

Impact of Meli Nne SACCOS services on social welfare development of women members in Zanzibar

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Abstract

Background: Saving and Credit Cooperative Society (SACCOS) plays an important role to the microfinance sector. It is common financial institutions that provide financial services to resource poor households in Zanzibar especial women

Materials and methods: A case study design along with explanatory research design was used due to flexibility. A sample of 60 respondents was selected using simple random sampling. A questionnaires survey was employed as the method of data collection and the researcher distributed questionnaires to 60 women members of Meli Nne SACCOS. Descriptive statistical techniques were used to analyse the collected data through Statistical Package for Social Sciences (SPSS) (version 23).

Results: The study found that the social welfare development of women members in Zanzibar are affected more the 50 percent with several factors but most of the factor is regular participation in Meli Nne SACCOS. The proper participation SACCOS can bring several benefits to the beneficiaries.

Conclusion: The study conclude that, women of Meli Nne SACCOS need improve their participation in their institution so as they can increase their level of income through the assistance from the Board of Directors and branch managers of various SACCOS.

Key words: Meli Nne SACCOS, social welfare, descriptive statistics

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I. Introduction

In Zanzibar, Saving and Credit Cooperative Society (SACCOS) governed by the Cooperative Act No 4 and plays an important role to the microfinance sector in particular and Zanzibar economy in general. (Study on capacity assessment of SACCOS in Zanzibar, 2014). Saving and Credit Cooperatives are common Financial Institutions that provide financial services to resource poor households in Zanzibar especial women. They were registered under the Zanzibar Cooperative Act No 4 of 1986, but now they are registered under Act No. 15 of 2018. Based on the statistics from the Department of Cooperatives; there are 228 SACCOS registered as at march 2020 (equivalent to 9.0 percent of the total existing cooperatives) where by fact that the majority of the Cooperative member are women.

In recognition of SACCOS contribution to the economy, the Revolutionary Government of Zanzibar establish department of cooperative development under the ministry of Labor, Empowerment, Elders, Women and Children which among other functions, it governs SACCOS issues. In Zanzibar SACCOS remain the most important players in provision of financial services and have deeper and widespread outreach than other types of financial institution. The Revolutionary Government of Zanzibar has continuously supported the SACCOS as a part of its Economic Empowerment particularly for rural people where access of other source of finance is not easy.

In recently, the number of SACCOS in Zanzibar increases on daily basis, as at end of March 2020, there were 228 SACCOS in Unguja (134) and Pemba (94), according to a report from Ministry of Labor, Empowerment, Elders, Women and Children, as show in the Table (1.1). These SACCOS have more female members of 16824 then male are about 13,096. Also numbers of SACCOS in Unguja Island are greater than in Pemba Island, this is due to the population differences.

Table 1 Summary Members of SACCOS end of March 2020

	No. Of SACCOS	FEMALE	MALE	GROUPS	TOTAL
UNGUJA	134	12,695	9,961	497	23,153
PEMBA	94	4,129	3,135	633	7,897

TOTAL	228	16,824	13,096	1,130	31,050
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Source: Ministry of Labor Empowerment Elders Youth Women and Children (2020)

More specifically, Meli Nne SACCOS is the SACCOS found in” Mjini Magharibi’ Region in Magharibi “B” District, it was created for the aim of reducing poverty, Meli Nne SACCOS was established by women entrepreneurs for the purpose of plate making (kutengeza Vyungu). Due to different profits obtained in their daily activities number of males also increased. Since 2015 Meli Nne SACCOS emerged with 150 members female and male. In that year 2015 male was 23 and women were 127. Also in the same year 2015 Meli Nne SACCOS was registered under the rule of Cooperative Societies Act No 4 of 1986 in 23/12/2015 with 150 members, with the aim of offering the loan to its members in order to improve capital of small entrepreneur.

Currently, Meli Nne SACCOS have 1,536 member’s, male are 555 and female are 962 and 19 groups, include employee member and non-employee member from public and private Sectors. Since their establishments the rates of women in Meli Nne SACCOS were high, even now this show that in Meli Nne Sacco’s the total of women increase by the day. (According to the Head of Meli Nne SACCOS).

