



## A Study on the Impact of Village Savings And Loan Associations on Socio- Economic Aspects of Women Groups in Chitipa

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### ABSTRACT

Village savings and loans association are emergent in the developing countries in particular Malawi. Village savings and loan associations are informal banking services that assist the marginalized community to access savings and loan services easily. There was a need to investigate the impact of village savings and loan association on the social economic aspect of women groups in Chitipa due to the proliferation of VSLA loan defaulters in the district. The study employed an explanatory mixed methods research design and data was collected from a sample population of 108 respondents from five villages in Chitipa district. The study used IBM Statistical Packages for Social Sciences version 26 to analyze the data that was collected from the respondents. The study found out that village savings and loan associations are socially and economically empowering women groups in Chitipa. However, village savings and loan associations are not contributing to the good health of women in Chitipa and that the income for women in Chitipa is low such that they cannot manage to buy valuable assets such as land and luxurious products. The study also found out that a large percentage of women involved in VSLA press for the loans to solve out their immediate problem such as paying school fees for their children other than investing in business. The proliferation of loan defaulters will therefore continue as observed by the study that some women do not invest the loans into business. The researcher therefore, recommends that VSLA groups must be trained in entrepreneurship, business and financial management skills before operation of VSLA.

**Keywords:** village savings and loan association, loan defaulter, marginalized, fees, social rewards

### I. INTRODUCTION

According to World Bank (2007), more than 133 million people are involved in village savings and loan associations. World Bank (2007) estimate that 60% of women across the world earn less than one dollar per day because they are denied equal access to formal banking services such as loans. Village savings and loan associations have come to rescue women across the world from the denial of formal banking services. VSLA are critical for the socio- economic development of the rural women in rural and marginalized communities because they offer saving services and easy access to loan services in absence of formal banking services. World Bank (2007) report states that societies that discriminate people basing on gender have greater poverty, slower economic growth, weak governments and lower living standards. Microfinance has gained momentum particularly in developing and under-developed nations over the past few years and governments have developed and implemented many financial and economic policies in particular to increase the potential of microfinance while empowering women and mitigating poverty. Village savings and loan association is a group of 15-30 people who save together and take small loans from the saving pot (CARE, 2017). The activities of VSLA run in cycles of about one year each. The accumulated savings and profits are shared out among the members according to the amount they saved after the cycle has completed. Chirwa (1999) argues that poor women are denied access to formal financial



services in developing countries such as Malawi because they are considered as risky borrowers. Since most of the rural women are denied access to loan opportunities, their social and economic life is compromised. Women living in rural areas cannot compete with women living in urban who have easy access to formal banking services.

According to Kanyongolo (2019), Malawi is a land locked country which depends heavily on the rain fed agriculture and gained its independence from the colonial masters in 1964. According to NSO (2020), 80% of the population in Malawi live in rural areas with 50.7% of the population living below the poverty line and 20.4 % unemployment rate (2013 estimates). Throughout the years agricultural activities have continued to go down due to several factors ranging from climate changes due to global warming, macroeconomic instability, the rising cost of farm inputs such as fertilizer and seeds, policy inconsistency, rampant corruption, land degradation and high population growth. The aforementioned factors have made Malawi to be one of the poorest countries in Africa and across the globe. Similarly, the factors mentioned above have also affected citizens individually and made them to be poorer than before (World Bank 2007). Since Malawi is predominately an agricultural nation, it has been affected negatively by unpredicted weather patterns such as cyclones, floods and drought which have transited the country into low GDP and as a result Malawi's economy has floated below the poverty line. For instance, Malawi was badly hit by COVID 19 virus in 2020, cyclone Idai and the most recent cyclone Freddy in 2023 which impacted negatively on the social and economic life of the people in Malawi especially the southern region of Malawi thereby increasing their vulnerability level. Suffice to note that Malawi is one of the poorest developing nations in Africa. The informal banking system such as village savings and loan association is therefore a necessity and a solution to banking problems in Malawi and other developing nations in Africa. Village savings and loan associations alone have multiple advantages over commercial banks. For instance, the VSLAs are convenient to the group members, easy procedure for accessing loans, no collaterals demanded and only a small interest is attached to the loans.

