

**FACTORS DETERMINING THE GROWTH OF SAVINGS AND CREDIT CO-
PERATIVES IN TANZANIA: THE CASE STUDY OF SACCOS OPERATING IN
MOROGORO URBAN DISTRICT, MOROGORO REGION TANZANIA**

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**A Dissertation Submitted in Fulfillment of the Requirements for Award of the
Degree Masters of Science in Accounting and Finance of Mzumbe University
2013**

CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a thesis entitled **Factors Determining the Growth of Savings and Credit Co-operatives in Tanzania: The Case of SACCOSs operating in Morogoro Urban District, Morogoro Region, Tanzania**, in partial fulfillment of the requirements for the award of the degree of Science in **ACCOUNTING AND FINANCE Mzumbe University**

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DEDICATION

This study is directly dedicated to my beloved husband, son; Lugano, daughters Ndimbumi and Ritha for all their support and patience they showed to me during my studies.

LIST OF ACRONYMS AND ABBREVIATIONS

Fin. Inst.	: Financial Institutions
MUD	: Morogoro Urban District
NBC Ltd	: National Bank of Commerce Limited
NMB Ltd	: National Microfinance Bank
SACCOS(s)	: Savings and Credit Co-operative(s)
URT	: United Republic of Tanzania
TZS	: Tanzanian Shillings

ABSTRACT

The purpose of the study was to identify factors determining the growth of Savings and Credit Co-operatives (SACCOs) in Tanzania. The main objective of the study was to identify the factors determining the growth of SACCOs in Tanzania. Specific objectives were: to appraise the influence of savings culture commonly used by SACCOs, to map the effects of economic activities to SACCOs members on the growth of their co-operatives, to determine the contribution of management experience on development of SACCOs and assess the role of actual credibility offered by Financial Institutions to members on growth of their co-operatives. The study used purposive sampling techniques in choosing a sample of 60 respondents. Data were analyzed by computer software “SPSS” whereby, quantitative information was obtained by a way of tabulations and rankings polished by the use of frequencies and percentages whereas frequency tables and pie charts used to present qualitative part of the study results. Results show that: Saving culture among SACCOs’ members prosper growth of their co-operatives – in the sense that many shares are created and hence liquidity. Economic activities also play a great role as it enables members to return both principal and interest of the loaned amount on time. Furthermore, managements experience cited as a vital factor contributing the growth of SACCOs. The findings show most members of the SACCOs are lacking knowledge on co-operatives, thus study recommends that both knowledgeable SACCOSs’ members and Financial Institutions increase their active participation in providing education to other member of SACCOSs amid credit provision and investment opportunities, to find the way which can motivate members on saving culture, like to increase interest on saving and charge reasonable amount of interest on loans so that in turn, co-operatives flourish and survive for longer than ever.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter introduces the study by mainly presenting the background information, statement, objectives, and research questions of the study. It also presents the scope and limitations, and significance of the study. Notably, there has been a terminology of SACCO around the globe and more largely around developing nations, of which is always used as the acronym of Savings and Credit Co-operative and there is no difference between a credit union and a SACCO, and between themselves (Sebhatu 2011). For, the term credit union generally is used in Africa and especially in Southern Africa to avoid confusion with the various labor movements. For, the standards arguments for a co-operative-based economy is that it generates the means of democratic, unique member driven, and self cooperation well-being much more abundantly and reliability than any alternative economic system – which can alternatively be rendered possible through several factors including; saving and credit movements potentially owned in a cooperative manner (Lim, 2008)

According to (Prais 2009; Dixon , 2005) the rural economy and the urban economy in developing nations, including Tanzania in particular, are largely disconnected. However, urban banks have excess liquidity, which costs them money to manage, while some rural people have opportunities requiring credit to be profitable that are low risk – there is no mechanism to bring this liquidity from urban banks to rural businesses. Saving and Credit Cooperatives (SACCOs) can be the link that will give urban banks low risk loan opportunities in rural areas and give rural businesses access to credit at costs for lower than interest rates currently charged by moneylenders. So, this study is concerned with growth of SACCOs from the perspective of relative factors and sustainability of Rural SACCOs to reach large number of members (Prais 2009; Dixon 2005). Thus,

based on this constructive argument, this study therefore, seeks to identify the factors determinants of SACCOs' growth in Tanzania

1.2 Background of the Study

The history of cooperative movement in Tanzania is replete with encouraging and discouraging, promising and unpromising stories and memories (Chambo, 2010; Rashid 2011). Despite the ups and downs in the cooperative movements the government on one hand and scholars and some of those who have been part of the cooperative movement on the other continue to be concerned about the future of the movement and seek to revive and strengthen cooperative initiatives in the country. They are all inspired by the fact that cooperatives are not only important vehicles for freeing producers and consumers from exploitation but also are agencies through which producers and production can be transformed. Much as these concerns and efforts at reviving cooperatives are important they have so far given much attention to 'traditional' cooperative movements (mainly producers cooperatives) specializing in the production, purchase and marketing abroad of agricultural products (Chambo 2010; Rashid 2011). This leaves a large part of cooperative initiatives, especially at the grassroots level lightly touched or not touched at all (Chambo 2010; Sebhatu2011)

A number of cooperative initiatives responding to different social and economic factors do exist in the country. some of these have been in place before independence and seemed to disappear in the 1970s only to re-emerge in the mid 1980s, these include the social-cultural and ethnic or regional based associations which help their members in times of difficulties and happiness such handling and helping members on matters of marriages, death, disease and other social mishaps (Chambo 2010; Rashid 2011; Bank of Tanzania 2012). The new form of cooperation is popularly known as UPATU where members (initially constituting of unemployed married women) contribute a fixed amount of money monthly or in a specified period of time and given to members on

rotational basis. Whereas the role and contribution of traditional societies to its members and the society at large is known, little or nothing is known about the role of these forms of cooperative initiatives (Chambo, 2010). What is the contribution of these various forms of cooperative initiatives to its members and the immediate community they live in? .What lessons can be drawn from such forms of cooperatives in order to sustain and strengthen the cooperative movement in the country in general and self-initiative and organizations in general? What factors prompts or stimulates people to cooperate? Are these forms of cooperatives a coping mechanisms to social and economic difficulties and uncertainties brought about by changes in the economy or are they a way of ceasing opportunities that have been created by the market economy and other social and political reforms in the country? (Chambo, 2011). Meanwhile, the same questions are relevant in relation to the growing interest in Savings and Credit Cooperatives (SACCOs). Both the government and other stakeholders encourage people to create SACCOs. This has resulted into rapid growth of the sector. Evidences specify that currently; there are over 1,800 registered SACCOs throughout the country, ranging from community-based initiatives; recruiting members, who work in the informal economy to workplace-based; SACCOs. They propose that to strengthen the sector there is need to create an Act of SACCOs and thus free them from the generic cooperative Act of 1991 (Chambo 2010; Rashid 2011; Bank of Tanzania 2012).

Further evidences put forward that the actual emerging microfinance movements in Tanzania began with NGOs and SACCOs (Savings and Credit Cooperative Organizations) in particular, and precisely in 1995 and has continued to grow with the increased success of microfinance internationally. In such, microfinance is still a relatively new concept in Tanzania. Beginning in 1995, it was mainly linked to women and poverty alleviation (Sanga 2011; BoT 2011; Chambo 2010). The government tried to convince commercial banks to support small and medium businesses. Once the National Microfinance Policy was implemented in 2001, microfinance was officially recognized as a tool for poverty eradication and with its increased use and exposure to

the country; banks have taken an interest in offering microfinance. For instance; the National Microfinance Bank is an institutional provider of microfinance services, and the AKIBA Commercial bank and CRDB Bank are also two big supporters of microfinance, of which in turn are seen as pillar in sustaining the development of the so-called SACCOs and their related institutions (BoT , 2012). Even though, there are additional organizations involved in microfinance in Tanzania, including FINCA, PRIDE and SEDA as well as the Tanzania Postal Bank. Meanwhile, community banks and small banks have taken an interest in this, as well as many NGOs and non-profit organizations. With all these historical traces, plus other evidences, the study therefore, seeks to explore the determinants of SACCOs' growth in Tanzania particularly. (Sanga 2011; BoT 2011; Chambo 2010).

1.3 Statement of the Problem

A SACCO with high saving movements accumulates assets faster and thus grows faster than a SACCO with low saving economy (Sebhatu 2011; Sanga 2011; Vinson; Braveson, Frank, & Lewin, 2008). Interestingly, it is up to this moment very abstract as to whether any evidence can openly determine whether the growth of SACCOs in Tanzania depend much on the level of savings culture, bank credits provided to, credit accessibility, and so on – and to the extent their relative upwards or downwards heading can clearly be said upon. This explicates that elements like, savings culture, financial institutions credit provision, trend in credit access, and many others are ideally key determinants for any SACCOs' growth and may create a successful and globally competitive financial sector that promotes high levels of saving and financing for co-operative members and latter on meets their financial needs and in turn the growth as well (Lisandro, 2010). In contrast, it is up to now very non-factual as to whether the growth of SACCOs in Tanzania has been be determined by what particular factors. However, this vision can be fully achieved if cooperative societies around the nation opt to operate in the agreeable savings culture, experienced management, credit accessibility, etc and hence their growth will remain tangible. Even though, examples

from many SACCOs around the country, provide that the saving culture is denoted by initially the membership and followed by right to membership in to any established SACCO. In this regards, once a membership is approved, the saving might of any acknowledged membership can go up to maximum of five shares and not above this level. Again, financial institutions credits, credit accessibility, management experience, are amongst other elements, which remain unknown as to whether they can be termed as the basic determinant for SACCOs, growth in the country. And their operational trend has been into effect for years and years, whose effect on the growth of SACCOs remain unknown (Sanga, 2011)

A recent 2005 survey done by the Bank of Tanzania (the overseer of microfinance under the Ministry of Finance) updated the directory of microfinance practitioners and includes basic information on microfinance institutions including commercial banks, financial institutions, financial Non-Governmental Organizations (NGO), Savings and Credit Cooperatives Societies (SACCOs) and Savings and Credit Associations (SACAs) (BoT 2005). In this survey, one of the special attentions was headed to saving culture amongst SACCOs and their interventional action on their own growth (BoT, 2005). BoT established that savings amongst SACCOs are limited in terms of number of shares by cooperative members. In this sense, it is too abstract and early to determine the extent to which the saving culture (as limited to number of shares and right to membership entry) reigning amongst SACCOs can significantly foster their growth as well. For, the higher the savings economy, the higher and faster will be economy growth of any cooperative. However, much effort and zeal need to be put in place in order to find whether saving culture amongst SACCOs in the country have been able to achieve any effectiveness on their own growth. (BoT 2005; Sanga 2011; BoT, 2012)

Furthermore, it should be recognized that SACCOs are established to foster and contribute to the economic growth of any community and later on, of the nation as a whole (Sebhatu 2011). In this order, it is extensively beneficial to note that saving

movements, credits, etc. in SACCOs are the collar stone of their growth and of their community as a whole (Lim 2008). In simple terms; this signifies, the saving culture reigning in SACCOs must necessarily be termed the catalyst for any effectiveness being therein achieved or the other side-effect result. This regains to say, SACCOs in all angles of their businesses, have their own savings culture. Perhaps, one issue remains so important to be deeply known – which is how far the said saving culture has; credit, management experience, etc. have been able to guide them towards their development? Or has that saving culture been the cause for the falling wall of their businesses? Thus, responses to all these queries would not emanate from a vacuum arena, rather from the investigative action. Therefore, based on this concern, the reason why this study seeks to explore the determinants of SACCOs' growth in Tanzania. This implies that, findings from this study had automatically been the projecting source for any expected response which had answered the above posed question and beneficial to SACCOs as well the communities as whole.

1.4 Objectives of the Study

This study was tasked to achieve one general objective, out which four specific others were constructed as follows

1.4.1 General objective

The general objective of this study was to identify factors determining the growth of SACCOs in Tanzania.

1.4.2 Specific Objectives

This study was specifically tasked to achieve the following four objectives

- i. To find out the influence of savings culture commonly used by SACCOs on the growth of their co-operatives
- ii. To determine the effect of economic activities of SACCOs' members on the growth of their co-operatives

- iii. To examine the contribution of management experience of SACCOs on the development of their co-operatives
- iv. To assess the role of the actual level of credibility offered by financial institutions to members of SACCOs on the growth of their co-operatives

1.5 Research Questions

This study was tasked to answer one general research question, out which four specific others were constructed as follows

1.5.1 General Research Question

The general research question of this study was; what are the factors determining SACCOs' growth in Tanzania

1.5.2 Specific Research Questions

This study was specifically tasked to answer the following three specific research questions

- i. What is the influence derived from savings culture commonly used by SACCOs on the growth of their co-operatives?
- ii. What is the effect of economic activities of SACCOs' members on the growth of their co-operatives?
- iii. What is the contribution of management experience used by SACCOs on the development of their co-operatives?
- iv. What is the role of the actual credibility offered by other financial institutions to members of SACCOs on the growth of their co-operatives

1.6 Scope and Limitations of the Study

Scope and limitations of the study were as follows, both being drawn based on the entire picture faced during the study.

1.6.1 Scope of the Study

The scope of this study was a huge number of SACCOS operating in the District of Morogoro. This scope was chosen based on several reasons among others include: - first; in the district of Morogoro, researcher was able to collect all expected data under a time-consistency manner, since she was the dweller of the said district. Second; because researcher was well familiar with many SACCOS operating in the said district. And again, researcher had sufficient acquaintance concerning the operation of SACCOS in the Morogoro district. In fact, all these mentioned reasons stood as reason for why the district of Morogoro had formed the important scope of the study and it seemed even, data were easily gathered to extent certain limitation which might occur, will be avoided or even mitigated as well, and above all, the study was achieved as effectively as scheduled

1.6.2 Limitations of the Study

i) Time Limitation

Time accorded by the academic authority to cover the whole study is considered by this study as limitation, since it is too condensed. Its limitation comes into effect, since the researcher will at the same time be compelled to carry out this academic activity while undertaking other social-related activities and, attending her office within a very short period of time. In that manner; such a situation will undoubtedly limit her to concentrate on a single area meanwhile put aside other elements, which would inevitably enrich the fruitful achievement of the study. Even though, the research will be compelled to use the accorded time as well as scheduled in order to meet the deadline.

ii) Financial Limitation

Fund was another constraint considered by the study. The limitation of fund came into effect, simply as being always not only perceived as scarce by nature, rather as being insufficient to foster the study to cover the whole universe as it would be desired by any

researcher. Notwithstanding this limitation, the researcher, even though, was compelled to utilize the available fund and make sure each and every issue pertaining to the study was achieved accordingly.

1.7 Delimitation of the Study

Evidences put precision that, currently, there were more than 1,800 registered SACCOs operating around every corner of the country. If that is the case, notably, it would be too difficult for this study to cover all SACCOs around the country, while certain limitations were foreseen already. That's why based on this reason, the study was entirely conducted in the district of Morogoro only – to avoid various limitations which could hinder the effective achievement of the study in hand.

1.8 Significance of the Study

The aim of this study was to come out with specific response which would openly establish factors determining the growth of SACCO'S in Tanzania. Based on this scenario, the reason for why, undoubtedly; this study was too significant as it was expected to provide insight in to acknowledging the way elements like; saving culture, credit ratio, etc. can significantly foster the development of SACCOs or otherwise. This means, all concerned communities; ruling in; government as a whole, SACCOs themselves, as well as the researcher, was educated and instructed on this basis. More precisely, the significance of this study was in several ways or reasons, amongst which had included the followings.

To the Community of SACCOs: it was quite believable, that SACCOs were up to then not aware about either the effectiveness or the ineffectiveness of savings culture, credit ratio, credit accessibility they applied and benefited by, for the growth of their co-operatives. Thus, on the basis of findings from this study, notably, they were able to grasp the extent to which the said elements have been effective in fostering the growth of their co-operatives or otherwise.

To the Government: findings of this study had directed the government on all matter regarding ways to be taken either for improving or increasing the massive creation of SACCOs as based on the way findings would show on the economic development. In this regards, government was informed the way savings culture, credit accessibility, etc were amongst important and effective tool for SACCOs' growth of co-operative and latter for the economy of the nation as a whole. For, many issues were expected to explain the extent to which savings culture, credit ratio, financial institutions, etc. act as tools for the effective growth of SACCOs, which in turn might have positive impact on the economic development of the nation.

To the Researcher: At the end of the study researcher was able to understand the cons and pros of the actually employed credit ratio, financial institutions' credit accessibility, and saving culture on the growth of SACCOs in general. And in turn would be helpful in instructing SACCOs' user, whether they can maintain it or reject it – depending on the results obtained from the findings of this study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter is mainly concerned with presenting the definition and theoretical part, empirical part, and conceptual part of the study. In such, the in the definition and theoretical part of the study, this chapter presents the definitions and description of key terms, and afterwards reviews certain relating theories. Similarly, in the empirical part, this chapter then presents by reviewing certain important empirical studies as the mere way towards triggering the urgency of the study in hand. Afterwards, in this chapter, the whole conceptual frame work of the study will be drawn based on the entire comprehension about all concerned points involved in the study.

2.2 Operational Definitions of Key Terms

This section consists of defining and describing all important and concerned terms and concepts so that they are understood in a clear manner based on the whole idea pertaining to this study. The said definitions and descriptions of key terms are provided in the following array.

2.2.1 Savings

Based on the perspective of this study, the term savings in this context is defined by (Fazey, 2006) as any money saved, especially through a bank or official scheme. To better illustrate this definition, the study provides that the only example which can explicate this definition, are the savings movements, which stand as the core focus and basis for the running of SACCOs in the country. (Fazey 2006; Blitz 2006)

2.2.2 Credit

The term credit etymologically emanates from Latin word “*cedere*” which means; trust. But based on the context under this study, the term credit is therefore defined by (Awitiras, 2009); Wigztav (2004) as any ability of a customer to obtain goods or services before payment, based on the trust that payment will be made in the future. Edmund

(2007) on his turn describes this terminology as money lent or made available under such arrangement; and also understood as an entry in an account recording a sum received.

In similar perspective, and by more specifically focusing on the problem under study, the term credit also is defined by

(Brandsma & Chaouli 2004)as the provision of resources (such as granting a loan) by one party to another party where that second party does not reimburse the first party immediately, thereby generating a debt, and instead arranges either to repay or return those resources (or material(s) of equal value) at a specified period of time.

2.2.3 Co-operative

A co-operative is defined by(Bailey,2001) and Abbassan, 2010) as an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise with profit or benefits shared among members themselves. (Bailey, 2001) (Abbassan, 2010) further provides that it is therefore a business organization owned and operated by a group of individuals for their mutual benefit. A co-operative may also be defined as a business owned and controlled equally by the people who use its services or work at it. Simply, it is a voluntarily association of people or group of people with common objective to attain specific goal(s) (Bailey, 2001 and Abbassan, 2010).

2.2.4 The Concept of Savings and Credits Co-operative (SACCO).

A unique definition of the concept of Savings and Credit Co-operative (SACCO) provide that, it is a democratic, unique member driven, self-help co-operative. Normally, SACCO is broadly understood in terms of the management over its running. (Awtiras, 2009).

2.2.5 A Review about the Common Management Process of SACCO

According to(Blitz, 2006 and Ghassia, 2011); SACCO is often owned, governed, and managed by its members who have the same common bond: working for the same employer, belonging to the same social union, like; church, social fraternity or living/working in the same community. Members agree to save their money together in the SACCO and make loans to each other at reasonable rates of interest. In such, interest is charged on loans, to cover the interest cost of saving and the cost of administration. There is no payment or profit to outside or internal owners. The members are the owner and the same members decide how their money will be used for the benefit of each other. (Blitz, 2006) ;(Ghassia, 2011). This is the reason why Savings and Credit Co-operatives are democratic organizations, and decisions are made in a structured democratic way. Therefore, members elect a board that in turn, employs staff to carry out the day-to-day activities of the SACCO. The numbers of board members are often between nine and fifteen. Members also elect a supervision committee to perform the function of an internal audit.(Blit , 2006); Ghassia ,2011).

2.2.6 Types of Savings

Looking to save is in reverse, placing oneself on the right track to taking control of one's financial future (Edmund 2007). Hulme and Mosley (2009), Abbassan (2010) put forwards that, normally, there's plenty of ways and categories of savings commonly known by every stakeholder of finance-related activities. Although, the categorization of savings, in fact, vary from one entity to another and extensively much consideration is put on the type of savings in terms of services offered by any entity, and on personal planning in the future (Leroy 2003). Hence, for the sake of placing clear comprehension about the topic under concern, savings are categorized in two major sides; including in terms of accounts, and in terms of duration – of which are enumerated in the following array. Initially, the study considers that there are regular savings, ISAs and savings accounts to consider, all of which are described in the following manne

i) Savings under Accounts Perspectives

Under accounts perspectives, the following are three types of saving commonly known there under.

