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An examination of the drivers of uptake of microcredit services by customers: the case of South Sudan Microfinance

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AN EXAMINATION OF THE DRIVERS OF UPTAKE OF MICROCREDIT SERVICES BY CUSTOMERS: THE CASE OF SOUTH SUDAN MICROFINANCE

BY

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14th MAY 2020

Declaration

I hereby declare that to the best of my knowledge; this research dissertation is original and has never been published and /or submitted for any other degree award to and other university before

Sign……………………………………. **Date…………………………….**

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Supervisor's approval

This thesis has been submitted with the approval of university supervisor.

…………. …………14th May 2020…………………………

Dr. David Mathuva. **Date**

Dedication

This dissertation has been dedicated to Mandela Institutes for Development Studies (MINDS-Africa) for scholarship granted to me.

And To

The members of my family of uncle Dr. Majak D'Agoot Atem and brother Mr. Bol Atem Manyuon, who have been my source of encouragement through all my academic pursuits up to this extent.

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May God Almighty bless you all

Amen.

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Acronyms / Abbreviations

BOSS:	Bank of South Sudan
CBS:	Central Bank of Sudan
CV:	Content Validity
CGAP:	Consultative Group to Assist the Poor
CVI:	Content Validity Index
HR:	High Rate
ICT:	Information Communication Technology
IGVGD:	Income Generation for the Vulnerable Group Development
KWFT:	Kenya Women Finance Trust
MFI:	Microfinance Institution
MFO:	Microfinance Organization
NGO:	None Governmental Organization
RDC:	Democratic Republic of Congo
SDG:	Sustainable Developing Goals
SMEs:	Small and Medium Enterprise
RoSCAs:	Rotating Savings Credit Associations
SPSS:	Scientific Package for the Social Scientists
SSA:	Sub-Saharan Africa
SUMs:	South Sudan Microfinance Institutions
SMIs:	Sudan Microfinance Institutions
SUM:	South Sudan Microfinance
SWOT:	Strength, Weakness, Opportunities and Threats
TAPs:	Technical Assistance Providers

Abstract

The study examined utilization of microcredit from South Sudan Microfinance institution at the group and individual levels to minimize poverty in South Sudan. This has been intended to determine the effects and what drives various persons to seek for microcredit. In so doing, three main objectives were used which included to examine; the levels of uptake and effect of microcredit on the households' income and savings; the drivers for the uptake of microcredit and assess interventions of South Sudan Microfinance Institution (SUM) and Government of South Sudan in enhancing the uptake of microcredit as main stakeholders. Financial intermediary and stakeholders' theories were used together with a pragmatic approach to underpin the study. Therefore, qualitative and quantitative methods were used to collect the data from this descriptive case study with a sample size of 400 participants. These methods included interviewing and administering questionnaires. Qualitative data were descriptively analyzed to suit the themes under the study objectives. Quantitative data were coded and entered the Scientific Package for the Social Scientists (SPSS). The analysis was done by the t-test to establish the differences in minimizing poverty among groups and individual borrowers. ANOVA was also used to analyze the drivers and the extent to which stakeholders' approaches have been essential to the borrowers. The mean results indicate a high difference in effects among the group borrowers in comparison to an individual. The findings also show that the household drivers are significant differences but institutional drivers remain significant to all borrowers. It is also indicated that drivers used like grace period and interest rates are friendly to most poor women. The study concludes by recognizing efforts made by SUM for having been one of the best intermediaries between the people and commercial banks so that those outside the criteria of such financial institutions can also access microcredit. upon this, the study recommends continued working with the government so that it can establish more branches in rural areas to enable poor people to access credits and employ the citizens.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Microcredit has been known to support the poor who cannot be reached through conventional financial channels with the main aim of increasing use of finance (Elahi & Danopoulos, 2004). It is a catalyst in creating a strong market economy that ensures vibrant market performance, in terms of exchange of goods and services which further enables wealth creation by inhabitants of market especially in demand driven economies (Philip, 2015). In South Sudan and Juba Municipality in particular, Sudan Microfinance Institutions (SMIs) have been giving credits to the poor ever since far back in 2000 as the nation came from the ethnic civil crisis. Despite such efforts, peoples' income and savings at the grassroots level and peri-urban areas are still low; unable to access and utilize some of the basic and essential services (FAO et al. 2015).

