

The Role of Savings and Credit Co-operative Societies in Provision of Financial Services in Rural Areas
The Case of Arumeru District
By
Nicodemus Simon Mwakilema
Master of Business Administration (Finance), University of Dar es Salaam, 2006

The study sought to assess the role of saving and credit cooperative societies (SACCOs) in provision of financial services in rural areas. It covered members involved in income generating activities in Arumeru district. Specific objectives included: to investigate whether or not members who joined SACCOs have developed savings behaviour; to analyse SACCOs' contribution to members in terms of economic empowerment; and to evaluate whether or not there was an increase in capital investment after joining SACCOs rather than before. 80 respondents from 4 surveyed SACCOs were involved in the study. Both qualitative and quantitative methods were used in data collection and analysis. Quantitative data were analyzed through the SPSS and Microsoft excel computer packages. The Findings show that SACCOs played a very fundamental role in providing financial services to members. Data analysis and hypotheses testing have led to the following conclusions: first, there was a significant relationship between members joining SACCOS and increase in their savings behaviour, Secondly, there was a significant increase in household members spending after joining SACCOs rather than before in that it led to improvement in members' living standards due to increase in their purchasing power. Lastly, there was a significant increase in investment activities after joining SACCOs rather than before due to increase in loans and micro credits provisions by SACCOs in Arumeru district.