❖ Savings Accounts

Savings accounts are the simplest savings products to get everyone head around. They're simply a type of bank account that (usually) has a higher level of interest than any current account, where a customer deposits cash to gain interest. Typically, under this type of savings, in some countries, money can be deposited and withdrawn without a penalty, although sometimes a customer may have an interest penalty if he/she withdraws. In this category, a customer can also get a regular saver where he/she puts fixed amounts in for a limited time, and when this time expires, he/she gets a high interest payment – it's unlikely the potential customer will be able to withdraw from this type of account though. (Leroy 2003; Brandsma and Chaouli 2004).

❖ ISAs

- ❖ Basically, ISA stands for 'Individual Savings Account' and they are similar to savings accounts, but they are tax free (Wigstav, 2004). Therefore it's likely that you'll get a better return on your interest than with a regular savings account. The drawback is that the maximum amount of cash you can invest in them during the tax year is limited – depending on financial policy of any area. Under this type of savings, users are not often taxed. So, because you don't get taxed, getting an ISA is always a good option if someone wants to save (Leroy 2003; Brandsma and Chaouli 2004). However, this may to some extent be similar to the kind of savings being made by members in most SACCOs, where their savings are not taxed, rather they in turn get interest thereon.

❖ Fixed Rate Bonds

Fixed rate bonds are effectively savings accounts where you put your money in for a fixed amount of time, and then have that returned at the end of the time with a fixed interest payment on top. They can often give higher interest rate returns than savings

accounts or ISAs, even though they get taxed. However, you won't be able to withdraw until the bond expires, so it's best only to consider them if you can say goodbye to your money for the full term. You may get the best return possible if you can. (Leroy 2003)

ii) Types of savings Under Duration perspective

Under duration perspective, savings are categorized in the following manner. In this type, it is important to recognize one important consideration which is, one of the keys to financial success is planning – especially planning for the unexpected. Another key is patience (Marquit, 2012). That means, the way you interact with money and plan for the future impact your long-term financial needs and vice versa. Any saving plan can keep one's track, prevent him/her from going into debt and protect from financial setbacks (Marquit, 2012). Hence, as an individual creates plan, a savings plan, there are three major types of savings to focus on (Marquit, 2012)

❖ Short-term savings

These are types of savings whereby saving one's money for major purchases and encourages discipline in your finances. On top of that, individual avoids paying interest and racking debt. Short-term savings can help saving individual lives within his/her means as he/she plan to make consumer purchases and save up for other instant needs.

❖ Long-term savings

These are commonly known essential savings as years and decades in making, or a long-term is essential. Long-term savings goals include; retirement and colleges for one's children. Long-term savings are meant to help anyone for the future (Marquit 2012).

❖ Emergency Savings

When you run into unexpected and costly problem, the strain on your budget can be devastating. Emergency savings can help you pay for unpleasant surprises without needing to rely as heavily upon credit. A large enough emergency funds can also help sustain your family finances if you suffer from unemployment or under-employment. Emergency savings should be accessible and liquid. A high-yield saving account is often preferred for an emergency fund (Marquit, 2012).

2.2.7 Types of credits

(Edmund, 2007), (Hulme and Mosley 2009); (Abbassan, 2010) point out that types of credits vary from one context to another. For, there are some of the contexts which might distinguish them in terms of long and short term – while others may differently distinguish them in terms of the way the whole process has been performed and agreement made in borrowing money or any concerned asset. But, impliedly, all seem to dissect on the same connotation – which is the borrowing activity involving the paying-latter/back phenomenon (Edmund 2007; Hulme and Mosley, 2009);(Abbassan 2010). Thus, based on the context in hand, this study considers the following types of credit for the sake of clear understanding being searched hereunder.

i) **Installment Credit**

This is credit that always used when borrowing money and promise to repay in equal amounts over a specific period of time. *Example of an installment credit: is when someone may opt to sign vehicle loan of TZS 19,200,000 in which he pays the lender TZS 400,000 each month for five years (Edmund, 2007). (Hulme and Mosley ,2009), (Abbassan, 2010).*

ii) **Revolving Credit**

This is credit that allows you to borrow a pre-established amount repeatedly as long as your account is in good standing. You repay the amount borrowed in full or make a partial payment that is subject to interest and/or fees. *Example of revolving credit: can be explicated by the scenario where someone in any organization including SACCO, decides to sign up for a credit of particular services to be provided to him/her under a predetermined period of time. Then, she/he uses it to make purchases and at the end of each month, he receives his bill. He can choose to pay off the balance in full or make the monthly minimum payment (Edmund, 2007) (Hulme and Mosley ,2009), (Abbassan, 2010).*

iii) **Open Credit**

This type of credit requires that all money borrowed must be repaid in full every month. *Example of open credit can be explicated by the scenario when a SACCO member has a company charge card he uses to pay all his business expenses. Each month, when he*

receives the bill, he provides it to the company to pay off the entire balance in full (Edmund, 2007) (Hulme and Mosley, 2009) (Abbassan, 2010).

2.2.8 A View on the Consideration to SACCOs: Tanzania at a Glance

The government of Tanzania in particular is of the view that SACCOs are an important agency of change especially in its efforts to alleviate poverty and hence the campaign throughout the country encouraging people to form or join SACCOs (Bank of Tanzania, 2012). SACCOs are also perceived as an appropriate and micro financing outlet for rural and poor people (BoT 2012; Wilson 2012). This is because SACCOs are seen as simple Saccos form of financial institution and well suited to the socioeconomic milieu of the rural setting and poor communities. Furthermore SACCOs are seen as innovative type of grassroots institutions able to secure the participation of communities at local level. The people have, so far, positively responded to the call to form SACCOs. However, some questions can be asked: Firstly, is there a legal framework adequate to handle cooperative of character. Some cooperative scholars are of the view that although the SACCOs movement is growing very fast there is lack of professional management capacity and supervision (Chambo , 2010; Wilson ,2012; BoT 2012).

2.2.9 Reviewing the Common Savings Culture in SACCOs as per Tanzanian Perspective

Savings culture amongst SACCOs in Tanzania, are characterized by number of shares, monthly contribution, as well as by the entry fees for membership. These the three elements are always used as determinant for any member's right in the SACCO. More specifically, a SACCO cannot possess more than fifty members, and each member has right to hold up to five shares in one SACCO. This means, a member of any SACCO can put a savings of not exceeding five shares; rather can go below this platform. (Rashid, 2011)

2.3 Theoretical Literature Review

How decisions are made within a SACCO for savings and credits movements among co-operative's members is a matter of concern for this study when reviewing some of the schools of thoughts to explain the whole phenomenon being tackled hereunder. This means, this section is built around by different schools of thoughts looking to explain the way both credit and savings movements should be viewed, and understood in a SCCAO-based perspective.

2.3.1 Life-Cycle Theories of Savings and consumption

The study considers life-cycle theories of savings and consumption as of great importance as to whether they can provide ways to understand what need to be in comprehension. In this regards, it should be remembered that economists have developed three major theories of consumption and saving behaviors, which are notably; the life cycle hypothesis, the permanent income hypothesis and the relative income hypothesis (Ando and Modiglian 1997). All three theories have their conceptual roots in the microeconomic theory of consumer choice as described in the following manner.

i) Life-Cycle and Permanent Income Hypothesis Theories of Consumption and Savings

The life cycle and permanent income hypothesis are the most similar; both theories assume that individual attempt to maximize their utility or personal well-being by balancing a lifetime stream of earnings with lifetime pattern of consumption. (Ando and Modiglian 1997).

More precisely, the life-cycle theory has been utilized extensively to examine savings and retirement behavior of older persons. This hypothesis begins with the observation that consumption needs and income are often unequal at various points in the life cycle. For instance; the younger people tend to consumption needs that exceed their income. Their need tend to be mainly for housing, education, and therefore they have little savings. In the middle age, earnings generally rise, enabling debts accumulated earlier in life to be paid off and savings to be accumulated. Finally, in retirement, incomes decline

and individuals consume out of previously accumulated savings (Wolf 1998; Vinte & Rice, 2005; Ando and Modiglian 1997; Birtssit, and Malisson 2007).

ii) Relative Income Theory

The relative income theory is quite different. This was developed by Dusenberry, in 1949, wherein he theorized that individuals are less concerned with their absolute level of consumption than within their relative level – the idea of keeping up with the Joneses (Wolf 1998; Vinte & Rice 2005; Ando and Modiglian 1997; Birtssit and Malisson, 2007).

2.3.2 The Neoclassical Theory of Consumption and Savings

Mirroring this dominance of capitalism in the world economy, the world's economics profession has been dominated by neoclassical economics. Although, neoclassical economists vary in their individual political allegiances, their approach has been used to provide technical demonstration why free market capitalism offers the best system for organizing an economy, like it is the case for currently massively created SACCOs in many nations (Himmelweit; Simonetti and Trigg 2001). In neoclassical economics, the choices of the individual consumer are shown to determine what is produced and what can be the alternate savings: this is what is meant by consumer sovereignty. A defining assumption of neoclassical economics is that all individuals follow their own self-interest, whether as producer deciding which is the most profitable method of production or even in savings movement, or as consumer choosing which goods to purchase on one hand, and a member likewise may choose to purchase which kind of share is on the other similar hand of description. Neoclassical consumer and savings theory is based on the assumption that, in making a comparison between different items (for instance; shares in SACCOs) of consumption, individuals have preferences which they use to rank the possible alternatives (Himmelweit et al, 2001).

2.3.3 Review of Microfinance and Lending Models as Applied to SACCOs

Microfinance-Credit Lending Models is an attempt to document the various models currently being used by microfinance institutions throughout the world. (ChijorigaCassimon 2000), (Hulme Mosley 2009). Currently, there are total of 14 models being in effect. And thus, some of them are outlined as follows

i) Association Model

This is where the target community forms an association through which, various microfinance (and other) activities are initiated. Such activities may include savings: example; SACCO. Associations or groups can be composed of youth, women; can form around political/religious/cultural issues; can create support structures for microenterprises and other work-based issues. In some countries, an 'association' can be a legal body that has certain advantages such as collection of fees, insurance, tax breaks and other protective measures. Distinction is made between associations, community groups, peoples organizations, etc. on one hand (which are mass, community based) and NGOs, etc. which are essentially external organizations. (Chijoriga, Cassimon 2000), (Hulme, Mosley, 2009).

ii) Co-operative Model

Under this model, a consideration is that; a co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. Some cooperatives include member-financing and savings activities in their mandate. The typical example for this model is that of created SACCOS where members are united to voluntarily to meet their common economic, social, and other related needs. (Chijoriga Cassimon 2000) (Hulme, Mosley, 2009).

iii) Credit Unions Model

Under this model, a credit union is a unique member-driven, self-help financial institution. It is organized by and comprised of members of a particular group or organization, who agree to save their money together and to make loans to each other at

reasonable rates of interest (Chijoriga, Cassimon 2000), (Hulme, Mosley 2009). Similarly, a typical example for this model is undoubtedly, the SACCOs being said about, hereunder. For, the members are people of some common bond: working for the same employer; belonging to the same church, labor union, social fraternity, etc.; or living/working in the same community. A credit union's membership is open to all who belong to the group, regardless of race, religion, color or creed. But also according to this model; a credit union is a democratic, not-for-profit financial cooperative. Each is owned and governed by its members, with members having a vote in the election of directors and committee representatives (Chijoriga, Cassimon 2000), (Hulme, Mosley 2009).

iv) Bank Guarantee Model

As the name suggests, a bank guarantee is used to obtain a loan from a commercial bank. This guarantee may be arranged externally (through a donor/donation, government agency etc.) or internally (using member savings). Loans obtained may be given directly to an individual, or they may be given to a self-formed group. In fact, bank Guarantee is a form of capital guarantee scheme. Guaranteed funds may be used for various purposes, including loan recovery and insurance claims. Several international and UN organizations have been creating international guarantee funds that banks and NGOs can subscribe to, to on lend or start microcredit programs (Chijoriga, Cassimon 2000), (Hulme, Mosley 2009); (Sherlock 2009).

It should afterwards be recognized that the list of microfinance-credit lending models as applied to SACCOs is not exhaustive in itself. Rather, there are many other models which have not be outlined among which include: - first; Community Banking Model, which essentially treats the whole community as one unit, and establishes semi-formal or formal institutions through which microfinance is dispensed. Such institutions are usually formed by extensive help from NGOs and other organizations, who also train the community members in various financial activities of the community bank. Second is the Grameen Model, which emerged from the poor-focused grassroots institution, and is believed to be closely related to the village banking model. Third; Group Model whose

basic philosophy lies in the fact that shortcomings and weaknesses at the individual level are overcome by the collective responsibility and security afforded by the formation of a group of such individuals (Chijoriga, Cassimon 2000; Hulme, Mosley 2009; Sherlock 2009). The collective coming together of individual members is used for a number of purposes: educating and awareness building, collective bargaining power, peer pressure etc. it also closely related to, and has inspired, many other lending models. These include Grameen, community banking, village banking, self-help, solidarity, peer pressure etc. Several resources for the group model can be found in the Capacity Building for Microfinance section. (Sherlock 2009)

2.3.4 Principles of Co-operatives

Based on ideas from Duangsung (2002), it is practicably obvious that principles of co-operatives are identical due to the similarity in their operations in every concerned organization, around the globe, and they are described as follows.

i) Voluntary and Open membership

Under this principle, the society should always be guided the principle of voluntary and open membership in its member recruitment drives without political, ethnic, religious, gender, or social discriminations (Duangsung 2002).

ii) Democratic Member Control

According to this principle, the society must be fully controlled by members who will have equal voting rights on the basis of one member one vote (Duangshung 2002; Vinson, Braveson, Frank & Lewin 2008).

iii) Economic Participation by Members

According to this principle, members shall contribute equitably to the capital of the society/co-operative and share in the results of its operations as interest to themselves. (Duangshung 2002; Vinson, Braveson, Frank & Lewin 2008)

iv) Autonomy and Independence

This principle provides that the society shall operate on mutually acceptable terms with its stakeholders who will ensure its autonomy and independence. Ibid

In reality, the list of principle of co-operative is not exhaustive in this enumeration – there others which have not been mentioned but are inclusive. These are for instance; Education, Training and information – wherein the society shall foster reciprocal, on-going education programs for members, leaders, staff and the community so that they can learn from each other or from the appropriate resource persons in understanding and carrying out their receptive roles; Co-operation among Co-operatives – wherein it is said, in order to better serve the interest of the members, and the community, the society shall co-operate with other co-operatives locally, regionally and internationally. And finally, concern for community in general, in which it is said, the society shall show the concern to the community in which it exists and operates (Duangshung 2002; Vinson, Braveson, Frank & Lewin 2008).

2.4 Empirical Literature Review

Although since the practice of SACCOs and other related co-operatives have been in operations for years and years, notably, much of evidence from literatures are around and that's why in parallel connotation; much have been sourced already, upon which several involved points have been described in tackling the problem under study. From this scenario, it should recognizably be important to acknowledge the previously related works which have been carried out with the aim to place more emphasis on the way SACCOs and all related matters and activities are being run. If so, in this section, the study reviews some of the previously and empirical conducted studied as the mere way towards getting much of precision about the urgency for it to be carried out.

2.4.1 Review of Study from Venezuela

One of the most prominent studies to be reviewed by the actual one is that of(Lisandro, 2010), which was all about investigating the role of running co-operatives-related businesses on the socio-economic well-being of low income earners in Venezuela. The study was carried out in 4 rural areas, from which about 8 SACCOs-related organizations were studied as potential sample size for the study (Lisandro, 2010). The study used mainly group discussion as the main instrument in gathering information

from the field. Findings from this study show that 82% of all members running co-operative-related businesses have improved their socio-economic well-being by 64%. The findings explained that, about 82% of all low income earners, who participate in the running of co-operative-related businesses, have improved their earning at 65%. Though, based on these findings, the study then concluded that, co-operative-related businesses play a significant role in several aspects – specifically in ameliorating the earnings of low income earners and later on, their socio-economic well-being go better than before (Lisandro 2010). This means, co-operatives have been one of the pillars used to reduce the actually ravaging poverty in Venezuela.

2.4.2 Review of Study from Ethiopia

A study by (Sebhatu, 2011) on Management of Savings and Credit Cooperatives from the Perspective of Outreach and Sustainability: Evidence from Southern Tigray of Ethiopia, puts further evidence about the urgency for carrying out the actual one. As the title puts clear itself, this study data were obtained from members and SACCO documentation and analyzed using tables and percentages, financial ratios, and correlation analysis with the help of MINITAB, a statistical package (Sebhatu 2011). On the basis of the descriptive findings and based on several criteria such as capital adequacy and, asset quality, rate of return and equity, profitability and productivity, the study then concluded that those grassroots and member-owned financial institutions called the saving and credit cooperatives were able to mobilize huge financial resources and to provide credit and savings services to a large mass base at a standard compared to that of formal financial institutions. Under the most demanding and adverse internal and external environment they have sustained their financial services to their members and managed to grow. In the countryside they are viable financial institutions whose development must be strongly supported. The study specifically came up with the following points (Sebhatu, 2011). The study concluded also that there is a substantial growth in outreach and improvement of operational Self-Sufficiency within four years (2007-2010). The overall operational Self-Sufficiency for

sample SACCOs accounts 13.56 %. On the other hand, member deposits growth in 2010 for all Enderta SACCO has higher than the loan portfolio. The combined deposits of these SACCO increased by 81.34% in 2010, while net credits rose by 61.52%.

2.4.3 Review of Studies from Tanzania

A recent 2005 survey done by the Bank of Tanzania (the overseer of microfinance under the Ministry of Finance) is of great importance to illustrate the need for the present one. This study was all about surveying the whole operation and saving culture amongst different microfinance institutions operating in the country. On the basis of the findings, BoT (2005) updated the directory of microfinance practitioners and includes basic information on microfinance institutions including commercial banks, financial institutions, financial Non-Governmental Organizations (NGO), Savings and Credit Cooperatives Societies (SACCOs) and Savings and Credit Associations (SACAs). In this survey, one of the special attentions was headed to saving culture amongst SACCOs and the way they are interventional in fostering their own growth. Thus, BoT established that savings amongst SACCOs are limited in terms of number of shares by cooperative members. In this sense, it was concluded that, still it was too abstract and early to determine the extent to which the saving culture (as limited to number of shares and right to membership entry) reigning amongst SACCOs can significantly foster their growth as well. For, BoT, (2005) came out with a point of concern that; the higher the savings economy, the higher and faster will be economy growth of any cooperative. However, much effort and zeal need to be put in place in order to find whether saving culture amongst SACCOs in the country have been able to achieve any effectiveness on their own growth. (BoT 2005)

Another prominent study and which fits in explicating the urgency of the actual one, is that of Sanga (2011). In fact, the study by Sanga (2011) was mainly concerned with finding out the motives behind the massive creation of SACCOs in Tanzania: the case of Dar es Salaam. This study used 6 co-operatives from three districts of dare s salaam,

which were studied through interview and questionnaire. Therefore, findings from this study showed that, many of today's people's ambition, is to have assurance about their lives in the old ages. The same findings stipulate that, many Tanzanians focus on placing much attention on what they can earn after getting older and older, and when someone retires from normal employment. So, they make savings through co-operatives, just to allow them have better life and the latter age of life. Hence, based on these findings, the study then concluded that, motives behind the creation of massive SACCOs in Tanzania include amongst others; getting a way to savings for assuring the socio-economic well-being during the old age, and after having retired from normal employment. (Sanga 2011)

2.4.4 Research Gap

Having mirrored empirical studies, it should now, be recognized that the enduring image from all four reviewed studies is that, all tend to place more attention on the way SACCOs can nurture the socio-economic well-being of low income earners. They also seemed to address issues pertaining to reason for why now; the world is experiencing a massive creation of co-operatives. While in contrast, less seemed to be addressed concerning the whole way elements like; credit behavior, savings culture can really be determinants for the growth of SACCOs in specific way. To better illustrate this argument, the reality is that, savings culture plus other mentioned elements are notably the basis for the growth of the said SACCOs. In simple terms this means, once savings culture, credit ratio behavior, financial institutions' credit accessibility offer, are not favorable, the result will be that, most of SACCOs will tend to lose direction as the whole investment will go down – growth of SACCOs in most cases, is dependent on the savings movements being made therein, credit ratios manifested by members, and other related elements as mentioned early. Under this circumstance, it is quite obvious that, the reviewed studies seemed to unknowingly be ignorant in addressing issues pertaining to the intervention which might be played by savings culture as basis for the growth of SACCOs in the country. This signifies much of efforts and zeal is in need to fill in the

identified gap. Thus, based on these evidence, it is where emanates the urgency of this study, and the reason why needs to be carried out as the way to eventually fill in the gap identified from previously or empirical conducted studies.

