

THE ROLE OF ACCUMULATING SAVINGS AND CREDIT ASSOCIATIONS (ASCAS) ON SOCIO-ECONOMIC RURAL LIVELIHOOD IN BUSIRIBA SUB-COUNTY, KAMWENGE DISTRICT

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ABSTRACT : This study beheld the contributions of ASCAs on the social economic rural livelihood in Busiriba sub county Kamwenge district. The objectives were to assess the contribution of ASCAs towards household income of participating members in the study area. To identify peoples' beliefs on loans to words socio-economic rural livelihood and to identify how structural social capital optimizes rural livelihoods. The study used a cross sectional research design and was qualitative. A sample was obtained purposively and data was collected using focus group discussions. The study adopted a qualitative approach. This is a research design that *involves collecting and analyzing* non-numerical data to understand concepts, opinions or experiences. The researchers opted for this design due to its naturalistic inquiry that seeks an in-depth understanding of social phenomena within their natural setting. The study considered four parishes of Busiriba sub-county where ASCAs groups are. Each parish contained about 8(eight) groups which totals up to 32 groups. However, only two (2) groups per parish were selected for the study. The study considered eight (8) groups and only eight participants per group were selected which brought it up to the total of 64 participants. The age group for the selected participants were adults of 18 years and above and Purposive sampling technique was employed. The findings of the study indicate good service approach embedded in ASCAs in terms of employment opportunities, school fees for children, building political career, Land purchase and house construction, paying medical bills, boosting income through different avenues like securing money to stock commodities and wait for price increment, accumulating money enough to buy household assets and develop in agriculture. The study recommended a scientific investigation weather its true that ASCAs and other micro or small lending institution put at risk the collaterals guaranteed by borrowers as this was a belief that participants zeroed on. the study also recommended a study to find to discover the sustainability mechanisms of ASCAs contributions All those underlying fulfilments of the objectives of this study and the recommendations are a basis of its conclusion that ascas are the most needed form of financial and social consideration of the 21st century that everyone needs to take up in order to achieve the social economic rural live hood of this time.

Keywords –Accumulating savings, credit associations, rural livelihoods, Kamwengye district Uganda.

I. INTRODUCTION

The term Accumulating Savings and Credit Associations (ASCAs) was first introduced by Bouman (F, 1995) to describe savings groups in which funds are not immediately withdrawn like in the ROSCA, but are left to grow for loan making (Bouman, 1995). Globally, micro credit institutions and research about their impact on poverty alleviation are spreading, millions of people still do not have access to these facilities or are not considered credit worthy (Bouman, 1995). Others fail to repay their loans and run into debts, because they do not have a support network to encourage them and share best practices. Furthermore, the focus of most innovation and research on micro credit is in the cultural context of Asia (Ardener, 2014).

In Norway, ASCAs are independent from external financial sources or organizational input, they can exist in remote, rural areas, and have very low transaction costs compared to other financial institutions (Banerjee et al., 2017). As group members agree on their individual savings and loan conditions, even people living in extreme poverty can participate, depositing however little they can spare. Group members typically know each other well and therefore, the above mentioned problems of adverse selection and moral hazard are

reduced (Pischke, 2014). In addition, members have relatively good information available to evaluate the risk of borrowing to each other. They share mutual trust and can monitor closely how the loans are used. Compliance is fostered by their close relationships and group pressure. Many ASCAs in Bolivia and Brazil, charge members an interest rate of 10% and non-members 20%, thus mitigating the higher risk (Bouman, 2019). One of the interviewed groups applied flexible interest rates that are negotiated for each loan, depending on the expected returns. Thus, one member can be charged different interest rates on two loans if the purpose of one (for example buying a productive machine) is expected to return higher profits than the other (e.g. buying school material for their children) (Bouman, 2019). Equivalently, two group members applying for loans for the same purpose, for example buying seeds for agriculture, might be charged different interest rates if one is deemed to be more capable of generating profit than the other, for example because of his skills or because he owns more fertile land (Adams & Pischke, 2021). In a way, this thought is also reflected in the original ASCA model, where interest-free loans out of the social fund are given for non-productive purposes like covering health costs and coping with crises (Adams, 2021)

In Sub-Saharan Africa, the poor are often hesitant to take credits as they are more risk-averse or lack market opportunities or entrepreneurial skills to generate enough profit to pay back their loans (Anyango et al., 2016). For this reason, over time, an increasing number of micro finance specialists started to advocate a shift of focus from credit to savings, as well as for a more culturally appropriate approach to micro finance for African clients (IMF, 2011). Group saving in the form of traditional Rotating Savings and Credit Associations (ROSCA) has a long tradition in Sub-Saharan Africa. In this system, each participant makes a regular contribution to a common fund, which at each meeting is lent out to a different member of the group until each member has profited from the fund once. Based on this system, Accumulating Savings and Credit Associations (ASCA) were developed in Niger within a program of the NGO Care Relief (CARE). They provide an opportunity to join a group of people that trust each other, accumulate savings together, share experiences and take small flexible loans from the group's funds for investment, consumption, or emergencies. The system proved to be very popular and was spread out to other countries by a number of NGOs. Today, more than 2 million people around the world are ASCA members.

Usually, savings are accumulated in regular meetings throughout a cycle of six to twelve months. In the course of the cycle, the deposits are lent out in parts to group members and in some groups also to non-members, in the latter case mostly at a higher interest rate (Akhter, 2018). Each group can agree on the duration of the cycle, the frequency of meetings, the amounts saved (and whether deposits are mandatory or optional), as well as loan conditions (amount, interest rate, payback period, etc.) according to their wants and needs. Most ASCAs are time-bound and at the end of the cycle, the individual savings are cashed out and profits are distributed among all group members (Collins et al., 2009).

The reduction of rural poverty through improving rural livelihood has been on the agenda of development agencies including Governmental and Non-Governmental Organizations (NGOs) for a long time. One approach in trying to improve the livelihood of the rural poor is that which has focused on the financial sector through rural or pro-poor financial services such as the Accumulating Savings and Credit Associations (ASCAs). Dean & Chris, (2012) states that self-help groups and Accumulating Savings and Credit Associations are formed across countries as an effective strategy for livelihood improvement, poverty alleviation, human development and social empowerment. But there are conflicting views about the impact of these informal groups (savings schemes). Akhter, (2018) notes that, while the existence of informal services highlights the general demand for financial services, the services are usually not sufficient to seize economic opportunities in rural areas to the fullest. Meanwhile, others like Ferrara, (2017) assert that people who do not have access to the formal labor market can often benefit from pooling resources and working in groups in rural settings. ASCAs are common in most rural areas in Uganda. They provide an opportunity to be a member of a group of people that trust each other, accumulate savings together, share experiences and take small flexible loans from the group's funds so as to do investment, consumption, or sort out emergencies (USAID/Uganda, 2015). They are informal, can be formed and dissolved at any time. This concept builds upon the varying insights that have been undertaken by various researchers on ASCAs and other informal microfinance associations.

The Government also intervened through rural financial services and the poverty fight under microfinance (1997-2005), a component of the Prosperity for All (PFA) program with Savings and Credit Cooperatives (SACCOs) as a strategy developed between 2005 and 2006 to translate into rural financial service outreach. The Government is looking at the longer term and more sustainable approach of improved savings mobilization Prosperity for all (PFA, 2009). However, one core issue in the approach should be a better understanding of the arrangement/settings of the informal savings schemes where the bulk of the population in the country who are rural based are engaged in, as well as assessing their impact on household standard of living in order to help in guiding poverty fights (Anyango et al., 2016)

The services of banks and MFIs largely do not reach the rural poor because of high costs of reaching such clients and high borrowing requirements. In addition, the MFIs who are better placed to reach the rural

poor have a disconnection or gap in the service (products) that they offer, considering the services that the poor may require (Hugh, 2016). This is because most MFIs tend to focus on credit rather than savings services either because of their profit motives or because most of them are not licensed to take deposits. The poor people who may prefer to build their wealth or assets via savings are therefore left without the providers of such services (Hugh, 2016). The ASCAs model therefore addresses such challenges that the rural poor do experience by allowing these poor people to access financial services in the rural setting or in a setting that is more convenient for them (Huge, 2012). The notion of creating linkages between formal models of financial service provision (like; Banks/microfinance institutions (MFI)/microfinance deposit taking institutions(MDIs)/savings and credit cooperatives (SACCOs) and informal models like Rotational Savings and Credit Associations (ROSCAs)/ASCAs can lead to significant savings mobilization and improvement of livelihood through easy and effective community mobilization and creation of SACCOs (Kibaara, 2017).

In Africa, ASCAs were founded by NGOs often designed to graduate into group autonomy after only one or two savings cycles and cash-outs. One reason for this approach might be to reduce implementing costs for donors (Allen 2020), but it also stems from the fact that NGOs aim to build capacity and empower the group by transferring control. ASCA usually end their yearly cycle with a complete share-out of all savings and interest while self-help groups (SHG) tend to pay profits and interest to their members and keep the savings stocks. SHG usually have lower savings rates than ASCA because they understand savings mostly as a required fee for obtaining access to credit, not as a merit in itself (Allen, 2020).

Drawing from various household surveys, Banerjee et al., (2017) conclude that SHG are highly visible, less than 10% of the poor participate in any kind of savings group, and that the majority of those who save deposit their money in banks. In contrast, Collins et al., (2019) found in their research that 67% of respondents in South Africa use at least one type of community-based, informal savings groups like SHG or ASCAs. An important factor for them is mutual obligations within the group that help them with the discipline necessary to save. Therefore, even those obtaining government grants through a savings account often withdraw the money in order to participate in a savings group (Collins et al., 2019). This shows that the ASCA not only serve as a substitute for missing financial institutions but use them as 'bottom rungs of the ladder' to give a chance of participation in financial institutions to those who otherwise are not eligible. ASCA can also be deliberately chosen as a preferred savings option because they offer services a bank could not.

