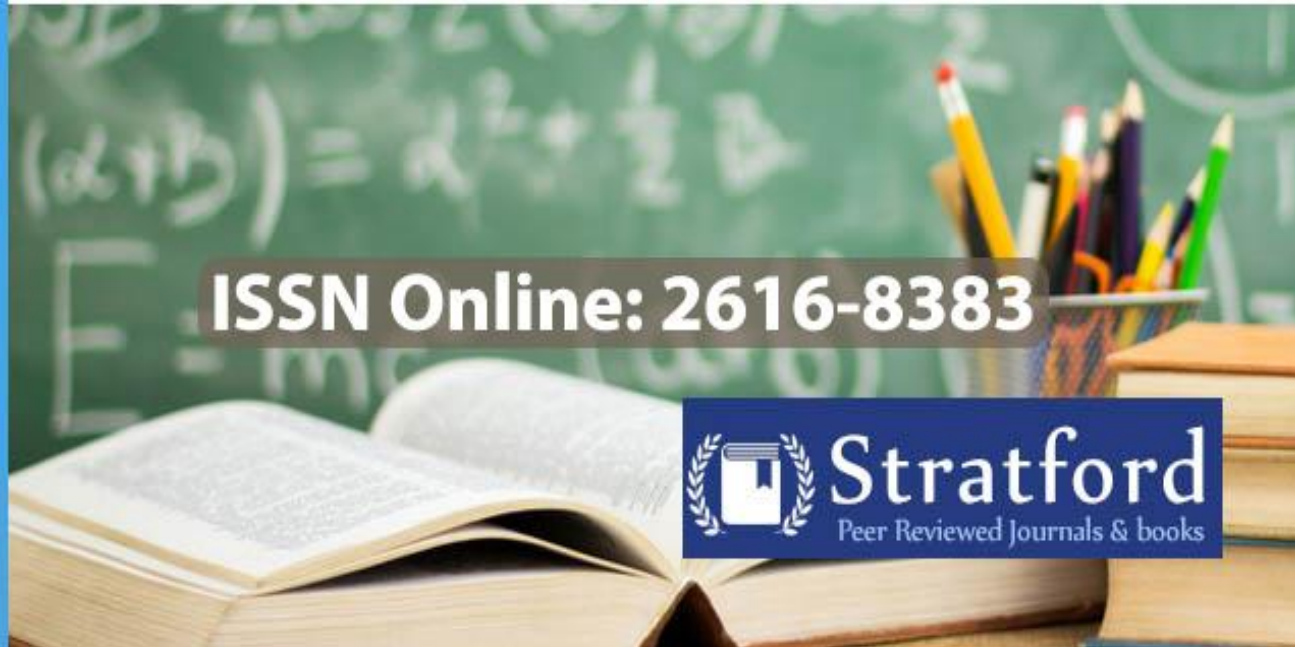


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Effect of Umwalimu SACCO Services on Socio-Economic Development of Teachers in Rwanda

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Abstract

The services provided Umwalimu SACCO in Rwanda play a significant role in improvement of living standard of teachers. Hence, the study sought to determine the relationship between Umwalimu SACCO and Socio-economic development of teachers in Rusizi district in Rwanda. Correlation research design was employed. The population of study consisted of 2503 teachers and staff of the UMWALIMU SACCO Rusizi district branch. The sample size was (98) determined by using the Yamane's formula. Questionnaires, interview guides and documentary reviews were utilized as primary and secondary data collection instruments. The study findings revealed that the majority of respondents (97.95%) stated that their income increased after getting loan from UMWALIMU SACCO Rusizi district. 47.95% strongly agreed that small projects have improved their children's schooling and 46.93% strongly agreed that small businesses have improved children's access to education, have been able to pay for health insurance and have improved their access to food security because of income received from their businesses. It was found there is a high correlation between UMWALIMU SACCO services (Credit Provision, Savings, business loans, -housing loans, -Small project loans, Savings platform-SACCO services) and socio-economic development of teachers (Increase of income, education facilities, food security, building houses, increased household savings). The Pearson correlation(r) coefficient was 0.787 with a P-value of 0.000. The study recommended the management of Umwalimu SACCO should create awareness campaigns, increase loans to their customers and train them on how to start small projects. The government and development partners should create a strong supportive policy framework, increasing public awareness and understanding of micro insurance at both regulator and other stakeholder's levels, and building strong strategic partnerships and alliances. Moreover, the members of Umwalimu SACCO and teachers should also work hand in hand with the managerial staff to improve the services offered in their institution.

