in the lowest income sector of the agricultural economy (Lele, 1975). Abasiokong (1982) cited in Ering and Otu (2014) observed that growing nations (like Nigeria) have now seen the significance of giving the rural community an independent opportunity of developing it region in the same pace that the city centres are developing.

### **Community Development association Initiative of promotion of thrift credit services and Socio-economic wellbeing**

The intervention of community association financially offers opportunity for improved income among rural dwellers. Obtaining money to start a small scale business is a major obstacle for the rural dwellers - especially the uneducated. Women community development association according to Makomba, Temba and Kihomh (2001) encourages the formation of micro loan groups comprising women members. The women assemble to lift themselves and their families from poverty, ignorance, illness, unemployment and squalor. Workshops are organized for members of such micro-loans group for acquisition of financial management skills to enable them succeed in their economic activities.

Vasanthakumari and Sharma (2010) stated that access to thrift credit is a viable alternative to formal banking as it plays a cardinal role in positively affecting the socio economic lives of the rural people. Buckley (2007) emphasized that micro finance is instrumental to socio economic development and is the practical and proper solution to challenges for rural development. It aids in socio economic development in the areas of livelihood promotion, developing of local economy and empowerment. Ruhazdendi and Satyassi (2000) observed that thrift credit and other financial services was targeted at enhancing the standard of living of the rural deprived. According to them money is lent with little or no interest. The assumption being that such services empower the people for improved quality of life.

Vasanthakumari and Sharma (2010) stressed that by intervening through thrift finance, community association are able to transform upon the standard of living of the less privileged group of in a locality. The intervention includes credit services, savings etc. Idowu (2002) commented that informal finance mechanisms have long existed in many communities through the sensitization by community associations and other non-governmental organizations (NGOs) men and women in rural areas participate in Rotating Savings and Credit Associations (RSCA). Nugent (2003) averred that in rural areas, community associations, women self help groups and neighbourhood groups engage in a number of income generating activities sowing a common field or transporting the harvest for others. The income generated is given out to members of the group, often with very low repayment roles because of tax rules and frequent debt forgiveness.

Akinkugbe (2016) stated that the rural dwellers are inadequately served by the formal financial sector. These formal financial services are unaffordable and limit opportunity to invest. Thus, they are compelled to rely on credit units, cooperatives, rotating savings and credit association. The institutions which are encouraged by community associations also show the rural dwellers' ability to organize to come together to save and borrow to their mutual benefit. However, in rural areas, community associations are the sole savings and credit group.

As part of the interventions and enlightenment activities of community association, community members are encouraged to participate in the esusu or contribution club, this form of micro savings could also be called otu-ego. This traditional rotating savings and credit association has thrived for a long time. It is prompted by the necessity to save money today for a lump sum payment in the future. Members contribute a fixed sum periodically; the money accrued is usually assigned to each group member in rotation until all have benefitted from this common pool of funds. The implication for this on members is that they are able to have access with ease to huge sum of money during the life of the association and utilize it for social welfare purposes. This type of revolving loan has the advantage of allowing rural dwellers who might not have had access to credit to obtain interest free credit without interest and use for productive purposes.

According to Akinkugbe (2016) formal monetary institutions are very strict in giving out loans, also informal money lenders charge high interest rate, this put the small borrower at a great disadvantage. Therefore, esusu permits rural dwellers access to credit market or interest free credit, they people are able to accumulate savings. This enables the rural dwellers to possess goods which were not affordable before, pay off debts and settle other obligations. Through this means, they are able to enhance their welfare. Esusu has helped people imbibe a saving habit. It empowers their members through personal wealth and enable them invest money at the same time.

According to Idowu (2002) community development associations have actually enhanced socio-economic wellbeing of rural dwellers through their initiative in the area of micro saving scheme. Sometimes an individual goes round the traders or other voluntary persons to collect money on a daily basis. The collector keeps the money for the contributors and at the end of an agreed term (usually one month) the collector returns the money to their owners (now en-bloc). His reward for safekeeping such money is that he takes one day contribution from each contributor. In this way the owners of such fund can plan to invest bulk sum to better his/her standard of living while the collector equally makes living out of the services.