2.5 Conceptual Framework

It is up to this section very concrete that savings are valuable to the growth of SACCOs. This implies, based on much of literatures, which have been reviewed already, parallel assumptions are laid down on the same basis. However, it means from all angles that, all assumptions to be laid down in this study will largely, but not exhaustively, base and rely on the whole discussion about every aspect described as the way towards scrutinizing and comprehending the effectiveness of savings culture in SACCOs, on their growth.

2.5.1 The Influence of Savings Culture commonly used by SACCOs on the Growth of their Co-operatives

Evidences from most of the reviewed literature precise that the key to successful SACCO is nothing else rather than the savings movements. This means, the study therefore, assumes that it is obvious on one way or another that, to large extent, the growth of SACCOs can much more be determined by the savings movements being carried out therein by members (Sebhatu, 2011). The study also assumes that if savings remains key catalyst for the success of any SACCO, thus, members should put much emphasis on the savings amounts required from members. In this regards, if possible, savings would be increased so that the growth of their co-operatives go boosted as well.

2.5.2 Effect of Economic Stability Offer manifested by SACCOS on the Growth of their Co-operatives

The economic stability offer, like; entry fees, interest for credit taking and returning, etc. Manifested by member of SACCOs must necessarily be the cause for either growth or

outgrowth of their co-operatives. This being so argued based on the fact that, under any circumstance, the growth of SACCOs should largely be determined by the amount of money invested, or possessed therein (Sebhatu 2011; Waloomey 2010). Thus, if this might be the real case, this then assumes that membership entry fees required from members when joining any SACCOs, plus the interest charged for the credit taken and amount of investments must have huge effect of the development of their co-operatives. Based on this fact, the study also, assumes by putting forwards that, SACCOs need to put more emphasis, and if possible, demand a reasonable amount as entry fees and reasonable credit interest – something, which will necessarily assist SACCO to take steps towards the growth as this may be desirable from any co-operative

2.5.3 The Contribution of Management Experience used by SACCOs on the Development of their Co-operatives

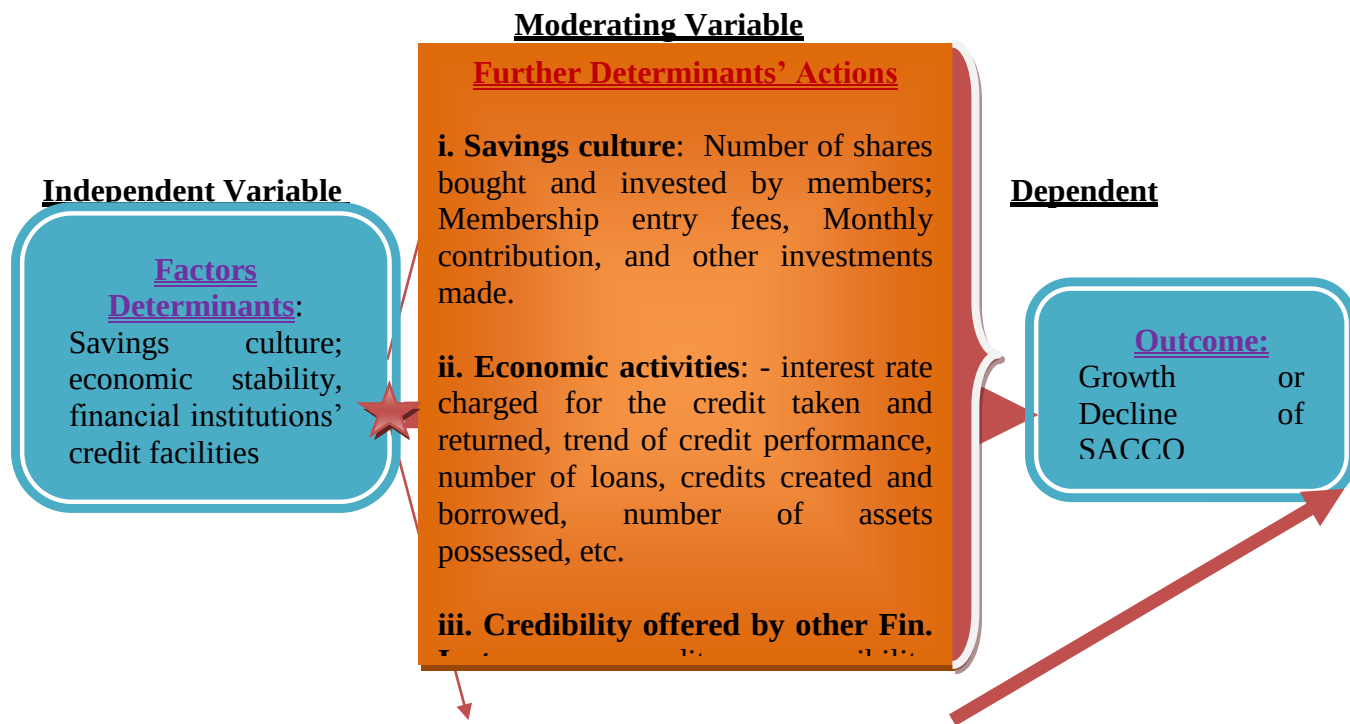
Management experience in any business entity is of great importance as it works as the basis for directing people (members of SACCOs), together with their relationship in their co-operatives towards the best way up of their successful business (Jorbidz, 2008). Based on this fact, the study assumes that the growth of any SACCOs depends much more on the management experience, of which may include other aspects like; training, education, skills, relating the management or used in running co-operatives. This means, members (or management) of SACCOs need to possess co-operatives-related reliable and consumable experience, skills, training, education, etc. as the way for them to achieve an effective growth of their co-operatives.

2.5.4 The Role of the Actual Level of Credit Accessibility offered by Other Financial Institutions to SACCOs' on the Growth of their Co-operatives

(Waloomey, 2010) points out that growth of any financial-related business must rely more on credit accessibility. This means in précised manner that, level of credit accessibility by SACCOs from financial institutions are key causal phenomena for the growth of any financial-related business, like; SACCO. In such, the study assumes that

the limited accessibility to credit by any SACCO must inevitably yield a certain non-endurable impact on the growth of their co-operatives as well. In this respect, it is quite true high level of credit accessibility by co-operatives' active members will always tend to foster the growth of SACCOs and later on the long survival of their co- operative.

Figure 2.1: Research Model



Source: Researcher's Own Construct, 2013

Figure 2.1 above denotes that the effective growth of SACCOs should always be denoted much by the amount of savings invested by members of SACCO(s), level of credit accessibility from other financial institutions, economic stability offer manifested therein, etc. More specifically, this implies, SACCOs' growth will be termed as effective, if and only if there is; a good level of credit accessibility by members of co-operatives from other financial institutions, number of shares bought, and economic stability manifested by members, of which would always be reasonable to the extent they can foster the growth of SACCO(s). In precise manner, this means; SACCO's growth would be determined by savings culture like; shares bought and invested by

members, membership entry fees, etc.; economic stability offer like; interest rate charged for the credit taken, trend of credit performance; and credit accessibility from other financial institutions. Nevertheless, in case members of the SACCO(s) will tend to invest contrarily from the normal way as described above, notably, the result will be the decline of their co-operatives as well.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter consisted of presenting the whole methodology employed during the whole conduct of this study on the factors determining the growth of SACCOs in Tanzania. In such, the chapter presented the research design of the study; study target area, sample and sample size, data collection and analysis methods, and all other techniques, which on one way or another were necessarily used in either presenting findings or gathering information from the field.

3.2 Research Design

Based on the type of this study as being both qualitative, as well as on the choice about the scope covered, this study had employed a case study research design. The choice about this kind of design was made just based on the research-related reason that case study design focuses much on a single area such as it is for the case of this study where the district of Morogoro will be employed accordingly. For, it should be recognized that case study design can effectively permit variety of data collection methods to be deployed during the process. To better illustrate this choice, it means; this type of study design would allow the researcher to deeply explore and analyze information over the life of a single unit, which is Morogoro district (Gilbert and Brown 2007). In similar connotation, William, and Babin, 2007 put forwards that; case study research deals with the complexity and particular nature of the case in question. Case study, also, entails the detailed and intensive analysis of a single case as it was for the case of SACCOs operating in the district of Morogoro. Furthermore, Kothari (2010), Ghauri and Grønhaug 2005) in their turn, have put further precision that case study design can be employed in any qualitative and field-based studies. For, case study design can often involve data collection through multiple sources such as verbal reports in their turn, have put further precision that case study design can be employed in any qualitative and

field based studies. For, case study design can often involve data collection through multiple sources such as verbal reports, like; FGD, interview and observation as primary data. Based on these researchable arguments, it was extensively evident as to whether case study design was extensively useful and fitting design for this study, since it was expected to collect data through the mentioned ways.

3.3 Target Area of the Study

As mentioned earlier, this study was entirely conducted in the district of Morogoro from a good number of SACCOs operating therein. In fact, Morogoro Urban District (MUD) is one of the six districts of the Morogoro Region of the United Republic of Tanzania. Very interestingly, MUD covers 260 square kilometers (100 sq mi). it is bordered to the east and south by the Morogoro Rural District (MRD) and to the north and west by Mvomero District. Currently, the district was believed to hold more than 60 organisations of cooperatives nature

3.4 Population, Sample Size and Sampling Procedures

3.4.1 Target Population

According to McCaslin & Scott (2003) one of the most prominent issues to identify in any research is the population from which all what are expected in terms information was obtained. Similarly, Chuchhill, and Lacobucci (2002) on their turn put specification that it would gravely be an illogical sound, but also some instances audible that population might be more accurate to identify than any other activity of the research work. Meanwhile, it should be recognized that, if this study opts for specifying its target population this process did not eliminate the importance of other elements from the same field – rather it mainly wanted to show the consideration put about SACCOs operating in the Urban District of Morogoro as the real universe for this study – since, they were fully taken and expected to be the source of findings expected to entail the

successful achievement of this study. However, this study's target population included member of SACCOs operating in the Urban District of Morogoro in Morogoro Region, Tanzania.

3.4.2 Sample Size

As far as the study had to make sure it maintained a full representativeness from the chosen field, this study had necessitated meeting 12 members from five SACCOs in the MUD. This impliedly means, the study had to gather data from the total sample size of 60 respondents. The following section detailed the process through which those 60 respondents were categorized; met, included, and selected during the process of gathering data from them.

3.4.3 Sampling Procedure

Strauss and Corbin (1994) have pinpointed that the sense of clearly choosing a sample for a study is an important step in any research project since it is rarely practical, efficient, costly and even ethical to study the whole populations. Based on this research-related fact, this study will then utilize purposive sampling. The choice about this sampling procedure was done based on the reason that purposive sampling specifically, involved selection of informants based on an important characteristic under study, such as where they lived (at their home, where they often meet to discuss issues pertaining to their co-operatives, etc.) position in organization (for example, their elected leaders, board members, auditors, etc.), or specific cultural knowledge (for example, direct responsible for administrative task in their co-operatives, and so on). In this respect, this study opted for purposive sampling in selecting the respondents. Through informal consultations, the researcher was continuously choosing twelve members from each of five co-operatives studied therein until the required number was met. But, that process was performed based on criteria that the intended respondents were considered to be relatively better off in terms of knowledge about the whole matter relating to the operation of their SACCOs in general. Also to ensure knowledgeability of the respondents, priority was put to all active normal members and those in management

positions of the said co-operatives in MUD. More precisely, the study had required 4 managers and 8 normal members from every SACCO to be studied. In other terms, the study eventually needed to meet 20 managers and 40 normal managers as well.

3.5 Variable and their Measurements

Variable of this study were described in terms of the influential-influenced action played between themselves, of which are described as follows

3.5.1 Variable Description

The variable of this study included on one side independent variable, which was the determinants like; saving culture, economic activities, credit accessibility – and on the other side; dependent variable, which was either the growth or the decline of SACCO(s). Both independent and dependent variables' actions were extensively smoothened by the intervention from the moderating one, through which independent variable influences a certain result to occur into dependent one.

i) Independent Variable

The independent variable of this study, were the determinants of SACCOs' growth like; the savings culture, economic stability offer, etc. Its independence came in effect, just due to the effect that might be derived from it and consequently caused particular result (in terms of growth or decline) to take place in SACCO(s). This means, if and only if savings culture (marked by amount of savings invested by members, number of shares bought by members, etc.) was favorable, no matter how it is, notably, SACCO(s) will tend to significantly survive for longer and above all, will grow. Nevertheless, in case the situation is in reverse way, notably, SACCO(s) will resultantly tend to decline.

ii) Dependent variable

The dependent variable of this study is the two-way effect denounced by the whole influence from savings culture. That is to say, either the growth or the decline of SACCO(s) as both depend much on the amelioration performed from saving culture.

The dependability of this variable comes into being just as it largely depends on the action from savings culture.

3.5.2 Measurement of Variables

Based on the whole description in this study, it is quite obvious that there is a strong relationship between variables of this study. The strong relationship between variables is explicated by the influencing-influenced relationship between themselves. In such, the measurement of this study's variable was obtained through the effectiveness that was noticed once findings of the study were obtained, presented, and discussed. During that moment, much was needed to be determined as to what extent elements like; effective savings culture, management experience in terms of training, education, skills, and even experience itself possessed by the whole management of SACCOs, and others are notably the determinants for either the growth or decline of SACCO(s). More precisely, measurement of variables was well described in the following semantic.

Table 3.1: Description about Measurement of Variables

Variable	Indicator (Description)	Measurement (outcome)
Saving culture (movement)	Number of shares bought and invested, membership entry fees, contributions, etc	Favourability toward growth or decline of co-operative
Economic activities	Number of shares created and bought by members; trend in credit performance (i.e. amount of credits taken and returned), interest rate charged for the credit, number of assets possessed by the SACCO, etc.	Position in nurturing the growth of SACCO or otherwise
Management experience	Education, training, (skills), experience relating to the management of co-operatives possessed by the management of SACCO, etc	Whether they are aid to the growth of co-operatives or otherwise

Credit accessibility from other financial institutions	Number and types of loan offered to SACCOs (i.e. amount, term, etc.)	Have they been used to invest in SACCOs and nurtured their growth or not.
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Source: Researcher's Own Construct, 2013

Table 3.1 above denote that aspects like; saving culture (movement), economic stability, management experience, credit accessibility from other financial institutions are key determinants for either the growth or the decline of any co-operatives. More precisely, these aspects are intensified by the extension into further actions like; number of shares bought and invested, membership entry fees, contributions, etc.; number of shares created and bought by members; trend in credit performance (i.e. amount of credits taken and returned), interest rate charged for the credit, number of assets possessed by the SACCO, etc., Education, training, (skills), experience relating to the management of co-operatives possessed by the management of SACCO, etc, and number and types of loan offered to SACCOs (i.e. amount, term, etc.), whose result, in turn must be viewed as determinants for either the growth or the decline of any co-operative. So, the measurement will in fact be viewed in terms of the results achieved into the outcome.

3.6 Data Collection Methods

The study had involved questions in the form of questionnaire and focus group discussion during the process of in collecting data from the field/MUD

3.6.1 Questionnaire

This study required large number of (60) respondents, who were obtained from 5 co-operatives by mainly focusing on two sides including; management level on one side, as well as normal members of SACCOs as the other side. Meanwhile it should be remembered that this study was carried out for academic-related purpose and not the other way up. Based on this consideration, and arguments, specifically; questionnaire

was necessitated as one of methods of data collection employed in gathering data from both the management as well as normal members of the said SACCOs. More specifically, questionnaire was utilised to gather data which found out the influence of savings amount put by members of SACCOs on the growth of their co-operatives, and was likewise used to gather information which have determined the effect of credit ratio behavior manifested by members of SACCOS on the growth of their co-operatives – of which was obtained through answering pre-set questions by respondents.

3.6.2 Focus Group Discussion (FGD)

Based on the idea that, the study assumed most of active members of different co-operatives in MUD ruling in management and normal members had much time for participating in the discussion, the then opted to make a direct interaction with respondents – of which was implemented through direct discussion with respondents using focus group discussion (also called focus groups). Necessarily, there was a needed to make group discussion with respondents through which certain reliable information was obtained. The reason for choosing this method; was based on several facts. But one of them included; through this type of data collection method, the researcher could get together with several respondents at the same time and initiated a discussion on a certain particular matter from which important note was taken for further presentation and analytical steps (2009). Based on the context about the study in hand, therefore, views from respondents were considered as information to be analyzed latter for the conclusion as well as the smooth accomplishment of the study. Another specific reason was that, in this method, researcher, physically, was able to eliminate the feeling in terms of fear that employees would possess with regard to the fear of being blamed by other members for having disclosed their co-operatives' inner information. Moreover, during this process, researcher was giving guiding questions, afterwards discussed by all panel members and latter on recorded as the way towards furnishing the expected findings. Focus group discussion was expected to gather data that assessed the impact of credit accessibility from financial institutions on the development of their co-operatives

3.6.3 Documentary Review

Documentary review was the kind of data collection technique used to collect both primary as well as secondary data. In this study particularly, documentary review was utilized simply to collect secondary data which were done by reviewing different sources of information such as; archives, news papers, books, materials, speeches, reports, etc. For, documentary review technique had involved reviewing all of these kinds of information sources. In more illustrative words; documentary review may also includes (documentary) non-written materials, such as video and video recording, and so on, drawings, TV programmes, etc. Documentary can also be used to generate statistical measures and empirical literature such as reviewed types of savings, and credits (Cooper & Chinder, 2001). Moreover, documentary review was used mainly in collecting data which have provided ways to illustrate describe and likewise explicate various aspects, concepts in the preceding chapters of the proposal.

3.7 Types of Data

It was imperatively acceptable to recognize that data for this research existed in two forms ruling in; primary as well as secondary ones – and was notably described as follows

3.7.1 Primary Data

Primary data involved all data which were for the first instance gathered by the researcher of the study in hand. These data were gathered using questionnaire and focus group discussion. As McClain and Scott (2003) provide support to this fact by mentioning that primary data will be collected by using research assistance from the field for the purpose of answering the pre-set questions/issue. More precisely, primary data for this study included all data gathered from the field using FGD, questionnaire of which were needed to be analyzed and presented from which all what was expected in

terms of logic detailing the effectiveness of savings in SACCOs, on their growth were thereon found.

3.7.2 Secondary Data

Secondary data for this study had necessarily included all types of data which were obtained from literature sources or collected by other people for some other reason which have provided second hand information upon which the preceding chapters have been chalked out in a desirable manner. Likewise, such kind of data had on one way or another entailed the success of this study as it was needed to give further written information which narrated for instance various cases or reports of relating savings movements in SACCOs.

3.8 Data Presentation and Analysis Plan

During the process of analyzing data, the said process was performed using graph, tables, and charts; meanwhile certain presentation and analytical procedures were followed to ensure all data were collected and analyzed accordingly.

3.8.1 Procedure to be undertaken in Analyzing Data

Likewise, in the process of analyzing data, the first instance was marked by distribution of questionnaire and meeting respondents for FGD process - which were performed as the first step in obtaining necessary data and information from respondents. Then, afterwards, collection of responses from the FGD and questionnaire had stood as particular information undertaken – the process, which was followed by presentation and analysis of the data/information gathered from the field of which had to yield the result known as findings for this study.

3.8.2 Data analysis Techniques

In the array of analyzing data gathered from the field, particular précised methods were purposively utilized to make sure they were presented according to the manner in which they were collected. Therefore, tables and graphs (pie charts) had constituted proper methods through which all data gathered from the field were presented and summarized which were probably supplemented by percentages performed by accredited machines such as computers, and calculator using particular programmes ruling in; SPSS and Excel as well.

3.9 Ethical Consideration

Adhering to norms of data collection process was amongst the topmost attentions put by the researcher during the entire process of collecting required data either from co-operatives in MUD, or elsewhere from respondents. In this manner, researcher was given a written recommendation from the academic authority which was presented to the concerned co-operatives for approval to collect all necessitated information from them. And hence, whatever information given by any respondent was treated and guarded with a very huge confidentiality to the extent no any piece of information will be taken out of concealment.

CHAPTER FOUR

PRESENTATION OF FINDINGS

4.1 Introduction

This chapter dealt with the presentation of findings. The process of presenting findings was carried out based on the whole picture and the way data were gathered from the field of five Savings and Credit Co-operatives (SACCOs) from Morogoro Urban District (MUD), Morogoro Region, Tanzania.