Keywords: *Umwalimu SACCO, Socio-economic development, teachers and cooperative, Rwanda*

1.0 Introduction

Apparently, saving and credit cooperatives are the oldest SACCO formal and semi-formal. Hence, we cannot understand the context of the emergence of microfinance outside the cooperative, savings and credit with origins far beyond the scope and continental levels. (Desroches, 1976). In 1831, a French philosopher and politician Philippe BUCHEZ, one of the instigators of Christian socialism sets the rules for cooperation of production workers. In 1844 a small group of English weavers of the town of Rochdale launched the first consumer cooperative. This cooperative society that dealt at the start of a store of food and other household items was founded on certain rules which were so successful that it turned into a national movement. Taking advantage of the success of the British, the French, whose country was the first to create a cooperative production have deepened the research that led in 1934 to carry out the cooperative system of production that has become global? Germany is where the first forms of cooperative savings and credit have emerged in the nineteenth century. Poorly paid workers and petty officials had many difficulties and hard to make ends meet this month. Social. Security did not exist and to grant credits, bank guarantees required expensive, while this category of persons could not obtain credit in using the services of moneylenders who practiced in high interest rates. (Gitonas and Vitry, 1995).

Thus, to help the mass of people, Hermann Chulze-Delitzsch and Friedrich Wilhelm Raiffensen (1975) have formed cooperatives for the poor to pool their savings to get a loan easier and cheaper. It was to teach economists low to save, not to get rich, but to provide for basic needs, they should for that pool of assets for the benefit of each of the set (Gitonas & Vitry, 1995). RAIFFEISEN actions spread quickly in Germany and pushed other European countries to adopt them: in Italy under the leadership of Leon Wollembourg, Belgium under the leadership of Father MELLAERTS. In 1900, Europe already had some 8,000 cooperatives of savings and credit. In Europe, the movement reached the American (1975) and especially Canada, where in 1900 Alphonse Desjardins founded the first credit union in Levis, Quebec. (Gitonas and Vitry, 1995) Desjardins is considered the founder of the unions and credit as we know them today. Desjardins Group is designed as an original synthesis of the different models of savings institutions and credit in Europe. Canada, won Coopec Australia, the United States of America and Africa.

Savings associations and credit unions are different denominations in Africa: Credit union saving and credit, rural savings and credit; cooperative savings and credit; cooperative credit unions or credit unions. Despite these different names, they all have the same objectives: bringing people together from the same community who want to put all their savings and manage them together. Adjectives popular, rural or those who qualify mutual cooperatives or credit unions have a specific meaning in this context. These cooperatives and credit unions are popular because they are organized by ordinary people who the only managers and the only beneficiaries; "popular" because it is accessible to everyone. The word "mutual" emphasizes the idea of self-help non-profits. European Commission (2000).

1.1 Statement of the Problem

Despite the establishment of Umwalimu SACCO, teachers are still complaining and questioning the services offered by Umwalimu Sacco and Umwalimu Sacco has not changed the socio-economic status of teachers. The complaints of teachers about insufficient salary have been there for long and they were not even able to work with financial services. Their saving capacity was

almost inexistent; their salary was equivalent to their basic needs. In the recent years, the government of Rwanda has launched a saving and credit Cooperative for teachers commonly known as Umwalimu SACCO. Its aim is to provide teachers with subsidized credit which is to be used primarily for income-generating activities. The cabinet meeting held on 31st /10/2012 granted UMWALIMU SACCO a special financial facility of 30 billion in 10 years leading to the reduction of the interest rate from 14% per annum to 11% per annum for financing the public teacher's income generating projects and mortgage loans which have in turn created job opportunities for their families and the community at large. Some teachers have been able to invest in agriculture, livestock, small businesses and transport. As well as Rwanda's economy is not able to provide loans and employment to all applicants, it is necessary to transform job seekers into job creators and this can be achieved through the promotion of entrepreneurship. There is, therefore, a need for cheap loans and easily accessible, for example Umwalimu SACCO to intervene and provide the needed financial services.

1.2 Research Objective

The objective of this paper was to determine the relationship between Umwalimu SACCO and Socio-economic development of teachers in Rusizi district in Rwanda.

2.0 Literature Review

2.1 Services Offered by Umwalimu SACCO

Kapoor (2009) said that savings and credit cooperatives is the provision of a broad range of financial services such as deposits, loans, payment services, money transfer, and insurance to poor and low-income households and their micro enterprises. SACCO are a very important source of finance and credit for any industry and trade. Credit forms main pillar of development and growth of an economy of a given country. It therefore is of interest for governments and policy makers to see how best the credit and providers of credit should be systematized and regulated. A good credit market should be able one where the flow of funds from surplus points to deficit points facilitated without major breakdowns. This is because credit lubricates all commerce and trading activities. In most countries, especially developing countries, banks are the form the major players of credit providers. As a result, banks have become the center of all commerce and trade. Banks are tools for developing both domestic and international trade.