II. Problem of the statement

According to the statistics provided in introduction it seems that Meli Nne SACCOS have both members male and female. Whereby the number of female is higher compared to the number of male but in reality the life standard of female member is lower compered to male. The revolution government of Zanzibar emphasizes a lot that women are required to be given much priority in order to improve their socioeconomic wellbeing. However, the status of social welfare of women in Meli Nne SACCOS are directly observed to be very poor.

The outcome of the role of SACCOS services to the social welfare development of has not been clearly shown in the existing literature especially in Zanzibar. Therefore, this study attempts to show the impact of Meli Nne SACCOS in women socio-economic empowerment in Zanzibar.

III. Theoretical literature review

Theoretically, the researchers found the most relevant theories related to this study. These are;

Institutional Perspective theory: Meyer and Rowan (1991) explains the basic concepts and premises of the institutional theory approach provide useful guidelines for analyzing organization-environment relationships with an emphasis on the social rules, expectations, norms, and values as the sources of pressure on organizations. Institutional theory attends to the deeper and more resilient aspects of social structure. It considers the processes by which structures, including schemas; rules, norms, and routines, become established as authoritative guidelines for social behavior. This theory is related to this study because it explains the guidelines, norms roles and regulation which led to better performance of the organizations.

Resource Based View theory: Resources of the right quality and quantity are important for strategy implementation (Aosa, 1992, Machuki and Aosa, 2011). Resource based view of the firm starts with the assumption that the desired outcome of managerial effort within the firm is a sustainable competitive advantage (SCA). Essentially capabilities encompass the skills of individuals or groups as well as the organizational routines and interactions through which all the firm’s resources are coordinated (Grant, 1991). Also, this theory it relate to this study on the issues of resource availability. This means that if the firm needs to perform well it require resources in its implementation.

Taylor’s motivational theory: This theory was published by Frederick Taylor in 1911. According to Taylor’s research, people worked purely for money. In the early years of the car assembly industry work on a production line was based on producing quantity and was repetitive. Workers were paid ‘piece rate’, that is, paid for every item produced. This approach of paying workers by results was good for the business. This theory is relevant to the topic under the study since it informs organization rewarding practices variable. This in turn enhances their knowledge, skills and their sense of wellbeing.

IV. Empirical literature review

Empirically, the researchers provide detailed review on the previous studies carried out on the issues of SACCOS in improving social welfare development of women members.

Churk (2015) conducted on contributions of savings and credit cooperative society on improving rural livelihood in Makungu ward Iringa, Tanzania. the mixed research method both quantitative and qualitative approach were used to capture data from the study area, include, 100 household survey, 20 key informant interviews and 4 groups discussion. Statistical Package for Social Sciences (SPSS) is the software program applied for quantitative data analysis, while descriptive and content analysis was adopted for qualitative data. The findings revealed that, SACCOS have played minimal role towards promoting rural livelihoods in the study

area, the feature that made poverty situation to persist to the community members. Study also found that the majority of SACCOS members failed to repay back the loan due to high dependency on agriculture sector which is not promising as depends on rainfall variability and it is seasonal.

Asratie (2014). Elaborates the socio-economic role of saving and credit cooperatives in promoting gender equality: the Case of Estie Woreda, Ethiopia. Both qualitative and quantitative research design were employed and a sample of 140 (70 males and 70 females) members was drawn from the total population (N=216) using stratified random sampling techniques. Data sources were both primary and secondary. The findings showed that SACCOS promote gender equality in saving account creation, credit access, patronage dividends, and saving terms. However, they did not achieve gender equality in purchasing additional shares, in savings, credit and credit terms. In terms of the social aspect, SACCOS did not achieve gender equality in coop education, training, coop relations, and in community service

Keitany (2013) conducted study on the relationship between loan default and the financial performance of SACCOS in Kenya. The study used a descriptive design because it involved in depth information on the relationship between loan default and the financial performance of SACCOS. Data was collected from the census of 45 SACCOS in Nairobi County using secondary data from SASRA, which is the regulatory body thus the study concentrated on 20 SACCOS. The data was reviewed, and analyzed using (SPSS version 18) both descriptive and inferential statistics. The study findings indicated that there is strong negative relationship between the loan default and the profitability of these SACCOS. The tests showed that the overall regression model is a good fit for the data as the independent variables statistically and significantly predict the dependent variable.

