Village Saving and Loan Associations 'contribution to agriculture, food security and gender equality

Masheka B. Zihindula [1,2] & Nabintu[2]

1, ISDR-Kaziba, 2, ACTORS

BACKGROUND

- Sustainable Development Goals (SDGs) might be achieved either by trade-off or by synergy. This paper selected the synergy between three:

- Poverty that goes along hunger and inequality is affecting many Sub-Sahara Africa countries and today institutions and organizations resorted to the Village saving and loan (VSL) approach to fight against poverty. Poverty produces hunger as there is lack of fund to finance agriculture and exacerbates gender inequity as there is no access to resources.

- Village saving and loan (VSL) approach helps to reach people whom the formal structure may forget to include them in the accomplishment of the SDGs and this would delay the accomplishment in 2030 (2).

PURPOSE

There is wide literature on sustainable development as well as on VSLA as financial inclusion determinant. However, only handy of this literature addresses the impact of the VSLAs especially in the context of the DR Congo, a fragile state and post conflict-related sexual violence. This paper intends to bridge this gap.

The aim of this paper is to assess the impact of village savings and loans associations to finance agriculture, to secure members 'household food and to reinforce gender equality.

REFERENCES

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2. KSOLL, Christopher, LILLEØR, Helene Bie, LØNBORG, Jonas Helth, et al. Impact of Village Savings and Loan Associations: Evidence from a cluster randomized trial. Journal of Development Economics, 2016, vol. 120, p. 70-85.
3. Sustainable Development Goals, availaible online at https://www.un.org/sustainabledevelopment/sustainable-development-goals/

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MATERIALS AND METHODS

Procedure, Materials and methods

- Creation of 253 Village Saving & Loan groups (VSL) in Kabare, Uvira, Mugogo, Miti and Walungu; all rural areas in South-Kivu, Congo democratic republic.
- Randomly selected 1853 respondents from VSL and 120 respondents who did not adhere to any VSL.
- Questionnaire were elaborated to collect primary data.
- Interview were also performed to collect some qualitative data on life quality of improvement
- Both questionnaire and interview were repeated each end of VSL cycle that is 12 months a cycle and this three times of repetition in the three years of research.
- Data were collected and/or analysis using three software that include:
  - SAVIX used to capturing data recording manually in the MIS sheets and gave some quantitative information on research's participants and the description of socio-economic features of respondents.
  - Logit model used to determine factors associated to respondents 'adhesion to VSL group, and
  - Propensity Score Matching (PSM) used to define the evaluation impact of the fund earn by respondents from VSL groups.

A. Bio-data

Variable	Nature	Sign expected
Membership	Qualitative	+
Age	Quantitative	+
Sex	Qualitative	+
Access to loan	Qualitative	+
Member activity	Quantitative	+
Household size	Quantitative	+

Logit model:

The adhesion is spontaneous and it has two categories that include:

- ➢ Adhesion to VSLA
- ➢ No-adhesion to VSLA

The adhesion is associated to socio-economic advantages and it was calculated :

$$Y_i = X_i\beta + \mu$$

Yi = adhésion   Xi = the socio-économique avantage and μ= the error

THE ESTIMATED PROPENSITY SCORE (1)

TEST ONE

- Dependent variable: Agriculture
  - Farm
  - Livestock
  - Fishing
- Control variable: Adhesion to VSLA; Age, Activity, Marital status