Livelihoods: Livelihoods are the means, activities and entitlements by which people make a living (Babulo et al., 2008; Hua et al. 2017). It also refers to the capabilities, material and non-material assets and activities required for making a living (Ellis, 2000). There are 5 main categories of livelihoods assets or capital: Human Assets (skills, knowledge, good health, ability to work), Financial Assets (cash savings, liquid assets such as crops, income, credit), Natural Assets (land, rivers, air quality, marine life, biodiversity), Physical Assets (roads and transport, sanitation, buildings, communications), Social Assets (relationships of trust and reciprocity, networks with wider institutions) (DFID, 2008).

In Uganda and Busiriba Sub-county in particular, the ASCAs intervention, which is an improvement on traditional savings clubs like rotational saving and credit associations (ROSCAs) was introduced through trainings provided by Non-Government Organizations (NGOs) like Care for Relief (CARE) International and world vision (Care, 2018). Rural household's participation in the savings schemes to improve livelihood which requires careful examination in order to contribute to the debate of poverty reduction and livelihood policy measures. This study will therefore examine how the informal savings schemes (particularly ASCAs) contribute to the socio economic rural livelihoods of participating households in Busiriba Sub-county.

II. PROBLEM STATEMENT

Over the past two decades, rural households in Kamwenge District and in the country at large, have been involved in the activities of informal savings schemes particularly ASCAs with the aim of improving their socio economic rural livelihood like increasing their household incomes, asset accumulation, increasing level of food security, social capital and among others (Gillian, 2021). Despite households' participation in such schemes in Busiriba Sub-county, their house hold incomes are still seriously limping, most parents do not afford school fees for their children, and any yet most of them do not afford quality health care services (world vision annual report 2021) most households in Kamwenge District belong to the lowest income class of utmost UGX. 50,000 per month (Hinde, 2021) there is therefore need to analyze whether rural households benefit from participating in informal savings schemes like Accumulating Savings and Credit Associations ASCAs. Formal financial institutions like Banks and microfinance institutions (MFIs) in most cases do not reach the rural poor with their services (Huge, 2012). Therefore, the rural poor devise their own mechanisms using locally formed associations or groups that are self - initiated, self - managed, and unregistered in order to meet their demand for financial services and ultimately improve their socio-economic livelihood conditions. However, this has remained limping since majority households' incomes have remained too low, cannot afford school fees for their children, and quality healthcare services, despite participation in ASCAs.(Anecdotal evidence).This is

bothering both the district leadership and the community including those participating in ASCAs. Once a clear and scientific study is not done about this prevailing situation for further recommendations, the community (Busiriba) is likely to face more hardships in educating children, serious decline in health seeking behavior and other socio-economic livelihoods. This therefore calls for a scientific Qualitative investigation using Busiriba Sub-county, Kamwenge District as a reference study.

General Objective

To examine how Accumulating Savings and Credit Associations (ASCAs) contribute to socio-economic rural livelihood in Busiriba Sub-county, Kamwenge District.

Justification of the study

The success of Accumulating Savings and Credit Associations broadly speaking is centered on those at the steering; it is therefore paramount to examine the Accumulating Savings and Credit Associations (ASCAs) contribute to socio-economic rural livelihood to avert further consequence as result of creation of additional knowledge stock concerning informal savings facilities.

Many Accumulating Savings and Credit Associations country wide that have been founded and funded by stake holders but they collapse as soon as they withdraw of their funds. This is because the Directors of these Accumulating Savings and Credit Associations cannot coordinate and influence their teams, if so the applicability of different saving techniques hinder socio-economic rural livelihood, it needed to be checked by researching into the contribution of the Accumulating Savings and Credit Associations (ASCAs) on socio-economic rural livelihood.

This study is crucial in exposing this problem to the attention of policy makers, shareholder, and directors which may later change the present financial trend of Accumulating Savings and Credit Associations (ASCAs) on socio-economic rural livelihood

Significance of the study

This study was in line with the governments' program of Rural Finance Service Program (RFSP), which focused on increasing research and policy review interventions to improve the understanding of the more informal parts of the financial sector of Ministry of finance, planning and economic development (MoFPED, 2013). In particular, it was propounded that this study would act as a tool with useful insights on: ASCAs and rural livelihood in general and creation of additional knowledge stock concerning informal savings facilities.

It further provided insights on the kinds of policy issues that can be utilized to engage the informal sector for higher contribution to economic growth and development and contribute towards policy debates of how household income can be improved particularly in the rural districts.

The study acted as a guide to formal financial sector actors like Banks/MFIs/MDIs/SACCOs on creating linkages with the informal rural-based financial services clubs/associations.

The study results can be used by future researchers as a source of literature to similar or related studies.

III. LITERATURE REVIEW

Theoretical framework

In modern times, a number of theories have been put front in relation to savings and credit. This study introduces two theories, finance growth theory and the social wealth theory and how they relate to ASCAs.

FINANCE GROWTH THEORY

The study envisaged to use Finance – Growth Theory, which was developed by Serrao et al., (2012). It was used to study the accessibility and impact of financial inclusion. This refers to “being served by the financial sector” as an individual. When he/she does not use financial products or services would be regarded as being “financially excluded (FINSCOPE, 2012). The theory indicates that lack of access to finance is a critical factor responsible for persistent income inequality and a slower growth.

Therefore, access to safe, easy and affordable source of finance is recognized as a prerequisite for accelerating growth and reducing income disparities and poverty. As, it was applied to this study, the theory holds that independent variables were access to financial services, quality of financial services and usage of financial services to influence or explain the dependent variable expansion of marginalized financial inclusion. Because of affordable interest rate, proximity of access point, wider choice and frequent use of financial services were attractive to members of SCAs for their socio economic welfare.

THE SOCIAL WEALTH THEORY

The Social Wealth Theory emanates from Social Capital Theory developed by (Putnam, 1993) which is the institutions, the relationships, the attitudes and values that govern interactions among people and contribute to economic and social development. According to (Basargekar, (2010).) Social capital is “the abilities of people to work together towards resolving community or social issues and promote equitable access to benefits of development”. Social Wealth Theory can therefore be considered as a tool of welfare among people which also affects their environment and community either positively or negatively based on their collective action for mutual benefit of a group of people (Rankin, 2002).

EMPIRICAL REVIEW**CONTRIBUTIONS OF ASCAS TOWARDS HOUSEHOLD INCOME OF PARTICIPATING MEMBER IN BUSIRIBA SUB COUNTY**

Accumulating Savings and Credit Associations (ASCAs) are known to play a significant role in improving the livelihoods of rural communities the world over (Wanyama, 2009). ASCAs operate for the purposes of promoting savings, providing credit at low interest rates and other financial services to its members who regularly pool their savings, and subsequently may obtain loans, which they may use for different purposes. In general, the idea behind the establishment of savings and credit cooperatives is to promote savings and make credits available to the members. Maghimbi (2010) asserts that ASCAs play a vital role in promoting the socio-economic development of rural poor communities. Therefore, it can be premised that savings and cooperatives are the significant micro-financing institutions for mobilization of financial resources for various development activities in the rural areas that can assist in the socio economic welfare of the people (Maghimbi, 2010).

Due to the rate of unemployment particularly in developing nations, ASCAs play a significant role in many national economies by enabling a great number of self-employment opportunities. Besides, on the part of employment, ASCAs offer direct wage employment to people, self-employment and indirectly employ other people through the spillover effect of cooperative activities to non-members, who generate income through transactions and opportunities created by the ASCAs (Wanyama et al., 2008). A study that was conducted in Nigeria on the effects of ASCAs on socio-economic development of rural people revealed that people preferred to operate with these institutions as their conditions for credit were soft which was coupled with faster administration of loans, with interest rates that were lower than those in the formal financial institutions (Sambe et al., 2013). Similarly, Flynn, (2013) also assessed the impact of ASCAs on poverty alleviation and development in rural areas of Uganda in-terms of earning and small businesses established by the studied community. Focusing on how financial benefits have been the sole factors for people to join informal financial groups, the researcher revealed that ASCAs encouraged members to keep investing the money in different business ventures so as to receive more benefits. The author concluded that ASCAs were very effective at reaching the poorest of the poor, a group which is often ignored or hard to reach. The ASCAs were effective at relieving people with extreme poverty; gives the poorest who usually have very limited access to financial services, the opportunity of saving their money and take out loans to improve their economic, physical, and mental welfare and the welfare of their families (Beck, 2012)

In another study, Beck (2013) looked at the impacts of ASCAs on child wellbeing as engineered by the World Vision (WV) in rural people of Mozambique, with the focus on the economic outcomes of the ASCAs to the households of the beneficiary children and to the individual and the community. The findings of the study showed that ASCA participation influenced the availability of income and funds to the households leading to greater spending on and ownership of household assets, which were helpful in fulfilling child's wellbeing (Beck, 2013). The study revealed that in order to achieve income diversification, training on extensive business and agriculture should be necessary which in return will assure investment for caregivers through the ASCA for their children's education and nutrition wellbeing (Goss, 2010).

PEOPLES' BELIEFS ON LOANS TOWARDS SOCIO-ECONOMIC RURAL LIVELIHOOD.

Meltzer 1994 asserts that in the present life of an individual, finance is an important aspect. This finance is provided by financial institutions both formal and informal to almost all the individuals and all types of business enterprises. They provide loans for agriculture, industry, trade, commerce and personal needs of individuals. The growth of banking sector has been highly depending on the needs of the customers, cost of service offered, level of income, repaying capacity, expectation of the customer and the service quality. (Allan H Meltzer 1964)According to Chowdhury 2017, Loan is a "slavery". First, they give you some kind of credit card for 15 thousand, then they increase the limit on it. As a result, the amount on the card increases to 100 or more thousand rubles. This is a complete deception. The state should tighten control over the banking sector and especially organizations that provide microloans. We have reached the point that there is already the concept of bankruptcy of individuals and this is still being shown to us as a kind of achievement (Chowdhury, 2014).