Since most of the people in Malawi live in rural society, their involvement in economic activities is very low. Commercial banks and other money lending institutions have denied people living in rural societies opportunity to access loans for small scale business. People have therefore

resorted to the informal banking systems in order for them to start businesses. Village savings and loan associations have been established in rural areas with an aim of improving the socio-economic status quo of the people living in the rural areas more especially poor women. On the other hand, the village savings and loan association are created to promote the saving culture and increase access of the people to small scale and affordable loans. Commercial banks and other loan organizations continue to offer loans to few individuals in towns and cities in Malawi discriminating poor women who live in the rural areas. Berger (1989), observes that there are several factors that limit women to get loans from commercial banks and other loan organizations. Some of the factors include: financial institutions demand collaterals from borrowers of which rural women cannot afford. People living in rural areas such as Chitipa may have the potential and skills to run a business effectively but lack of collaterals impinge them. Berger (1989) cites low rate of return from the investments since the investments are operated in a rural environment where a majority of the population produce their own food and raw materials. The high production of agricultural goods create an imbalance in the market forces of demand and supply in the rural areas since agricultural products are the most common commodities that are produced in rural areas of Malawi. According to Oxfam, the other factor is the rigid loan regulations and formalities which bars women from accessing loans from commercial banks and other loan organizations. For instance, commercial banks demand that women must fill all the forms and undergo the entire loan process which often takes months to be finalized. Lack of infrastructure that support banking services and poor roads in rural areas is also another factor that limits access to banking services such as loans and saving services. For instance, some rural areas have no infrastructures which can support banking services such as telecommunication infrastructures and the internet. In other areas, banks may fail to service the people due to poor roads. Most of the roads connecting the M1 in Malawi are earth roads which are impassable during the rainy season.

Village savings and loan associations have been around since the 90's in Malawi and have continued to offer saving and loan services to the people living in the rural areas in the absence of commercial banks and formal loan organizations since the majority of Malawians live in the rural areas. It is argued that village savings and loans associations are key in the socio-economic of the



rural villages since they boost small scale businesses and agricultural activities. Many profit making and non-profit making organizations such as CARE International, Foundation for International Community Assistance (FINCA), Market Women Activities Initiative (MWAI) and Malawi Union For the Informal Sector (MUFIS) have taken an upper hand in mobilizing communities, training and forming village savings and loan associations in Chitipa district in order to reduce the vulnerability of women and mitigate the impact of poverty in the rural villages. Many organizations have assisted women in Chitipa to establish village savings and loan associations groups than men. Almost in each of the five traditional authorities in Chitipa have village savings and loan associations belonging to women. Chitipa district is one of the rural areas of Malawi with poor roads, less population and few banking services. As for the year 2023, the district had only two commercial banks namely, National bank of Malawi (NBM) and First Discount House (FDH) bank serving at least 256,197 people. This is a clear evidence that the rural people of Chitipa depend on the informal banking services for saving and loan services which is in tandem with CARE's strategic plan of promoting village savings and loan associations models for the purpose of ensuring the economic rights of the poor and marginalized people by improving the standard of living through creation of savings and provision of loans, provision of good shelter, food and education of their children (CARE, 2017). Since, communities in Chitipa depend solely on informal financial service more specific village savings and loan associations, it is very pertinent to investigate the impact of VSLA on socio-economic aspect of women groups in Chitipa.

Furthermore, Police victim support units in Chitipa continued to receive cases of loan defaults from women village savings and loan associations groups. Similarly, Chitipa magistrate court has also received and continue to receive loan default cases from women village savings and loan associations. Some VSLA loan defaulters have relocated to other areas because they do not have money to service the loans they obtained from VSLA groups. In certain circumstances, loan defaulters have gone to the extent of selling their household properties such as houses, land, furniture to repay the loan or they have their property confiscated by the VSLA group members. Traditional media in Malawi have also carried news that some VSLA members committed suicide because they failed to repay the loans while others

have their share-outs remitted to the group because they failed to repay the loan obtained from the group. However, some researchers such as Likwaya (2020), Maganga (2020), Ksoll et al (2021), Orame et al (2020), Nyataya (2018), Mwansakilwa et al (2020), Kesanta et al (2015), Mamede et al (2017), Assefie (2014) and Bangura (2021) claim that village savings and loans association are improving the socio-economic life of women. Despite the assertions put forward by some researchers that more women are participating in VSLAs, their income is still low as evidenced with many loan defaults as evidenced by CARE report which shows that 866 VSLA groups out of 3719 VSLA groups from two districts of Lilongwe and Dowa in Malawi defaulted the loans.(CARE, 2017). The study investigated the impact of village savings and loans association on social-economic aspect of women groups in Chitipa in order to find out why cases of loan default were proliferating among VSLA women groups in Chitipa.