4.2 Summary Concerning the Collection of Data from Respondents

The study had proposed to gather data from the total sample size of 60 respondents from five different co-operative in Morogoro Urban District. From these five SACCOs, the study had proposed to meet 4 respondent from managerial and supervisory positions, and 8 respondents from normal active members. In other terms, this means, the study proposed to obtain 12 respondents from each of the five SACCOs, as well. Considerably, the whole number proposed was entirely obtained, met and have all participated in the study as well as it was proposed. Therefore, based on that confirmation, it should in advance be retained that, 40 was used as hundred percent base in calculating, illustrating, presenting and making analytical comment about all response gathered from normal members of SACCOs. The same reality applied to respondents from managerial and supervisory level, wherein 20 was used as hundred percent base in calculating, illustrating, presenting and in making analytical comment about all response gathered from managerial and supervisory level respondents. And the process of presenting findings was performed in the following semantic.

4.2 Respondents' Characteristics

In this section, the study was interested to find information about characteristics of the respondents involved in the study. More precisely, the study wanted to go sure about the acknowledgeability of respondents concerning the topic dealt with in this study. Moreover, information about respondents' characteristics had included aspects like; age, sex, level of education, and so on. This kind of information was useful for this study in the sense that, those aspects were used to determine the extent to which respondents were able to scrutinize all information needed to be obtained by the study from them and eventually relied on them as reliable, and even valid. If so, the following was the manner in which information about respondents' characteristics was presented.

4.2.1 Sex Variation amongst Members of SACCOs

In this section, the study was intending to find information about sex variation amongst all members of SACCOs used in gathering data. More precisely, the aim upon why information relating to sex variation was searched was made just following the reason that, the study wanted to ascertain the extent to which co-operatives were sensitive about the whole matter of gender equality as being propounded by governments around the globe, including Tanzania. But again, through this information, the study had to confirm whether SACCOs were free-from-discrimination entities in employing their members, or otherwise – something, which was found acceptable and adaptive to modern way of running businesses.

In order to find the response about this matter, intentionally, respondents were asked, every one separately, to mention his/her gender from a series of assertions provided to them, whose results were presented in the following figure 4.1. While, results from this concern exactly showed that out 20 managers who responded to the questionnaire, 12 of them which make 60% were females, and 8 others which make 40% were males. While

on the other side of respondents, results showed that out of 40 normal members who responded to the questionnaire, 26 of them which make 65% were females, and other 14 of them which make 35% were males.

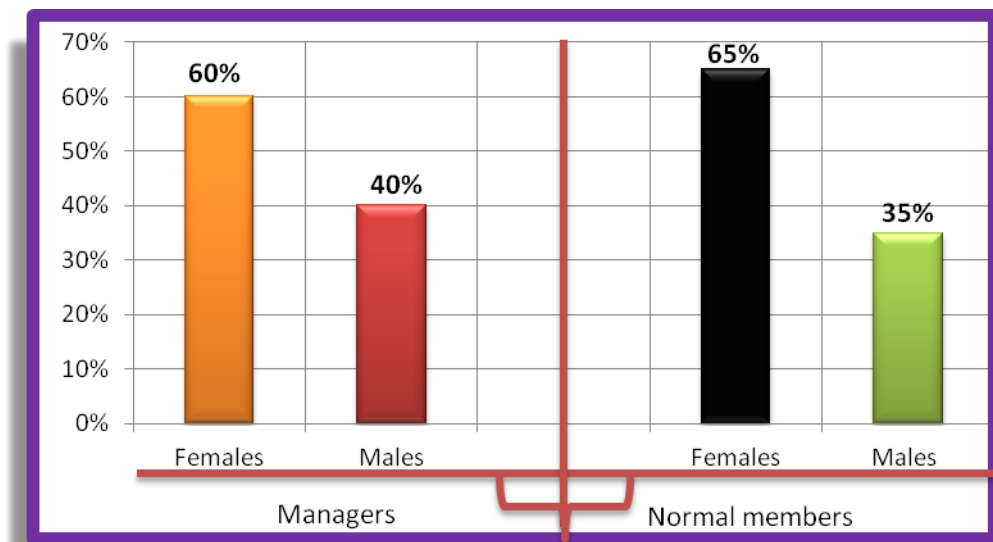


Figure 4.1: Sex variation Amongst Respondents

Source: Research findings, 2013

Findings presented in figure 4.1 denote that many SACCOs are really sensitive to gender balance and employed both male and female staffs to run their businesses. This was so confirmed, following the results from figure 4.1 wherein it was found that there was a very slight difference amongst respondents who participated in the study. For, on the side of management, females dominated males by only 10%, and from normal members, females had dominated males by only 25%. This showed that, both genders are actively involved in the running of SACCOs' day-to-day activities.

4.2.2 Age Variation amongst Respondents

Another aspect used in findings information relating to respondents' characteristics was the age variation. This information was searched after the study assumed that age was one of the critical aspects in running co-operatives. Moreover, the study wanted to find whether SACCOs had the tendency of employing children in running their businesses – something, which is not accepted by the laws of Tanzania. And very directly, respondents were asked, each, individually, to mention his/her age from the list of age categories provided to them. Thus, results showed that,

Table 4.1a: Age Distribution of Respondents (Normal members of SACCOs)

Variable		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Between 18 and 25 years	4	10	10	10
	Between 26 and 35 years	10	25	25	35
	Between 36 and above 45 years	14	35	35	70
	Between 46 and 55 years	8	20	20	90
	Between 56 and above years	4	10	10	100.0
	Total	40	100.0	100.0	

Source: Research Findings, 2013

In reality, findings presented in table 4.2a showed that, almost all generations are involved in the running of SACCOs' day-to-day activities. This was so mentioned following the reason that, almost all age categories addressed to respondents were mentioned by members of SACCOs.

Table 4.1b: Age Distribution of Respondents (Management of SACCOs)

Variable		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Between 18 and 25 years	2	10	10	10
	Between 26 and 35 years	5	25	25	35

	Between 36 and above 45 years	6	30	30	65
	Between 46 and 55 years	4	20	20	85
	Between 56 and above years	3	15	15	100.0
	Total	20	100.0	100.0	

Source: Research Findings, 2013

Similar to normal members of SACCOs, almost the same reality had appeared for this category of respondents in the sense that almost all generations are involved in managerial and supervisory position of SACCOs' businesses. This showed the extent to which many SACCOs do care about making agglomeration of different ages.

4.2.3 Respondents' Levels of Education

This section was concerned with findings information relating to level of education amongst respondents involved in the study. Very precisely, information about levels of education of respondents was very much important as through this aspect, much was determined as to whether respondents had reliable information concerning the whole businesses of their SACCOs and the way certain factors were understood to be determinants for their growth as well. The reason why in order to find the exact reality about this aspect, both managers and normal member's respondents were asked, everyone, separately to mention his/her highest level of education from the series of assertions provided to them.

Directly speaking of this matter, results from normal members of SACCOs showed that 16 out of 40 members who responded to the questionnaire, of which make 40% mentioned that their highest level of education was secondary education, while other 9 of them which make 22.5% said, they have primary education, while 4 others which make 10% had certificate, 5 others which make 12.5% had diploma, and 6 which make

15% had advanced diploma/bachelor degree. Similar information was also searched from management of SACCOs, whose results showed that, 12 out of 20 which make 60% have advanced diploma/bachelor degrees, 5 others which make 25% had certificate, 3 others which make 15% had diploma, and none of them had neither secondary nor primary education as the highest level of education amongst them.

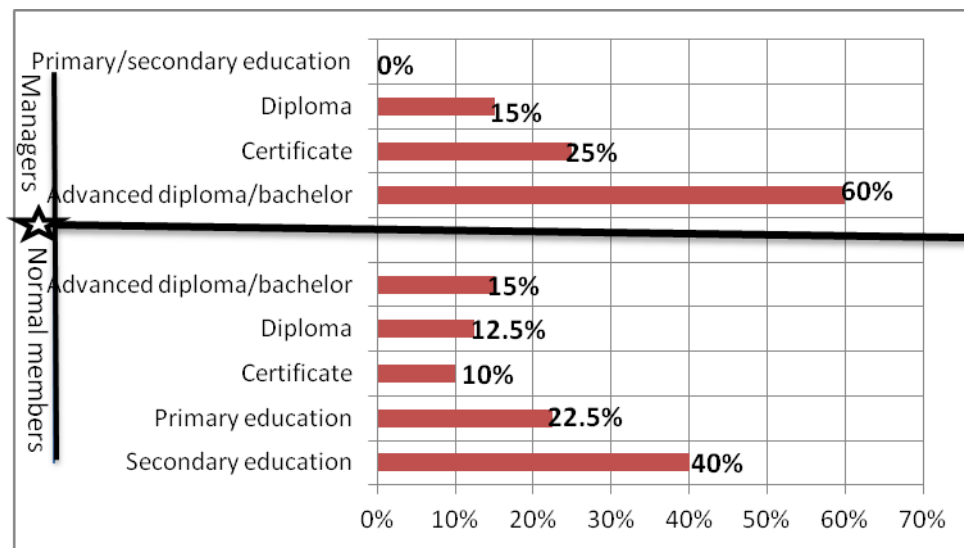


Figure 4.2: Respondents' Levels of Education

Source: Research findings, 2013

Findings presented in the graph 4.2 denote that majority (60%) of respondents from managerial positions had advanced diploma/bachelor degree. This was so mentioned based on the reason that majority of them have mentioned that reality. While, on the side of normal members, it was found that majority (40%) of them had secondary education. This testified that, management of SACCOs might possess good knowledge, skills, and even competence pertaining to the management of co-operatives.

4.3 The Influence of Savings Culture of SACCOs Members on the Growth of their Co-operatives

One of the specific aims of this study was to find out the influence of saving culture of SACCOs members on the growth of their co-operatives. In this section, the study was focusing to find whether the savings culture of SACCOs' members was one of the determinants for the growth of their co-operatives. This means, the study assumed that savings culture was one of the determinants for the growth of co-operatives in Tanzania. More specifically, based on the assumption laid by the study, in fact, saving culture had included aspects like; number of shares bought and invested by members, membership entry fees, monthly contribution and other investments made thereon. However, the hereunder mentioned aspects were used to find the reality about this matter and were performed in the following manner.

4.3.1 The Inter-connection between Number of Shares and Growth of SACCOs

One of the elements used in testifying the movement of savings as being high or low was the number of shares bought and invested by members of different co-operatives in Tanzania. In this respect, the study wanted to exactly find whether number of shares bought and invested by members was one of the factors which caused the savings movement to be termed as favorable for the growth of SACCOs or otherwise. More precisely; this signified, the study was very much interested to find whether there was an inter-connection between the number of shares bought and invested in different SACCOs around the country, for why their growth became tangible as being proclaimed by many of that sector's stakeholders.

During the process of finding reality about that aspect, this study had initially addressed a query to managers of SACCOs which was requiring them to mention the exact number of shares, which were available in the years 2012 in the co-operative they were working with. And results from them showed that, 8 of them which make 40% mentioned, more

than 50 shares, while 9 others which make 45% said, 70 shares, and 3 others which make 15% mentioned exactly 94 shares. In the meantime, the same question was addressed to normal members whose results were as identical as those from managers.

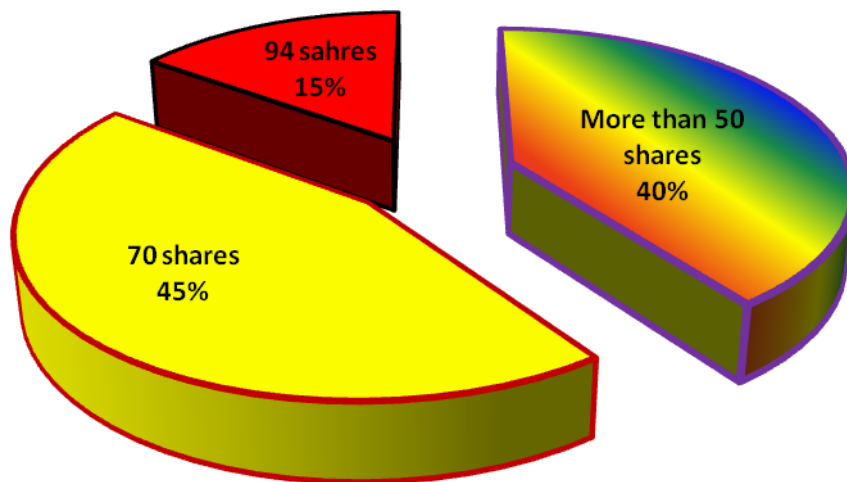


Figure 4.3: Number of Shares for the Year 2012 in Different SACCOs

Source: Research findings, 2013

Findings presented in figure 4.3 denote that many SACCOs had more than 50 shares in the year 2012. This was so mentioned following the reason that, almost all respondents have been ready to precise the number of shares in their respective co-operative as being not less than fifty, rather more than that. Thus, based on those findings, this study had them established that many SACCOs in Tanzania have been able to place more than fifty shares for the whole year of 2012.

The study had afterward strived to certify the exact number of shares bought by members of SACCOs out of those, which were available in the year 2012 for every SACCO respectively. In this regard, normal members were the target respondents who were repeatedly asked to specify how many shares out of those they have specified, were bought by members of their co-operatives. And results were in this manner; 45% of out

of all normal members who participated in the study mentioned that 68 out of 70 shares which make 97.14% of all available shares were bought, while another 40% of them mentioned that out of more than 50 shares, 39 of them which make 78% of all available shares were bought by members, and finally, 15% others who mentioned 94 shares said, 89 which make 94.68% of all available shares were bought by members in the whole year of 2012.

Table 4.2: Number of Shares bought from all SACCOs in the Year 2012

	Variable			Frequency	Percentage
Names of the SACCO	Available shares	Number of shares bought	Percentage out of available shares		
Walimu,	50	49	94%	8	20%
Kinole	20	19	95%	10	25
Nyumba	50	39	78%	8	20%
Posta	54	52	96.29%	6	15%
Upendo	42	37	88.09%	8	20%
Total	214	196	91.58%	40	100%

Source: Research findings, 2013

Findings presented in table 4.2 showed that 196 out of all 214 shares which were available in five SACCOs, which participated in the study, were bought by their members. This regains to say, 91.58% of them were successfully bought. This means, a good number of all available and created shares were bought at 91.58% - and doubtlessly, this had testified that it was a good step for all SACCOs operating in the MUD. In the same center of attention, the study had further strived to find the exactitude from respondents on whether the trend in shares trade was favorable in such a way they could foster the growth of their co-operatives. In this regards, respondents were then asked to state what everyone, separately, thought whether the shares bought, were

favorable to foster the growth of their co-operatives of otherwise. Thus, results from normal members showed that, 38 as 95% said, yes, and another 2 of them as 5% did not respond to this question for unknown reason, whereas, none of them said no. clearly, similar to normal members, results from managers showed that all 20 of them who responded to the questionnaire as 100% said, yes, the performance of shares trade was favorable and had fostered the growth to SACCOs as well. Eventually, the results were presented in the following table.

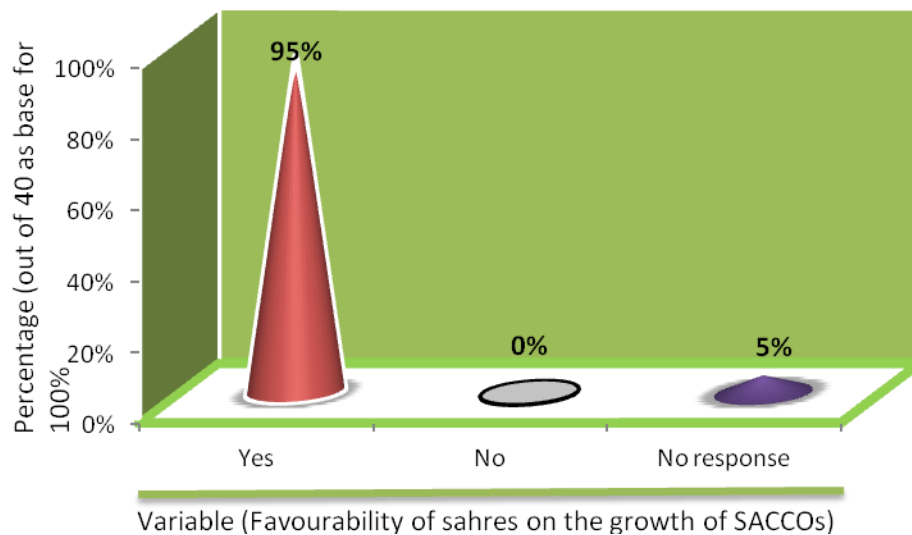


Figure 4.4: Whether the Number of Shares bought were Favorable to foster the Growth of SACCOs or Otherwise

Source: Research findings, 2013

Nothing could be argued differently, rather than certifying that, of course, the number of shares created and bought by members of different co-operatives in Tanzania were exactly favorable and had fostered the growth of SACCOs. This reality was mentioned following the results from the graph 4.4 wherein it was found that, majority of respondents have been ready to reveal out that fact.

Having found all what was presented in the preceding section, the study was further interested to find the extent to which the numbers of shares bought and created were exactly favorable and had really fostered the growth of SACCOs in precise manner. Interestingly, every point of reality needed to be taken up by respondents during the focus group discussion process. Logically speaking of this scenario, respondents were intentionally required to explicate the extent to which the shares bought in 2012 were favorable for the growth of your SACCO. From such, respondents had many different views amongst which the most common ones were as follows

..... *Very precisely, number of shares created and bought in the year 2012, was quite favorable for the growth of our SACCOs due to the reason that, a lot of interests were made from them and good number of expenses was met successfully with cost effectiveness. But again, not only due to the interests made, but also in reference to trend achieved from the entire process of shares-creating and share-buying. For, a good number of shares were created in 2012, and many of them were bought by member. This means, our co-operatives have achieved high rate of benefit from trading on shares and consequently had favored largely the growth of our co-operatives as well*
.....

Based on the findings presented in terms of citation above, notably, shares created and bought in the year 2012 were quite favorable for the growth of SACCOs in several scenarios. But, the most tangible reason one was, because, high level of buying was met and consequently, most of SACCOs were able to generate profit from trading on them – something which had intervened in meeting various expenses and achieved high interests as well.

4.3.2 Ages of SACCOs

Another aspect used in finding the influence of savings culture on the growth of co-operatives was the ages of all SACCOs operating in the MUD. More precisely, the assumption laid by the study was made based on the consideration that, more the advanced age, more the sustainability of SACCOs – something which automatically, was on one way or another fostered by the early mentioned elements like; shares, membership entry fees, and so many other of the similar nature. Likewise, age was a good aspect in finding whether it was one of the factors determinants of SACCOs' growth in Tanzania. Since, through that aspect, the study was able to ascertain that, more the number of years, more experienced could be termed for any SACCOs' growth as well.

This aspect was searched through the focus group discussion process in which respondents were asked everyone, separately, to mention the exact age of his/her SACCOs. During that discussion, respondents were on several views from which the most common ones have included that, the first group of 8 normal members which make 20% said, five years, another same group of 8 members as 20% said, three years, two group of 8 members, each, which make 40%, mentioned six years, and finally another one of 8 members mentioned and another one with the same number of members mentioned that their co-operative had up to then an experience of two years,.

Table 4.3: Ages of Different Co-operatives in Morogoro Urban District

Variable		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Five years	8	20	20	20
	Three years	8	20	20	40
	Six years	8	20	20	60
	Six years	8	20	20	80
	Two years	8	20	20	100.0
	Total	40	100.0	100.0	

Source: Research Findings, 2013

Findings presented in table 4.3 stipulated that, majority of SACCOs which have participated in the study had extended experience in the running of co-operatives related businesses. This was so mentioned based on the fact that all groups of members from five different SACCOs, have, each, mentioned not less than two years, rather beyond that platform. Based on the reality from the findings in table 4.3, the study then established that, perhaps, one of the determinants for why many SACCOs have been experiencing growth, was due to intense experience they had in that field.

4.3.3 The Relationship between Membership Entry Fees and Growth of SACCOs

One of the tangible examples used to explicate the savings culture was the amount of money required from every member when first, joined particular SACCO. Furthermore, membership entry fees were investigated to find the way they have been in a position to foster the growth of SACCOs as well. For, from the ground of this study's assumption, it was believed that, more reasonable the entry fees more must be the favor towards the growth of any co-operatives. That is why, the way used to find any logic about this matter had necessitated the study to ask respondents to mention the amount of money in Tanzanian Shillings, everyone, separately, was required as entry fees for him/her to become a member of SACCO. And directly, results showed that, 26 of them which make 65% said, only TZS 20,000, each, where other 14 of them which make 35% said, they were demanded to pay only 10,000, each, as entry fees.