The common characteristics of the esusu throughout Nigeria according to the Ehigiamusoe as cited by Idowu (2002) are as follows: it has a savings component, it has group methodology, it is usually informally organised. Other features of the esusu group include borrowers from the scheme pay low interest rate. However, the thrift saving scheme has some limitations as a strategy for enhancing socio-economic wellbeing in rural communities. According to Ehigiamusoe (2002) these include:

- i. Lack of proper record keeping: Record of transaction is usually improperly kept.
- ii. Limited outreach: Lack of solid organization structure and procedures limit expansion.
- iii. Absence of legal recognition: No legal statute recognizes their existence.

Scholars refer to thrift credit operation as effective means of socio economic wellbeing (Oxaal & Baden, 1997; Cerven & Ghazanfar, 1999; Rekha (1995) admitted that thrift credit finance implies effortless means of improving rural poor in benefiting from loans and savings (Shreiner, 2001). Apampa (2014) observation was on the fact that small contributory savings



scheme are common among rural people especially among market women. These savings are called Ajo in Yoruba, Adashe among the Hausa's and Esusu among the Ibo's. These are different names for group savings with advantage of providing source of income in emergencies. It is recognized as a strategy to achieve communal development goals. Thrift credit services are currently being promoted by community associations on account of its propensity to induce development by promoting socio economic wellbeing and economic empowerment (Sheraton, 2007). Thrift credit programmes offer small loans and savings chances to those formally excluded from commercial financial services.

Cheston and Kuhn (2002) submitted that the role of community association in financial intervention is vital. Thrift credit empowers rural dwellers through making capital available in their hands; it provides opportunity for earning income independently and contributes to their financial strength. The economic empowerment generates increased self esteem, respect and higher income level. In the same vein, Asnarulkhadi (2002) stressed that wellbeing, being a consequence of micro finance, covers the economic indicators and opening to social services tied to high standard of living.

Low-income communities lack access to affordable credit for productive ventures. This has created avenues for community development association to design strategies to encourage the low-income individuals and communities to provide financial products and services not possible to obtain from conventional financial institutions; these are informal financing activities which take place outside the ambit of monetary authorities (Aliero, 2008).

1. According to Aliero (2008) informal financial services are rendered by circle of friends, workers, relatives, traders, landlords, traditional mutual groups like esusu and money lenders. These services include:
2. Rotating Savings Association (RSA). Here fixed sums are collected at regular intervals and a pooled resource goes to one person in rotation.
3. Rotating Savings and Credit Association (RSCA). These perform saving and credit creation to members.
4. Non Rotating Savings and Credit Associations (NRSCA). These provide savings and loans to members on non – rotating basis, usually sourced from fees, fines, interest and joint labour.
5. Non – Rotating Saving Associations (NRSA). They provide saving facility to members on non – rotational formula.
6. Other Self – Help Associations. Their major objectives are rotational joint labour, but alongside they provide credit and saving facilities.

It is clearly evident that lack of financial access limits the possibility of poor people investing so as to increase their income. According to Klein (2008), accessing financial services by the poor segment can be instrumental to poverty alleviation. Opportunity for financial services enlarges people's alternatives in life which play an important role in empowering them. Similarly, Cohen and Sebstad (2003) buttressed that thrift credit permit poor people to move into a proactive mode for protection against risks, this makes allowance for new opportunities. The benefits of their services oscillate around empowerment of the poor as basis for economic freedom and ability to make choices.

In a research conducted by Deji (2005) entitled women's association were found to be very vibrant at grassroots level in selected local government areas. Their common goals centre on financial support among members in times of ceremonies and donating of materials things and money to satisfy some of the needs of community members. Micro loan programme offers rural people the chance for financial autonomy via entrepreneurship. Obtaining the capital to operate a business poses an obstacle for most of the rural poor, particularly those without formal education. Over the decades, community groups have always expressed collective interest to lift themselves and their families from the burden of poverty.

### **Theoretical Framework**

This study is anchored on the Endogenous development model. This model is associated with Bassand, Bryden, Friedman and Stuckey (1986). As the contemporary thinking notion of development it stands in opposition to traditional understanding. The premise of the model is that the betterment in the socio-economic wellbeing of deprived people is best brought about through recognizing and exploring collectively resources of the region itself (Ray, 2000).

