

**SAVINGS AND CREDIT CO-OPERATIVES (SACCOS) AND ACCESS TO FINANCIAL SERVICES IN RWANDA:  
A CASE STUDY OF RUTUNGA UMURENGE SACCO IN GASABO DISTRICT.**

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**ABSTRACT**

This study was undertaken to assess the impact of Savings and Credit Co-Operatives (SACCOs) on access to financial services in RUTUNGA UMURENGE SACCO in Gasabo District. SACCOs is not only the backbone of business, savings credit and financial system, but is also the very soul of sovereignty. Rwandan economy is basically relied on agriculture and Rwandan population density is high and has been increasing day to day and agricultural land has been decreasing because of fragmenting or converting it into residential plots. In Rwanda the Financial Scope survey of 2008 revealed that only 21% of adults were served by banks and Microfinance institution, 26% were informally served (tontines members) and the other 53% were financially excluded for the banking sector. This has also contributed to the existing level of poverty in Rwanda since people had no diversified ways to access funds for financing new projects. In addition, non access to formal financial system handicapped saving culture among Rwandans, hence low investment. Therefore the major objective of this research is to assess the impact of SACCOs on access to financial services among the bankable population. The study uses secondary data, in the District and primary data collected by the researcher on field considering the period from 2008 up to 2012. Related to literature of the study was a collection of what other writers had said in other books and journals concerning SACCO's activities on access to financial services. As methodology, the study design comprised of a combination of both descriptive and cross sectional research designs and both qualitative and quantitative data analysis were employed. Purposive sampling was used to determine the sample size. A sample size of 40 was considered, the stratified sample made of 8 SACCO staff as well as 32 members of RUTUNGA UMURENGE SACCO. Primary data was collected by the use of questionnaires and interview which focused on the research questions. Secondary data was got from journal reports and documentary which are in relation to the study objectives. Data entered into excel was presented by the use of frequency tables. Data analyzed by statistical packages for social scientists (SPSS.18) was presented in form of Pearson correlation coefficient table which showed the strength of relationship between the impact of SACCOs on access to finance of 93%. The study concludes that SACCO loans have played a significant strategic role in providing the poor people with financial services and hence has helped in increase of financial services. Recommendation is made on how to increase access to finance in Rwanda focuses on the fact that people should be encouraged to join the SACCOs and develop the spirit of savings, borrowing, paying the loans and entrepreneurship.