TEST TWO

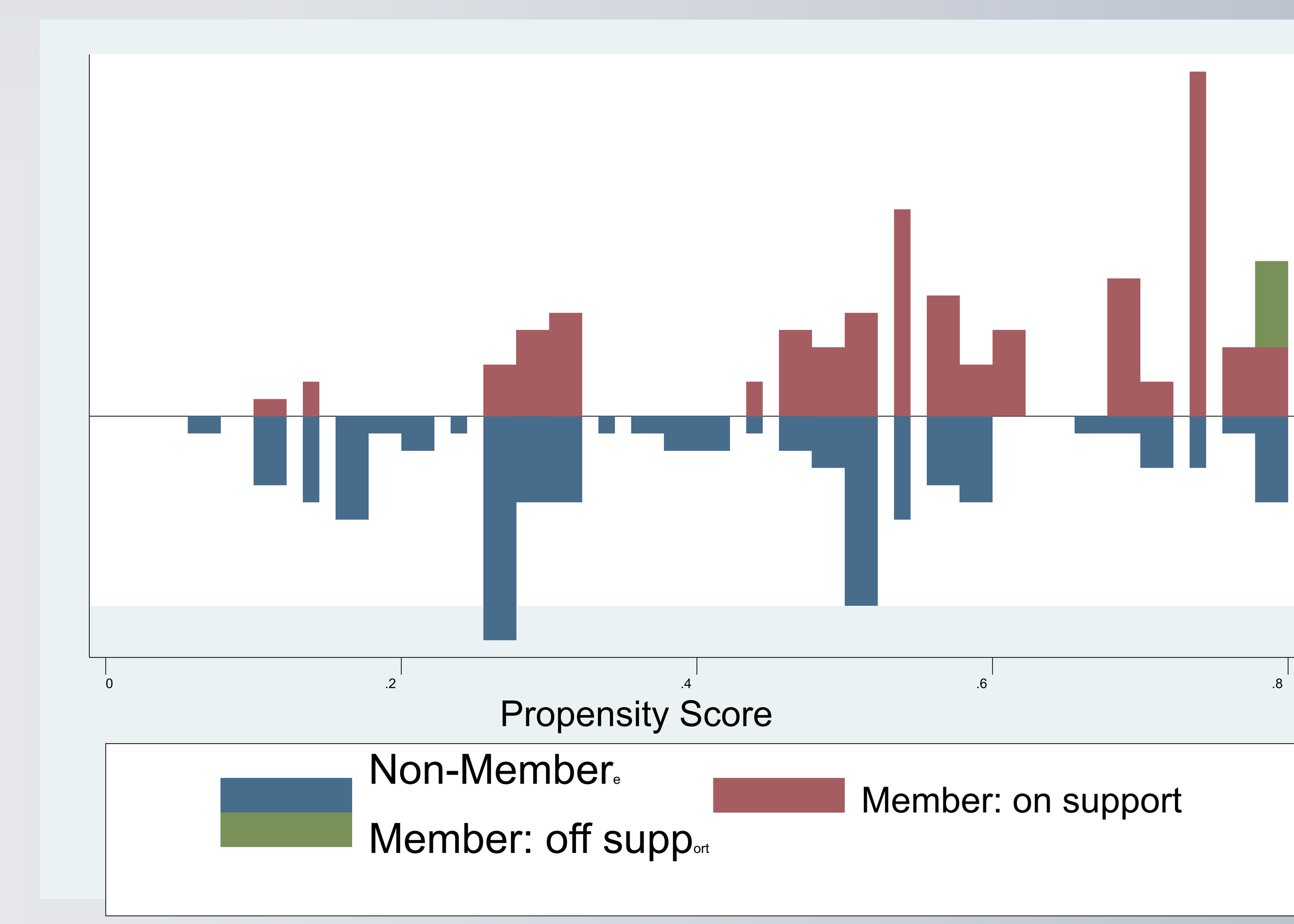
- Dependent variable: Household gender equity
  - Access to resource
  - Control resource
  - Gender role
- Control variable: Adhesion to VSLA; Age, Activity, Marital status