Table 4.4: The Amount of Money in TZS Demanded from Members as Entry Fees

Variable		Frequency	Percentage
Name of the SACCO	Entry fee		

Posta	TZS 20,000	8	20%
Kinole		10	25%
Walimu		8	20%
Upendo	TZS 10,000	8	20
Nyumba		6	15
Total		40	100%

Source: Research Findings, 2013

Findings in table 4.4 connote that most of members were demanded to pay a total amount of TZS 20,000 as entry fees for everyone to become member of his/her SACCO. But, still the difference in terms of membership entry fees requirements was explained that due to ancientness from one member to another. In similar and clear terms, it means, those members who precede others in joining SACCOs were more advantageous than those who came after SACCOs were founded and have made certain contributions already. But, actually, the standards amount for ordinary members was TZS 20,000 only. Based on those findings, therefore, the study established, still those amounts were not bad if the number of members was likewise high.

Furthermore, the same question was addressed to managers so that they also provided evidence Based on their experience and knowledge they had about the whole way of managing co-operatives. And very reliably, their responses did not vary from those found from normal members. *But, one critical issue raised by them was that, the difference in terms of amounts paid by different member was due to certain underlain factors. In such, managers mentioned clearly that, in SACCOs there are two major categories of memberships; one being co-founders and the other being ordinary member. Therefore, every group had standards of amount to pay when joining a co-operative. For instance, co-founder members had paid lower than normal member who joined latter.*

Based on the explication from managers, this study had got way to argument that the membership entry fees were the same, but the difference between themselves, came into effect following the arising of two scenarios, ruling in; ancientness and newness in from everyone's membership.

The above information needed to ascertain on whether it was either accurate or otherwise. In that sense, the study had to specially find if and only if it was the place for why many SACCOs had to go grown. For, TZS 20,000 was enough to foster the growth being hereunder talked about. Rather, the number of members available and those who were willing to join SACCOs, whose contribution from all angles were quite the fundamental for the hereunder-mentioned growth. In simple and clear terms, the bigger the number of members, the higher must be the amount of money contributed in terms shares, entry fees, etc. and consequently the growth of co-operatives as well. Thus, normal members were asked to reveal out the exact number of members was already entered in everyone's co-operatives whose results were presented in the figure 4.5 below. And the results showed that, 18 of them (as 5 different SACCOs) which make 40% mentioned that their co-operatives had between forty and fifty members, each, while 8 others which make 20% said, their co-operatives had exactly thirty members, while another group of 8 which make 20% said, their co-operative was still infant, and had only eighteen members; and finally, 8 others which make 20% said, their co-operative had precisely sixty members officially registered in their SACCO.

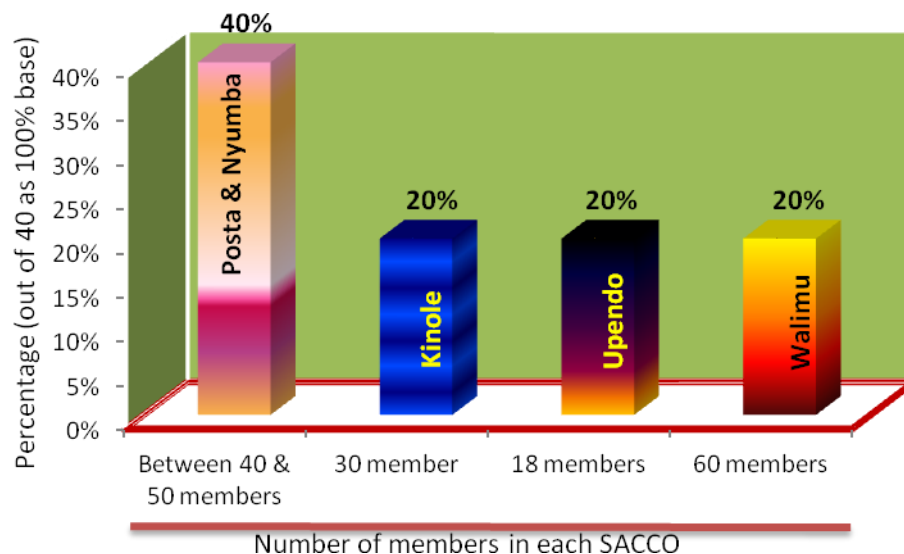


Figure 4.5: Average Number of Members in Each Co-operative

Source: Research findings, 2013

Findings in figure 4.5 above denote that the average number of members in every SACCO varies from one co-operative to another. And that variation was experienced, perhaps, due to one major reason of ancientness. That means, those which had many members were found to be more ancient than those with few members. Then based on those findings, the study had then established that, the fees demanded from members when first joining their SACCOS were very much sufficient. For, the mere issue which mattered for that phenomenon was the number of members either available or required to form one SACCO. Because, if totalize the whole amount in terms of entry fees for every co-operative, you will probably find that co-operatives required a reasonable fee and that amount could undoubtedly foster the development of their co-operatives.

Again, the study had strived to find the information through which much would be said, as to whether the amount required from members as membership entry fees were sufficient to foster the growth of SACCOS and how. This means, the study was interested to find the extent to which the amount required from members as entry fees

was contributive to the development of co-operatives. In other words, entry fees were one of the aspects used in finding the influence of savings culture on the growth of SACCOs. Therefore, members were asked to discuss on what everyone of them, separately, thought the way the amount required for membership entry fees was sufficient for the growth of their SACCO, and how. With regard to this concern, normal member were on several views from which one of the most common ones had included the followings.

..... Membership entry fees were sufficient to foster the growth of our co-operatives in several ways. But the most tangible ways included; the amount deposited were used to create a certain part of shares, of which were latter on bought by the same members, and consequently, our co-operative had been able to generate profit from them. Similarly, through the same entry fees, our co-operatives could use one part of them as cost-covering amount and eventually, most of expenses were as well as effectively met

That means, membership entry fees were not taken for grant, rather as a way for many SACCOs to create different opportunities in terms of shares, buying assets, and so many other important issues, which had on one way or another intervene amongst other elements in nurturing the development of many co-operatives in Morogoro. in similar illustrative view, that means, the amount required from members as entry fees were reasonable in such a way that they have helped most of co-operatives in the country to create further opportunities and latter their growth as well.

4.3.4 The Relationship between Monthly Contribution and the Growth of SACCOs in Morogoro

Another aspect used in finding out the influence of saving culture on the growth of SACCOs was the contributions put by members as the way to nurture the development of their SACCOs. This implied that, contribution was one of the components of savings culture described in this study. In that regards, the study was much interested to find the way those contribution were able to help SACCOs make forward steps. Very precisely, managers were in this respect, addressed a question which was requiring them to mention the exact amount of money entitled to every member to pay as monthly contribution. And results from them showed that all 20 of them which make 100% said, every member was entitled to pay TZS 10,000 as monthly contribution. Thus, without meandering from different sides, this information had testified the extent to which even, other contributions were in a position to nurture the growth of SACCOs. Similarly, that had also meant that, there was a relationship between contributions from members, especially monthly ones, and the actual proclaimed growth of SACCOs in Tanzania.

4.4 The Effect of Economic Activities of SACCOs' Members on the Growth of their Co-operatives

Furthermore the study was interested to specifically determining the effect of economic activities of SACCOs' members on the growth of their co-operatives. In that regard, the study wanted to find whether those economic activities of SACCOs' members were inclusive amongst other factors/determining for their actually proclaimed growth. More precisely, it should be imperative to note that, the economic activities mentioned hereunder, were illustrated by elements like; number of shares created and bought, trend in credit performance (i.e. amount of credits taken and returned), interest rate charged for the credit taken, number of assets possessed by SACCOs, etc. therefore, during the process of determining the said effect from economic activities, those mentioned components/elements were searched in the following arrangement.

4.4.1 Effect of the Actual Credit Performance in SACCOs' on the Growth of Co-operatives

In this section, the study was interested to find the way credit performance was very much a catalyst in boosting the growth of co-operatives in general. The meaning hereunder was that, the study was focusing to identify the whole trend in terms of credit-taking and credit-returning movements by members of SACCOs. That means, much was to be assessed on whether the same amount of credits borrowed, was the same amount returned by fully paying back with the interest charged thereon.

Normal members of SACCOs who participated in the study were asked to specify how many credits were borrowed by members in 2012, whose results were presented in the following. And from them it was found that one group of 16 members which make 40% said, up to 42 credits were borrowed by members, while other 8 of them which make 20% said, up to 30 credits were borrowed by members, and 8 others which make 20% said, 12 credits were borrowed, and finally, 6 others which make another 15%, said, 45 credits were borrowed by members in their co-operative, and the remaining 2 others which make 5% did not respond to this question for unknown reason.

Table 4.5: The Numbers of Credits Taken in the Year 2013

Variable		Frequency	Percentage
Name of the SACCO	Number of Credit taken		
Walimu	Forty-two (each)	8	20
Nyumba		8	20
Kinole	No response	2	5
Kinole	Twelve	8	20
Posta	Forty-five	6	15
Upendo	Thirty	8	20
Total	169	40	100%

Source: Research Findings, 2013

Based on the findings in table 4.5, the study established that truly, many credit were borrowed by members of the SACCOs in the country. And if that was the real trend, that means, there was a good credit performance in several SACCOs. Even though, it was up to here, unclear to explicate the whole trend as being good nor bad following the reason that the study was up to here not sure about the trend in returning the borrowed credits and how the interests were paid thereon. But, still those results had shown a part of a good economic activities' performed by members of SACCOs. And if you sum up the all credits from all SACCOs involved in the study you will exactly find that a total number of up to 116 credits were borrowed by members of five co-operatives.

Having found the trend in credit-taking performance from five SACCOs, the study was afterwards interested to find whether the whole amount of credit borrowed, was fully returned by members during the whole year of 2012. In that stage, members of SACCOs were again asked to specify whether how many, out of the credits borrowed were returned. And responses from them showed that, 38 out of 42 credits mentioned by 40% of members were fully returned. Similarly, on the side of 30 credits, 26 of them were fully returned by members, and this number was mentioned by 20% of all members involved in the study, while out of 45 credits taken, 40 out of them were fully returned by members, and this quantity was mentioned by 20% of members involved in the study. Finally, for 15 credits taken, all 15 of them were fully returned by members and that amount was mentioned by a group of 15% of all members involved in the study.

Table 4.6: Number of Credits returned out of those Taken by members of SACCOs

Name of the SACCO	Variable			Frequency	Percentage
	Number of credits	Number of credit fully of	Percentage out of Credits		

	taken	returned	taken		
	42 credit	38	90.47	8	20
Nyumba	42	38	90.47	8	20
Kinole	No response	0	0	2	5
Kinole	15	15	100	6	15
Posta	45	40	88.88	8	20
Upendo	30	26	86.66	8	20
Total	174	157	90.22	40	100%

Source: Research findings, 2013

Findings presented in table 4.6 had been the basis upon which the study had ascertained the accurateness of findings presented in the preceding section, in the sense that, the quantities of credits taken, was somehow parallel with the quantity returned – which was a good pace achieved by members of SACCOs. In that end, that testified that the trend in credit performance amongst co-operatives in the country was as good as favorable to the extent they were even able to nurture the growth of their co-operatives as well. For, 92.24 of all credits taken, was found a good result. Similar, it was even reasonable to argue that, up to this stage, the economic activities of SACCOs’ members had huge positive effect on the growth of co-operatives as well. In the mean focus, the study had strived to find the worth for every credit taken from SACCOs by members. And precisely, this information was useful in the sense that the reality from it was used to determine the extent to which credit’s worth was one of the factors for the development of co-operatives. In this regard, the worth meant hereunder was exactly the total amount in terms of TZS money taken as credits throughout the year of 2012. Therefore, respondents were on the views that, one group of 16 members which make 40% mentioned, approximately TZS 3,360,000.00 from 42 credits. Another group of 20% mentioned, approximately TZS 2,754,000.00 from 27 credits. Another group of 20%

mentioned, approximately, TZS 1,800,000.00 from 45 credits. Likewise, another group of 20% had mentioned approximately, TZS 1,350,000.00 from 15 credits.

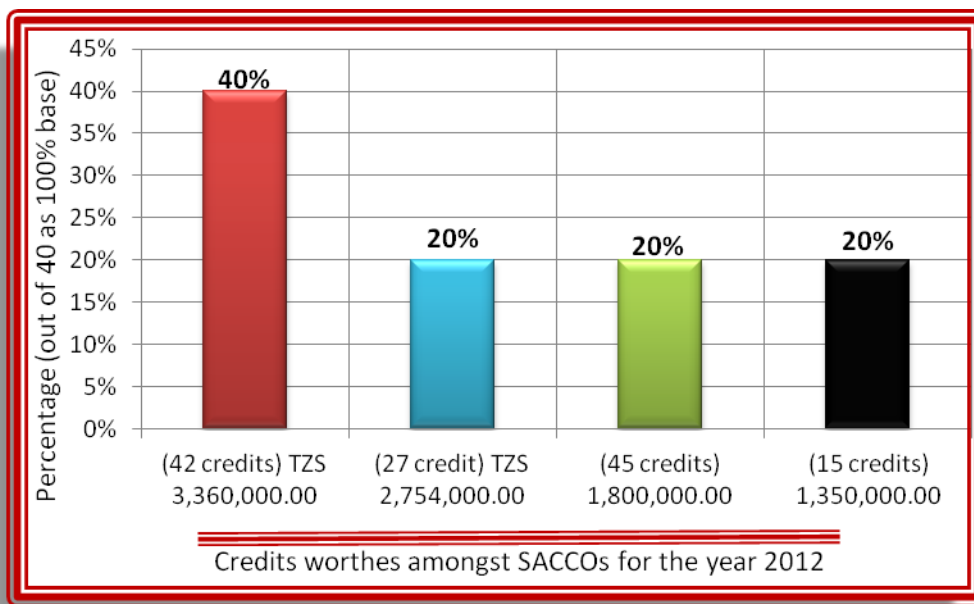


Figure 4.6: SACCOs' Credits Worthies for the Year 2012

Source: Research findings, 2012

The above presented findings have further strengthened the previous information about the good trend in credit performance amongst SACCOs. This was so mentioned, based on the reason that almost all credits described in the figure 4.6, were worth at reasonable rate and if you make comparison from table 4.6, you will probably find that the minimum worth was TZS 71,813.95 per credit. Still, that picture was good to the extent SACCOs had to grow.

4.4.2 Was the Interest rate Per Credit favorable for the Growth of SACCOs?

Likewise, the study had also strived to find the reality about the effect derived from interest rate charged for the credit borrowed on the growth of SACCOs. That signified, the worth of credit was nothing else rather the whole amount of money charged for the

credit taken as interest to be paid in returning the credit. More concernedly, interest rate in this respect was assumed as one of the components of economic activities performed by members of co-operatives, whose intervention must clearly be identified as to whether they had effected the growth of the SACCOs either negatively or positively. In such, respondents were asked to mention the interest rate charged for every single credit taken in the year 2012. And very identically, all respondents who responded to the questionnaire as 100% said, their co-operatives charged 20% for each credit borrowed by members. Therefore, if you make reference to the preceding findings in terms of number of credits with their corresponding amount of TZS, borrowed and returned, this information had precisely showed that, still evidence keep on testifying the extent to which economic activities of SACCOs were favorable for the growth of their co-operatives.

On the other similar hand, the study had searched for further exactitude about the favorability of interest rate charged for the credits on the economic stability of co-operatives. In this regards, the study believed that, whenever something is said about economic stability of any entity, whenever something must be said about the performance of any entity, and above all, the growth as the real result. Very concernedly, respondents were addressed a query which was exactly requiring them to explain the way everyone, separately, would assess the favorability of interest charged for the credits borrowed last year on the economic stability of their SACCOs. Results then showed that, 55% of them said, satisfactory, 40% others said, excellent, and only 5% of them said unsatisfactory.

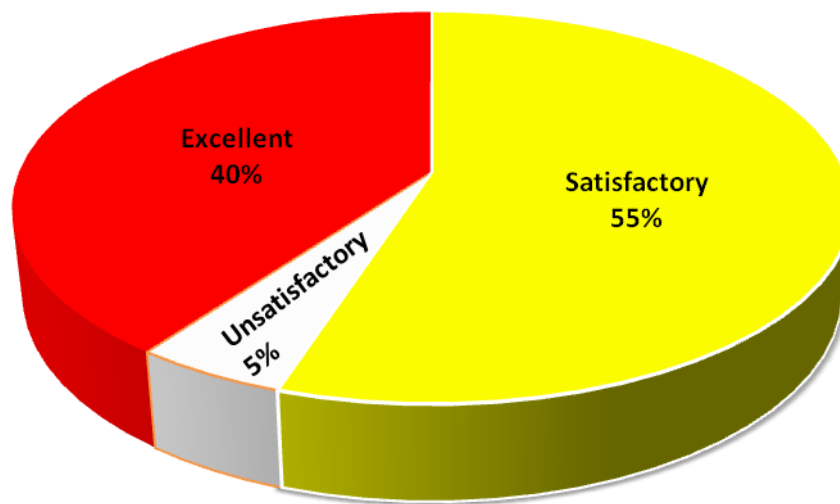


Figure 4.7: Assessment about the Favorability of Interest rate on the Economic Stability of SACCOs

Source: Research findings, 2013

The assessment about the extent to which interest charged for the credits taken in 2012 showed that, majority of respondents assessed it as satisfactory. In similar words, that means, interest charged to credits had reached the satisfactory level in aiding SACCOs towards their economic stability and growth as a whole.

4.4.3 Augmentation of Shares as one of the Factors for SACCO's Growth

As the title itself suggested, the augmentation of shares was believed by this study as one of the trend by which SACCOs could be able to nurture their growth. In this scenario, the study was very much interested to find whether co-operative have been able to augment the number of shares, to those already available therein. The position from the results would be explicated by the position either in fostering the growth or the other side of fact. Under this consideration, respondents were asked to specify how many shares have been augmented and bought from the year 2012 up to now. And results

stated that, 40% of them said, their co-operative have been able to augment more than 29% of available shares, while another 40% said, their co-operative were capable of augmenting 31% of available shares, and another 20% mentioned that, their co-operative did not perform well, since they could augment only 8% of the available shares.

Table 4.7: Augmentation of Shares by SACCOs

Variable		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Augmentation of more than 29% of shares	16	40	40	40
	Augmentation of about 31% of shares	16	40	40	80
	Augmentation of 8%	8	20	20	100.0
	Total	40	100.0	100.0	

Source: Research Findings, 2013

Truly, findings presented in table 4.7, denoted that many SACCOs have been able to make augmentation of more shares to those were already available. This was so mentioned, just because, all members who participated in the study have been ready to reveal out the achievement made in their co-operatives. Based on these results, this study kept on confirming that, really, the economic activities of SACCOs were to large extent good and had good effect on the growth of their co-operatives.

4.4.4 Whether Assets were one of the Determining of SACCOs' Growths

In finding the way economic activities had fostered the growth of SACCOs, the study had also used another aspect, which was exactly asset. In this sense, asset was searched to find the way they were continuously increased and stood as one of the indicators for the development of co-operatives. In that regards, both the aspect relating to numbers of them as well as their worthies were used to determine their effect on the development of

SACCOs, and later on, the study was able to state whether there was an effective economic activities or otherwise.

Initially, respondents were asked to mention the number of assets which were available in this year 2013. In such, results showed that, all respondents were unable to specify the exact number of assets possessed by their respective co-operatives. And continuously, a similar question was raised during the focus group discussion, in which respondents were required to state the real worthiness of assets available in every co-operative, whose results indicated that there were five groups of 8 members from five co-operatives respectively. From that scenario, one group said, their co-operative had assets valued approximately, TZS 6,500,000, the next group mentioned, approximately TZS 2,230,000. Another one had mentioned approximately TZS 8,850,000, another one had very little as they mentioned TZS 1,300,000, and finally another group mentioned TZS 4,550,000. This meant, every group of 8 persons as 20% each, had mentioned their total assets' worth is that manner, upon which the study argued that still, those figures were as good as why SACCOs had to make steps forwards.

In order to confirm the accurateness of the above findings, the study had afterwards strived to search for further evidence from respondents on whether the number of assets possessed by their co-operatives were in a position to nurture the development of their SACCOs or otherwise. More precisely, a query was asking them to state whether that number of assets was either favorable for the growth of their SACCOs or otherwise and how. Thus, majority of all members who participated in the focus group discussion process had given several comments including the followings.

..... Assets possessed by our SACCOs are enough and worth enough to the extent they are well placed for why our SACCOs can make nurturing steps in terms of development. We say like that, just because, even if abruptly, the economy goes down, but still they can be used to make whatsoever recovery necessitated at that moment.

When we started, we had fewer assets than now. That means, the numbers of assets possessed by our co-operatives are quite the advantage and even opportunity for their sustainability and long survival. And that improvement show that our SACCOs have been in line of making progressive steps

Truly, findings presented above had testified the extent to which assets remained indicators of actual growth amongst SACCOs in Tanzania. For, ideally, whenever the is a result showing increased in number of assets, that means, a certain aspect of progress has been made. And that phenomenon applied to the case on SACCOs dealt with in this study.