Erin Dunn in her assessment on financial inclusion, people perceive that Loans Allows one to Make Large Purchases. Large purchases, especially those of assets important to one's business, will eventually be necessary at some point or other. A loan can help in such instances. Some of the things you can purchase with the help of a loan include property, vehicles, and machinery. Financial institutions offer a massive benefit here because, without them, it would not be easy for many people to start businesses or grow them. For some, it would be downright impossible (Erin Dunn, 2020). According to John Cox, the loans involve a lot of different variables, including the term of the loan, the fees that apply to the loan, the requirements for application, the interest rates, and so on. These will be different from one bank to the next and are typically negotiable, allowing you to go for the terms that favor you the most. With the ability to shop around from one lending group to another and to negotiate for better terms, it's very easy to get a sweet deal with a bank loan (Cox, 2000)

Another study on functionality of microfinance institutions shows that, depending on one's debt situation, one can actually improve credit in the process of taking a loan. If you take out a long-term loan and make all of your payments on time, your credit score will improve over the life of the loan. In case you finish paying off the entire loan on time without any missed payments, your credit score will actually improve (Cheang 2017). Les Christie, in her study on how foreclosure impacts your credit score provides that You Risk Foreclosure if You Can't Repay the Loan. A bank won't take ownership of your business when you first take out a loan. However, depending on how the contract is drawn up, you risk the bank foreclosing on your business in the event that you are unable to repay the loan. Guarantee Secured. If the loan is secured by guarantee, then it means that someone else has cosigned on the loan and it is their personal assets or the assets of their business that are on the line. If you don't repay the loan, you will be putting someone else at risk. (Les Christie 2012). The study by Huynh and Fredric about Credit Quality Continuation indicates that when you take a loan from a bank, there is always the chance that interest rates could go up over time, especially if you've taken a loan with variable interest terms. That could potentially make the loan very difficult to repay. There is also the possibility that the terms of the loan can change during the life of the loan, making it unfavorable for your business. Many banks have been known to make stricter demands and harsher terms for loans given to businesses when those businesses undergo a period of failure (Oxfarm, 2013)

Another study by Ali, Begum, F, Salehin 2016 on Livelihood pattern of rural women workers garment provide that even if you do have good credit and manage to get a loan, you risk jeopardizing your credit score when you fail to make payments on time or fail to pay the loan back completely. Short term loans are the riskiest as they can bring your credit score down in a short amount of time. With a long term loan, one missed payment can be rectified by making future payments on time. With a short term loan, that one-time payment may be all you have to save your credit score and missing it might make all the difference at your next loan application when your credit score is less than perfect. And then they only worsen their financial condition (Ali, 2016)

According to Savage and Kanazawa (2002, 2004), humans have evolved preferences for companionship in general, and specific preferences for cues that signal higher levels of social capital. Since evolved preferences for certain types of social relationships should have been selected in the EEA, we can expect to observe gender differences that reflect the division of labor in foraging societies. For example, females can be expected to value and derive emotional satisfaction from membership in small social networks comprising close personal relationships constructed from strong social ties. These types of relationships would be especially adaptive for women by providing assistance in foraging and caring for children. Males would be expected to benefit more from membership in larger social networks constructed from weak ties that would constitute hunting groups, political alliances, and fighting parties (Richard Machalek, 2015)

From a purely economic perspective, lenders are better off taking action to increase the probability of repayments. Yet we argue that lenders of small amounts of money, or interpersonal micro lenders, often shy from asking for their money back when repayment is not offered (arguably to avoid breaching relationship norms) because doing so would suggest that the social relationship is less important than the money owed. Given that breaching relational norms by asking for repayment may be considered costlier than relinquishing small amounts of money, interpersonal micro lenders might be motivated to derive social (as opposed to monetary) value from lending situations, which helps them to make sense of their potential small financial loss, and consequently decreases their expectations of repayment. As a result, small loans may remain unpaid. Interpersonal micro borrowers, on the other hand, focus on the economic exchange of the transaction, as borrowing money from a friend might offer them little social value, or even generate negative value by creating a sense of obligation (owing a friend money). Thus, interpersonal micro borrowers expect to repay the loan more than interpersonal micro lenders expect to receive repayment. This repayment expectation gap between borrowers and lenders, which is explained by norm-conformity differences, is less likely to manifest in large-loan situations where the more significant financial consequences of unpaid loans motivate lenders to behave in congruence with economic rules and to take action to increase the probability of repayment (Morvinski, 2022).

Tanmoyee (2019) reveals that this result is very obvious as the ASCAs promote the saving habit among the association members. The monthly propensity to consume out of family income basically reduces after joining association because members have to save compulsorily. Comparison of the monthly family income and consumption expenditure of association members with non-association members showed that there has been a significant increase in the average monthly family and consumption expenditure at current prices of the association members who are gainfully employed after joining the association. The results obtained also show that family health related expenditure is significantly lower for association members than that of the non-association members. And association forming authorities have significant impact on reducing the medical expenditure of the association members.

The study by Nsabagasani et al (2018), revealed that during the focus group discussions that ASCAs had increased the member's ability to mobilize savings whereby through savings, group members are able to

send their children to school in Uganda. It was further noted that the lifestyle of individual members had changed for instance as a result of joining ASCAs, over drinking had lessened and the money which was used to be spent on alcohol is being saved regularly. It was also reported that ASCAs had enhanced the unity in the communities whereby members of the same community respect each other and continue to support each other in times of need (nsabagasani, 2022)

It was also reported that ASCAs enables members to meet their basic needs such as medical care, and payment of school fees for their children (Kibaara, 2017). People appreciated the arrangement where they could access financial support whenever there were needs for example; access to loans and the use of outcomes fund to pay off children's hospital bills. Some of the ASCAs members reported that they have been able to easily get money to invest in business without much struggle i.e. members have been able to start businesses as they get loans and invest it and some of the members noted that the loans are so good because even if you pay interest, the interest is still for the group members unlike in banks and MFIs (Kibaara, 2017). In addition, the loans are easy to borrow as it does not require any security to get the loans unlike in banks and MFIs.

According to a study by Kumar (2019), it was found that participation in ASCAs activities enables the rural households to earn more income, and improve social awareness and thus 17116 helps in achieving higher nutritional security. The percentage increase in income accounts for 19.34% over the control households (non-participants in ASCAs). The findings show that participation significantly and positively influence the household income. Besides, the household specific characteristics such as educational level of the husband, number of workers in the household, and involvement in own crop activities are the significant factors influencing household income.

Kamataka Human Development Report - KHDR (2015) in Nairobi, Kenya, showed that cultivating the habit of regular savings through ASCAs and the ability to access them when required through credit not only reduces significantly the vulnerability of the base of the poor and their dependence, it also enhances human development. The role that ASCAs has is in building financial buffers for members to overcome dependence and vulnerability. ASCAs members have access and control over a huge sum of money and average savings of members in the ASCAs increases as their membership matures. It must also be noted that apart from their savings, ASCAs members also credit all the interest earned on loans to the group's common fund. This amount from interest adds significantly to their "own" funds and is a major indicator of how well the group is functioning, financially, as well as its level of self-reliance (Grootaert, 2019).

An examination of the role of rural credit through ASCAs by Kibaara (2017) shows that credit is an important input into the production system and it contributes to increased productivity. For example households that received credit for maize production had a higher productivity averaging 7.65 bags per acre as compared to 6.5 bags per acre among households that did not receive credit. Access to credit increases the farmer's working capital enabling the farmers to buy productivity inputs.

Optimizing rural livelihoods through structural social capital.

Research on the impact of structural social capital on sustainable rural livelihood mainly focuses on the following aspects: poverty alleviation, income, sustainable livelihood vulnerability (Zhang et al, 2021). Scholars have measured structural social capital and sustainability from different perspectives according to their respective concerns. Most of the studies believe that structural social capital can reduce poverty vulnerability, alleviate poverty, prevent the intergenerational transmission of poverty, and increase income, thus improving the sustainable household income (Zhang et al, 2021).

According to Grootaert (2019), the structural social capital is one of the determinants that can contribute to the efficient use of remittance. Kiboro's (2020) study in Kenya shows that services, which, in turn, increase their livelihood sustainability and reduces poverty. According to Grootaert (2019), Kiboro (2020), the social capital of households is one of the determinants that can contribute to the efficient use of remittance. Kiboro's (2020) study in Kenya shows that local level associations, a measure of social capital, can be leveraged by households to obtain essential services, which, in turn, increase their and reduces poverty. In Indonesia, Grootaert (2019) found that membership in local-level associations raised per capita household spending, savings, assets and access to credit. Local level associations, a measure of social capital, can be leveraged by households to obtain essential needs.

At the micro and macro levels, several studies have shown that there is a close relationship between social capital and livelihood outcomes (Kiboro, (2020). Kiboro (2020) in his study in Kenya uses membership in local level associations as a measure of social capital and explores the relationship of this membership with the livelihood outcomes of internally displaced persons. His findings demonstrate that poor households that have better social networks and are members of associations have the advantage of receiving support to achieve a better livelihood. Social capital in the form of social resources or social networks is one of the most important social capital of community members, which can increase the labor productivity of poor households and increase income (Bian, 2019). It is important to explore the reasons underlying the livelihood strategy choices of farmers from the perspective of social capital under China's rural revitalization strategy (Bian, 2019).

structural Social capital and participation refers to the participation of social members in socio-economic organizations (Zhang et al, 2021). The more actively households participate in various group activities in the village, the more opportunities and resources they will have, and the stronger their ability to avoid risk impact. The strong guarantee of social participation has a great mobilization effect on households' production enthusiasm and interest perception (Zhou, 2020). By improving households' self-efficacy, it can optimize their own production behavior, adjust their livelihood strategies, and improve their income and sustainable ability.