A loan is a financial transaction in which one person, organization, or entity lends money to another person, organization, or entity. A loan is a debt that one entity (company or individual) owes to another entity at an interest rate, as demonstrated by a note that details the principle amount of money borrowed, the interest rate charged by the lender, and the date of repayment, among other things. A loan involves the lender and the borrower reallocating the subject asset(s) for a period of time (Haim, 2005). Banks usually take deposits from a pool of customers. These short-term funds are subsequently converted into long-term loans. Financial intermediaries serve as a link between savers and spenders, facilitating the flow of funds from one to the other. Commercial banks, which are one of the most important financial intermediaries in many nations, accomplish this by borrowing money from lender-savers and then lending it to borrower-spenders. Banks use this process to convert short-term deposits into long-term loans for borrowers. By doing this, the bank

is doing what is referred to as provision of credit to the market. The banks become the main providers of credit for both large and small medium enterprises (Machiraju, 2009).

The bank credit is the most important external funding source for SMEs (small and medium-size enterprises) and start-ups (Berger et al., 2014; Canales & Nanda, 2012), any form of disruption in the supply of bank credit may lead to a stronger impact for smaller, more opaque firms in both developed (Iyer et al., 2014; Ongena et. al., 2013) and emerging countries (Popov & Udell, 2012). This is so much felt by smaller firms than bigger and established firms (Mishkin, 2010). Small and medium-sized businesses (SMEs) face more severe growth limits than giant corporations. Limited access to capital and the cost of credit are generally regarded as the most critical restraints in SME surveys, despite the fact that there are many more. As a result of these constraints, SMEs finance a smaller share of their investment through formal sources of external finance than large firms, and instead rely more heavily on informal sources of finance, such as borrowing from family and friends or unregulated moneylenders, according to Beck *et al.* (2006).

According to Kalala and Ouedraogo (2011), microfinance institutions offer a variety of savings products to their clients as part of their saving services. Profit savings, entrepreneur savings, current savings services, Voluntary savings, demand savings, or demand deposits; special regime demand savings; term savings/deposit; linked, blocked, or joint savings; voluntary blocked savings with a preferential rate; deposit savings; high-yield savings; mandatory savings; forced savings with loan; and other products are among the products mentioned by these researchers. The same researchers cautioned, however, that these goods are only valued as services to clients if they can access them—that is, if they can utilize them effectively in their businesses. In addition, they offer voluntary savings. The voluntary savings are those made for the sole purpose of saving rather than for the purpose of obtaining credit. These are not required in order to obtain credit services. Both borrowers offer them and non-borrowers, who can deposit or withdraw money as needed. When compared to the interest rates charged by larger financial institutions, the interest rates paid are quite low. Voluntary savings are best for persons who do not have a consistent cash flow, such as farmers who only earn money once or twice a year when they sell their produce.

Moreover, the SACCO offers Contract saving: These are the types of savings accounts where a person saves for a specific purpose. These are some of them: School fee savings accounts: This is the type of account that most parents use to save money for their children's education. Target Savings Accounts: This is where a client opens an account specifically to fulfill a certain goal, such as buying land or paying off a mortgage. Fixed Deposit Accounts: These are savings accounts in which a person makes a single deposit and withdraws the funds after a set length of time (AMIR, 2010). Likewise, they offer compulsory Saving. Customers must donate these cash as a condition of receiving goods and, in some cases, to obtain credit (loans). Because they are so closely linked to receiving and repaying loans, compulsory deposits can be regarded part of a loan product rather than a separate savings product. Compulsory saving is a type of savings that a member is required to make on a regular basis; it is a type of customer ship saving that must be done weekly or monthly. Profit savings, according to Kapoor (2009), are a product that focuses on term savings spanning from 6 to 36 months, with greater interest rates than current savings accounts.

The academics went on to say that the client chooses the period and quantity of the savings account as long as it is greater than the stated minimum deposit. Clients that want to develop their

enterprises or start new projects might benefit from profit saving services. They optimize the return on savings by attracting annual returns at a set rate.

As a result, capital can be built (Kapoor, 2009). SACCOs offer linked savings, blocked savings, and solidarity savings services to encourage customers to take out a loan and repay it by saving a particular percentage of it over a set period of time. For example, the institution may require clients to save 10% of their loan every one, two, three, or more months, based on the agreed-upon schedule. Clients cannot access their money until the loan is paid off. A security deposit does not pay interest. Organizations that can afford a predetermined minimum deposit without withdrawing any money for a certain minimum duration are given priority voluntary fixed deposit savings services (say 3 months). The amount of interest paid to a client rises as the amount of deposits and period lengthens. The terms are negotiated according to the amount, period, and nature of the depositor's partnership (Madhurantika, 2009).