4.5 The Contribution of Management Experience of SACCOs on the Growth of their Co-operatives

The study was further aiming at specifically examining the contribution of management experience of SACCOs on the growth of their co-operatives. The intention here was to specifically find the extent to which management experience was one of the elements factors determinants of SACCOs' growth, or an indicator showing the why of co-operatives' growth. In this respect, management experience had included sub-elements like; education, training, skills, and related aspect possessed by the management of SACCOs relating to the whole manner of managing co-operatives.

4.5.1 Had SACCOs' Managers Education Background Compatible with Management of Co-operatives?

If managers had education background relating to the management of SACCOs, that means their professions were interventional in fostering the growth of co-operatives they were managing. In contrast, in case, results came in contrary form, notably, the opposite way would be said too. That regained to signal that, the study envisaged that, there was a relationship between education background amongst managers, and their experience on

their development of their co-operatives as well. Notably, the only way used to find the exactitude about this matter was concerned with requiring members of SACCOs to state whether the academic profession of their SACCO's managers were compatible with their current occupation in SACCOs or otherwise. And very actively, 22 respondents out of 40 who responded to the questionnaire which make 55% said, yes, while other 11 of them which make 27.5% said no, and finally, 7 others which make 17.5% said, no idea.

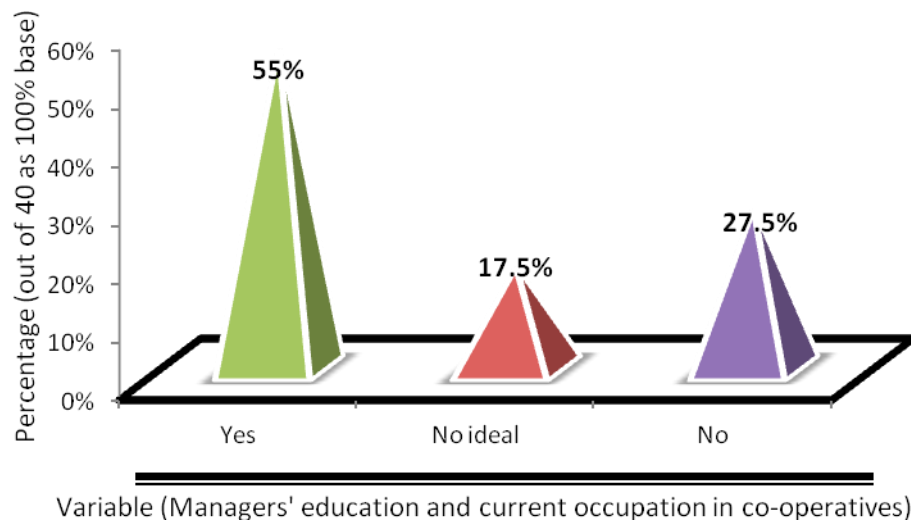


Figure 4.8: Whether Managers' Education Background were Compatible with their Current Jobs in SACCOs or Otherwise

Source: Research findings, 2013

Based on the majority of respondents, the study had ascertained that, managers had education background compatible with their current jobs in co-operatives. Even though, it was too early to confirm as to whether managers professions were one of the elements determinants of SACCOs' growth. That means much and extended certitude needed to be found from further information obtained from the same respondents.

Having found the preceding results, the study had further strived to find the same reality from managers themselves as to whether their education professions were compatible with the job they were doing concerning the managers of co-operatives. In that phase, managers were asked to specify by ticking or matching everyone's areas of expertise from the side A, and his/her current job position in the SACCO everyone was working with from the side B. And eventually, 3 of them which make 15% were secretary and 1 of them was a professional manager, and two others were professional business administrator. Again, only 2 of them which 10% were accountants and possessed accounting and finance professionalism, while other 10 which make 50% were supervisor from which, 4 of them were professional managers and 6 others had business administration professionalism. Other 3 of them which make 15% were belonging to other professionalism, and could not specify exactly which profession they had. And only 2 others, who were working as credit officers, had not profession relating to their job, rather to other areas like, marketing, etc.

Table 4.8: Comparison between Managers' Professions and Current Jobs in SACCOs

Profession	Number	Current Job	Frequency	Percentage
Business Administrations	2	Secretary	3	15
Management	1			
Accounting/finance	2	Accountants	2	10
Management	4	Supervisors	10	50
Business Administration	6			
Other Professions	3	Finance Managers	3	15
E.g; Marketing	2	Credit Officers	2	10
Total			20	100.0

Source: Research findings, 2013

Findings presented in table 4.8, stipulated that to some extent, certain managers had education background compatible with their current job in co-operatives, while others were not. That means, certain managers had competence relating to SACCOs management, while other had not. This was so mentioned based on the fact that, all staffs working in credit units, and some in the secretary positions had no education relating to their job. Comparatively, the whole picture was not bad, since the huge number of them were working in the sections which suit their education background, despite a few of them to lack compatible competence.

The above information was the step forward for the coming specific ones. That means, further information was needed to ascertain the exactitude of the preceding one. More specifically, this study strived to find further certitude by asking managers to either accept or refute on whether education of everyone of them, separately, was either compatible with his/her current occupation in SACCO or otherwise. And results showed that, managers were frank and open in responding to this question, since, 8 of them which make 40% said, no, and other 12 which make 60% said yes, they education backgrounds were compatible with their current jobs in SACCOs, and eventually, these results were presented in the following figure.

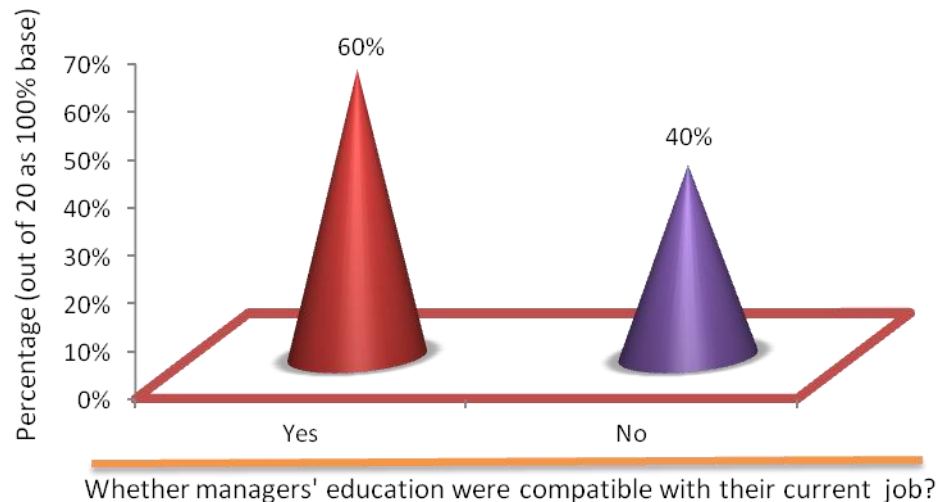


Figure 4.9: Compatibility of Managers' Education with their Current Jobs in SACCOs

Source: Research findings, 2013

Based on the findings presented in the figure 4.9, the study established that many of the managers working with SACCOs had education, compatible with their current job in their respective co-operatives. That was so mentioned, following the results from that figure 4.9 wherein majority of them have been ready and open to put precision that, they had education relating to their current jobs, or relating to the management of co-operatives.

4.5.2 Whether Managers had Training Pertaining to Management of SACCOs

In this section, the study was interested to find whether manager had training specifically relating management of co-operatives. This aspect was useful for this study, since all logic behind it, could eventually determine the extent to which managers through their training have been able to foster the growth of SACCOs. Or in other terms, whether, training possessed by managers was one of the determinants for

SACCOs' co-operatives in Tanzania. The only way used to find the logic about this matter was the question which asked managers to either accept or refute whether every one of them, separately, has already benefited by any training relating to co-operatives management, whose results were presented in table 4.9 below. With regard to that question, 55% of them said, no, and 45 others said, yes.

Table 4.9: Whether Managers did benefit by Training Relating to SACCOs

Variable		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	11	55	55	55
	No	9	45	45	100.0
	Total	20	100.0	100.0	

Source: Research Findings, 2013

Findings in table 4.9 had showed a slight different between managers who got training and those who did not. But, even though, still, the study established that majority of managers working with SACCOs, lack training pertaining to management of SACCOs. Because, it was found obvious that, only a few of them with 45% have been lucky to benefit by that kind of training. That showed, SACCOs still have to furnish effort and zeal to train their management in order for them to increase their sustainability, of which can be achieved through the contribution of skills from managers, to some extent.

Members on their turn, were addressed the same question, which was requiring them to either accept or refute whether their SACCOs had already offered training opportunity to their managers, whose results seemed to be almost identical to the preceding ones. For, 25 of them which make 62.5% said no, while other 13 which make 32.5% said, yes, and other 2 which make 5% said, they could not know whether their managers were provided any training opportunity offer or otherwise.

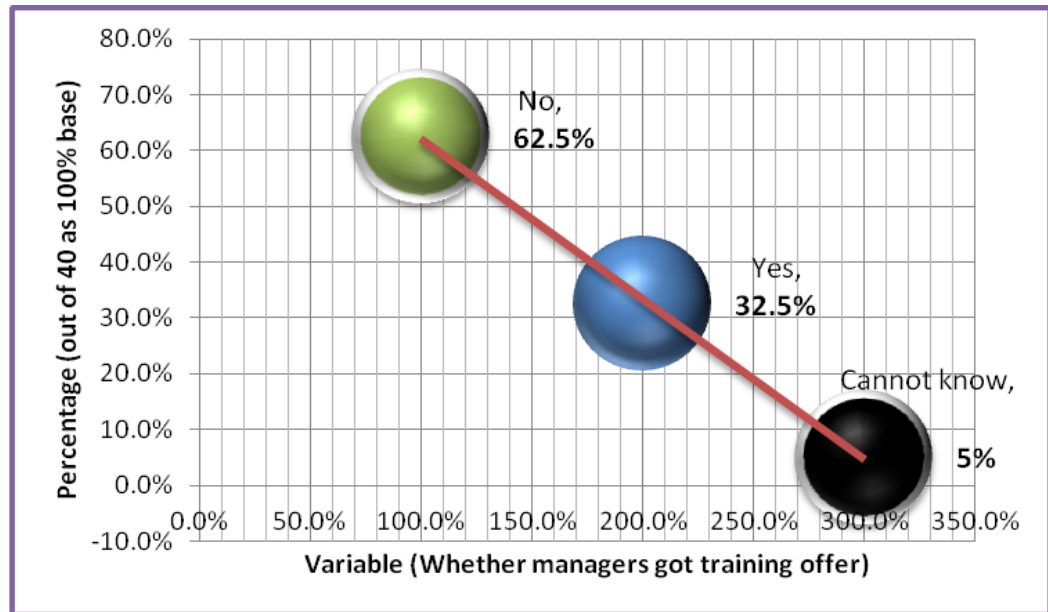


Figure 4.10: Training Offered to Management of SACCOs

Source: Research findings, 2013

In reality, findings presented in figure 4.10, continued to reveal out the same reality, that most of managers had never benefited by any training opportunities from the co-operatives they are working with. That means, findings wanted to put precision that, still manager's lack something in terms of specific skills pertaining to the management of SACCOs, since many of them have never been offered any training opportunity by their employers/SACCOs.

In addition, those managers who accepted that they were provided training opportunities were afterwards required to mention the specific areas of training they benefited from those training offers. The aim of that question was just to find whether trainings were focusing on covering areas relating to co-operatives management or otherwise, as the way to boost their performance capability and in turn meet the desired level of growth as well. Most of them specified that, they got training on areas relating to SACCOs management. Something, which was not bad, but only, SACCOs need to increase

efforts by training more and more of their managers if they are to achieve their proclaimed meet sustainable growth.

4.5.3 Duration of SACCOs' Management in the Work

Another element included in management experience was the duration of SACCOs' management sent while working with co-operatives. More specifically, duration of management was one of the very significant aspects through which much was found to determine the extent to which experience was on one way or another, the factor/determinant of SACCOs' growth in Tanzania. The implication hereunder was that, more the duration, more the experience must be possessed by management, and more would be interventional in contributing the development of their co-operatives. But, also, that scenario would be termed as the factor for why many SACCOs are going grown. In order for managers to provide reliable information, they were intentionally addressed a question, which was reading; how many years have you been working with SACCO. And results from them showed that, 4 Of them said, more than five years, while other 8 of them said, between two and five years, and 6 others said one year, and only 2 others said, less than one year.

Table 4.10: Duration spent by Managers in working with SACCOs

Variable		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More than 5 years	4	20	20	20
	Between two to 5 years	8	40	40	60
	1 year	6	30	30	90
	Less than 1 year	2	10	10	100.0
	Total	20	100.0	100.0	

Source: Research Findings, 2013

Many managers working with SACCOs had been found to have an experience of between two to five years. That information was so confirmed, following the whole

picture from the findings in table 4.10, wherein majority (40%) of all managers involved in the study were ready to mention that reality, upon which the study had relied as the real logic about the matter dealt with in this section. Similarly, it regained to say, two to five years, are enough for any person to build intense experience about any activity. That means, managers had huge experience and that is why they have been amongst other constituents in helping SACCOs foster their growth.

Based on the picture from the findings in preceding section, the study had been in place to assume, if many managers have been working with SACCOs for more than three years, that means they must have been able to achieve certain advantages for their respective co-operatives. Nevertheless, in case the information would come out with different picture, notably, much would have been said, management experienced used by SACCOs was not significant in either contributing nor in determining the growth of co-operatives. From that consideration therefore, managers were asked to explicate, since every one of them, separately, has been working with SACCO, what were the achievement he/she made for the benefit of his/her co-operative. In fact, that concern had been the basis for several comments from them, amongst which, the most common ones have included the followings.

..... Since I have been working my SACCO, I was able to connect a big number of my members with several banks and that is why most of them can obtain loans/credit from them with huge credibility. But also, now, many SACCOs were able to establish certain policies governing their operations as well as the whole way governing, of monitoring, and managing all credit-related processes. Based on these facts, many SACCOs now, have been capable of ensuring their long survival and achieve high profit from trading on many services and products they created themselves. Above all, many SACCOs now, had their own financial policies governing the whole treatment relating to their finance. That in turn, signifies, SACCOs now have a well-directed way of using their financial matters

Based on the findings presented in terms of citation above, the study established that, management of SACCOs have been of great help to their co-operatives in several ways. But more precisely, one of the aid and achievements made by them included; assisting co-operatives in establishing particular policies governing different activities on their co-operatives as well. So, directly, it was found acceptable to argue that, management experience used by SACCOs, has greatly been the help towards their growth as well.

Furthermore, a similar aspect was afterwards searched by the study as the way towards extending the evidence from the preceding one. Because, if managers had given that evidence, also, much needed to be searched from members themselves to ascertain the exactness of the previous one. Notably, normal members were asked to compare the progress made by their SACCO following the training offered to their managers from a series of assertions provided to them, whose results were presented in the following figure 4.11. Results, of course, showed that, many members with 70% said, their SACCOs had grown, while another 7.5% said, there was no change. Similarly, another 15% said, it was difficult to know, and finally, another 7.5% said, could not mention, whereas, none of them mentioned that their co-operative had neither grown down nor declined.

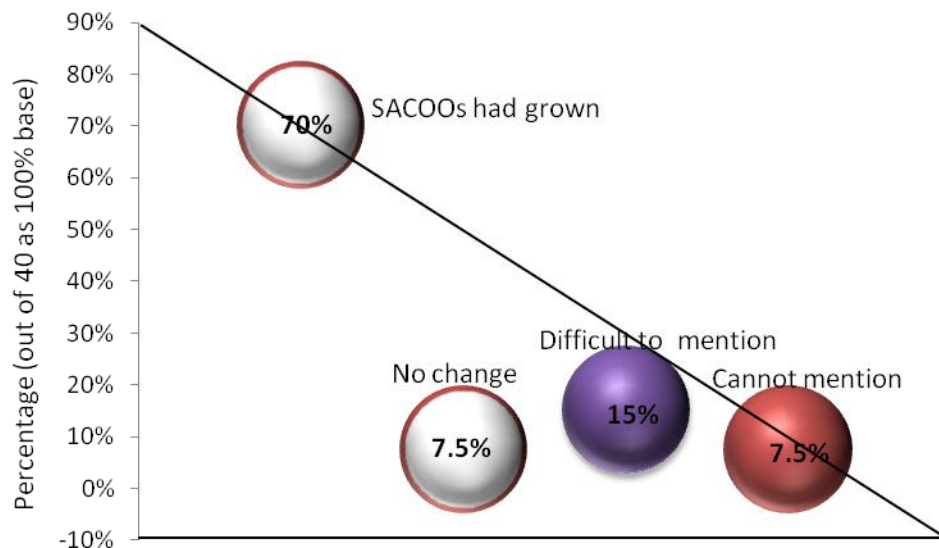


Figure 4.11: Benefits SACCOS had obtained from Training their Managers

Source: Research findings, 2013

Based on the findings presented in the figure 4.11 above, there was no objection that, training offered to managers of SACCOS had result into benefit line growth. That was exactly found true, in the sense that majority of members who responded to the question said, yes, having trained their managers, their SACCOS had then grown.

4.5 Role of the Actual Level of Credibility offered by other Financial Institutions to Members of SACCOS on the Growth of their Co-operatives

Finally, the study was specifically aiming at assessing the role of the actual level of credibility offered by financial institutions to members of SACCOS on the growth of their co-operatives. The focus in this concern was just to find the way members of SACCOS used that opportunity in terms of credibility of obtained loans or credit, offered by other financial institutions in aiding their SACCOS to attain the most sustainable growth. in simple words, the study was interested to find how far, the credibility offered by other financial institutions had been playing a significant role in either aiding

SACCOs to attain their growth or the other way up. Specifically, aspects used as constituent of this point of concern were, type of loans, as being either short or long term, either small or big loan/credit, amount of credit in terms of TZS offered to members of SACCOs, and so many others relating to this perspective. And much was found through findings presented in the following manner.

4.5.1 Members' Access to Credit/Loans from Other Financial Institutions

Initially, the study had strived to find whether there was any easiness to members in accessing credit/loans from other financial institutions. This was so searched simply because, the study wanted to go sure whether members of SACCOs could access loan/credit easily from other financial institutions, to eventually argue that to large extent there was a huge credibility offered to them as well. Therefore, members of SACCOs were asked to either accept or refute whether they had access to credit from other financial institutions or otherwise, whose results were presented in the following table 4.11. Form therein, it was found that, a huge number of them with 87.5% said yes, and only a few of them with 12.5% said on, they could not access loans/credits from other financial institutions.

Table 4.11: Whether Members of SACCOs could access Credits/Loans from Other Financial Institutions

Variable		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	35	87.5	87.5	87.5
	No	5	12.5	12.5	100.0
	Total	40	100.0	100.0	

Source: Research Findings, 2013

In reality, findings presented in table 4.11, had testified that, many SACCOs' members in the country could access loans/credit from other financial institutions. Based on those

findings, the study had then ascertained that, there was a huge credibility offered by other financial institutions to members of SACCOs to access loans/credits from them.

4.5.2 Types of Loans/Credits offered to Members of SACCOs by FI

Another element used to determine the credibility offered by other financial institutions to members of SACCOs was the types of loans/credits accorded to them. Because, still, the fact of offering any kind of loan, testified the extent at which other financial institutions were ready to place high credibility to members of SACCOs and that is why they could get credits/loans from them as well – and latter on foster the growth their co-operatives. Members were investigated in which they were asked to specify from a set of assertions provided to them the types of loans they often get from other financial institution, whose results showed an interesting picture, because they had all 40 as 100% mentioned both short and long term loan/credit can be accessed by them. So far, it was arguable that, other financial institutions have been playing a significant role in permitting SACCOs members to access loans/credit from them. For, this scenario, can inevitably help those members had financial power to contribute to their co-operatives and carry various businesses using the credit/loans they get from financial institutions – something, which in turn will allow them to achieve the most sustainable survival of their co-operatives.

4.5.3 Loan/Credit Size offered to SACCOs' Members

The study, also, has tried to find the exact size of loan/credit members of SACCOs could be allowed to borrow from other financial institutions. This information was searched just because, the study wanted to know whether a part from easiness in accessing both short and long terms loans, were those member able to borrow even the huge amount. The answer to this concern was searched through a question which intentionally asked

members of SACCOs to specify the highest amount of money they can borrow from those financial institutions.