Improving the level of structural social capital of out-of-poverty households can significantly enhance their sustainable ability (Zhang and Fang, 2020). Specifically, social network had a significant positive impact on sustainable ability. By providing employment opportunities and other social network reciprocal methods, the income of out-of-poverty households can be increased to promote sustainable s (Zhang and Fang, 2020). Social participation could significantly promote the improvement of sustainable s. Out-of-poverty households can support the development of their s in terms of technology, capacity, and funds through economic organizations such as farmers' cooperatives. It was found that social trust had no significant impact on sustainable s (Mbiba, 2020). The possible reason is that with changes in the social structure of rural areas, such as changes in the relationship between farmers and land, the migration of rural labor, and the development of information and communications, the characteristics of the social capital of rural residents have shown a tendency of differentiation and heterogeneity (Mbiba, 2020). Social trust has an obvious tendency to rationalize, which may led to a decline in social trust within the village.

Specifically, social capital index, social network, social participation, and social trust all showed significant positive effects on households with a low sustainable livelihood ability (Wang and Zhu, 2019). This indicates that social capital plays an important role in preventing marginal households from returning to poverty (Wang and Zhu, 2019). This also proves from another aspect that "social capital is the capital of the poor". Therefore, the cultivation of social capital can help narrow the income gap of households (Coleman, 2019).

Structural Social capital to the extent that it is the property of social environment, produces valuable resources that can be used to solve a broad range of problems in the society (Coleman, 2019; Putnam, 2018). Its function appears to be related to facilitating achievement of some societal good such as economic growth, social and political developments (Coleman, 2019; Putnam, 2018). Consequently, social capital is gaining global recognition particularly among international organizations particularly the World Bank (World Bank, 2017). The associations which come as complements of informal institutions allow their members to express their needs and to generate financial and human capabilities necessary to supplement their outcomes improvement efforts (Putnam, 2018). Evidence exists around the world that these associations improve economic efficiency by reducing costs, facilitating access to markets, agricultural inputs and access to credit (Narayan and Pritchett, 2020).

Woolcock (2021) argues that societies with high stocks of social capital are less vulnerable, and have greater capacity to resolve their own conflicts as well as take advantage of new opportunities for improvement. Hence the central idea of social capital is that networks and the associated norms have value (Putnam, 2020). Studies on social capital in Bolivia, Burkina Faso, and Indonesia by Grootaert, (2019), revealed that certain aspects of social capital contributed significantly to the household outcomes. Evidence is provided in the literature that social capital has positive effects on household outcomes (Narayan and Pritchett, 2017). These studies show that households (particularly the poor ones) draw additional resources that enables them meet every day needs through social connections; thus the reciprocal relationships serve as wells of financial, social, or political support from which they can draw during times of need (Narayan and Pritchett, 2017). Furthermore, Grootaert (2019) found that households with active ties in local associations (rich in social capital) have better access to credit, even if financial matters were not the primary objective of such associations.

Gakuru, (2021) & Bastelaer, (2018) argue that where there are no formal financial institutions and insurance opportunities, especially in developing countries, many people rely on informal community structures to provide not only financial security, but also social security and reduce exposure to risks. Narayan and Pritchett (2017) points out that social capital may serve as an informal insurance thus mitigating the consequences of adverse outcomes. Narayan and Pritchett (2017) suggests that communities with higher stocks of social capital may pursue higher returns but riskier activities because there is greater sharing of household risk. This in turn would result to higher income. Narayan and Pritchett (2017) further contends that communities with higher stocks of social capital are more likely to lower transaction costs, and reduce uncertainty because such communities have more and better information, therefore they don't suffer from information asymmetry. Bigsten *et al.*, (2020) also explains that entrepreneurs rely on their networks to reduce information asymmetries by facilitating flows of information about previous conduct, the present situation and the anticipated behavior of their trading partners, debtors and creditors.

Woolcock and Narayan (2020) have argued that having social ties and relation with others in society can have positive socioeconomic outcomes not only for the individual, but also to the wider community. Moreover, they have argued that communities endowed with higher stock of social capital are perceived to be in a better

position to deal with poverty and vulnerability and the converse. Studies at the micro-level have examined the relationship between social capital and household income. For instance, Narayan and Pritchett (2017), in their study among households in rural Tanzania, found that social capital is one of the most important determinants of households' income. They further found that households in villages with more social capital are more likely to enjoy better public services, use advanced agricultural practices and use credit for agricultural improvement to enhance sustainable livelihood.

Narayan and Pritchett (2017) extends the argument that abundant stock of social capital facilitates the functioning of modern democracy by pointing out that there are various ways in which social capital could lead to improved social welfare. First, higher social capital improves efficiency in the provision of public services and the performance of government. The further study by Narayan and Pritchett (2017) indicate that this is possible through high levels of voluntary participation and enhanced monitoring of public services. Secondly, higher social capital may facilitate development of cooperative behavior within the community which can help in avoiding the "tragedy of commons" through collective safeguarding of public utilities. This would result in better use of common property and benefit most of the members of the community in form of livelihood improvement and sustainability.

The idea that social capital optimizes social economic rural livelihoods dates as far back as 18th century (Woolcock, 1998). Pretty (2003) distinguished social capital into three dimensions i.e. bonding, bridging and linking.

Pretty described bonding social capital as the relations between homogenous groups or communities which build social cohesion needed for everyday living. Bridging social capital refers to the structural relations and networks between groups and communities involving coordination or collaboration with other groups, external associations, mechanisms of social support or information sharing across communities and groups (Narayan and Pritchett, 1999). Linking social capital is the capacity of groups to gain access to resources, ideas and information from formal institutions beyond the community (Pretty, 2003).

Social capital is a vital resource for individuals, groups, and society. Social capital has been described as a lubricant that facilitates getting things done. (Grootaert (2002) it allows people to work together and to access benefits from social relationships. Social capital allows modern economies to function efficiently. Our society, economy, institutions, and political system could not exist without social capital Grootaert (2002). For groups and organizations social capital is vital to their efficiency and even existence. Social capital enables people to work together and facilitates cooperation and innovation. Any organization that doesn't consider the importance of social capital is missing an opportunity for improvement, and risking inefficiencies and peril. SC is a valuable to households in its own right or used in combination with other categories of capital to maintain and improve livelihoods (Minamoto, 2010). Like other forms of capital it may be strengthened through investment, depleted through use or neglect (a form of depreciation) Collier (1998) has investigated the concept of SC from an economic perspective. He suggested that SC is economically beneficial because social interaction generates at least one of three externalities. It facilitates recognition of the behavior of others and this reduces the problem of opportunism. It reduces market failure in information through transmission of knowledge about technology and markets and reduces the problem of free riding and so facilitates collective action (Mora-Delgado & Kaaria, 2010)

Social capital is used among the poor to insure themselves against shocks, such as bad health, inclement weather or government cutbacks and to pool their resources, such as food, credit or child care. In addition to enabling poor people to start up small enterprises and increase their income, informal relationships often mean the difference between day-to-day survival and despair. (Ostrom, 1996). Dense and overlapping social networks increase the likelihood of economic cooperation by building trust and fostering shared norms. The social capital generated within and between firms is especially important for lowering risk and uncertainty at the local level (Fountain 1998). Social capital facilitates valuable information exchange about products and markets and reduces the costs of contracts and extensive regulations and enforcement. Repeated transactions and business reputation provide the necessary incentives for parties to act in mutually beneficial ways (Rodrick, 1998). Another study shows that In Tanzania, social capital at the community level impacted poverty by making government services more effective, facilitating the spread of information on agriculture, enabling groups to pool their resources and manage property as a cooperative, and giving people access to credit who have been traditionally locked out of formal financial institutions (Narayan 1997). Theories of economic development stress the importance of money and machinery, a healthy and skilled workforce and technology. However, development and growth specialists are uncovering the importance of social cohesion for societies to prosper economically and for development to be sustainable (Knack and Keefer 1997, Putnam 1993). "Social capital...forms the underpinnings of poverty and prosperity." (Narayan 1997). Granovetter (1995) underscores that virtually all economic behavior is embedded in networks of social relations. Social capital and trust can make economic transactions more efficient by giving parties access to more information, enabling them to

coordinate activities for mutual benefit, and reducing opportunistic behavior through repeated transactions. Social capital plays a significant part in shaping the outcomes of economic action at both micro and macro levels (Dasgupta, 1995).

Wanyama et al., 2008 indicates that ASCAs offer direct wage employment to people, self-employment and indirectly employ other people through the spillover effect of cooperative activities to non-members, who generate income through transactions and opportunities, they do not clarify how people use such opportunities and incomes to secure necessities of life. Allan H Meltzer 1964 conclude that Loan is a “slavery, leads to bankruptcy, helps in making large purchases and all these hint much on the macro loans and therefore adequate research is needed on the perceptions of micro loans. Granovetter (1995) underscores that virtually all economic behavior is embedded in networks of social relations. He does not indicate how, and this means that further research is needed.

The microeconomic literature review on social capital examines the empirical evidence on the relationship between social capital and the performance of credit delivery programs in the developing world. It will suggest that, although social ties facilitate the poor's access to credit and lowers its cost, they do so in a more diverse and complex manner than the mainstream literature on development finance indicates. In addition to the horizontal networks of borrowers that are largely credited for the success of organizations like the Grameen Bank, credit delivery systems also rely heavily on vertical and/or hierarchical relationships between lenders and borrowers. This perspective helps situating the relatively recent and innovative concept of microfinance within a continuum of institutional arrangements of credit for the poor which requires more research for adequate finding on the micro credit relevancy.