Endogenous development alternative are based on social actors at the local level, resources and capacities. This advancement perspective was provided as an option to the functions of centralized power systems in planning interventions to cater for the livelihood of the populace. As a collorary, what the regions achieve for themselves is aim at enhancing economic advancement of the citizenry (OECD, 1996). As indicated by Lowe (1998), the features of the endogenous model are embedded upon the following:

1. Major tenets - the exact means of a region (in terms of cultural and economic attributes) is significance to continue existence of the populace.
2. Dynamic force – rural corroboration and enterprise.
3. Purpose of local development problems – various service activities.
4. Vital local advancement challenges – the low capability of regions and villagers in enhance economic advancement of their region.
5. Focus on local advancement – capability (to enhance individual abilities, institutions and infrastructures).

As indicated by Ray (2000), major indicators of endogenous advancement are in three segments. The foremost is that it is a domiciles advancement duties within the territory rather than regional mechanism, with the size of the region being less significant than the entire country. Secondly, advancement actions are directed to enhance the preservation of benefits within rural region. Thirdly, advancement is contextualized by aligning the desires of the populace. Involvement initiative, that is, concerted actions between public bodies has been recognized as a framework which has the capacity to enhance endogenous advancement (Ray, 2000). They pull their income in the search of a coherent aim. According to this approach, empowerment and capacity building are key elements of the system.

The model is both an economic concept and social plat form for recreating total human condition. Second, it harmonizes with the conception of socio-economic wellbeing from community development associations because the associations pitch their development ideas on the local ecology. The model implies a paradigm shift by community development



association by enhancing investment on the people through promotion of thrift credit services etc. This implies that community development association is a collaborative arrangement with the local community. The association is a self help group mobilizing their resources in the pursuit of socio-economic development of their locality. Community development associations as self help group integrate their separate responsibilities for the wellbeing of the community. Strategies in developing community infrastructure such as feeder roads, rehabilitation of health facilities, provision of electricity, providing educational services for capacity building etc by community development associations are in tandem with the endogenous paradigm of socio-economic development.

The endogenous development model is an alternative to top-bottom strategy. It sets development activity within the territory contextualizing it to suit the needs, capacities and perspectives of local people. It addresses the weaknesses of the previous models. The preference of this model over the other ones rests on its emphasis on what local areas can do for themselves and defining measures to yield support and assistance towards the enablement of local economic growth. Also, recognizing the major rural development problem as that of constrained possibility of both people and community associations and advancement initiative, it advocates collaborative arrangement between local and public bodies for sustainability of the merits or benefits of endogenous development. It focuses socio-economic wellbeing on capacity building, empowerment and overcoming social exclusion.

### Methodology

The research adopted survey research design. It was a mixed method in that it permitted the use of both quantitative and qualitative approaches. The area of study is Owerri West Local Government Area of Imo State. Both research questionnaires and key informant interview schedules were used to obtain qualitative and quantitative data. Data were obtained from 400 respondents. At the end of the sampling, out of the 400 questionnaires distributed, 365 were successfully filled and returned. The data obtained were analysed using chi-square statistical technique, tested at 0.05 level of significance

**Table 1: Sample distribution by cluster and gender.**

Gender	Cluster										Total respondents	percentage
	1	2	3	4	5	6	7	8	9	10		
Male	23	25	20	19	22	23	19	18	21	19	209	52.25
Female	19	19	16	21	15	20	21	21	17	22	191	47.75
Total	42	44	36	40	37	43	40	39	38	41	400	100

**Source:** Field Survey, 2017

From table 1, the samples of respondents are indicated. It could be observed that 52.25 percent (N=209) were male respondents from the 10 communities while 47.75 percent (N=191) were female respondents. This means that more males than females participated in the study or were available during the period of the study.

### Data Analysis and Discussion of Findings

The study hypothesised that there is no significant association between promotion of thrift credit services and socio economic wellbeing of rural dwellers in terms of improved income. Data obtained were analysed with the use of chi square statistical technique. The table below shows the result.