TEST THREE

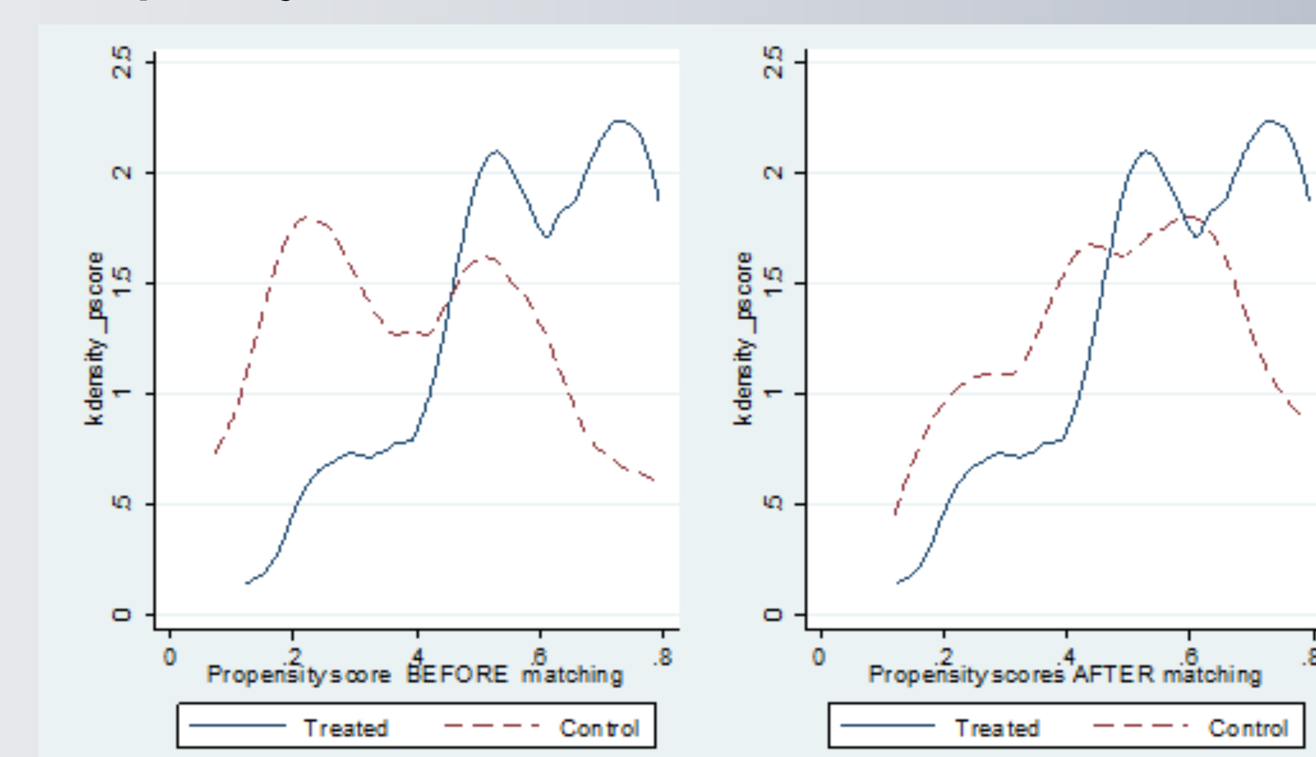
- Dependent variable: Nutrition & food security
  - Food availability
  - Food access
  - Fishing
- Control variable: Adhesion to VSLA; Age, Activity, Marital status

RESULTS AND DISCUSSION

Members and non-members.



Propensity score.



CONCLUSIONS

- Village Saving and Loan Associations finance agricultural activities and improve the socio-economic life of the individual member and their household through gender equity, agricultural products and food security.
- However, there is need for the implication of all stakeholders: government decision-makers, Non-Government Organization and formal financial institutions to assist saving groups towards the accomplishment of the sustainable development objectives. This will help to widespread the approach and produce more successful results.
- The study used more a synergy approach rather than trade-off between the SDGs. All the participants of this study were pursuing the SDGs 1,2 and 5 as their major aim in adhering to saving groups.
- Further researches are need that address the trade-off approach and synergy of other SDGs.