There are only few studies that focus on ASCAs and sustainable socioeconomic rural livelihood in Uganda for example a study by Cooperative for Assurance and Relief (CARE, 2018) which revealed that rural household's participation in savings schemes improve livelihood and requires careful examination in order to contribute to the debate of poverty reduction. Most of the studies in developed countries are focusing on poverty reduction as the only livelihood outcome leaving knowledge gaps on other socio-economic livelihood indicators which the current study seeks to address for example a study by Wang and Zhu, (2019) indicates that social capital plays an important role in preventing marginal households from returning to poverty in China. This also proves from another aspect that "social capital is the capital of the poor". The existing literature has hardly suggested on the perceptions of people on loans not only the micro but also the macro loans. There is therefore a need to bridge these gaps through a scientific qualitative investigation in Kamwenge district; A case of Busiriba Sub-county.

IV. RESEARCH METHODOLOGY

Research design

The study adopted a qualitative approach. This is a research design that *involves collecting and analyzing* non-numerical data to understand concepts, opinions or experiences (Maxwell, 2013). The researcher opted for this design due to its naturalistic inquiry that seeks an in-depth understanding of social phenomena within their natural setting (Glaser and Strauss, 1967). Thus, this was a qualitative descriptive inquiry which undertook to examine how Accumulating ASCAs contribute to the social economic rural livelihood in Busiriba Sub-county, Kamwenge District. The study undertook a cross sectional design. A cross-sectional study is a type of research design in which you collect data from many different individuals at a single point in time. In cross-sectional research, you observe variables without influencing them (Thomas, 2020). Because one only collects data at a single point in time, cross-sectional studies are relatively cheap and less time-consuming than other types of research. Cross-sectional studies allows one to collect data from a large pool of subjects and compare differences between groups (Cherry, 2022). This study was a survey since it was an attempt to collect data from members of a population in order to determine the current status of that population with respect to one or more variables. The survey was deemed appropriate in that it helped the researcher to gather information across a large population with the aim of describing events as they happened in the study location.

Study Population

The study considered four parishes of Busiriba sub-county including Busiriba, Kahondo, Kanimi and Kyakarafa where ASCAs groups are. Each parish contains about 8(eight) groups which totals up to 32 groups. However, only two (2) groups per parish were selected for the study. This means that the study considered eight (8) groups and only eight (8) participants per group were selected which brought it up to the total of 64 participants. The age group for the selected participants were adults of 18 years and above.

Inclusion and exclusion criteria

People who were included in the study were both men and women of 18 years and above and of sound mind who are directly participating in ASCAs.

People who are below the age of 18 and are participating in ASCAs did not qualify to participate in the study

Sample size determination

The sample size for this study was determined using principle of data saturation. Data saturation means that no additional data are being found whereby the researcher can develop properties of the category as he sees similar instances over and over again (Dey, 1999). Saturation was considered achieved when no new themes were being revealed in the interviews of participants.

Sampling technique

Purposive sampling technique was employed. This is a form of non-probability sampling in which researchers rely on their own judgment when choosing members of the population to participate in their surveys (Nikolopoulou, 2022). It allows the researcher to gather qualitative responses which leads to better insights and more precise research results (Saunders, 2012). The researcher opted for this technique because it allowed him to describe the major impact his findings have on the population.

Unit of Analysis and inquiry

The unit of analysis for this study was ASCA groups in Busiriba Sub County. The unit of inquiry in this study was individual ASCA participants.

Data collection methods.

The researcher used focus group discussions. A focus group discussion (FGD) is a research method that brings together people from similar backgrounds or experiences to discuss a specific topic of interest (George, 2021). The group of participants is guided by a moderator (or group facilitator) who introduces topics for discussion and helps the group to participate in a lively and natural discussion amongst themselves (Mpofu, 2019). Focus group discussion became popular in social research in the 1980's (e.g. Morgan 1988; Krueger 1988) the sociologist Robert Merton drew attention to what he saw as continuities and discontinuities between focus groups and the methods of focused interviewing. Using this particular method, he discovered that focus group discussion is the best way of getting ideas in market research (Lee, 2010). The approach was selected because it is flexible and can allow interviewees to provide more information than they would have from other procedures.

Data collection procedure

The researcher after being cleared by the Bishop Stuart research ethics committee obtained a letter from Bishop Stuart University introducing him to all concerned authorities. Since this study was conducted using FGDs, they were audio recorded, notebooks and pens were used for note taking. The FGD guide used was pre-tested. The researcher and research assistant on the days of interviews introduced themselves and the study to the participants, and then proceeded to seek consent for participation and later the participants signed the consent forms.

Validity of the instrument.

To ensure rigor during this study, the process of credibility, dependability and transferability was ensured by working with a skilled moderator so as to avoid the personal bias of the researcher.

Credibility refers to the extent to which the findings of the study answered the research questions. The researcher employed theoretical triangulation. Triangulation refers to the use of multiple methods or data sources in qualitative research to develop a comprehensive understanding of phenomena. This was used because it was viewed as a qualitative research strategy to test validity through the convergence of information from different sources. (Patton, 1999)

Data management and analysis.

The researcher supervised the data collection process. All the responses were recorded and kept confidential. Responses that were obtained during the FGDs were transcribed with verbatim and checked for accuracy by the researcher. Nvivo was used to help in the analysis and the transcribed copies were anonymized by coding and analyzed using a thematic approach. Emerging themes were identified verified by principal researcher and the research assistant. Summaries of key themes and extracts from the focus group discussions were presented in the result section as findings of this study.

Ethical considerations.

The researcher respects human dignity by practicing utmost confidentiality about the identity and other particulars of the respondents during the study. The letter of introduction was obtained from university seeking permission to conduct the study after being cleared by the bishop Stuart University REC. The district and the sub county leadership were fully informed about the activity going on in their area. The researcher acknowledged sources of information that were used during the study. The participants' names were withheld and used simple coding of R1, R2 and the abbreviations of their respective groups were used such as KOBTG, BTG etc..... R...in reference to respondent 1, 2, KOBTG, BTC etc. to continue.

V. STUDY FINDINGS

CONTRIBUTION OF ASCAS TOWARDS HOUSEHOLD INCOME OF PARTICIPATING MEMBERS

In order to answer the first objective of this study, four (4) themes were developed and nine (9) sub-themes as presented below.

THEME1: PERSONAL DEVELOPMENT**Sub-theme 1: Improved housing conditions**

Respondents gave testimonies of how the money from ASCAs has helped them to improve their housing conditions after utilizing the money from the groups. The testimonies given by members indicated that the money they get is used to build better houses and hence improve their housing conditions;

"Money from ASCA helped me to build a house". (KTG, KARUCOSID)

"I had spent 12 years in a grass thatched house but now I have been able to buy iron sheets and am staying in a new house".(BBG)

"Am already building a house so ASCAs are very helpful." (BCG, RTG)

Sub-theme 2: Accumulation of assets

A large proportion of respondents testified that they had accumulated assets out of the money they get from ASCAs. The assets included land, livestock, household utensils, and electronics.

"I wanted to buy land, I borrowed money from ASCA and bought it. (BCG, KTG, KARUCOSID, BGG, KYAKATG, KOBUTG)

"The money which I borrowed from ASCA helped me to buy a pig, chicken and now they have multiplied." "Every month I would save 80,000 shs I shared out 1.5m and bought a goat and pig and they are earning my family income and this has taken 12 years." (BTG, KTG, BBG, KYAKATG)

"It helps in buying household items. I joined this group to buy home items like chairs, saucepans and mattresses and I bought them". (BBG)

THEME 2: IMPROVED HEALTH**Sub-theme 1: Access to better medical care**

One other benefit of ASCAs was helping members to improve on their health status through access to better health services. Members asserted that through ASCAs, they have been able to access better healthcare services for themselves and family members;

"ASCA money helps us sort out medical bills. Those who are not in ASCAs lose a lot for example "my husband got an accident and I called the group treasurer for assistance, they lent me money and he was treated" (KTG, KARUCOSID, BGG, KYAKATG)

"We are able to access health services from good hospitals because we can borrow money from our groups" (KTG, KARUCOSID, BGG)

"Last time my child was sick and I had no money but I rushed to our group and they gave me money very fast and I had to take my child to the hospital" (KTG, KARUCOSID, BGG)

Sub-theme 2: Health education

It was also noted that through the ASCAs, members gain knowledge on health issues through health education sessions. These help them to adhere to good health practices which in turn helps them and their families to live a healthy life;

"We hold sessions of health education and we are taught about hygiene, how to clean our houses, our bodies, our compounds and other surroundings" (BCG, KTG, KYAKATG)

"They teach us how to live a healthy life through feeding well, how to take good care of our children and boiling water to drink". BCG,KTG,

"There is someone who came where we usually meet and taught us about sleeping under mosquito nets in order to fight malaria" BCG, KYAKATG)

Sub-theme 3: Nutrition improvement

It was reported that ASCAs have helped the members to improve on their diet hence improving on their nutrition. They testified that through the money they get from their groups, members have capacity to eat balanced diet;

"I can now afford to buy meat at any time because my business is progressing well" (R3 KARUCOSID, R7KTG)

"I do business of poultry and my family can now eat eggs, we eat chicken and we also live like others" (R6, BTG)

"I am able to buy for my family milk and eggs. Sometimes I buy meat and we eat well generally" (BCG, BTG, KTG, KARUCOSID, BBG, KOBUTG)

THEME 3: FINANCIAL EMPOWERMENT**Sub-theme 1: Access to loans**

ASCAs have promoted easy access to loans to its members which they use to do many things. The loans are accessible to all members at low interest rate which is one of the ways leading to rural financial inclusion;

"I borrowed money at low interest and put in my business now it's moving forward."(KTG)

"I borrowed money for cultivation which yields harvests that bring profits to my household". (KTG)

"We are able to borrow and pay school fees. I began borrowing from ASCA when my children were just starting and now one of them is in senior six" (BCG, KTG, BBG, KYAKATG, KOBUTG)

Sub-theme 2: Financial literacy

The respondents also illustrated how the ASCAs have helped to develop their financial literacy through financial education. They attested how they now understand the issues of savings and credit, how to calculate their savings and their loan repayments among others.