## II. LITERATURE REVIEW

Literature review addresses issues raised by the research questions and the review emphasizes on the previous studies. A study carried out Likwaya (2020) investigated the effects of village savings and loan associations on individual's vocation in Malawi. The study was conducted in five village savings and loan association groups and 60 members were chosen for the study. Likwaya (2020) used surveys, interviews and focus group discussions to collect data from the five groups. The study employed mixed methods approach and used simple survey calculator 2010 because one method for instance qualitative or quantitative proved some inefficiencies and therefore mixed methods which is a combination of both qualitative and quantitative filled the gap which was left by the other research design.

The findings of the study by Likwaya (2020) found out that village saving group members improved their food security. Loans obtained from VSLAs enabled VSLA group members to buy farm inputs such as fertilizers, hybrid seeds, chemicals and hire casual labours to work in their farms which prior to joining VSLA they could not manage. The farm inputs in return increases the crop yield for the VSLA members thereby ensuring that they have enough food for their families. According to Likwaya (2020), the study also found out that village savings and loan associations are for both the illiterate and the



educated. Thirdly, the study also found out that savings from VSLA improved the economic and social welfare of the people. The study also found out that participants have access to loans and most of the participants joined VSLA's to get loans with lower interest rate to fund their businesses. For instance, Likwaya (2020) study found out that 100% of the respondents accessed VSLA loans for different purposes despite that 75.68% of the respondents were satisfied with the loan while 24.32% of the respondents were not satisfied with the loan.

In another similar study which was carried out in Malawi by Maganga (2020) explored and discussed the impact of micro finance on village Savings and Loan Association on women empowerment and resilience against vulnerability in Malawi. The findings of the study presented a positive contribution of village savings and loan association towards women. For instance, the study shows an increase in the social and economic level of VSLA members. However, the study also presented that VSLA members have no access to loans from external organizations or commercial banks. The study further found out that there is lack of training among Village savings and loan associations.

A related study was also carried out in Rwanda by Nyataya (2018) who studied World Relief women in Rwanda who were considered to be empowered by village savings and loan associations in education, health and socio-economic income. The findings of this study found out that 93% of the respondents had no medical insurance before but later acquired them soon after joining the respective village saving and loan associations. According to Nyataya (2018), the study also found out the purchasing power of women was less but later it improved after joining village savings and loan associations and this claim was put forward by 97% of the respondents. Furthermore the study also found that the women were able to pay school fees for their members. Finally, the study also found that the savings for the women improved.

Furthermore, Kesanta and Andre (2015) explored the economic impact empowerment among women and their well-being of their families and their community through community savings groups and loan associations in Mgbwe in Tanzania. According to Kesanta et al (2015), the study consisted of 83 respondents from 4 villages representing 12 village savings and loan associations. The study used mixed methods such that qualitative and quantitative data was collected

through focus group discussion, questionnaires and in-depth interviews. The findings of the study by Kesanta et al (2015) found out that women who participated in community based micro-lending associations had positive impacts on their children education, health and livelihoods. The study also found out that members of VSLA do not participate collectively in community based projects.

Another relevant study was carried out by Apollo (2020) who examined the standard of living amongst the women involved in Village Savings and Loan Association in Lira district in Uganda. The study used cross sectional descriptive survey which allowed the researcher to discover patterns and incorporate the opinion of the respondents. The study found out that 83.3% of the women pay school fees for their children, 85.8% of the women were able to access good health, 75.1% of the women had good accommodation, 85% of the women were able to save and 74.8% had food. The study found out that VSLA's improved the standard of living for women involved in village savings and loan association in Lira district in Uganda. The findings of this study do not agree with the findings of CARE (2017) who found out that VSLA is not improving the standard of living amongst women involved in VSLA.

