

**Household's Financial Capability and Access to Electricity in Rural Areas
A Case of Shiri Mgungani Village in Ila1a District, Tanzania**

By

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Electrification in rural areas is one of the global priority agenda. African governments especially governments in the Sub — Saharan Africa countries have adopted the agenda and make one of the policy areas of concern. Tanzania in particular has a number of initiatives that focus on increasing access, usage and maintenance of electricity in rural area. Rural Electrification Agency (REA) have been mandated to supply and make easy and affordable access and usage of electricity in rural areas of Tanzania. However, in the globe and Tanzania in particular, financial capability is increasingly becoming a central public policy concern as it impacts financial stability, inclusion, effective functioning of financial system and development at large to include choices of access to social services such as electricity. This study sought to investigate the financial capability of rural residents in terms of the socio-economic activities they do, financial knowledge, financial skills on access to electricity together with the perception of the rural residents on access to electricity. A cross section research design was applied where data were collected on a single point in time. A survey technique was used to collect information from 82 households. 12 key informant interviews specifically with the Rural Electrification Agency (REA) staff and the village executive officers were done. Findings show that differences of income across households, budget skills and priorities of spending do affect access to electricity. Perception of rural residents on price and regular availability of electricity also affect much access to electricity. It is concluded that, financial knowledge and skills are not a very significant problems associated with access to electricity but rather attitude. It is recommended that costs involved in rural electrification, ownership of the process, affordability and assurance of the service availability be part of the country's policy to stimulate access to electricity for the rural residents,