



The Impact of Village Savings and Loans Association (VSLAs) on Low Income Households in Chilimanyama Agricultural Camp of Petauke District

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Abstract

The purpose of the study was to establish how Village Savings and Loans Association had impacted positively on low income households especially in rural parts of the country where formal financial services were not available. The researcher focused on 5 zones of Chilimanyama Agricultural camp in Petauke district of Eastern province, with each Zone having estimated households of between 1500-2500. The researcher paid a courtesy visit to the office of District Community development Officer in order to get Permission before interviews could be conducted in the area. Purposive technique method was used to select key informants from district community development office using an interview guide and a simple cluster random sampling technique was used to select VSLA respondents and questionnaires were administered for data collection. The research findings observed that about 93% of the total respondents were females while only 3% accounted for male respondents. This clearly showed that most women in these areas were actively involved in income generating activities at both community and household level. The research also reviewed that 100% of the respondents had access to loan facilities from the VSLA in their respective villages/Zones which were in the range of K400-K800. It was recommended that the ministry responsible for community development should intensify programs aimed at linking VSLAs to established markets or financial service providers so that these groups could be seen as a source of financial services for all community members in rural parts of the country. The VSLA model was by far the fastest and simplest model government could use to create wealth and improve the standard conditions of more low income households in rural parts of Zambia

Keywords: Impact Studies; VSLAs; Rural Household Income; Petauke.