### Theoretical approach

The study was guided by two theories of social exchange theory and interdependence theory. According to Thibaut and Kelly (1959), Social exchange theory is a social psychology concept which explains how individuals make decisions in social situation, and how they evaluate the costs and benefits of their interactions with others. The theory proposes that individuals participate in social interactions with the expectation of receiving rewards and avoiding punishments. Thibaut et al (1959) were curious about the psychological behaviour embedded in small groups, relationships, exerting control, norms and rules, achieving goals and playing roles. According to this theory, people engage in social interactions based on the perceived benefits and costs of their actions. This theory is also used to expound interpersonal relationship such as friendships, romantic relationship and business relationship. In these types of relationship, individuals engage in series of exchanges where they seek out to maximize their rewards and decrease their costs. The rewards can include emotional support, social status, money or other tangible or intangible benefits while the costs can include things like time, effort or emotional stress. Social exchange theory suggests that individuals



engage in relationships because they perceive that they will receive more benefits than costs. However, if the costs surpass the rewards, the individuals may decide to end the relationship. The theory also suggest that people may stay in relationships if they perceive that the costs of leaving the relationship are too high. The work of Thibaut et al (1959) formed a foundation for further research in how people weigh costs and rewards when making critical decisions more especially in the context of interpersonal relationships such as village savings and loan associations groups. Therefore, social exchange theory provides the structure for understanding the dynamics of interpersonal relationships and social interactions.

In this regard, Village savings and Loan associations are established on the basis of this social exchange theory. VSLA members seek to maximize their rewards which include; income through savings and income generating activities through the loans that they get from the VSLA, social status, emotional support, social relationships and business relationships. Therefore, VSLA is based on the social interaction where by a group of close neighbours or friends come together and save money. Later, the group members borrow from the VSLA savings pool and invest the borrowed money in different income generating activities. Some income generating activities progress well and the group members may make profits while other small scale businesses may fail to achieve the intended goal. In this way, it is assumed that the interpersonal relationship in which the group members were involved in has provided rewards or economies in costs. The relationship that provides more rewards is often chosen than the relationship which provides costs. This then explains why some VSLA groups progress because they provide more rewards and why other groups do not progress and die.

### **Interdependence theory**

Another equally important theory which can be used in the study is the interdependence theory. According to Thibaut et al (1959, 1978), two or more individuals are dependent upon one another for achieving favourable outcomes. Thibaut et al (1959) postulates that the ability of a person to affect or control another person's outcome is embedded in interdependency. According to Thibaut et al (1978), the theory further examines how structures and relationships interact to produce coalitions which help partners to maximize their outcomes. The theory further

discusses three critical elements found either in a group or in an organization context. The theory discusses what an individual is required to perform, what another group or organizational member is required to perform and what is jointly required to be performed by every member of the group or the organization or the unit. The three elements discussed give interdependent units a certain degree of control over an individual performance and every unit member's performance.

The interdependence theory was used in the study because the concept of village savings and loan association predominately depends on the actions and performance of people in a relationship. People involved in a relationship depend upon in each other. For instance, one person may depend up on another person for economic assistance such as money and the other person may also depend on the other for knowledge to run their business.

### **III. METHODOLOGY**

The study employed an explanatory sequential mixed methods research design which collects and analyzes data in two consecutive phases within one study (Myers, 2019). The study used explanatory sequential mixed methods because the design supplements each other since the qualitative data explains and interprets the quantitative data (Creswell et al, 2003). The quantitative approach was used to analyze the data collected from the respondents using descriptive statistics while the qualitative approach was used to explain the themes, occurrences and discussions in relation to the interview results (Mexon and Kumar, 2020).

The sample for this study was determined by Krejcie and Morgan (1970) tables and 108 respondents were considered for the study. The study used stratified sampling technique to select the population sample size for the study. The study used questionnaires and interview guide as research instruments for collecting primary data from the respondents. The respondents of the research were women from Chitipa who are involved in village savings and loan association groups. The study analyzed the data collected from the respondents using IBM SPSS version 26. Analyzed data was displayed in form of frequency distribution tables and on the other hand, qualitative data was analyzed using codes and themes which formed a point of departure for interpretation, discussion and conclusion.