Gasper (2013) examines the contribution of saving and credit cooperatives to women development and poverty eradication in Tanga city council: a case of Tangamano, Muwasita and Seroni SACCOS. The researchers adopt case study research design along with explanatory research strategy because it is flexible and allow non-probability sampling design. Interview, questionnaire and observation were used for data collections and analyzed qualitatively by making use of content analysis and were presented by using percentages and figures. The findings of this study show that through loans offered by SACCOS women are in good position to bring about their development and ultimately eradicate poverty. Women who are board members are involved in decision making thus creating opportunity for women to grow in terms of leadership.

Mbagga (2013) enlighten the role of saving and credit cooperative societies (SACCOS) in poverty reduction: evidence from Same district. Primary data were collected by using interview, questionnaires, and observation and focused group discussion while secondary data were obtained from documentary sources such as magazine, books, newspapers, manual files and journals. The SPSS was specifically used to show the significance between the income of members and non-members also income before members joining SACCOS and after being members. Simple descriptive methods such as frequencies, percentages and cross tables were used to explain the existing situation of the institution. The results obtained were used to make comparison between members and nonmembers' life improvement. It was found that the perception of the performance of SACCOS was good where by 49% of members and 53% of non-members the performance of SACCOS in their areas testified. Results concerning the factors for success and failure revealed the accessibility of SACCOS's services was the major factors which contributed to the success while lack of training opportunities emerged as a major factor for the failure of SACCOS to perform better.

V. Methodology

Research Design: A case study design along with explanatory research design was used due to flexibility. The Case study has been chosen because due to time constraint, it is easier for the researcher to concentrate on the study and give results that generalize the impact of SACCOS on women socio-economic empowerment in Meli Nne SACCOS.

Area of the Study: The study was conducted in the Meli-Nne SACCOS situated in the Mjini Magharibi Region of Zanzibar. The region comprises of two district of Mjini Unguja and Magharibi Unguja.

Study population: In particular, the target populations for this study are women who totally participate in Meli Nne SACCOS Zanzibar. As such, total population for this study was 962 in Meli Nne SACCOS.

Sampling Techniques and Sample Size: A simple random sampling was used to select respondents in Meli Nne SACCOS. The researchers selected names of members randomly from the list of members of Meli Nne SACCOS in order to have sample for the study. This is to say women at Meli Nne SACCOS had equal chances to be selected. A sample of 60 respondents was used and considered as appropriate for a study of this nature. Women members who participate in Meli Nne SACCOS were selected to represent a total population of 962 of female engaged in Melinne SACCOS.

Methods of Data Collection: Based on the nature of this study, primary data elicited from the targeted respondents in order to know the reality of what is happening to them at a point in time is preferred. Therefore,

questionnaires survey was employed as the method of data collection. The researcher distributed questionnaires to 60 women members of Meli Nne SACCOS.

Data analysis techniques: This study employed descriptive statistical tools of analysis. The descriptive such as mean scores, standard deviation, frequencies and percentages. Subsequently, Statistical Package for Social Sciences (SPSS) (version 23) is used in analysing the data collected for this study.

VI. Study Findings

6.1 Demographic of the Respondents

Characteristics of respondents based on age, marital status distribution, education level, position in work. Data obtained were analyzed and presented in the frequencies and percentage.