Under Sustainable Development Goals, poverty eradication has been one of the main objectives to be achieved across Sub-Saharan Africa (FAO, 2017). Since its inception to the world scene, most African states and South Sudan committee to eradicate poverty using possible approaches and accessing credit through microfinance has been one approach. In 2016, the World Bank estimates show that over 389 million persons out of 904 million in Sub-Saharan Africa (SSA) live under poverty line of US$ 1.90 expenditure per-day (World Bank, 2016). It is predominantly that 70% of the rural people who depend on substance agriculture use rudimentary methods (hoe and pang) to produce food as presented by the International Fund for Agricultural Development (2012). According to Arouna *et al.* (2017), the rate of poverty and hunger between 2012 and 2014 was 22% and 25% of the population, with high rate to food insecurity; and the precipitate consumption of about 239 million persons below the food target of 2010 food calories per-day. Based on such statistics, it is possible to assert that the people SSA and South Sudan especially have indicators for low food production, daily incomes and poor standards of living which characterize poverty.

One of the institutions which has been cardinal for poverty alleviation with main emphasis onto the poor has been MFIs through giving small credits. However, there has been more questions raised about extent to which such institutions alleviate poverty from the people. This approach started in Bangladeshi in 1976 by Muhammad Yunus who gave small sums of credits or loans to rural people to start small scale income generating activities (Adoyo, 2013). Eventually, it led to the birth of Grameen Bank (Kamanza, 2014)). Since then, Microcredit has expanded across the world in which the poor have been enabled to access and utilize formal financial service to lessen poverty situation. The poor people in Sub-Saharan Africa are more deprived because of a high-risk to accessing and utilizing credits from formal financial institutions since they lack collateral which is a prerequisite (Ngahu & Wagoki, 2014).

In a review of microcredit and its impacts in SSA, Esayas (2015) found that while there is increased income among the poor in the aftermath of utilizing credits, it is not clear how such incomes come about. The study also shows the extent how microcredit contribute to income per household with specific evidence to some whose incomes increased because of utilizing microcredit. Among farmers in agriculture sector, the review shows that considerable gaps have been bridged since they used improved methods of agriculture like access to improved seeds and fertilizer, because of credits. Despite various critique by various scholars about the inefficiencies of microcredit (Robinson, 2001; Ngahu and Wagoki, 2014), Tundui andTundui (2013*)* show the fact that there is abundant support to demonstrate that microfinance has lifted families out of poverty not only in Sub-Saharan Africa, rather to the rest of the developing countries in Asia and Pacific.

In a review by Van Rooyan *et al.* (2012), the high-quality impacts of microfinance in Sub-Saharan Africa has remained one of economical questions. Most studies focus on rural areas seeking relevance for the survival of MFIs since profit making could be decreasing with people's indifferent attitude towards the institutions (Kaseva, 2014). Such studies have shown evidence that microcredit may not be operating as expected or desired.

In a study conducted by Kamusaala (2016) from Uganda, it is indicated that households were significantly unable to pay school charges and this caused the children to drop-out despite parents being clients to MFIs and willing to access finance to assist such school – going children. In other studies, by Akanga (2017) and Awuah et al. (2016) from Ghana Ghana and Okurut et al. (2014) from Botswana, it is indicated that the longer an individual remain in microfinance programs, the less the success in their businesses and the greater the negative impact on health and education. Mishi and Kapingura (2012) are of the view that the impact of microcredit on household income were greater than those of non-clients in two districts from the study conducted in Zimbabwe, but lower in two other districts. Van Rooyan *et al.* (2012) states that if one considers only the highest quality evidence, the person can conclude that micro-credit interventions reduce the incomes of the poor and their accumulation of assets as well.

Ouma and Rambo (2013) examine the nature of business supported by microcredit. Using stratified random and purposive sampling procedures, data of 190 women SME owners who had received microcredit from MFI (Kenya Women Finance Trust—KWFT) and stayed in business for at least three years was analyzed. They find that 73.1% of the businesses that were financed by KWFT microloans were clothing related businesses (clothing boutiques, tailoring, hairdressing), 8.9% sold food and 13.7% were listed as retailing outlets. Two-thirds of the loans were for less than 69,000 Ksh (around US$690), and only 8.9% consisted of more than 100,000 KSh (US$ 1000). These small sums of money are reported insufficient by recipients which led few to seek for additional financing from elsewhere

1.1.1 Microfinance Operations in South Sudan

In South Sudan and Juba Municipality especially, poverty increased along the period of civil unrest that left rural areas shambles (Bank of South Sudan, 2013). During the period, there was limited economic activities that could be carried by households and after secession of hostilities, South Sudan was marred by tribal armed conflict which increased hopelessness to the youth, women and various households. Such conditions have been key towards low foreign investments (foreign direct investment) and therefore, microcredit stood an essential approach to deliver the masses from poverty by creating employment opportunities and generate incomes. However, the institution remains at the lower level and infancy. According to Eissa (2013), there is a need for microfinance in South Sudan to increase in outreach since most of the people in need live in rural areas without access to a few formal banks in a nation.