..... In responding to this question, members mentioned that, it depends on the amount of loan/credit someone requires from therein and the assets possessed by that individual member. Because, in several circumstances, if an individual member applies for a big loan, normally, other precautionary measures must involve in that process. But, in for the case of big credit/loan, a member must hold both co-operative permission as well as other required evidences. But in most cases, most of loans/credits applied for the direct benefit of the SACCOs were, mostly, short term ones

Findings presented in terms of citation above wanted to show that still, members of SACCOs had been offered credibility by other financial institutions. The only difference arose in that scenario, was in terms of types of loan/credit applied by an individual member. In other similar terms, that means, when an individual member applied for a big loan, that will call for special agreement between him/her self and the lender. And mostly, will depend on the assets possessed by that member which can be used a bond for the loan/credit taken.

Afterwards, the study strived to find further evidence pertaining to the same center of concern. In that stage, the study had searched for the information by which the credibility offered by other financial institutions was assessed in such a way that, the study that, the study had to determine the way those loans were aid toward the growth of SACCOs in general. In that concern, members of the SACCOs involved in the study were intentionally addressed a question, which asked them to state the way everyone, separately, would assess the actual level of credit credibility offered by other financial institution to members on the growth of their SACCOs. Eventually, 20 of them which make 50% assessed it as excellent, while other 11 which make 25.5% assessed it as

high, and 9 others which make 20.5% assessed it as low, and none of them assessed it as bad.

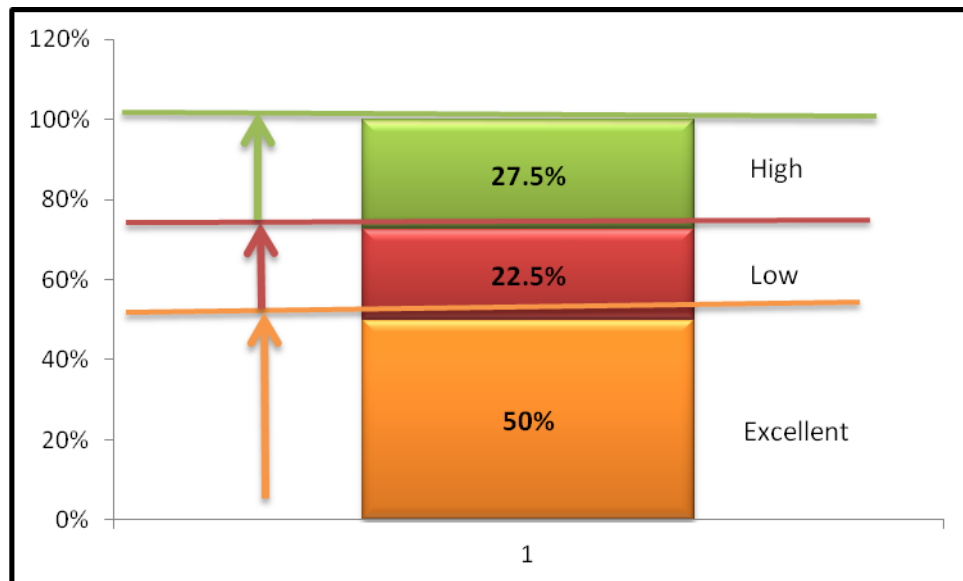


Figure 4.12: the Actual Level of Credit Credibility offered by Other Financial Institutions on the Growth of their SACCOs

Source: Research findings, 2013

Findings presented in figure 4.12 denoted that the actual level of creditability offered by other financial institutions to members of SACCOs have the aid towards the growth of many SACCOs. This evidence was so confirmed following the reason that, majority of members who respondents to the questionnaire have been ready to put forward that aspect and upon them, the study relied as the truth about this matter.

4.5.4 Are Loans/Credit from Other Financial Institutions Investments Opportunities for SACCOs?

Notwithstanding the fact that many of the previous evidences to testify that credibility offered by other financial institutions to be one of the catalysts for the growth of SACCOs, still, further evidences were needed to ascertain their exactness. In that regard,

the study wanted to find whether members could use those loans obtained from other financial institutions to invest in their respective SACCOs, and the logic behind this concern, would be explicated either as investment opportunity or otherwise.

Imperatively speaking of this point of concern, certain ways were used by the study to find response for this matter. In such, members of SACCOs who involved in the study were required to either accept or refute on the fact that, whether those loans they got from other financial institutions have been offering opportunity for them to contribute to their SACCOs' growth. As everyone might expect, 37 of them which make 92.5% said, yes, while other 2 of them which make 5% said no, and another one which make 2.5% did not respond to this question for unknown reason.

Table 4.12: Did Loans from Other Financial Institutions offer Investment Opportunities in SACCOs

Variable		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	37	92.5	92.5	92.5
	No	2	5	5	97.5
	No response	1	2.5	2.5	100.0
	Total	40	100.0	100.0	

Source: Research Findings, 2013

Further evidences from table 4.12 above specified that, loans/credits accessed from other financial institutions were in return used by the same members as investments opportunities in their SACCOs, and above all, they have been aiding them to make their respective co-operative attain their growth. This information was so established, simply, because, majority of members involved in the study have been ready to ascertain the accurateness on that fact. Having found the preceding evidence, this study had afterwards searched for another similar reality – and that was all about finding whether after obtaining loans/credit from other financial institutions, members were allowed and could invest those loans into their respective SACCOs. This concern was raised during the FGD process in which members of SACCOs were asked to state if they were

allowed to invest the loans from other financial institutions into their respective SACCO. In responding to this question, all 40 members of SACCOs said, yes, they were allowed to invest those loans from other financial institutions into their respective co-operatives. These results, had extended the reality that credibility offered by other financial institutions to members of SACCOs had played great and significant role especially by allowing members to invest those loans into their respective SACCOs – something, which showed a good concern, since that phenomenon must eventually be used as opportunity through which, SACCOs can grow.

Finally, during the same FGD process, the same members were afterwards asked to provide more precision about whether those loans they get from other financial institutions were either an opportunity for them to make their SACCO grow or otherwise. Amazingly, result from this concern were not alike to the preceding ones, in the sense that, 26 of them which make 65% said, yes, while other 10 of them which make 25% said no, those loans were not an opportunity for them to make their SACCOs grow. Contrarily, the remaining 4 others which make 10% said, they were not sure about any reality concerning this point of discussion. And, eventually, these results were presented in the figure 4.13 below.

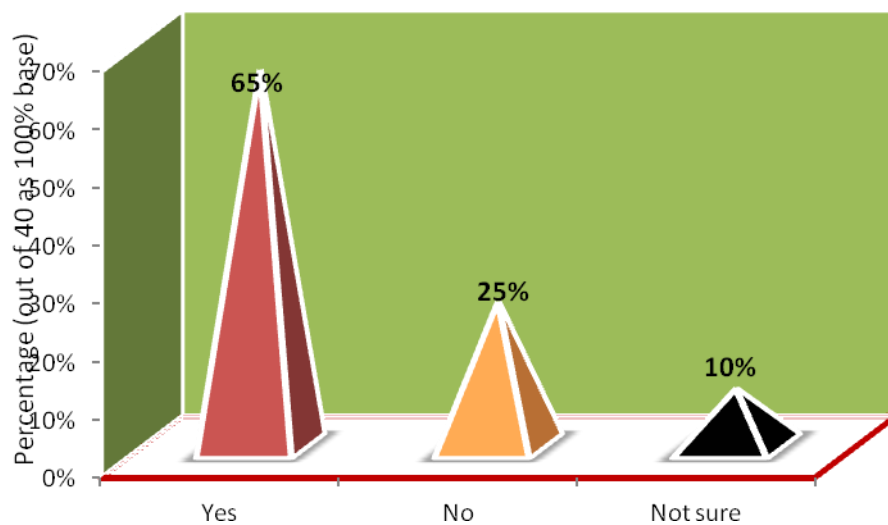


Figure 4.13: Were those Loans from other Financial Institutions an Opportunity for SACCO Growth?

Source: Research findings, 2013

Notwithstanding the fact that one group of 25% of members to have refuted, still, by relying on the majority (65%) of respondents, it was found that loans obtained from other financial institutions were on one way or another the way towards the growth of many co-operatives in Tanzania. and the logic remains the same, because, if members were free to invest them into their respective SACCOs, that means, there were to large extent acting as one of the catalyst for the growth of SACCOs.

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.1 Introduction

This chapter was concerned with the discussion of findings presented in the preceding chapter of this study. The discussion was carried out by mainly focusing on the whole presentation process upon which further conclusive and recommendation steps were performed as well as it was expected before.

5.2 What is the Influence of Savings Culture of SACCOs Members on the Growth of their Co-operatives?

Initially, the study was tasked to answer a research question which was exactly reading; what is the influence of saving culture of SACCOs members on the growth of their co-operatives? The main aim of answering this question was based on the researchable fact that the study wanted to find whether the savings culture of SACCOs' members was one of the determinants for the growth of their co-operatives. In that stage, the assumption laid by the study was that, savings culture was one of the determinants for the growth of co-operatives in Tanzania. and precisely, aspects used is searching for the whole reality governing this aspect had included elements like; number of shares bought and invested by members, membership entry fees, monthly contribution and other investments made thereon. Findings presented about this point of concern provided that a good number of SACCOs involved in the study had more than fifty shares in the year 2012. Thus, based on those findings, this study had then realized that, many SACCOs in Tanzania have been able to place more than fifty shares for the whole year of 2012. Findings had also provided that up to 91.58% of all available shares were successfully bought by members. That had meant, a good number of all available and created shares were bought - and that has doubtlessly testified that was a good step for all SACCOs operating in the MUD. Ideally, based on those findings, nothing could be argued differently, rather than

certifying that, of course, the number of shares created and bought by members of different co-operatives in Tanzania were exactly favorable and had also acted as catalyst in fostering the growth of SACCOs. This argument was true in the sense that most of SACCOs were able to generate profit from trading on shares – something which had intervened in meeting various expenses and achieved high interests as well.

On the other side, findings presented provided that majority of SACCOs involved in the study had extensive experience pertaining to the running of co-operatives related businesses. This was so mentioned based on the fact that many of them have been in operations for up to more than five years. And eventually, the study realized that, perhaps, that was one of the determinants for why many SACCOs have been growing faster than ever. Based on the findings about total amount of TZS 20,000 each member was demanded to pay as entry fees, still were not bad if the number of members was likewise high. Another important issue to mention in this respect was that, findings showed that the average number of members in every SACCO varies from one co-operative to another. And that variation was experienced, perhaps, due to one major reason of ancientness. That means, those which had many members were more ancient than those with few members. Then based on those findings, the study had then realized that, the fees demanded from members when first joining their SACCOs were very much reasonable, sufficient, and even favorable for any co-operative to grow. Because, once totalizing the whole amount in terms of entry fees for every co-operative, with regards to number of members available in every SACCO, you will probably find that co-operatives had doubtlessly to look forwards to the development of their co-operatives.

In addition, the study realized that, aspect like; ancientness of SACCOs testified their long experience in operating co-operatives. Another one was the good trend in share trading, and recognizably, membership entry fees were not taken for grant, rather as a way for many SACCOs to create different opportunities in terms of shares, buying

assets, and so many other important issues, which had on one way or another intervene amongst other elements in nurturing the development of many co-operatives in Tanzania. In similar illustrative view, the study also realized that, all the above mentioned elements, plus others, have acted as important factors and determinants for the growth of many co-operatives in Tanzania.

5.3 Is there any Effect from the Economic Activities of SACCOs' Members on the Growth of their Co- operatives?

Secondly, the study had to answer another research question which read; is there any effect from economic activities of SACCOs members on the growth of their co-operatives? In that center of discussion, study was focusing to find whether those economic activities of SACCOs' members were inclusive amongst other factors/determinants for the growth of their co-operatives or otherwise. Under this aspect, several elements were used to determine the said effect amongst others had included aspects like; number of shares created and bought, trend in credit performance (i.e. amount of credits taken and returned), interest rate charged for the credit taken, number of assets possessed by SACCOs, etc. therefore, during the process of determining the said effect from economic activities those mentioned components/elements were searched in the following arrangement.

Findings about this point of view provided that many credit were available and borrowed by members of the SACCOs. And if you sum up the all credits from all SACCOs involved in the study you will exactly find that a total number of up to 116 out of 129 credits were borrowed and fully returned by members of five co-operatives. In that end, that testified that the trend in credit performance amongst co-operatives in the country was as good as favorable to the extent they were even able to nurture the growth of their co-operatives as well. Based on that fact, this study had then realized that, if that was the real trend, that means, there was a good credit performance in several SACCOs. The

same findings emphasized that almost all credits described in this study were worth at reasonable rate of minimum TZS 71,813.95 per credit. Still, that picture was good to the extent SACCOs had to grow.

Furthermore, findings showed that there was positive or nurturing effect derived from interest rate charged for the credit borrowed on the growth of SACCOs. That was in several senses, but one and most tangible was that the worth of credit and the whole amount of money charged for the credit taken as interest to be paid in returning the credit. More concernedly, interest rate in that respect was assumed as one of the components of economic activities performed by members of co-operatives, whose intervention was clearly identified in terms of positively effecting the growth of SACCOs around the country. Because, even, through the assessment made, the study found that the interest charged for the credits taken in 2012 were at satisfactory level in aiding SACCOs towards their economic stability and growth as a whole.

Truly, based on the findings, the study realized that there were positive economic activities from members of SACCOs on the growth of their co-operatives in several aspect including, good credit performance, nurturing trading on shares, and many other related elements. Since, a lot of have been showed by findings that many SACCOs have been able to make augmentation of more shares to those were already available. And because, findings showed also that assets kept on increasingly augmented up to the right year (2013) in which this study was carried out. Inevitably, all these elements evidence indicating there was growth amongst SACCOs in Tanzania. For, ideally, whenever the is a result showing increased in number of assets, that means, a certain aspect of progress has been made. And that phenomenon applied to the case on SACCOs dealt with in this study. Based on these findings, eventually, this study had then realized that the economic activities of SACCOs were to large extent good and had good effect on the growth of their co-operatives.

4.4 What is the Contribution of Management Experience of SACCOs on the Growth of their Co-operatives?

Furthermore, the study was focusing to answer another research question reading; what is the contribution of management experience of SACCOs on the growth of their co-operatives? The intention from within this question was to specifically find the extent to which management experience was one of the elements factors determinants of SACCOs' growth, or an indicator showing the why of co-operatives' growth. In this respect, management experience had included sub-elements like; education, training, skills, and related aspect possessed by the management of SACCOs relating to the whole manner of managing co-operatives.

Findings presented about this aspect revealed that certain managers had education background compatible with their current jobs in co-operatives. Based on that scenario, this study noted that of course, certain managers had competence relating to SACCOs management, while other had not. This was so realized, following the fact that, certain management staffs working in credit units, and some in the secretary positions had no education relating to their job. But, still, comparatively, the whole picture was not bad, since the huge number of them were working in the sections which suit their education background, despite a few of them to lack compatible competence. Contrarily, one issue seemed to be lacking in the managements of co-operatives – which was lack of training to a big part of managers, who were up to that time not having benefited by any training offered to them. From that angle, the study realised that majority of managers working with SACCOs, lack training pertaining to management of SACCOs, since only few of them were lucky and have benefited by that kind of training. That showed, SACCOs still have to furnish effort and zeal to train their management in order for them to increase their sustainability, of which can be achieved through the contribution of skills from managers, to some extent.

Findings have also showed that training was an important thing that all SACCOs need to focus on since a lot of benefits like high job-related performance from managers, etc of which were revealed by those who got that opportunity – in terms of fostering the hereunder dealt growth and many other relative aspects. Because, by so doing they will

be above to boost their performance capability and in turn meet the desired level of growth as well. In similar stance, findings provided that many managers working with SACCOs had an experience of between two to five years. And that is why they have been amongst other constituents in helping SACCOs foster their growth. That is why the study specified that management of SACCOs have been of great help to their co-operatives in several ways. But more precisely, one of the aid and achievements made by them included; assisting co-operatives in establishing particular policies governing different activities on their co-operatives as well. So, directly, it was found acceptable to argue that, management experience used by SACCOs, has greatly been the help towards their growth as well. Even though, the study realized also that there was no objection that, training offered to managers of SACCOs had result into benefit line growth. That was exactly found true, in the sense that majority of members who responded to the question said, yes, having trained their managers, their SACCOs had then grown.

5.5 What is the Role of the Actual Level of Credibility offered by other Financial Institutions to Members of SACCOs on the Growth of their Co-operatives?

In the final step, the study had to answer another question which was reading; what is the role of the actual level of credibility offered by financial institutions to members of SACCOs on the growth of their co-operatives? The intention in this position was just to find the way members of SACCOs used that opportunity in terms of credibility of obtained loans or credit, offered by other financial institutions in aiding their SACCOs to attain the most sustainable growth. In simple words, the study was interested to find how far, the credibility offered by other financial institutions had been playing a significant role in either aiding SACCOs to attain their growth or the other way up. Specifically, aspects used as constituent of this point of concern were, type of loans, as being either short or long term, either small or big loan/credit, amount of credit in terms of TZS offered to members of SACCOs, and so many others relating to this perspective. And much was found through findings presented in the following manner.

In reality, based on the findings presented the study found that many SACCOs' members in the country could access loans/credit from other financial institutions. Based on those findings, the study had consequently ascertained that, there was a huge credibility offered by other financial institutions to members of SACCOs to access loans/credits from them. Because, the fact that other financial institutions were even ready to any kind of loan, that had testified the extent at which they placed high credibility to members of SACCOs and that is why they could get credits/loans from them as well – and latter on foster the growth their co-operatives. For, the same findings provided that both short and long term loan/credit could be accessed by members of SACCOs, provided all requirements are met by any individual member. Based on those facts, the study had then argued that, other financial institutions have been playing a significant role in permitting SACCOs members to access loans/credit from them – and afterwards helped them have financial power to contribute to their co-operatives and carry various businesses using the credit/loans they get from financial institutions. The situation, of which in turn, will always allow members to contribute to the most sustainable development of their co-operatives as well. In the mean focus, there was a difference obtained from this matter, and that was due to the fact that, when an individual member applied for a big loan, that will call for special agreement between him/her self and the lender. And mostly, will depend on the assets possessed by that member which can be used as bond for the loan/credit to be or taken.

Further evidences from findings stipulated that, loans/credits accessed from other financial institutions were in return used by the same members as investments opportunities in their SACCOs, and above all, they have been aiding them to make their respective co-operative attain their growth. Because, it was found from the findings that after obtaining loans/credit from other financial institutions, members were allowed and could invest those loans into their respective SACCOs. These results, had extended the reality that credibility offered by other financial institutions to members of SACCOs had played great and significant role especially by allowing members to invest those loans

into their respective SACCOs – something, which showed a good concern, since that phenomenon must eventually be used as opportunity through which, SACCOs can grow.

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATION

6.0 Introduction

In this chapter, the study provided the summary about the whole way in which it was carried out. Likewise, in this chapter, the study drew conclusion and recommendations based on the entire picture obtained through the presentation and discussion of findings in such a way that all what was expected in terms of response to the situation dealt with came into being in the following manner.

6.1 Summary of the Study

The core thrust that should be involved in, towards the growth of any co-operative can be achieved through the agglomeration of several aspects like; economic activities, saving culture, and many others – of which in turn would be used as determining as factors for the same growth as well. In that end, every one of them needs to actively act as interventional and aid towards attaining any desired level of achievement, such like growth. Very straight forwards and concernedly, this study was mainly aiming at identifying factors determining the growth of Savings and Credit Co-operatives (SACCOs) in Tanzania; the case of co-operatives operating in Morogoro Urban District, Morogoro region, Tanzania.

The methodology employed by this study had encompassed a number of methods in both gathering data as well as in presenting data gathered from the field composed on sixty respondents (as sample size) from five different SACCOs in MUD. In that process, notably; the study had used questionnaire, focus group discussion and documentary review as the only methods for gathering data from the early mentioned field. Likewise, tables, and figures in terms of pie charts, and graphs,) both illustrated by percentage were utilized as methods for presenting findings and allowing the

interpretation upon which, further steps like; discussion, conclusion and recommendation were eventually performed. More precisely, all those methods were performed with the aim to allow the study to achieve its four specific objectives which were in this arrangement, notably; to find out the influence of saving culture of SACCOs members on the growth of their cooperatives; to determine the effect of economic activities of SACCOs members on the growth of their co operatives, to examine the contribution of management experience of SACCOs on the growth of their co operative, and to assess the role of the actual level of credibility offered by financial institutions to members of SACCOs on growth of their co operatives

Based on the findings presented and discussed in the preceding chapter, the study found that there was a huge influence of saving culture of SACCOs' members on the growth of their co-operatives, in the sense that many shares were created and bought by members. That means, there was a favorable trade on shares in many SACCOs involved in the study. But also, credits performance was also good to the extent they have in line amongst other catalyst towards the growth of many co-operatives in Tanzania. Likewise, based on the findings, this study found that economic activities of SACCOs' members had significantly affected the growth of their co operatives in positive way. Management experience used by SACCOs has been also contributing towards the growth of most co-operatives in the country. Their contribution was noticed in terms of various interventions they have been placing like; establishment of policies, and related guidelines upon which many SACCOs found ways to attain their growth. Finally, findings from the study showed that, members were highly provided huge credibility from other financial institutions, in such a way that loans/credits obtained from therein, were used as investment opportunities in respective SACCOs – and later on the growth of many co-operatives. That had extensively signified, the actual level of credibility offered by financial institutions to members of SACCOs had played a significant role on the growth of their co operatives.