**Table 2: Chi-Square ( $X^2$ ) contingency table showing the association between promotion of thrift credit services and socioeconomic wellbeing of rural dwellers**

cell	O	E	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
1	55	46.85	66.4225	66.4225	1.42
2	35	43.15	-8.15	66.4225	1.54
3	30	52.05	-22.05	486.2025	9.34
4	70	47.95	22.05	486.2025	10.14
5	35	41.64	-6.64	44.0896	1.06
6	45	38.36	6.64	44.0896	1.15
7	70	49.45	20.55	422.3025	8.54
8	25	45.55	-20.55	422.3035	9.27
<b>Total</b>	<b>365</b>				<b>42.46</b>

( $X^2$ ) value = 42.46, Critical ( $X^2$ ) value = 7.8, df = 3 Level of significance = 0.05

Source: Field survey, 2017

### Decision

If calculated ( $X^2$ ) is greater than critical ( $X^2$ ) value, with specified degrees of freedom, the null hypothesis ( $H_0$ ) will be rejected while the alternate hypothesis ( $H_1$ ) will be accepted signifying a positive relationship between the variables of the hypothesis. But if otherwise retain null hypothesis ( $H_0$ ) and reject alternate hypothesis.

Since the calculated ( $X^2$ ) value of 42.46 was to be higher than the critical ( $X^2$ ) value of 7.81 at 0.05 significance level, with 3 degrees of freedom, the null hypothesis which states that there is no significant association between promotion of thrift credit services and socio economic wellbeing of rural dwellers in terms of improved income was rejected in favour of the alternate hypothesis. This means that promotion of thrift credit services has a significant association with the socio economic wellbeing of rural dwellers. It also implies that through the promotion of thrift credit services, the socio economic wellbeing of the rural dwellers in terms of income has been improved.

### Discussion of Findings and Report on Informant Interview

The result of the data analysis shows that respondents admitted that thrift credit has helped to improve socio economic wellbeing as it gives opportunity for individuals to create more chance/avenues to make input to household income, financial literacy, opportunity to save money etc. The finding here is in affirmation with the works of Makombe, Temba and Kihomh (2001), they observed that the intervention of community association financially offers opportunity for improved income among rural dwellers. The women come together to lift themselves and their families from poverty, ignorance, illness, unemployment and squalor.

The observations of Vasanthakumari and Sharma (2010) have been validated by this study as their argument portrays that access to that access to thrift credit is a viable alternative to formal banking as it plays a cardinal role in positively affecting socio economic lives of the rural people. In the same vein Buckley (1997), stated micro finance is a major tool of socio economic development and offers practical and appropriate solution to the challenges of rural development. The findings of this study support Buckley that micro credit aids in socio economic development in the areas of livelihood promotion, developing local economy and empowerment.

Ruhazhendi and Satyassi's (2000) findings have been affirmed that thrift credit and other financial services among the rural people are meant to enhance their standard of living. Money is lent with little or no interest, the assumption being that such services empower the people for improved quality of life. Akinkugbe's (2015) held that the rural dwellers are inadequately served by the formal financial sector as commemorated by this study. Akinkugbe stated that the formal services are unaffordable. Thus, the rural dwellers compelled to depend on credit units, cooperatives, credit associations etc. In rural communities there are institutions which are encourage by community associations into credit group who organizes themselves at basic level and come together to save and borrow for their mutual benefit.

Sheraton (2007) conclusions have been supported by this study. According to Sheraton and as revealed here thrift credits are being promoted by community development associations for its potentiality to promote socio economic wellbeing and economic empowerment. In the same vein, Cheston and Kuhn (2002), in their studies admitted that the role of community association in financial intervention is vital. The findings of this study are in line with Cheston and Kuhn (2002). According to them, thrift credit empowers rural dwellers by making money available; it provides opportunity for income autonomy and contributes monetarily to the upliftment of the status of their households. In the same direction, the findings supported Asnarulkhadi (2002) that wellbeing, being a resultant effect of micro finance not only covers economic indicators but wider possibilities of accessibility to social services.

The explanation for the existence of positive relationship is that accessibility to alternative financial resources widens the tendency of less privileged people to invest and increase their income. This means lack of access can be a disincentive to poverty reduction. Evidence portrayed by the works of Buckley (1997), Ruhazhendi and Satyassi (2000) and Akinkugbe (2016) have proven that thrift credit gives access to poor people to move into a proactive mode that allows them to get protected against future risks and create new possibilities. Another explanation is that the benefits of their services rotates around empowering the poor as it makes available economic liberation community members and increases their skill to make decisions.