Utilizing Microcredit in Juba Municipality started towards the year 2000 with the growing hope that South Sudan would be an independent nation by 2006 (Mohamed and Al-Shaigi, 2017). Besides, there was an increased need for the financial services in the country for individuals in businesses in places like Juba and agriculture sectors across the country. In 2006 and before the independence of South Sudan, the Central Bank of Sudan (CBS) conducted a study which indicates that microfinance institutions had grown to 1% across the country. This has risen to 5% in South Sudan since then to date (Elahi & Danopoulos, 2014).

The Government of South Sudan, International Non-Governmental Organizations, partner states and developmental agencies have observed the need to utilize finance to all groups of people if the development is to take place. It was also observed that people at the grassroots level in the rural areas have financial constraints which lead to more challenges in income generation. According to Mustafa (2012), there are few (six MFIs) microfinance institutions existing and giving credits in relation to the financial demands. Most of the MFIs are currently run by the existing NGOs and a few exist as entity to serve communities. Whilst there is trust in the existing MFIs, NGOs with the microcredit services still have challenges of transiting from "charity" to credit creating institutions. Together with a few existing MFIs that give credits, there is lack of information showing the extent how MFIs have raised incomes of the poor, improved welfare of the societies, supported access to different services like education, water, electricity, improving agriculture, support women to access and control land. Yet, majority households in the peri-urban areas of Juba Municipality live with no sources of income, have no access and control of land, students lack tuition fees to access education services whilst many households still fetch water from the Nile River (Philip, 2015).

In Juba Municipality, there is South Sudan Microfinance (SUM) which has support from the foreign donors to reduce poverty and increase incomes of the people. Since 2006, the institution has increased to various areas serving both rural and urban poor but the conditions of poor households has not yet changed (Mustafa, 2012). Other small-scale microcredit providers have increased in various fields having realized the financial demands from the people. These include Finance Sudan limited (FSL) which is a joint venture between ARC and Micro-Africa Limited, and BRAC South Sudan among others. Apart from SUM, the rest have been supported by the charity organizations. The rational for SUM lies in expanding to different areas of South Sudan by providing credits all groups in need and the grassroots person especially. However, there is limited information in the nation justifying the rate of expansion in relation to income levels at a household, groups and increasing standards of living. Households do not have sources of income as well as children to services due to lack of tuition. This forms the background to this study to examine the impact of utilized microcredit in the context of Juba Municipality in South Sudan (Mohamed and Al-Shaigi, 2017).

1.1.2 South Sudan Microfinance (SUM)

Sudan Microfinance (SUM) was founded with the main aim of providing sustainable financial services to micro-entrepreneurs with the focus to reach women in the rural setting.

Whilst SUM focus on persons with greater need living in deep poverty, it also works to maintain institutional sustainability with the focus of expansion. As a result, SUM primarily target the existing entrepreneurs, and especially women. The main reason for targeting women lies in the fact that women are more reliable and responsible because they manage their loans with significantly better rate of repayment. Besides, women are easy to be controlled and remind one another about their obligations in case repayment period and sharing money in a group lending process (Mwongere, 2014).

SUM has engaged in provision of working capital for low-income households and individual persons. Over 857 male and 1,476 female entrepreneurs in Juba County are members of this institution but the number is still small basing on the main rational of expanding the institution (Hussein, 2008). These businesses vary from street vendors, selling tea and charcoal at roadsides stalls, cooked food in kiosks, and mix of cereals and other food commodities at market stalls. With support from USAID, SUM started its activities in July 2003 in Yei during the civil war in South Sudan. By the end of 2005, SUM had about 2,723 clients (842 men and 1,881women) in three branches. Currently, it has more than 10,084 clients, of whom 45% are women. SUM headquarters is situated in Juba town although its pioneer branch is found in Yei County. In 2004, another branch was established in Yambio and Maridi. Later, in Rumbek in 2005, Juba in 2006 and Wau in 2009.

Like other MFIs, SUM utilizes social collateral in form of solidarity groups to ensure loan repayments in the aftermath of up-taking credit. SUM gives loans to groups of five to seven registered people but not members of the same family. The members collectively guarantee loan repayment because of the mutual trust arrangement at the center of the group. A solidarity group self-selects its members through negotiations and has proved effective because people in a locality know each other well and are therefore best placed to assess each other's debt repayment capacity. The most important criterion for selection of a client is that he/she must be a Sudanese, aged between 20 and 55 years, and owns a viable income generating activity or legal micro enterprise that has been operational profitably for at least six months generating daily income. This however is still a high standard since most people at the grassroots level do not have such sources of income.