The SACCO offers the loan services. According to Logemann (2012), a loan is a trust that allows one party to provide resources to another party with the understanding that the second party will not immediately recompense the first party, but will instead repay or return those resources at a later date. The resources offered could be monetary or in the form of goods or services. Any type of deferred payment is considered credit. A debtor, also known as a borrower, receives credit from a creditor, also known as a lender. Microcredit is a small loan granted to persons in need who have a limited earning ability. Borrowers who are unemployed, without collateral, and have a poor credit history are eligible for the loan. The loan is primarily intended to assist people in earning a living, particularly women who want to start their own business and become self-sufficient. Microcredit not only raises poor people's income levels, but also their living standards. It provides financial support to the poorest people in rural areas in order to aid them in becoming self-employed rather than relying on loan sharks who demand high interest rates (Olu, 2009).

In addition, the SACCO offers house building loan: Repayable in monthly installments at a predetermined rate of interest against a real estate mortgage covering solely the cost of construction. Loans of the following sorts may be extended: Residential house construction loans, commercial house construction loans, low-cost housing for rural areas, and rural housing schemes are all available (Hossain, 1988). Also, the SACCO grants agricultural and business loans. Farmers are funded for inputs, irrigation technology etc. A grace period of three months is given and repayments are linked to the type of crop grown but the maximum loan term is six months. As many schemes as feasible for funding agricultural and rural sectors are taken, and credit under these schemes is offered with minimal requirements. Fishing loan programs, banana cultivation credit, and shrimp culture credit are examples of possible schemes (Berger, 2001). Business loan is an amount of money borrowed from a financial institution by a business person to start, run, or expand their business (Kakuru, 2001). The terms and volume of trade credit contracts are significant aspects of trade credit because they affect the implicit interest rate on trade credit, or the price of trade credit. Discounts for early payment, the quantity of the discount, the length of the discount period, the final payment due date, and the late payment penalty fee are all included in the contract terms. Payment arrangements set credit terms when delivery and payment do not occur at the same time.

2.2. Socio-Economic Development of Teachers

In this section, socio economic development deals with medical insurance, increased of income, family welfare (Education facilities), food security, building houses and increased household savings. Medical insurance: Facilitating access entails assisting people in commanding adequate health-care resources in order to maintain or improve their health. Access is a difficult topic that necessitates consideration in at least four areas. If services are available and in sufficient supply, people will be able to seek health care, and a population will be able to 'have access' to services. The performance of health-care systems all over the world is dependent on access. However, as evidenced by the wide range of interpretations of the word across authors, access to health care remains a complicated subject (Kasanga, 2005).

Access has been conceptualized in numerous ways. While the term access is often used to describe factors or characteristics influencing the initial contact or use of services, opinions differ regarding aspects included within access and whether the emphasis should be put more on describing characteristics of the providers or the actual process of care. Access to comprehensive, quality health care services is important for promoting and maintaining health, preventing and managing disease, reducing unnecessary disability and premature death. The objectives of SACCO are to improve the capacity of their members in order to be able to pay health insurance and to improve their socioeconomic development through loans and accumulation of their savings from SACCO (Tumaini, 2010).

Increased of income: Customers of SACCO engaged in production and investment activities through the services offered by SACCO. Income-generating activities, household maintenance activities, and wage and outside employment are the three types of production activities. All productive activities that produce goods and services for sale, including micro firms and agricultural production, are classified as income-generating activities. Food preparation, childcare, and clothes washing are examples of household maintenance activities that are distinct from income-generating activities since they supply commodities or services solely for household consumption. Wage and outside work is the exchange of cash for domestic labor (Robinson, 2001). Investment activities are those that employ current household resources to improve the household resource base in the future and provide the opportunity for future income gains. Assets are the end outcomes of investment. Real assets, such as land and houses; wealth stores, such as livestock or diamonds; financial assets, such as cash savings; productive assets, such as machinery and equipment; and human capital improvement through education and training are among them (Kuzilwa, 2005).

SACCOs help lower-income people build assets by establishing credit relationships, starting a business, accessing working capital, boosting income through business expansion, satisfying housing credit needs, and saving. Sacco's institutions have four key strengths, including savings mobilization, services for lifetime asset building, diverse outreach, and a broad range of lending products, among many others. What sets cooperatives apart from other non-bank financial institutions involved in SACCOs is their ability to mobilize large numbers of small, voluntary savings accounts. These funds can subsequently be used to fund rural production, housing, small-scale businesses, and small-business loans (Remenyi & Quinones, 2000). Education facilities: One major successful effect indicator of SACCO, according to Kafle (2012), is an improvement in

borrowers' and borrowers' families' access to education. Increased income from money-generating activities may allow members to send their children or dependents to school or boost their ability to pay tuition costs. The study discovered that the majority of respondents (53%) indicated their educational expenses increased after joining SACCO, while 47% said their educational spending did not increase at all after joining SACCO. Because lack of money for living costs is the leading cause of non-enrollment and school dropouts in high school education, it is concluded that SACCO has resulted in better access to education for the household. Food security: According to MkNelly and Dunford (1999), the most positive result of SACCO was observed in households experiencing "food stress," with 55% of participants being less likely to sell off animals and more likely to take out loans as a coping strategy than 32.3 percent of non-participants. According to a recent study by Chen and Donald (1999), average daily food spending in client households was 21% more than in non-client households. Saver-only families, on the other hand, have a minor dietary advantage over non-client households. In non-client households, the average daily food expenditure was only 5%.