Table 2 Demographic of the respondents

Variable	Category	Frequency	Percentage (%)
Age	18-25	5	8.3
	26-30	10	16.7
	31-40	20	33.3
	41-50	10	16.7
	51-60	10	16.7
	61 and above	5	8.3
Marital Status	Married	10	16.7
	Single	5	8.3
	Divorced	20	33.3
	Widow	25	41.7
Education	Primary	15	25.0
	Secondary	15	25.0
	Diploma	20	33.3
	Others	10	16.7
Work Position	Finance	1	1.7
	Others	59	98.3

By age, the researcher divided the age group into six groups and most of the respondents fall under age group of 26 to 50 years which represents 66.7 percent. This implied that most of women who engaged in Meli Nne SACCOS are in reproductive ages.

Also, through marital status, overwhelming (75 percent) of the respondents is categorized in divorced and widow and only 8.3 percent of the respondents are single. This findings implies that the member who participate in Meli Nne SACCOS are mostly women who are divorced and widow because they depend on themselves. So, they are supposed to work hard in order to generate their income.

Interestingly, half of the respondents were attained their education up to secondary level and the remaining 50 percent they graduated from diploma and above. This means that member who engaged in Meli Nne SACCOS are those who only have a basic education. So, there is a need to improve their level of education so as to work effectively.

Finally, through work position, the findings shows that only 1(1.7%) women out of the total respondents is working in finance department and the remaining 98.3 percent are working in other area at Meli Nne SACCOS Zanzibar. This finding is connected with above finding on education attainment where by half of the respondents is having only secondary education, and in the finance department is very important department in organization.

Impact of Meli Nne SACCOS Services to the Social Welfare Development of Women Members in Zanzibar

The researcher intended to examine the impact of Meli Nne SACCOS services to the socio-economic welfare development of women members in Zanzibar. Descriptive statistics such as (frequencies and percentages) was used to analyses the findings for this study. Researcher engaged respondents whose responses were intended to answer the following questions as presented below.

a) *SACCOS plays important contributions in mobilizing saving and creation of different change.*

In this part, the researcher was interested in finding out if Meli Nne SACCOS activities plays important contributions in mobilizing saving and creation of different change. Respondents were required to agree, strongly agree, disagree or strongly disagree. The results are summarized in Table 3

Table 3 Mobilizing saving and creation of different change

	Frequency	Percent
Agree	26	43.3
Strong agree	34	56.7
Total	60	100.0

Source: *Field Researcher 2020*

The Table 3 above, show that many of respondents about 56.7% out of 60 respondents are strongly agree that SACCOS plays important contribution in mobilizing and creation of different change in mobilizing of saving in individual and in group. 43.3% also agree that situation in their SACCOS. The result depict that the amount of saving for women member in Meli Nne SACCOS are increased, due to different activities participate in their cooperation. Activities like trade, establish of shop, entrepreneurs and different other activities enable the women member to save in their SACCOS.

These findings are consistent with the study of Asratie (2014) on elaboration of the socio-economic role of saving and credit cooperatives in promoting gender equality: the Case of Estie Woreda, Ethiopia. The findings showed that SACCOS promote gender equality in saving account creation, credit access, patronage dividends, and saving terms. However, they did not achieve gender equality in purchasing additional shares, in savings, credit and credit terms. In terms of the social aspect, SACCOS did not achieve gender equality in coop education, training, coop relations, and in community service

b) Participating in SACCOS it improve women knowledge

In this part, the researcher was interested in finding out that; Meli Nne SACCOS improve women knowledge and skill due to their participation. Respondents required to agree, strongly agreed, disagreed or strongly disagreed. The results were summarized in Table 4

Table 4 SACCOS improve women knowledge and education

	Frequency	Percent
Agree	35	58.3
strong agree	25	41.7
Total	60	100.0

Source: *Field Researcher 2020*

In Table above, the results depict that out of 60 respondents 58.3% agreed that SACCOS have impacts in improving women knowledge and education, and 41.7 % also strong agreed that SACCOS also have impacts in education and knowledge. This shows that Meli Nne SACCOS have major impacts on improving women knowledge and education like entrepreneurs, investments, trading, and so many. These findings are supported by the findings of Churk (2015) on contributions of savings and credit cooperative society on improving rural livelihood in Makungu ward Iringa, Tanzania. His findings state that, SACCOS have played minimal role towards promoting rural livelihoods in the study area, the feature that made poverty situation to persist to the community members.