"I have come to understand many things about saving and credit. Like now I know how much I can get and how much I should be having in the savings". (KARUCOSI, (KTG)

"We were taught how to calculate our loans and interest. I had never known this because I did not reach far in my education". (KYAKATG)

"From the knowledge I have gained now, I think I can even apply for a loan in the bank which I used to fear". (KYAKATG)

PEOPLES' BELIEFS ON LOANS TOWARDS SOCIO-ECONOMIC RURAL LIVELIHOOD.

From the analysis of the people's perceptions on loans towards socio-economic rural livelihood, two themes and five (5) sub-themes emerged. One theme looked at the positive perception while another theme looked at the negative perception as illustrated below.

THEME 1: FINANCIAL BACK UP

Sub-theme 1: Additional source of income

People believed loans as additional source of income which is used as a top up whenever someone need to purchase something but has inadequate money. In addition, some people perceived loans as developmental services especially those from their groups which are given at low interest rates;

"When you want to buy something and the money you have is little, then you get a loan and add on to buy it" "People perceive someone who takes a loan as developmental" (BCG, KTG)

"Our loans are given at lower interest rate to members. So loans are used for development purposes" (BCG, KTG).

Sub-theme 2: Sign of financial literacy

In addition to developmental purposes, some people believed loans as services rendered to educated people. The further explained that for someone to take a loan must be financially literate. In addition, the loans promote hard work since someone has to pay back the loans taken;

"What I know is that you cannot just take a loan when you do not know anything about money issues or when you have no plan for it. So before you take it, you have to learn how it works, how to pay back and interest" (BTG, RTG).

"Loans promote saving culture among members. When you know that the more you save the higher the loan you can take, then you have to save more and more" (BTG, RTG)

"Loans are developmental. Imagine something you could buy in 3 years' time, you can buy it now and pay the loan slowly" (RTG)

"Whenever you take a loan, you must pay it back. You have to make sure that it serves its purpose otherwise you can waste it" (BTG, RTG)

THEME 2: FINANCIAL INCAPACITY

Sub-theme 1: Sign of poverty

On the other hand, some respondents had negative perceptions about the loans. One of the perceptions expressed by respondents was that loans were a sign of poverty. They perceived someone taking a loan as someone who is very broke.

"People believe when one takes up a loan he/ she is out of pockets. 'Yahweremu' 'literally meaning he has no money completely". (KOBUTG)

"When you take a loan they look at you as "masikini" literally meaning 'a very poor person' they believe you will be arrested" (BTG)

Sub-theme 2: Loss of social respect

Another negative perception of loans was loss of respect by people, since society looks at the person taking loan as having no say in the society and risking his life for imprisonment by the lender;

"Local people believe that it's bad to take a loan, they take you as stupid if you take up a loan" (BBG,BTG)

"People talk a lot of ill on those who take up loans they say they will be arrested" (BCG, BTG)

Sub-theme 3: Risk to loss of collateral

Respondents believed that someone who takes a loan risk losing his property put as collateral security to get it. Some respondents testified how their colleagues have lost their properties to the lenders due to their failure to pay back;

"My friend took a loan and put his farm as a collateral but when he failed to pay back his farm was taken and sold. I know another one who was imprisoned after failing to pay back" (R8, R1...KTG)

"They believe your property is going to be taken up by the lenders" (BTG, KTG, KOBUTG)

"The community believes when the bank lends you money then you are finished". (BTG)

"They believe your security for a loan will be taken". (KOBUTG, KARUKOCID)

STRUCTURAL SOCIAL CAPITAL IN OPTIMIZATION OF RURAL LIVELIHOODS.

THEME 1: COMMUNITY STABILITY

Respondents attested how social capital has created stability in the community by reducing on domestic violence, improving food security, promoting social morality and promotion of saving culture;

Sub-theme 1: Reduced domestic violence

Through economic empowerment, social capital has helped to eliminate family conflicts and hence reduced on domestic violence since. Some respondents explained that these violences arose due to poverty and inability meet each other's' demand at home which social capital has curbed to a large extent;

"It has reduced family violence where by you gage yourself with others and stop some habits unlike in the past". (BTG, BBG, KTG)

"Nowadays both men and women can access funds not like those days where all the responsibilities were on men. So everyone can provide for family need and hence reducing on quarrels" (BBG, KARUCOSID)

Sub-theme 2: Improved food security

Social had improved on food security through increased food production, increased purchasing power and increased income levels of the members. This in turn has increased the member's capacity to produce more which is sold and generates income;

"Social capital had also improved food security of the members" RTG, BBG)

"Increased food security. I have managed to buy seeds for cultivation as a result of saving and borrowing from ASCAs" (RTG, BBG)

"Gardening together which leads to bigger harvests, this helps us to improve our food security". (BCG, BTG, RTG, KYAKATG, KOBUTG, BCG)

Sub-theme 3: Social transformation

Social capital had also led to social transformation through education, behavioral change, developmental advices, social connections and mindset change;

"You get advice and knowledge for development". (BCG, BTG, KTG, KARUCOSID, BBG, KOBUTG)

"Taking children to school has evolved fully due to social capital, people advise each other on the relevancy of education". (BTG)

"It helps in changing social behaviors and mindset". (KTG, KARUCOSID)

"Gives an opportunity of copying each other's economic behaviors in terms of development". (KTG, KYAKATG, KOBUTG)

Sub theme 4: Promotion of saving culture

Social capital had promoted the saving culture among the ASCA group members since they had to save with the group first before accessing the services. This has prompted the members to work hard in order to raise the savings;

"A person cannot keep money especially small amounts but in a group one can save every coin and share more money at the end of the cycle". (KYAKATG)

"ASCAs have increased my knowledge and zeal to look for money because am always in the field looking for money to save in the group" (KTG)

THEME 2: MEMBER EMPOWERMENT

Sub-theme 1: Economic empowerment

Members of ASCAs claimed to have raised their financial capital for their businesses, owned some properties as a result of being ASCA members. Being important, members are able to meet health and educational costs for their children and eat balanced diet meals in their households. This implies that ASCAs contribute a lot to the economic well-being of the members.

"It helps in sorting emergencies for example I got a challenging situation and wanted to sell my goat but the buyer was cheating me so I opted to borrow from ASCA and sort out the emergency, spared my goat and sold it later at a normal price and paid back to ASCA". (BTG, RTG, KOBUTG, BBG)

"ASCAs have provided a source of money like when children are sick we go to the group borrow and pay back later". (BCG, KYAKATG)

"Now I have a say in my family because I have accumulated assets through of our group. I am no longer abused" (KOBUTG)

Sub-theme 2: Social cultural empowerment

Members of ASCAs stated that these groups had empowered them and had been able to participate in social groups and decision making, while some of them claimed to have been socially accepted in the society through increased participation in cultural issues. Furthermore, the effects of ASCAs had gone as far as building their confidence and giving them the respect, they deserve from society.

"Me as a woman I no longer wait for my husband to bring salt home, I just buy" R8, 6.7, 5, 3... (BBG)

"We get recognition and trust For example 'if I want to borrow money they cannot doubt me'" (KTG, KARUCOSID, KYAKATG)

"I can also contribute something to some events like fundraisings because I harvest and sell my crops and get money" (KYAKATG)

Sub-theme 3: Political empowerment

Members reported that ASCAs made them politically empowered which built their capacity to participate in political affairs. Members reported having been able to understand more about political and legal rights and being a representative in the local government while women reported getting support for political campaigns of the general elections as well as becoming active members of the political parties.

"ASCAs has enhanced leadership which has increased our understanding of how money is earned". (KARUCOSID)

"Now am the secretary of our group and this has made also contest for the post of LC III councilor of our parish. So I think these groups help us to gain self-esteem" "I feel I can contest at any position [laughs] because surely I have gained a lot through the trainings we always have" (KARUCOSID, KTG, RTG).

The researcher concludes that given these findings of the study, ASCAs play a greater role on the livelihoods of the participating members. The relevancy of this is that if members enroll many and become active participant, the livelihoods of the rural community can be uplifted and poverty alleviated.

VI. DISCUSSION OF THE FINDINGS

Discussion of findings in accordance with study objectives.

Contribution of ASCAs towards household income of participating members

This study has established that ASCAs have contributed to household income of participating members through personal development, improved health and financial empowerment. It has been revealed that ASCAs lead to improved housing conditions, accumulation of wealth, access to better healthcare services, access to health education, nutritional improvement, increased access to loans and financial literacy. The finding of objective one revealed the contribution of ASCAs towards household income of participating members in the study area. These findings are consistent with the findings of previous studies which have reported positive contribution of financial groups towards income stability. In line with these findings, a similar study by Ilemona (2013) reported that household income of families with access to credit is significantly higher than for comparable households without access to credit. Poor households that have had access to microfinance services through financial groups show significant increases in asset accumulation, providing them with both a safety net against misadventure as well as resources for self- help investment (Ilemona, 2013).