The United States Department of Agriculture (USDA) has proposed adjustments to nutritional assistance policies and programs in order to reduce the prevalence of very low food security among low-income households (Nord, 2007). Information on the composition, geography, occupation, education, and other characteristics of households with very low food security, according to the study, could help influence policy reforms and improve food security for economically vulnerable households. As a result, fulfilling the food security goal may require not only enhancing the effectiveness and accessibility of nutrition support programs, but also improving other important household factors (Mugabi, 2010). Building houses: The terms housing is defined as adequate shelter means more than a roof over one's head. It also means adequate privacy; adequate space; physical accessibility; adequate security; security of tenure; structural stability and durability; adequate lighting, heating and ventilation; adequate basic infrastructure, such as water-supply, sanitation and waste-management facilities; suitable environmental quality and health-related factors; and adequate and accessible location with regard to work and basic facilities: all of which should be available at an affordable cost. Through microfinance loans such as house building loan helped their member to build new house or to rehabilitate the existing ones (Nalunkuma, 2006).

For many years, housing has been recognized as one of the most important factors influencing human health. Many factors impacting residential health are based on living and housing situations (Jackson, 2003). Indoor air quality, home safety, noise, humidity and mould growth, indoor temperatures, asbestos, lead, radon, volatile organic compounds, a lack of hygiene and sanitation equipment, and crowding are only a few of the most serious health concerns that may be found in homes. Living environments have an impact on physical, mental, and social health, but no clear mechanisms have been identified. Increased household savings: Saves are defined as money not spent or consumption deferred; as a result, savings and investments can contribute both directly and indirectly to economic progress of people. In the case of the elderly population, returns on savings and investments are likely to be the primary source of any additional income beyond that supplied by state pensions or benefits. Second, a planned drain of savings and investments may be used to supplement a household's present consumption expenditures and assist sustain its level of life. Finally, savings may act as a buffer for the household, protecting it against the effects of unanticipated economic shocks. The household's level of savings and assets is likely to act as a

major driver of the household's level of material well-being for all three reasons (investment income, availability of capital, and economic buffering) (Bateman, 2003).

2.3 Relationship Between Umwalimu SACCO and Socio-economic Development of Teachers.

U-SACCOs aid in the development of capacity among them in areas such as advocacy, training, literacy improvement, and information exchange. Financial institutions assist with up-scaling and learning from best practices. Customers of U-SACCOs bear responsibility for attracting investments. Making or assisting in the critical examination of problems, the identification of stockholders to involve, and the strengthening of policy advocacy roles (Taiwo, 2012). U-SACCOs contribute to growth by minimizing knowledge gaps that might otherwise hinder efficient resource intermediation between savers and investors. Financial development appears to have a causal effect on growth, according to a large body of research. Schumpeter's theory that finances fosters "creative destruction" by providing resources to newcomers who stimulate innovation and perhaps overthrow incumbents is one prominent interpretation. In this vein, new entrepreneur access to capital is a key component of the finance-growth nexus. The focus has increasingly switched to the relationship between finance and income inequality (Altman, 2009).

There is also evidence at the macroeconomic level that broader financial systems enhance economic growth. Banerjee (2009) shows that, based on a general equilibrium model of the economy, the expansion of access to the financial sector has significantly raised Thailand's growth rate. He stresses the efficiency and productivity losses associated with the better offs preferred access to finance, and suggests that access may have a first-order effect on investment and growth. Finally, he finds that new branching laws in India stimulate SACCOs to expand into underserved areas, which has a large positive effect on rural poverty. The enormous expense of this expansion scheme, however, overshadowed the overall benefits.

This finding shows that technology-enabled, lower-cost branch expansion has a lot of upside potential. Credit is seen as a necessary input for the expansion of small businesses. Credit, it is claimed, raises income levels, improves household employment, and therefore alleviates poverty. Credit enables disadvantaged individuals to overcome their cash flow constraints and make investments, particularly in improved farm technology and inputs, resulting in higher agricultural output (Adugna & Hiedhues, 2000). Financially sustainable-SACCOs with outreach, according to Rhyne and Otero (1992), are more likely to have a good influence on poverty alleviation since they provide impoverished people with long-term access to credit. The amount of clients served by U-SACCO is known as outreach. Financial sustainability, on the other hand, refers to how well the U-SACCO is able to cover its operational and financial costs with money generated internally (interests and commissions). Higher payback rates in U-SACCOs are more likely to be financially sustainable.