The key informant in Umuguma community development association, a 57 years old secretary reported the significant impact of their village association in improving the financial status of the village. According to him, our association is doing well in this community; Ever since we established this association 13 years ago our people have been

encouraged to be involved in activities that are beneficial. Association members and even non-members are encouraged to take part in esusu practice so as to have ready income, though not much. Their involvement in this weekly contribution has helped to improve their financial status. I have seen the need this is the reason that I encourage others to be involved in it. In fact, esusu contribution teaches you financial discipline. You cannot just use the small money you have anyhow; it gives you the urge to save the money for other things. Commenting on the importance of community development association, a 49 years old community association development leader in Okuku community reported that:

As a member of Okuku Community Development Association, we have carried out several enlightenment activities especially encouraging people to be part of the contribution club, what we call esusu here. This is promoted here and many community members have admitted that it has helped to change their lives to some extent. Our people are able to access some money and use such for the enhancement of their welfare. Through such, I was able to obtain money for my wife to start trading. Now, she is also involved in the esusu contribution. Most of our people were not financially literate before this time. So, one of the benefits of our association is that it is able to teach financial literacy. Our people are prudent now in managing small money that they are able to access. In fact, this association has assisted us by making us acquire better knowledge about finance. In Nekede community, the President of Nekede Community Development Association (NCDA) admitted that the association has impacted the lives of both members and non-members for the past 15 years.

In the area of micro credit services, he commented that: In my community, that is, Nekede, it was generally difficult for our poor members to have access to credit because the government has not been sympathetic to our plight. But the association has been able to encourage the people to be part of esusu scheme. Today, many of our people have access to small capital and thus a way out of poverty. Our women have really been able to benefit because they often lack access to the financial resources necessary to escape poverty.

The Secretary of the Community Development Association commented further that: Through their advice and constant interaction with members of the community, they have increased the level of engagement in economic activities. Membership of credit groups has increased dramatically and the demand for these services reflects the relevance of encouraging thrift credit to the needs of the community's poor, mostly women. The extra capital has helped to raise household income and improve food security. In my area here, there are rural women self help group organization who have a means of getting government loans which enable them to set up commercial shops without paying interest. In fact, in this community, the women association contributed immensely towards the building of our health centre.

### **Conclusion**

Community development associations are important players in rural development process. The inability of government to committedly handle socio economic quests of citizens in rural areas is the reason behind proliferation of community development associations. These organizations are connected with self help for overall goal of socio economic development.

Community socio economic wellbeing is the outcome of the process by which rural communities are assisted by community development associations to provide for themselves those services and amenities they require.

Based on the analyses, the study concluded that community development association initiatives of promotion of thrift credit services, promoting community health care services, and providing educational support services have been found to be significant avenues to bail out rural life from impoverishment by creating and widening potentials for socio economic wellbeing of rural dwellers. Therefore, community development associations, through these initiatives have been able to significantly enhance the standard of living of community dwellers.

### **Recommendations**

Based on the result of data analyse the study recommends that;

1. The intervention of community associations by encouraging financial initiatives offers opportunity for improved income among rural dwellers. Therefore, since obtaining money from conventional institutions to start a small business is a major obstacle for rural dwellers especially the uneducated rural women, more women development associations should be formed. This will help to encourage the formation of micro loan groups comprising women from a single community.
2. The association should expand its areas of activities concerning promotion of thrift credit services beyond encouraging esusu revolving loan practice and teaching financial literacy to perhaps encouraging formation of traders and farmers cooperative societies in various communities. In view of the enormous dividends derived from thrift credit services in the areas of esusu contribution and financial literacy, the beneficiaries should be further enlightened on the proper usage of the bulk income.
3. Community development association should sensitize them on profitable ways to deploy the money to establish large scale businesses. Also, those who are not involved should be encouraged to participate because of its potential to improve the standard of living of members.
4. Government should equally assist CDAs in improving the wellbeing of rural dwellers by providing those grants that can help them establish themselves and develop their skills.

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