The findings of this study have also shown the cases where members of ASCAs were able to accumulate assets through access to the credit from their groups. Another similar study conducted also revealed that Credit provided to members by member financial groups had positive impact on the lives of poor people (Mudibo, 2016). This has enabled income of households with credit to rise in comparison to those without credit. He further reported that the credit accessed help the members in poverty reduction, establishment of businesses to raise standards of living, source of employment, increase in productivity of agricultural sector to enhance food security, setting up of rural micro projects like restaurants, salons among others (Mudibo, 2016). In the current study, some respondents testified that; *"I had spent 12 years in a grass thatched house but now I have been able to buy iron sheets and am staying a new house"*. Another one reported *"I wanted to buy land, I borrowed money from ASCA and bought it.* This shows that ASCAs have greatly contributed towards income stability and asset accumulation of members.

The findings illustrate that ASCAs help the participants in fulfilling school fees for their children and they consistently refer to it as the immediate local bank that gives them loans without giving them hard time. So in all groups, they maintain that ASCAs are very helpful when it comes to borrowing money for school fees especially when children are being sent home for school fees and other school requirements. This is lined up to the literature in the findings of the study by Nsabagasani et al (2018), revealed that during the focus group discussions that ASCAs had increased the member's ability to mobilize savings whereby through savings, group members are able to send their children to school in Uganda. In the current, the respondents testified *"We are able to borrow and pay school fees. I began borrowing from ASCA when my children were just starting and now one of them is in senior six"*. In agreement with this, another study reported that increased household income improves nutrition, and improves the probability that children from poor families will go to school (Ilemona, 2013).

The findings also suggest that ASCAs help members get extensive business and do agriculture. There is a serious manifestation that the money borrowed from ASCAs help participating members to sort agricultural labor expenses, buy seeds for cultivation and other agricultural materials like hoes. They buy livestock like goats, pigs and sometimes do poultry keeping which all generate them house hold income. This is in line with the analogy of Goss 2010 that ASCAs achieve income diversification, training on extensive business and agriculture which is necessary in assuring investment.

The findings of the current study suggest paying medical bills as one of the outcomes of participating in ASCAs. Participants reported that being in ASCAs, they become successful in sorting out their own medical bills and the bills of their partners. The findings of this research suggests that ASCAs are immediate in helping one access quick loan especially when one gets emergencies like accident and abrupt sickness. As a member stated *“ASCA money helps us sort out medical bills. Those who are not in ASCAs lose a lot for example my husband got an accident and I called the group treasurer for assistance, they borrowed me money and he was treated”*. This is also One of the contributions highlighted in literature review is that ASCAs enables members to meet their basic needs such as medical care, and payment of school fees for their children (Kibaara, 2017).

In this study therefore, it can be concluded that there is substantial role of ASCAs in ensuring social economic rural livelihood. and this is supposed to be borrowed by both social and economic agencies for community development mobilization in all aspects because they form a big number of population per cell which makes it possible to reach out to many different organized groups so quickly to a achieve a society based economics of the 21st century.

Peoples' beliefs on loans towards socio-economic rural livelihood

The current study has found out that people have mixed beliefs towards loans in regard to socio-economic rural livelihood. Whereas some looked at loans as financial back up sources, others looked at them as a sign of financial incapacity. On the side of financial back up, members believed that loans are additional sources of income and sign of financial literacy. These findings were in line with the previous studies which have reported that loans are not bad but a financial tool used by members to acquire something now which would be acquired in the future. In line with these findings, a study by Lotto (2019) reported that *“the wise option is for the household who expects to receive income in future to borrow and acquire durable assets like building or motor vehicles to enjoy the services provided by such assets over time instead of saving money and accumulate amount enough to buy such asset, something which reduces lifetime expenditure”* (Lotto, 2019). Likewise in the current study, it was consistently reported that *“Loans are developmental. Imagine something you could buy in 3 years' time, you can buy it now and pay the loan slowly”*. In the current study, it was revealed that some members perceived loans as tool to promote saving culture among the members. In a similar study that was conducted in Uganda, it was reported that the credit extended to members of village saving groups encourage culture of saving among members who are required to save weekly by buying shares ranging from one to five. The study further reported that members borrow using their savings as collateral without necessarily having to mortgage, sell their property or crop at a cheap price in times of need or emergencies (Okello and Mwesigwa, 2022). This demonstrates that where there is good perception of credit, members benefit more.

On the side of financial incapacity, people believed that loans were a sign of poverty, led to loss of social respect and were a threat to loss of property given as collateral security. The main belief that arose was that a collateral security that one guarantees will be taken up by the lenders. *“They believe one's collateral security for a loan must be taken”*. According to findings of this research, the item that one guarantee as security will be taken automatically by the lenders when you take up a loan. This lines up with the views of Oxfam that the study by Huynh and Fredric about Credit Quality Continuation indicates that when you take a loan from a bank, there is always the chance that interest rates could go up over time, especially if you've taken a loan with variable interest terms. That could potentially make the loan very difficult to repay. There is also the possibility that the terms of the loan can change during the life of the loan, making it unfavorable for one's business. Many banks have been known to make stricter demands and harsher terms for loans given to businesses when those businesses undergo a period of failure (Oxfarm, 2013). however this analogy seem not to be true and thereby needs a shift of belief to provide that as long as lenders agreement is maintained by the guarantee, the item guarantee never be taken by the lenders. The one who takes the money needs to maintain the relationship with the lender as the lenders intention is not to take the collateral security but rather to secure interest and the whole amount borrowed.

Another belief that arose from the focus group discussions indicate that people believe, when one takes up a loan he/ she is out of pockets. *‘Yahweremu’* literally meaning he has no money completely. The findings of this study shows that for one to reach at the extent of taking up a loan, it's an indication that he is already poor and has no any alternative financial way through. One is regarded as bankrupt and majorly that's why he is opting for a loan. In a similar study conducted in Morocco, it was reported that community members had negative attitude towards loans and being a debtor, receiving credit, carried a negative connotation in their society. In the same study, indebtedness was felt to be dishonor, a loss of pride. Getting into debt was implicitly

recognition that the head of the household no longer has the means to maintain the material reproduction of his family (Moisseron&Pepita, 2016). Similarly, the current study revealed that loans were perceived as a sign of social irresponsibility; *“Local people believe that it’s bad to take a loan, they take you as stupid if you take up a loan”* and another one asserted that *“People talk a lot of ill on those who take up loans they say they will be arrested”*.

Fear to lose their property pledged as collateral security was another negative perception of community members towards loans. *“The community believes when the bank lends you money then you are finished”*. People believe that when you take a loan, you will end up losing whatever property you have worked for very many years. *“Sometimes you end up selling what you had already bought and interests are already high, you end up in regrets only”*. It is worth noting that a collateral security is something of value that is pledged to guarantee a loan, the provision of this is that if the loan is not repaid, the collateral is taken over by the lender. However, the respondents were not clear on whether the property is taken when someone fails to pay back the loan. The researcher finds this as a dangerous setback to development and accumulation of important livelihoods of a person seeking to achieve better. However the credit is later given to the small lending associations including ASCAs, that for them they lend you and you still have a chance to share on your savings and the belief is that the more you borrow the more money members keep accumulating as interest to boost the share. According to the findings hereof, the ASCAs seems to be more satisfying than any other lending institution since it’s immediate, cheap and easy to process a loan. This is in agreement with Flynn, (2013) in his literature review that ASCAs are very effective at reaching the poorest of the poor, a group which is often ignored or hard to reach

Another belief that arose from the discussion was that you can be imprisoned if you fail to pay a loan. You are a target of jail because by the time you think of a loan you are already seen as a financially incapacitated person *“When you take a loan they look at you as “masikini” literally meaning ‘a very poor person’ they believe you will be arrested”* (KTG, RTG, KYAKATG, BBG). It is evident that that when one is poor must not risk taking up a loan because he will be arrested by group members who borrowed them money. The interpretation about this is that a loan is entitled to the rich who will utilize it to its functionality that giving it to the poor who will end up becoming bad debtors and surrendering their already hard earned property. *“Those who are rich are not expected to take loans because the community feels it’s not necessary”*. A general understanding is that loans are not a substantial thing to go for. The interpretation from the findings indicate that so many people believe that it’s not good to go for a loan this is evidenced by two contradicting statements from some member of different groups *“those who are rich are not expected to take a loan because it’s not necessary...BCG ” “those who are poor should not go for loans....BCG, BBG”*. Similarly, other studies have demonstrated the resistance of rural communities to uptake loans due to poor attitude towards credit. A study that was conducted in China revealed that from the attitude of rural households to loans, 73.8% had no willingness to use credit and insisted on doing things according to the money they had on hand (Qiang et al, 2021). The same study reported the poor attitudes and perceptions on loans by rural population is due to weak awareness of rural household credit, which cause serious information asymmetry between rural households and formal financial institutions, leading to adverse selection and moral hazard.

The researcher finds it necessary to conclude that most people at a very local setting do not take a loan as a development mechanism but rather something that makes people poor. There is therefore a need for a belief shift to positivity in favor of a loan as one of the means of boosting financial rural livelihoods including helping in doing business extensions, paying school fees and attaining agricultural pushups. However the findings of the study further indicate a belief shift from a traditional misbelief about a lone. The findings of this study provide that people believe loans are good depending on what the borrower is going to do. A section of the community takes loan as a significant deal which help them to meet their financial goal. Its import to report that people acquire loans when they are going to invest in important businesses like coffee processing and agricultural activities including cultivation and meeting labor costs. And the belief is that it makes one work hard to attain more profits in order to cover a loan and remain with earned profits as well *“When you take a loan you work hard to get much profits”* from the researcher’s conclusion, this belief shift informs the study that loans are paramount to the development and therefore are relevant in social economic rural livelihood promotion.