3.0 Research Methodology

This study employed correlation research design on order to determine the relationship between Umwalimu SACCO and socio-economic development of teachers in Rusizi district. The population of study consisted of 2503 teachers and staff of the UMWALIMU SACCO Rusizi district branch. The sample size was (98) determined by using the Yamane's formula. Questionnaires, interview guides and documentary reviews were utilized as primary and secondary

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data collection instruments, and a purposeful sample strategy was used. To maintain the validity of the research instrument, the research instruments were distributed to the expert respondents in the area of the study while reliability was maintained by making pilot study that provided reliability of the research instrument. The data management was maintained by using SPSS software version 20.

4.0 Research Findings

The study determined the relationship between Umwalimu SACCO and socio-economic development of teachers in Rusizi district. The quantitative findings were computed using Statistical Package for Social Science (SPSS) software version 20 and presented in form of tables while thematic approach was used to analyze qualitative data and presented using textual model.

4.1 Types of Services and Activities Supported by UMWALIMU SACCO Rusizi District

The study results in Table 1 indicates the views of respondents on whether UMWALIMU SACCO offers the following services to Teachers' members

Table 1: Views of Respondents on whether UMWALIMU SACCO offers the following services to Teachers' members

	Frequency	Percent
Voluntary savings	15	15.30
Fixed deposits	15	15.30
Granting loans	50	51.02
Project planning advisory services	10	10.21
E-MIFs services	8	8.16
Total	98	100.0

Table 1 illustrates that out of sampled businesses, 15.30% had been offered voluntary savings 15.30%. had been offered fixed deposits, 51.02% had been granted loans, Project planning advisory services represent 10.21% and 8.16% represent E-MIFs services. This demonstrates that the majority of those above services are provided.

Table 2: Type of Loan Services Received from UMWALIMU SACCO Rusizi District and Business involved in

	Frequency	Percent
Agribusiness	13	13.27
dairy cows	16	16.32
Both agribusiness and dairy cows	20	20.41
Commerce	35	35.71
Handcraft	14	14.28
Total	98	100.0

Table 2 reveals that commerce (35.71 percent) was the most common business, followed by agribusiness and a mix of both agribusiness and dairy cow breeding. Because SACCOs believe that the risk in this industry is low, the majority of clients receive loans when they wish to start business, which explains the enormous number of jobs in this field. Cattle rearing may have accounted for a bigger percentage since cows provide daily income, whereas agribusiness is not successful at all times of the year and the risk is unpredictable.

Table 3: Amount of Loan Received from UMWALIMU SACCO Rusizi District

	Frequency	Percent
Less than 1 million	15	15.30
Between 1 and 3 million rwf	25	25.51
Between 3 and 5 million rwf	30	30.61
Between 5 and 7 million rwf	16	16.32
More than 10 million rwf	12	12.25
Total	98	100.0

Table 3 indicates that the majority (25.51% and 30.61% of respondents targeted respectively in this study got an amount between one and five million RWF. Around 16.32% began with a capital of between five and ten million RWF, while others received a loan of less than one million RWF from UMWALIMU SACCO Rusizi area. As previously stated, UMWALIMU SACCO Rusizi provided the primary source of start-up funding, with the beneficiaries contributing extra funds. During the interviews, the recipients indicated that when the firm grew, they utilized their own funds to boost the amount. In general, the amount invested seems to be reasonable for starting a business and making a profit, hence alleviating poverty among the teachers.

4.2 To assess the socio-economic contribution of Umwalimu Sacco in the lives of teachers in Rusizi District.

This section gives clear information about indicators, which show socio economic development of teachers in Rusizi District.

Table 4: Increase of income Compared to Income earned before Getting Loan

	Frequency	Percent
Yes	96	97.95
No	2	3.05
Total	98	100.0

As seen from Table 4, the majority of respondents (97.95%) stated that their income increased after getting loan from UMWALIMU SACCO Rusizi district. The minority (3.05%) have not enjoyed an increase in income. Before receiving a loan, the majority of UMWALIMU SACCO Rusizi district clients had no viable enterprises; however, it is clear that some of them have grown their existing firms, while others have launched new ones and purchased various assets. The respondents who said there was no change in income, on the other hand, claimed that it was due to bad sales, poor production, and a lack of experience in loan risk management.