6.2 Conclusion

Savings culture is very much a fundamental, core, and even base for the growth of concerned business-related entities, as being financial or even of any other kind. Because, every step into their operations will inevitably necessitate the involvements and intervention of financial-related resource and in turn the prosperous survival of their businesses can thereon be achieved in a reliable manner. Basically, findings from this study preserved that a good number of SACCOs involved in the study had more than minimum fifty shares in the year 2012. That signified in other illustrative terms, many of the SACCOs in the country could place or create more than fifty shares for the whole year of 2012. In the mean explication, the same findings connoted that truly, up to 91.58% of all available shares were successfully bought by members. That had meant, of course, a good number of all available and created shares were bought. Thus, based on those findings, the study then concluded that one of the components of savings culture effectively performed by members of SACCOs was a good trading on shares. Similarly, that fact can even be explicated as, the number of shares created and the numbers of shares bought by members of different co-operatives in Tanzania were exactly parallel and above all, they had inevitably been acting as catalyst and favorable for the growth of their co-operatives. That argument was true in the sense that most of SACCOs, inevitably, were able to generate profit from trading on shares – something which had intervened in meeting various expenses and achieved high interests as well.

Similarly, the fact that many SACCOs had been in the operation for more than five years, the study had to eventually conclude that perhaps that was one of the determinants for why many SACCOs have been growing faster than ever. Findings had also showed that, other elements which testified a good movements of savings culture achieved by member included; reasonable membership entry fees which were parallel with the average number of members in every SACCO, long experience in running co-operative-related businesses, were exactly one of the factors for why there were good savings culture – of which in turn was use as determinants for the growth of SACCOs.

Then based on those findings, the study had then realized that, the fees demanded from members when first joining their SACCOs were very much reasonable, sufficient, and even favorable for any co-operative to grow. Because, once totalizing the whole amount in terms of entry fees for every co-operative, with regards to number of members available in every SACCO, you will probably find that co-operatives had doubtlessly to look forwards to the development of their co-operatives.

In addition and by relying on the findings, it was quite true that, all those activities were attentively used by them as way for many SACCOs to create different opportunities in terms of shares, buying assets, and so many other important issues, which had on one way or another intervene amongst other elements in nurturing the development of many co-operatives in Tanzania. In similar illustrative view, the study also concluded that, all the above mentioned elements, plus others, have acted as important factors and determinants for the growth of many co-operatives in Tanzania.

Faster growth of any co-operatives depends much on the nurturing economic activities of respective members. Findings about this point of view provided that many credit were available and borrowed by members of the SACCOs. And if you sum up the all credits from all SACCOs involved in the study you will exactly find that a total number of up to 116 out of 129 credits were borrowed and fully returned by members of many co-operatives. In that end, that testified that the trend in credit performance amongst co-operatives in the country was as good as favorable to the extent they were even able to nurture the growth of their co-operatives as well. Based on that fact, this study had then concluded that, if that was the real trend, that means, there was a good credit performance in several SACCOs.

Furthermore, findings showed that there was positive and nurturing effect derived from interest rate charged for the credit borrowed on the growth of SACCOs. That was in several senses, but one and most tangible one was the worth of credit and the whole amount of money charged for the credit taken as interest paid in returning the credit. More concernedly, interest rate in that respect was assumed as one of the components of economic activities effectively performed by members of co-operatives, whose effect

had clearly resulted into the growth of many SACCOs around the country. However, based on those findings, the study then concluded that there were positive economic activities from members of SACCOs characterized by good number of shares created and bought, trend in credit performance (i.e. amount of credits taken and returned), interest rate charged for the credit taken, number of assets possessed by SACCOs, etc. upon them, notably, growth of their co-operatives could be achieved.

Moreover, they said growth was mentioned based on the result from several aspects including, good credit performance, nurturing trading on shares, and many other related elements. For, the same findings showed a lot that many SACCOs have been able to make augmentation of more shares to those were already available. And because, findings showed also that assets kept on increasingly augmented up to the right year (2013) in which this study was carried out. That is why the study had further concluded that, inevitably, all these elements evidence indicating there was growth amongst SACCOs in Tanzania. For, ideally, whenever there is a result showing increased in number of assets, that means, a certain aspect of progress has been made. And that phenomenon applied to the case on SACCOs dealt with in this study. Based on these findings, eventually, this study had then realized that the economic activities of SACCOs were to large extent good and had good effect on the growth of their co-operatives.

Under any belief and assumption, management experience pertaining to any activity is of significant contribution either for the success or for the running of any concerned activity, including for co-operatives as well. Findings presented about management experience had showed that some of the managers in SACCOs had education background compatible with their current jobs in co-operatives. In parallel view, the study had consequently, noted that, of course, certain managers had competences relative to SACCOs management, while other had not. This was so realized, following the fact that, certain management staffs working in credit units, and some in the secretary positions had no education relating to their jobs. But, still, comparatively, the whole picture was not fully lying on negative side, rather on the other side, since a huge

number of them were working in the sections which suit their education background. The only huge problem in that matter was that, a big part of managers were lacking training. That was so concluded based on the evidence that, there were many of managers, who were up to that time not having benefited by any training offered to them by their co-operatives. From that angle, the study concluded that SACCOs still have to furnish effort and zeal to train their management in order for them to increase their sustainability, of which can be achieved through the contribution of skills from managers, to some extent. Because, findings have showed that training was an important thing that all SACCOs need to focus on since a lot of benefits like high job-related performance from managers, can be met through that process.

Notwithstanding the fact that, certain elements were lacking, yet others were in place. Thus, specifically imperatively speaking of that matter, findings provided that many managers working with SACCOs had experience of between two to five years – of which was found enough to make any positive desired contribution in any entity. Based on that reason, the study had consequently realized that that maybe one of the reasons why managers been amongst other constituents in helping SACCOs foster their growth. based on those findings, the study had further concluded that management experience used by of SACCOs have been of great help to their co-operatives in several ways, including precisely, assisting co-operatives in establishing particular policies governing different activities on their co-operatives as well.

The reality about growth of co-operatives can be explicated by several relative aspects, amongst which, include supports in terms of financial-related resources from other sources. In that scenario, to attain a certain level of development/growth, there should be other entities, available in the same market, upon them SACCOs can become capable of eventually growing. In reality, based on that description above, and on the findings presented the study found that many SACCOs' members in the country could access loans/credit from other financial institutions. Thus, based on those findings, the study had consequently concluded by ascertaining that, there was a huge credibility offered by

other financial institutions to members of SACCOs to access loans/credits from them. Because, the fact that other financial institutions were even ready to provide any kind of loan, that had testified the extent at which they placed high credibility to members of SACCOs and that is why they could get credits/loans from them as well – and latter on foster the growth their co-operatives. For, the same findings provided that both short and long term loan/credit could be accessed by members of SACCOs, provided all requirements are met by any individual member.

Based on those facts, the study had then concluded that the credibility offered by other financial institutions to members of SACCOs have been playing a significant role in permitting them to access loans/credit from them – and afterwards helped them have financial power to contribute to their co-operatives and carry various businesses using the credit/loans they get from financial institutions. The situation, of which in turn, had inevitably allowed them to contribute to the most sustainable development of their co-operatives as well. Moreover, further evidences from findings stipulated that, loans/credits accessed from other financial institutions were in return used by the same members as investments opportunities in their SACCOs, and above all, they have been aiding them to make their respective co-operative attain their growth. Because, it was found from the findings that after obtaining loans/credit from other financial institutions, members were allowed and could invest those loans into their respective SACCOs. Based on those findings, this study had further concluded that credibility offered by other financial institutions to members of SACCOs had played great and significant role especially by allowing members to invest those loans into their respective SACCOs – something, which showed a good concern, since that phenomenon must eventually be used as opportunity through which, SACCOs can grow.

6.3 Recommendation

The whole process involved in carrying out this study had come out with a lot of evidences, altogether stipulating the way various factors were responsible determinants

for the growth of SACCOs in Tanzania. Thus, based on them, this study had reliably been able to draw the following recommendations in such a way that, all scrutinized situation got rectified in a consistent manner. In such, recommendations from the study were provided in the following manner.

To Members of SACCOs: it was found that, elements like; savings culture, economic activities, credibility offered by other financial institutions, are to large extent one of the sources and determinant for why most of co-operatives have been growing faster than ever in the country. Based on that evidence, members of SACCOs are altogether herein recommended to place more focus on increasing their contribution, and performance of economic activities. Because, by so doing they will eventually be able to keep the same of higher step for the growth of their co-operatives.

To the community of other financial institutions: it is not abstract up to here that, other financial institutions have been playing a significant role especially in allowing members of SACCOs to access loans/credits from them, and latter on use them as investment opportunity and in turn, achieve the most sustainable development of their co-operatives. To that end, other financial institutions are herein recommended to keep the same pace, and if possible increase that credibility they have offering to members of SACCOs. That was so addressed, just because, once they do like that, notably, many SACCOs in the country will flourish for longer and above all, the economy of the nation will likewise flourish since there will be many economic activities, in return of those credit/loans obtained.

6.5 Area for Further Studies

This study was entirely carried out in a single area in Tanzania. That means, with several reasons, others areas and even the whole universe could not be covered due to many issues in terms of limitations to have been into effect. Based on that tangible reason, the

reason why it was very worth recommending other studies to consider either different knowledge areas, or geographical location, or even go beyond the one covered by the actual one. For instance, other studies can focus on exploring the role of savings culture in SACCOs on their growth of their co-operatives, the case on another area. And undoubtedly, doing so, they will be able to extend, contradict, and even put more illustration from what this study had achieved.

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APPENDECIES

APPENDIX I: QUESTIONNAIRE TO MANAGERS OF SACCOs

Title of the study: Factors determining the growth of Savings and Co- operatives (SACCOs) in Tanzania; the Case of Morogoro Urban District, Morogoro Region, Tanzania

Dear Respondent;

My name is Emma Kibasa on the area of his/her interest in partial fulfillment of the requirements for the award of master of Science in Finance and Accounting of Mzumbe University, and rectify the situation based on the findings to be obtained from the said process. The main aim of this study is to find out factors determining the growth of SACCOs in Tanzania. Therefore, your support in filling in this questionnaire is of great importance and basis for the effective achievement of this study. Meanwhile, you are hereby assured that whatever information you provide in this questionnaire will be guarded with intense confidentiality in such a way that, none will be taken out of concealment forever.

Addresses of the Researcher:

P.O. Box; 892	Morogoro
Mobile	: +255 715 497 827
E-mail:	:kibasaemma@yahoo.com

SEGMENT I: GENERAL INFORMATION OF THE RESPONDENTS

Question One: Please, tick your sex from the list of assertions below

- | | |
|-----------|--------------------------|
| a) Male | ☐ |
| b) Female | ☐ |

Question Two: Your age falls in which of the following categories

- | | |
|----------------------------|--------------------------|
| a) Between 18 and 25 years | ☐ |
|----------------------------|--------------------------|

b) Between 26 and 35 years	
c) Between 36 and 45 years	
d) Between 46 and 55 years	
e) Between 56 and above years	

Question Three: What is your highest level of education?

a) Primary education	
b) Secondary education	
c) Certificate	
d) Diploma	
e) Advanced Diploma/Bachelor Degree	

SEGMENT II: SPECIFIC INFORMATION

Question Four: How many shares were available in the years 2012 in the co-operative you are working with? Please, specify here:

Question four: How many shares out of those you have specified, were bought by members of your co-operative? Please, mention here:

Question Five: Do you think the shares bought, were favourable to foster the growth of your co-operative?

- | | |
|--------|----------------------|
| a) Yes | <input type="text"/> |
| b) No | <input type="text"/> |

Question Six: What is the amount of money required as membership entry fees? Please, mention here:

Question Seven: What is the exact amount of money members are entitled to pay as monthly contribution? Please, mention here:

Question Eight: How many credits were borrowed by members in 2012? Please, mention here:

Question Nine: How many, out of the credits borrowed were returned? Please, mention here:

Question Ten: What was the exact amount of money charged as interest for the credits borrowed by member last year? Please, indicate here:

Question Eleven: How would you assess the favourability of interest charged for the credits borrowed last year on the economic stability of your SACCO?

- | | |
|--------------------------|--------------------------|
| a) Excellent | ☐ |
| b) Unsatisfactory | ☐ |
| c) Satisfactory | ☐ |
| d) Not favourable at all | ☐ |

Question Twelve: How many shares have been augmented and bought from the year 2012 up to now? Please, mention here:

Question Thirteen: How many assets your SACCO possesses now? Please, mention here

Question Fourteen: How many assets have been bought by your SACCO in 2012? Please, mention here:

Question Fifteen: please, tick or match your areas of expertise from the side **A**, and your current job position in the SACCO you are working with from the side **B**?

Side A (area of expertise)		Side B (Position in SACCO)	
a) Management	☐	a) Secretary	☐
b) Financial/accounting	☐	b) Accountant	☐
c) Credit management	☐	c) Finance	☐
d) Business Administration	☐	d) Supervisor	☐
e) Co-operative management	☐	e) Credit officer	☐
f) Other	☐	f) Other	☐
		If other, specify here below:	

Question Sixteen: Is your education compatible with your current occupation in SACCO?

- | | |
|--------|--------------------------|
| a) Yes | ☐ |
|--------|--------------------------|

b) No

☐

Question Seventeen: Have you ever benefited by any training relating to co-operatives management?

a) Yes

☐

b) No

☐

Question Eighteen: If your answer in question 15 above is yes, in which area? Please, specify here:

Question Nineteen: For how many years have you been working with SACCO?

a) Less than one year

☐

b) One year

☐

c) Between two to five years

☐

d) More than five years

☐

e) Ten years

☐

f) More than ten years

☐

Question Twenty: Since you have been working with SACCO, what was your highest level in the hierarchy? Please, mention here:

Question Twenty-one: How many achievements have you made for the benefit of SACCOs; since you have been working with co-operatives? Please, mention here:

.....

Thank you for your Co-operative intervention!!!

APPENDIX II: QUESTIONNAIRE TO MEMBERS OF SACCOs

UNIVERSITY OF MZUMBE

Title of the study: **Factors Determining the Growth of Savings and Co-operatives (SACCOs) in Tanzania; the Case of Morogoro Urban District, Morogoro Region, Tanzania**

Dear Respondent;

My name is Emma Kibasa, a student in the final year pursuing Master of Science in Finance and Accounting at Mzumbe University, Morogoro, Tanzania. Ideally, in the final year, every student is required to carry out a study on the area of his/her interest in partial fulfillment of the requirements for the award of master of Science in Finance and Accounting of Mzumbe University, and rectify the situation based on the findings to be obtained from the said process. The main aim of this study is to find out factors determining the growth of SACCOs in Tanzania. Therefore, your support in filling in this questionnaire is of great importance and basis for the effective achievement of this study. Meanwhile, you are hereby assured that whatever information you provide in this questionnaire will be guarded with intense confidentiality in such a way that, none will be taken out of concealment forever.

Addresses of the Researcher:

P.O. Box ;892 Morogoro
Mobile : +255 715 497 827
E-mail: : kibasaemma@yahoo.com

SEGMENT I: GENERAL INFORMATION OF THE RESPONDENTS

Question One: Please, tick your sex from the list of assertions below

- | | |
|-----------|--------------------------|
| c) Male | ☐ |
| d) Female | ☐ |

Question Two: Your age falls in which of the following categories

- f) Between 18 and 25 years
- g) Between 26 and 35 years
- h) Between 36 and 45 years
- i) Between 46 and 55 years
- j) Between 56 and above years

Question Three: What is your highest level of education?

- f) Primary education
- g) Secondary education
- h) Certificate
- i) Diploma
- j) Advanced Diploma/Bachelor Degree

SEGMENT II: SPECIFIC INFORMATION

Question Four: How many shares were there available in the year 2012 in your SACCO? Please, specify here:

Question five: How many shares out of those you have specified, were bought by members of your co-operative? Please, mention here:

Question Six: Do you think the shares bought, were favorable to foster the growth of your co-operative?

- c) Yes
- d) No

Question Seven: What is the amount of money in Tanzanian Shillings, you were required as entry fees for you to become a member of SACCO? Please, mention here:

Question Eight: What is the exact amount of money that you required as members to pay as monthly contribution? Please, mention here:

Question Nine: How many members are there in your SACCO? Please, mention here:

Question Ten: How many times you have taken credits in 2012? Please, mention here:

.....

Question Eleven: How many credits up to now, you have already returned? Please, mention here:

Question Twelve: How worth was one credit you took in last year (2012)? Please, indicate here:

Question Thirteen: What is the interest you are always charged per one credit? Please, mention here:

Question Fourteen: How would you assess the favorability of interest charged for the credits borrowed last year on the economic stability of your SACCO?

- e) Excellent
- f) Unsatisfactory
- g) Satisfactory
- h) Not favourable at all

Question Fifteen: How many shares have been augmented and bought from the year 2012 up to now? Please, mention here:

Question Sixteen: How many assets your SACCO possesses now? Please, mention here

Question Seventeen: How many assets were bought by your SACCO in 2012? Please, mention here:

Question Eighteen: Are the academic profession of your SACCO's managers compatible with their current occupation in SACCO?

- c) Yes
- d) No

Question Nineteen: Has your SACCO already offered training opportunity to your managers?

- c) Yes
- d) No

Question Twenty: If your answer in question 16 above is yes, in which area had your SACCO offered training to managers? Please, specify here:

Question Twenty-one: How would you compare the progress made by your SACCO following the training offered to your managers?

- | | |
|------------------------------|----------------------|
| g) Co-operative had grown | <input type="text"/> |
| h) No change | <input type="text"/> |
| i) Co-operative had declined | <input type="text"/> |
| j) I cannot mention | <input type="text"/> |
| k) Difficult to know | <input type="text"/> |

Question Twenty-two: What are the benefits your SACCO had obtained after training your managers? Please, mention here.....

Question Twenty-three: Do you have access to credit from other financial institutions?

- | | |
|--------|----------------------|
| a) Yes | <input type="text"/> |
| b) No | <input type="text"/> |

Question Twenty-four: Which of the followings types of loans you often get from other financial institutions?

- | | |
|---------------|----------------------|
| a) Long term | <input type="text"/> |
| b) Short term | <input type="text"/> |
| c) Other | <input type="text"/> |

If other, please, mention here:

Question Twenty-five: What is the exact amount in TZS, you can access as one loan from other financial institutions? Please, specify here:

Question Twenty-six: Based on your responses in previous questions, how would you assess the actual level of credit credibility offered by other financial institution to you members on the growth f your SACCO?

- | | |
|--------------|----------------------|
| a) Excellent | <input type="text"/> |
| b) Bad | <input type="text"/> |

c) High	
d) Low	

Question Twenty-seven: Are those loans you get from other financial institutions offering opportunity for you to contribute to your SACCO's growth?

a) Yes	
b) No	

Question Twenty-eight: Provide any other evidence testifying the extent to which loans from other financial institutions are favorable for the growth of your SACCO. Please, explain in the blank space below

APPENDINX III: GUIDING QUESTIONS FOR OFCUS GROUP DISCUSSION

1. How old is your SACCO now?
2. Is your SACCO growing or declining? What do you think are the key factors from why your SACCO is declining or growing?
3. TO what extent, the shares bought in 2012 were favourable for the growth of your SACCO?
4. Do you think the amount required for membership entry fees is sufficient for the growth of your SACCO? And how?
5. Are the monthly contributions put by members of SACCOs sufficient to the extent they can allow you're co-operative to grow?

6. How worth the assets possessed by your SACCO now?
7. Is that number of assets favourable for the growth of your SACCO? How?
8. What are the proper names of shares available in your SACCO?
9. What if amount in TZS of credits total borrowed in 2012?

10. Have you ever got training relating to co-operative management?
11. In which area of co-operative management you got training from?
12. How would determine the education backgrounds possessed by managers of your SACCO? Are they compatible with their current occupation in your co-operative?
13. What determine the compatibility of your managers' education background and their current occupation in your SACCO?

14. How would explain about the actual level of
15. Are you allowed to invest the loans from other financial institutions into your respective SACCO?
16. How are those loans you get from other financial institutions and opportunity for you to make your SACCO grow?