c) Participating in SACCOS it improve Wellbeing of the Poor Women Household

Furthermore, the researcher was interested in finding out that; Meli Nne SACCOS is improving wellbeing of the poor women household or not. Respondents required to agree, strongly agreed, disagreed or strongly disagreed. The results were summarized in Table 5

Table 5 Wellbeing of the poor women household

	Frequency	Percent
Agree	31	51.7
strongly agree	29	48.3
Total	60	100.0

Source: *Field Researcher 2020*

In the Table 5 above the results shows that, 51.7 % of the respondents agreed that SACCOS improve wellbeing of the poor women household, and about 48.3 % out of 60 respondents are strongly agreed that SACCOS improve wellbeing of the poor women household. The results depicts that Meli Nne SACCOS played an important role of improve wellbeing of the poor women household.

Also, these findings are agreed with the findings of the study of Mbagga (2013) on enlighten the role of saving and credit cooperative societies (SACCOS) in poverty reduction: evidence from Same district. It was found that the perception of the performance of SACCOS was good where by 49% of members and 53% of non-members the performance of SACCOS in their areas testified.

d) Participating in SACCOS it helps to decrease the dependency ratio within a family
More importantly, the researcher was interested in finding out that; Meli Nne SACCOS helps to reduce the dependency ratio within a family. Respondents required to agree, strongly agreed, disagreed or strongly disagreed. The results were summarized in Table 6

Table 6 SACCOS decrease the amount of dependent in the family

	Frequency	Percent
Agree	35	58.3
strongly agree	25	41.7
Total	60	100.0

Source: *Field Researcher 2020*

The results showed that, out of 60 respondents 58.3% of the respondents agree that SACCOS decrease the amount of dependent in the family, and remained 41.7% showed to strongly agree about the SACCOS to decrease the amount of dependents in the family. This implies that in Meli Nne SACCOS majority of women now improve and avoid the amount of dependents in their family.

Furthermore, these findings confirm with the findings of Gasper (2013) on examines the contribution of saving and credit cooperatives to women development and poverty eradication in Tanga city council: a case of Tangamano, Muwasita and Seroni SACCOS. The findings of this study show that through loans offered by SACCOS women in SACCOS are in good position to bring about their development and ultimately eradicate poverty. Women who are board members are involved in decision making thus creating opportunity for women to grow in terms of leadership.

e) *Participating in SACCOS helps to contribute Women Economic empowerment*

In this part, the researcher was interested in finding out that, Meli Nne SACCOS helps to contribute Women Economic empowerment. Respondents required whether to agree, strongly agree, disagree or strongly disagree. The results are summarized in Table 7

Table 7 Contribution of Women economic growth in SACCOS

	Frequency	Percent
Agree	34	56.7
strongly agree	26	43.3
Total	60	100.0

Source: *Field Researcher 2020*

In this Table 7 the result shows that many of the respondents agree that SACCOS contribute women economic growth, this depicted at 56.7% of respondents. Also 43.3% are strong agreed that SACCOS contribute in economic growth in their SACCOS. This shows that there are changes in women in Meli Nne SACCOS after joined especially in economic, also majority of women member in Meli Nne SACCOS contribute in economic growth after join in SACCOS. At the same time Gasper (2013) also confirm with these findings as it confirm that women are involved in decision making thus creating opportunity for women to grow in terms of leadership

VII. Conclusion

With regards to research idea on the impact of Meli Nne SACCOS services to the social development of women members in Zanzibar. The study concludes that, the social welfare development of women members in Zanzibar are affected more the 50 percent with several factors but most of the factor is regular participation in Meli Nne SACCOS. The proper participation SACCOS can bring can bring several benefits to the beneficiaries.

VIII. Recommendations

The study recommended that the Board of Directors and branch managers of various SACCOS should use the findings of this study to develop strategies focused on encouraging mobilization of savings and adequate lending by SACCOS. Also managers of various SACCOS should organized together in order to exchange their attitude toward improvement of their members.

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