Table 5: Living Conditions have Improved due to the Loan received from UMWALIMU SACCO Rusizi District

	Frequency	Percent
Strongly agree	47	47.95
Agree	46	46.93
Not sure	1	1.02
Disagree	2	2.04
Strongly disagree	2	2.04
Total	98	100.0

Table 5 shows that out of 98 people polled, 47.95 percent strongly agreed that small projects have improved their children's schooling, and 46.93 percent strongly agreed that small businesses have improved children's access to education, have been able to pay for health insurance, and have improved their access to food security because of income received from their businesses. 1.03,% were not sure, 2.04% disagreed and 2.04.% strongly disagreed that UMWALIMU SACCO services have any effect. Generally, these figures show that UMWALIMU SACCO Rusizi district have improved the living conditions of teachers.

Table 6: Kind of Assets Bought from Income

	Frequency	Percent
Land	29	29.59
Cows	17	17.34
Goats	13	13.26
Domestic items	27	27.55
House	12	12.24
Total	98	100.0

The Table 6 shows that 29.59% of respondents have bought a land, 17.34% bought cows, 13.26% bought goats, 27.55% bought domestic items and 12.24 % bought a house. These different assets were procured due to the increase of income generated after getting a loan from UMWALIMU SACCO Rusizi district. Asset ownership was found to be one of the indications of UMWALIMU SACCO services at the household level, as well as an indicator of wealth improvement. The majority of those polled stated that they bought valued assets after taking out loans. As a result, loans have a favorable effect on the value of household assets.

Table 7: Respondents' Views about Improvement in Health Care

	Frequency	Percent
Strongly agree	38	38.77
Agree	45	45.91
Not sure	1	1.02
Disagree	2	2.04
Strongly disagree	2	2.04
Total	98	100.0

According to Table 7, 38.77% and 45.91% of the 98 respondents strongly believe that UMWALIMU SACCO loans have aided them in improving their access to health care. They have been able to pay for their own and their family' health insurance and other medical bills. Only 1.02% are unsure of the impact and 2.04% disagreed that loans and services got from that UMWALIMU SACCO Rusizi district have improved their access to health care.

Table 8: Access to Children’s Education

	Frequency	Percent
Strongly agree	47	47.95
Agree	45	45.91
Not sure	1	1.02
Disagree	2	2.04
Strongly disagree	3	3.06
Total	98	100.0

Table 8 shows that out of 98 survey respondents, 47.95 % strongly agreed that loans have improved their children's schooling and 45.91 % strongly agreed that UMWALIMU SACCO Rusizi loans have improved respondents' children's access to education, while 1.02 % were unsure, 1.02 % disagreed, and 2.04 % strongly disagreed that UMWALIMU SACCO loans have improved children's education. In general, these numbers suggest that income from UMWALIMU SACCO loans has enhanced access to children's education by allowing teachers to pay secondary school fees and purchase school materials in reputable schools.

Table 9: Responses on whether there is an Improvement of Food Security

	Frequency	Percent
Strongly agree	46	46.93
Agree	48	48.97
Not sure	1	1.02
Disagree	2	2.04
Strongly disagree	1	1.02
Total	98	100.0

Table 9 shows that 46.93 % agreed that the money from their business loans has increased their access to food. Only 1.02 % said their access to food has improved, while 48.97 % said their access to food has remained unchanged. The vast majority of respondents agreed that their UMWALIMU SACCO Rusizi loans enhanced their food security. Families can now eat three times per day instead of once per day. Cows, which produce nutrients such as milk, are affordable to many families. Micro-loans alleviated food shortages and improved dietary conditions in homes.

Table 10: Respondents’ views on whether there is an Improvement of their Houses

	Frequency	Percent
Strongly agree	52	52.06
Agree	40	40.81
Not sure	1	1.02
Disagree	2	2.04
Strong disagree	3	3.06
Total	98	100.0

Table 10 demonstrates that the majority of respondents (92.87 %) said that the revenue from their business loans had improved their home situation. 7.02.5 % claimed they have observed no improvement. This means that UMWALIMU SACCO loans held by the rural poor have helped to improve housing conditions in some way. The table 4.12 results were also brought up in focus group talks with loan recipients, who stated that it was no more difficult for them to enhance their own homes because of the loans they had received. They claimed that in order to reclaim their respect in the community, they needed to work hard to improve their shelter.

Table 11: Respondents views on whether their saving has Been Improved

	Frequency	Percent
Strongly agree	51	52.04
Agree	42	42.85
Not sure	1	1.02
Disagree	2	2.04
Strongly disagree	2	2.04
Total	98	100.0

From the Table 11, the majority of respondents (52.04%) strongly agree that their savings increased due to saving account opened in UMWALIMU SACCO Rusizi and the increment of earnings, 42.85% agreed that their savings increased and 1.02% were not sure. 2.04% disagreed and 2.04% strongly disagreed that their savings have improved. They claimed that their primary source of savings was business profits, and that they had accounts with financial organizations such as savings and credit cooperatives. Their primary motivations for saving were cash safety, consumption, and emergency requirements. Teachers can invest more when their funds grow, increasing their prospects of reducing poverty through improving the living conditions of the poor.