#### IV. RESULTS AND DISCUSSION

**Table 1: showing the ability of women to access loans from VSLA**

Variable	Response	Frequency	Percent
Loan access by VSLA women	Yes	105	97.2
	No	3	2.8
	Total	108	100

In table 1 above, 97.2 % of women admitted to have accessed loans from village savings and loan association for different purposes such as agricultural purpose, education and business purposes. 2.8% of the respondents just joined village savings and loan association and their turn to press the loan was not yet due. This high percentage of women accessing loans through village savings and loan association is a clear indication that VSLA are flexible as compared to commercial banks. VSLA's have lower interests and they do not have rigid and difficult banking procedures for accessing loans and savings. The simple procedure for accessing loans and savings services in VSLA is by just joining and becoming a member of the grouping. On the other hand, the high percentage of 97.2% is also clear indicator that VSLA are empowering women groups in Chitipa through easy access of loans. The loans help women to venture into small scale businesses which gradually empowers them economically self-dependent and move out of the financial risky gap since women in Malawi are regarded as risky borrowers as argued by Chirwa (1999).

The results in table 1 above of this study corresponds with the study which was carried out by Likwaya. The study by Likwaya (2020) found out that 100% of the respondents accessed VSLA loans. However, 75.68% of the respondents who accessed VSLA loans were satisfied with the loans while 24.32% of the respondents who accessed VSLA loans were not satisfied with the loan. The results also correspond with the results in the study by Sohn and Jombo (2022) which was conducted in 2022 following an integrated household survey which found out that 84.7% of people in Malawi access loans from the informal sector and also corresponds with Mamede (2017) and Orame (2020) who also found out that loans obtained from VSLA assisted women in different issues. The study by Sohn et al (2022) is another evidence that the informal sector in particular village savings and loan associations is significant to a large rural population in Malawi. This study used data from an integrated household survey which can be generalized to the entire population.

**Table 2: showing economic activities carried out by women involved in VSLA**

Variable	Economic activity	Frequency	percent
Economic activities of respondents	Small scale business	60	55.6
	Medium income business	4	3.7
	Farming	27	25
	Poultry farming	6	5.6
	Irrigation farming	5	4.6
	Street vending	5	4.6
	None	1	0.9
	Total	108	100

Table 2 above illustrates that 55.6% of the respondents are involved in small scale business, 3.7% of the respondents are involved in medium income business while 25% are involved in

farming. 5.6% are involved in poultry farming, 4.6% are involved in irrigation farming while 4.6% of the respondents are involved in street vending and 0.9% is not involved in any economic activity. The



results show that women involved in VSLA are engaged in different income generating activities such as buying and selling commodities, crop and animal farming. All these income generating activities help the women to get profits which they save at their respective VSLA's. They also use the

same profits to sustain their homes and pay school fees for their wards and service their loans at their respective VSLA's. The smallest percentage of 0.9 % which is not involved in any income generating activity is the one which is subject to loan default.

**Table 3: Showing the ability of women in VSLA in paying school fees for their children**

Variable	Response	Frequency	Percent
Fees paid by VSLA women	Yes	91	84.3
	No	17	15.7
	Total	108	100

The findings of this study as presented in table 3 shows that 84.3% of the respondent pay fees for their children and 15.7% of the respondent do not pay fees for their children. The findings show that most of the women get loans from VSLA to pay fees for their children. The respondents that do not pay school fees have children who are still young and they are in public primary schools in Malawi where there is free education for primary school children. It is also inferred that respondents who are not paying fees do not have children as

according to the social demographic characteristics of the respondents included the age of 16-20. However, table 16 shows that 89.8 % of the respondents bought uniform for their wards and 10.2% did not buy school uniform for their wards. This shows that respondents who have their children in free public primary schools had still a task of buying school uniform for the children despite of not paying school fees while the rest of the respondent combined both paying school fees and buying school uniform.

**Table 4: showing the ability of women to access medical services**

Variable	Health institutions	Frequency	Percent
hospitals where respondent gets medical services	None	1	0.9
	private hospitals	7	6.5
	public hospitals	100	92.6
	Total	108	100

The study shows that 6.5 % of the respondents were able to access medical services from a private hospital while 92.6 % of the respondents accessed medical services in public hospitals. This clearly shows that a large percentage of the respondents do not access better health services. This implies that the respondents access medical services through the public hospital which in most cases has poor service delivery. The findings are contrary to what Apollo found in his study of 2020 whereby he found that 86% of the respondents were able access better health services

for themselves and their families using proceeds from VSLA. The findings by Apollo (2020) contradicts with the recent study whereby a minimal percentage of 6.5% of the respondents are able to access good health in Chitipa. This means that the priority for women in Chitipa is not good health but other things such as paying school fees. The recent findings also negate the findings of the study by Likwaya (2020) who also found out that women involved in VSLA accessed better health services using VSLA proceeds.



