

STAKEHOLDER PARTICIPATION AND THE SUSTAINABILITY OF SELECTED SAVINGS AND CREDIT COOPERATIVES IN KIGALI CITY

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ABSTRACT

The purpose of this study was to assess the relationship between the level of stakeholder participation and the degree of sustainability in savings and credit cooperatives in order to define mechanisms that enhance commitment and ownership impacting growth, prosperity, economic development and poverty reduction. This purpose was achieved by identifying the role of the cooperative movement and the microfinance approach in the economic development of Rwanda; assessing the role of key stakeholders in savings and credit cooperatives, especially in UBAKA and COOPEDU SACCOs, and determining the relationship between participation and sustainability in these organizations. This study highlighted three factors that fuel the above relation in cooperative management, such as governance and accountability, communication, education and training. The results of this study are helpful to any entity of Board of Directors, management team, government institutions in charge of policy and regulation, and institutions operating in capacity building having to improve production and productivity. They are to help reach satisfaction of stakeholders, financial inclusion, poverty reduction, and sustainability through the cooperative model. It should help policymakers to undertake necessary reforms and be an important tool for students researching in the same domain.

The study was designed upon a positivist philosophy and a deductive approach from the development, stakeholder, participatory and sustainability theories in an explanatory research aspect. It used a multiple case study analysis to capturing different realities from COOPEDU and UBAKA SACCOs respondents. A survey throughout the semi structured questionnaire in the two cooperatives and an interview guide conducted in the key partner institutions helped to generate respectively quantitative and qualitative data used to understand and analyze relationships between different variables. The study population was 20,095 and the sample size was 262. Data analysis used both SPSS for quantitative data and content analysis for assessing different opinions, perceptions and judgments. The instruments used to collect the data helped to reach the following findings: 36.1% of the study respondents said that SACCOs provided funds for small investment activities, and 33.3% confirmed the role of SACCOs in job creation opportunities, whereas 30.6% found that SACCOs fought against poverty. These findings are some among the ones about the role of savings and credit cooperatives in national economic development. Furthermore, with respect to the way that stakeholders fulfill their requirements in SACCOs, the study findings revealed that 42.4% released their membership shares to sustain SACCO's activities; 28.8% said that they participate in savings and credit activities; whereas 5.2% pay the dues with interest on time; in addition, 4.7% of respondents participate in decision making, and lastly others (18.8%) attract new members. The study findings also showed that there is a close relationship between the stakeholder participation and the sustainability of UBAKA and COOPEDU SACCOs. Therefore, to maintain and improvise the role of savings and credit cooperatives and other micro finance institutions in national economic development and poverty reduction strategies, the ministries and entities which are involved in economic development should join their effort to continuously work

on policies, laws, strategies and actions that should enhance and impact the living conditions of members and the well being in general.