Table 12: Improvement of Social Status

	Frequency	Percent
Strongly agree	48	48.97
Agree	46	46.93
Not sure	2	2.04
Disagree	3	3.06
Strongly disagree	1	1.02
Total	98	100.0

The Table 12 illustrates that a majority of respondents (48.97%) strongly agreed and 46.93% agree that having UMWALIMU SACCO loans has improved their social status. 2.04 % of the respondents answered that they were not sure. 3.06% disagreed and 1.02% strongly disagreed and that their social status had improved. Because they have developed self-confidence, the majority stated that their voices are heard while expressing their thoughts on various occasions or in meetings. They have a sense of belonging and acceptance in their families and communities. Nonmembers, on the other hand, demonstrated that UMWALIMU SACCO RUSIZI DISTRICT members were involved in decision-making at many levels, beginning at home. This was especially true for female teachers who brought cows home, and their husbands sought their advice before making any decisions, as the wives had grown competent of contributing to their families' well-being. These findings lead to the conclusion that UMWALIMU SACCO Rusizi district loans are helpful in boosting teachers' social status.

Table 13: Factors that helped to Repay loan within the Agreed period Include

	Frequency	Percent
Low interest rate.	30	30.61
Profitability of the projects.	50	51.02
Good management of the loan	18	18.37
Total	98	100.0

As table 13 shows, the most factor that helped to repay loan within the agreed period include the profitability of the projects which ranked the highest at 51.02%. Low interest rate occupies 30.61% followed by good management of the loan represented by 18.37%.

Table 14: On whether UMWALIMU SACCO Rusizi loan helpful in financing income generating projects

	Frequency	Percent
Strongly agree	56	57.14
Agree	40	40.82
Not sure	1	1.02
Disagree	1	1.02
Total	98	100.0

The study results in Table 14 illustrates that a majority of respondents 57.14% strongly agreed and 40.82% agreed that the UMWALIMU SACCO Rusizi loan was helpful in financing their small projects and trading activities. 1.02 % of the respondents answered that they were not sure and 1.02 % disagreed. In general, the majority confirmed that the UMWALIMU SACCO Rusizi loan helped teachers in financing their income generating projects

4.3 Relationship Between UMWALIMU SACCO Rusizi services and Socio-economic development of Teachers

The study results of the correlation between UMWALIMU SACCO services and the socio-economic development of teachers is summarized in 15

Table 15: Correlation between UMWALIMU SACCO services and Socio-economic development of Teachers

		UMWALIMU SACCO services	Socio-economic development of teachers
UMWALIMU services	SACCO Pearson Correlation	1.000	.787**
	Sig. (2-tailed)		.000
	N	98	98
Socio-economic development of teachers	Pearson Correlation	.787**	1.000
	Sig. (2-tailed)	.000	
	N	98	98

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

1	$r = 1$	Perfect correlation
2	$0.9 \leq r < 1$	Strong correlation (very high)
3	$0.6 \leq r < 0.9$	High correlation
4	$0.5 \leq r < 0.6$	Moderate correlation
5	$r < 0.5$	Weak(low) correlation
6	$r = 0$	Absence of correlation

The study findings in Table 13 shows there is high correlation between UMWALIMU SACCO services (Credit Provision, Savings, business loans, -housing loans, -Small project loans, Savings platform-SACCO services) and socio-economic development of teachers (Increase of income, education facilities, food security, building houses, increased household savings). The Pearson correlation(r)= 0.787** and this means that there is high correlation.

5.0 Summary of findings and Conclusion

The objective of the paper was to determine the relationship between Umwalimu SACCO and socio-economic development of teachers in Rusizi district in Rwanda. It was revealed there is high correlation between UMWALIMU SACCO services (Credit Provision, Savings, business loans,-housing loans,-Small project loans, Savings platform-SACCO services) and socio-economic development of teachers (Increase of income, education facilities, food security, building houses, increased household savings). Thus, Pearson correlation(r) coefficient was 0.787 with a P-value of 0.000. This implied there is high correlation. The study concluded that there is a statistical significance relationship between the variables of Umwalimu SAACCO and socioeconomic development of teachers in Rusizi district in Rwanda.

6.0 Recommendations

The study recommended the management of Umwalimu SACCO should create awareness campaigns, increase loans to their customers and train them on how to start small projects. The government and development partners should create a strong supportive policy framework, increasing public awareness and understanding of micro insurance at both regulator and other stakeholder's levels, and building strong strategic partnerships and alliances. Moreover, the members of Umwalimu SACCO and teachers should also work hand in hand with the managerial staff to improve the services offered in their institution. In addition, the study recommended a further study be carried out on other variables that may have effects on the impacts of Saccos on sustainable development of members in Rwanda.

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