**Table 5 showing the ability of women to buy farm inputs**

Variable	Farm input	Frequency	Percent
Farm inputs bought by respondent	Fertilizer	69	63.9
	hybrid seeds	31	28.7
	local seeds	2	1.9
	None	6	5.6
	Total	108	100.0

The study found out that 63.9 % of the respondents bought fertilizer using VSLA savings and loans, 28.7 % bought hybrid seeds using VSLA while 1.9 % bought local seeds and 5.6 % bought no seeds. VSLA's have also assisted the respondents to be food secure. 79% of the respondents had food throughout the year because they managed to get hybrid seeds, fertilizers and increased the farms with loans they obtained from VSLA's. Apart from practicing crop farming, the respondents also raise poultry, goats and cattle which also contribute to their investments. The animals relieves the respondents whenever they

have a need for money they sell the animals and get instant cash which they can use for different purposes including servicing VSLA loans.

The findings of this study corresponds with the findings of the study by Apollo (2020) who found out that 75% of the respondents had access to food throughout the year and that most of the respondents ate more than twice per day which is in line with CARE's strategic plan of improving the standards of living of women through improving their food and feeding styles (CARE, 2017).

**Table 6 showing the ability of women to make decision in the society**

Variable	Response	Frequency	Percent
Decision making	undecided	1	0.9
	Yes	100	92.6
	No	7	6.5
	Total	108	100

The findings of this study shows that 92.6 % of the respondents contribute to decision making in different groupings and 6.5% do not contribute to decision making. The percentage is quite interesting that women are able to make critical decision in different social groupings which is in

line with Malawi's Sustainable Development Goals number five of achieving gender equality and empowering all women and girls. Empowering women and girls to take part in decision making is a fundamental principle in democracy and a milestone in achieving gender equality.

**Table 7: showing the ability of women to buy land**

Variable	Response	Frequency	Percent
land brought by respondent	Yes	15	13.9
	No	93	86.1
	Total	108	100

The findings of this study shows that 13.9% of the respondents acquired land while 86.1% of the respondents did not acquire land. The large percentage presented here did not acquire land which implies that the income for the

respondents is low and they cannot manage to buy land since land is a valuable asset. However, the percentage of 13.9 % presented is a milestone in gender equality. CARE (2017) observes that women have a lot of limitations that bar them from



acquiring land. The findings of this study correlates with the findings of CARE (2017) who found out that only 20% of the rural women in Ghana had a piece of land for settlement or farming.

## V. CONCLUSION

This study investigated the impact of Village Savings and Loan Association on the socio-economic aspects of women groups in Chitipa. The findings of the study show that VSLA loans assist women to venture into small scale businesses which gradually empowers them economically and socially despite that the small scale businesses do not give the women enough profits for their development because of the insufficient loan capital they acquire from VSLA. The most important finding is that VSLA's are not contributing to the health of women in Chitipa and women in Chitipa largely use VSLA loans to pay school fees for their children. The study also found out that VSLA loan defaulters are not engaged in any business. This study makes a contribution to the women involved in VSLA in Chitipa to understand why cases of loan default are proliferating among VSLA groups.

## VI. RECOMMENDATIONS

The study suggests and recommends that VSLA women groups require training by VSLA trainers and financial management experts on business management and leadership before VSLA's are established. Women living in rural areas are regarded as risky borrowers which makes commercial banks to deny them access to loans as the result they engage themselves in VSLA's. It is therefore important that such women must receive intensive training on business management, entrepreneurship, and financial literacy. The study also suggests and recommends that commercial banks and other concerned organizations in Malawi should consider investing in VSLA in order to assist women to move away from poverty. As indicated in the background introduction of the study, some commercial banks in Malawi such as National Bank has already started showing interest in VSLA. The bank started by training the women on financial management. Commercial banks have vast knowledge on financial literacy and management. Furthermore, the study makes the recommendation that the concept of village savings and loan associations be introduced in the school curriculum beginning from primary schools to tertiary schools so that even drop outs must at least have financial management skills. The Malawi

school syllabus does not have village savings and loan associations concept. The incorporation of the topics in the syllabus will help the school drop out to utilize the knowledge they gained from school to establish vibrant village savings and loan associations.

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