Structural social capital in optimization of rural livelihoods

This study has revealed that social capital has demonstrated its positive contribution towards community stability and member empowerment. On a specific note, social capital was applauded to having reduced domestic violence, improved food security, and brought about social transformation, promoted saving culture, promoted economic empowerment, social cultural empowerment and political empowerment of the ASCA members. In line with the previous studies, this study has demonstrated that ASCAs have better benefits to its members than costs. Consistent to these findings, studies conducted by Han (2019) and World Bank Group (2020) claim that rural financial groups have shown the ability to provide dependable facilities or services to the rural communities, which ultimately helps to reduce poverty (Han, 2019; World Bank Group, 2020). Another

study by Gupta et al (2016) reported that the women in the dialogue group also reported significant decreases in economic abuse and their own justifications for beating a wife. A similar study in Guatemala found that access to microcredit was associated with decreases in economic and psychological violence against women (Cepeda et al., 2017). A similar study also reported that participants in the village financial groups and gender dialogue group reported reductions in physical intimate partner violence and economic abuse, as well as improvements in gender based attitudes (Gupta et al, 2016). This is the great achievement brought about by ASCAs which leads to economic and social transformation of the country.

This research has it that structural social capital encourages genuine competition this comes out as an outstanding role. In energizing livelihoods, it encourages genuine competition and development, when one sees another person buying like a goat they also choose to buy one. (BTG, KTG, KARUCOSID, KYAKATG). Women also compete in providing for their families without waiting for their spouses which helps them to fight poverty in their homes *“Me as a woman I no longer wait for my husband to bring salt home, I just buy”*..... (R6...BBG). This is in line with literature in chapter two by Zhang 2021 that structural social capital can reduce poverty vulnerability, alleviate poverty, prevent the intergenerational transmission of poverty, and increase income, thus improving the sustainable household income (Zhang et al, 2021).

Structural social capital is a source of remittance and donations. This study provides that people can get connected to those who can help them earn a livelihood through social capital *“Donors come looking for social groups and they donate some good money”* structural social capital is an epicenter of those who wish to tap donations and remittances. One can out rightly agree that structural social capital optimizes rural livelihood because this is also in line with literature by like Kiboro whose study findings demonstrate that poor households that have better social networks and are members of associations have the advantage of receiving support to achieve a better livelihood. The structural social capital of households is one of the determinants that can contribute to the efficient use of remittance Kiboro (2020).

Structural social capital Simplifies labor since in most cases you are many achieving a common goal, this boasts income for example collective Gardening which leads to bigger harvests, which later helps to improve our food security. Structural social capital brings out the element of working together to earn income. The findings provides that when people work together they succeed than when one works individually. the element of rural livelihood optimization is guaranteed by this assertion throughout all group discussions participants that there is collective work whereby an activity is not seen as individual but they work it out as a team and earn or and produce plenty of food for self-sustainability. This aligns with findings in literature that Social capital is a vital resource for individuals, groups, and society. Social capital has been described as a lubricant that facilitates getting things done. (Grootaert (2002) it allows people to work together and to access benefits from social relationships. Social capital allows modern economies to function efficiently.

The study suggests that Structural social capital optimizes rural livelihood through creating an environment for people to learn from others. They learn from each other on different aspects including taking children to school, general cleanliness, income generating activities and working hard. (KYAKATG, BBG). They provide that there are members of the community who are hardworking and through keeping with them, one ends up also learning that hard work pays and when one works hard, school fees and other necessary. *“You can learn from others on how to take your children to school, general cleanliness, and income generating and working hard”*. The findings of this study suggests that If a member of a social group has something disturbing for example poor toilet facility they cooperate, go there and build it collectively. (BBG). This is in agreement with the literature by Coleman and Putnam that Structural Social capital is to the extent that it is the property of social environment, produces valuable resources that can be used to solve a broad range of problems in the society (Coleman, 2019; Putnam, 2018). Its function appears to be related to facilitating achievement of some societal good

Structural Social capital facilitates employment opportunities. It helps in linking one to employment opportunities (KTG). The people one networks with can as well help in in business. The study provides that members in social networks help each other to market their business and or buy front their own from those other people *which later helps me to do many things like paying school fees, buying home utensils.* (BCG, KTG, KARUCOSID, KOBUTG). As result of social capital, I managed to grow coffee which is earning me daily income. (KOBUTG). This finding is in line with literature in chapter two by zhang and fanga that specifically, social network has a significant positive impact on sustainable ability by providing employment opportunities and other social network reciprocal methods, the income of out-of-poverty households can be increased to promote sustainable s (Zhang and Fang, 2020).

The findings of this study show a strategic agreement that structural social capital is relevant in determining economic wellbeing of the society therefore it optimizes rural livelihood empowering, employment and . I therefore conclude that for the community to thrive, it's dependent of the structural social capital which improves capacity to earn, get what to earn and where to earn from.

Structural social capital helps in income generation through modern agriculture. This study demonstrates a more improved earning through production of coffee as a result of copying the same from social networks and taking advice from other members of the social network. *"I managed to grow coffee which is earning me daily income. (KOBUTG) this finding is in line with the literature by Naryan and Woolcock that the micro-level have examined the relationship between social capital and household income. For instance, Narayan and Pritchett (2017), in their study among households in rural Tanzania, found that social capital is one of the most important determinants of households' income. They further found that households in villages with more social capital are more likely to enjoy better public services, use advanced agricultural practices and use credit for agricultural improvement to enhance sustainable livelihood.*

Structural social capital facilitates good advice and knowledge for development. People earn a living through advice and business knowledge from their networks (BCG, BTG, KTG, KARUCOSID, BBG, KOBUTG). This is supported by the literature in previous chapters that It facilitates recognition of the behavior of others and this reduces the problem of opportunism. It reduces market failure in information through transmission of knowledge about technology and markets and reduces the problem of free riding and so facilitates collective action (Mora-Delgado & Kaaria, 2010)

The researcher concludes that given these findings of the study, ASCAs play a greater role on the livelihoods of the participating members. The relevancy of this is that if members enroll many and become active participant, the livelihoods of the rural community can be uplifted and poverty alleviated

Implications of the study

The findings in this study have contributed to the understanding that ASCAs contribute to the household income of participating members, how they relate and how their relationship with other members help them earn livelihood. The study has yielded findings that indicate both theoretical and practical implications. The implications are as follows;

A) For ASCAs participants.

The study establishes a means of livelihood earning for those who are involved in the day to running of ASCAs. The study has propounded that ASCAs are a great resource for community mobilization for development. The study further indicates the strategic mechanism for local; people to earn their livelihood which enable them to pay school fees for their children, sort out medical bills, modern agriculture and commercialized farming through concerted labor including for coffee growing.

B) For the local community.

The study establishes ASCAs as a great resource for community mobilization. The community benefits from ASCAs especially through the network of people it creates, savings made which develops members of the community. Builds social capital that the community depends on for donations and NGO interventions.

C) For the government.

The study puts government on the development models and agendas to favor the governed. The study creates an impact by suggesting mechanisms the government can use in implementing its policies especially when dealing with financial and social mobilization for the community.

Conclusions

The conclusions of the findings for three research questions on the contributions of ASCAs on the social economic rural livelihoods are based on the findings on their daily engagements and participation in ASCAs by both financial and social endeavors including Land purchase and house construction, paying medical bills, boosting income through different avenues like securing money to stock commodities and wait for price increment, accumulating money enough to buy household assets and develop in agriculture. These ASCAs offer loans depending on members' involvement in ASCAs activities and there have been findings on beliefs upon these loans which among others included a collateral security that one guarantees will be taken up by the lenders, when one takes up a loan he/ she is out of pockets. '**Yahweremu**' literally meaning he has no money completely, People believe that when you take a loan, you will end up losing whatever property you have worked for very many years, that you can be imprisoned if you fail to pay a loan. social capital and specifically structural, is also exercised by participating members of ascas, an investigation was made on how it optimizes rural livelihoods upon which a number of values were found including; structural social capital encourages genuine competition, creating an environment for people to learn from others, linking one to employment opportunities The purpose of this study was to gain an understanding role of ascas on the socioeconomic rural livelihoods. Qualitative research methods used in this study were well suited to achieve this goal. The depth of information gained through the analysis data from focus group discussions provided a level of understanding that quantitative methodology could not have.

The economics based on societal approach leverages on the perspective of social wellbeing of all people. The society needs a society based economics which this study aimed at through analysis of the role of ascas. It is hoped that the limitations of researcher bias was kept to a minimum in terms of its effect on eight groups each having eight respondents. AscAs provide a wide range of opportunities for the common rural to benefit and

come out of a marginalized phase. the researcher concludes that while other mechanism to boost rural livelihoods are in place, there is a need for economic champions to reconsider a model that mobilize communities through a house hold engagement model and is too micro and accessible to every household. given the fact that ascas can be so many in the village even at a house hold level, they are the best economic and social engagement groups that development of this time must go through as a mechanism of simplifying the financial accessibility and social capital embodiment of a serious systematic approach rather than a market approach of the conventional neo colonial economics.

Recommendation for further study.

This study has contributed to the understanding of the contributions of ASCAS on social economic rural livelihoods. As the study progressed, a few areas surfaced as suggested areas for future studies. The recommendations are as follows:

The findings of this study established that people fear taking up loans because they believe once one takes a loan from any institution, they are most likely to lose all their belongings including what they did not guarantee. There is therefore need for further investigation whether this is true of ASCAs as a micro and or small lending institution.

The findings also put it that group leaders steal groups' money which they continuously refer to as okukurikaekaramu. There is need for further research whether this is true and why it happens especially in the society where people have trusted one as a leader.

The findings bring out several contribution of social capital resulting from ASCAs but does not clearly point out the sustainable means it lays to maintain such achieving.

The study points out contributions of ASCAs on household income of a participating member but does not bring out the sustainable means of livelihood. There is therefore a need for further research to investigate on the sustainable means of livelihood earning through ASCAs.

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