Before a group uptakes initial loan from SUM, all clients must attend some form training which thoroughly explains the roles of members, compulsory savings requirements and penalties for late repayment. Loans are granted to a selected two member[s] of the group first and then the next two and finally to the last member. A member's initial modest loan can range in size from SDG 250 – 400, at a 3% flat interest rate, depending on the size of the business, repayable in weekly or bi-weekly installments after a grace period of 7 days. The intention of small, regular and equal installments is to strengthen the borrower's ability to repay. The loan servicing period is a maximum of 12 months. SUM expects its clients to start their repayment on the second week to the loan received by using part of the profit earned from the investment. If a borrower defaults on his/her loan, the entire group typically is penalized and sometimes barred altogether from taking further loans. After the whole group has repaid its loan, the next loan cycle for each member is determined by the client's repayment history. Access to subsequent loans is therefore dependent on successful repayment by all group members.

For legal reasons, before taking a loan each member is expected to deposit an amount equivalent to10% of the size of group loan as compulsory savings, a prerequisite to qualify for a loan. These savings are usually blocked and used as guarantee for outstanding loans. An added value to the group-based lending approach is that members of a solidarity group who prove remarkably successful in their business and repayment record 'graduate' to become individual borrowers and receive loans alone. SUM also provides minimal salary loans to the working-class citizens and transfers money services only to areas where it has branch offices. The group lending constitutes 90% of the clients while individual loan lending constitutes 10%. It is upon this background that this study assesses the impact of SUM on poverty reduction in South Sudan with emphasis to showing differences among the clients who receive the services.

1.2 Statement of the problem

Regardless the expansion of microcredit services in South Sudan, there are various areas that hardily get it. In areas like Juba Municipality the main offices of SUM have been established, some of its clients still live with challenges about what income generating activities to start and how to increase savings for future investments. There is also limited access to services like education, water and electricity due limited incomes among household heads. Some household farmers do not access improved seeds and fertilizers since they do not have credits to enable them. Whilst SUM is expanding to different areas, how to increase incomes and savings at household level is still a challenge. Various criteria have been put across and followed during up-taking microcredit. These among other include individual and group credit access. SUM also charges 2 – 3% interest rate on various clients. The institution also sales Pass-books at 5.5 SDG and there is compulsory saving of 10% for approved loan to initiate and encourage the spirit of saving. Other charges include 2% Loan Insurance Fees and 1% of the application loan. Despite such reforms in accessing credit, the spirit of savings has remained low and peoples' incomes as well yet the two are the main targets to SUM

1.3 Objectives of the study

1.3.1 General objective

The general objective is to examine the utilization of microcredit towards poverty reduction in peri-urban areas of Juba Municipality.

1.3.2 Specific objectives

i. To examine the extent to which the up-take of microcredit affect incomes and savings at households in Juba Municipality.
ii. To examine the drivers for the uptake of microcredit among the households in Juba Municipality.
iii. To assess the interventions of the stakeholders (SUM and the Government) in enhancing the uptake of microcredit by households.

1.4 Research questions

i. What are the effects of levels of up-taking microcredit on incomes and savings at households in Juba Municipality?

ii. What are the drivers for the uptake of microcredit among the households in Juba Municipality?

iii. What are the interventions of the stakeholders (SUM & Government) in enhancing the uptake of microcredit by households?

1.5 Scope of the study

The study was carried out on the households in Juba Municipality in South Sudan as clients of SUM. The area of the study was selected after realizing its nucleus location at the heart of Juba City, where households carry different livelihoods activities in effort to recover from the wounds of war. Services such as water, electricity, education, health and accommodation in city areas receive faster attention in a nation carrying out reconstruction after a long period of wars (Pytkowska and Spannuth, 2011). This forms one of the interests to carry out this study with the focus on the households. The choice to SUM in Juba was due to continued existing poverty among clients who access microcredit services as one of the interventions to faster reconstruction and prosperity in a nation from the war. Therefore, the need to assess the utilization of micro – credit by the households became a key to this study.

The study considered the time frame between 2007 - 2017 since it falls within the aftermath of 2006 in which the Government of South Sudan has focused on implementing the Comprehensive Agreement. In 2011, South Sudan was declared an independent state with the hope that peace would return to the country and the social economic developments take place as the households begin accessing and utilizing various services. It was also assumed that various interventions within and abroad should be supportive to households to recover from the dire effects of the war. SUM which stood supportive to the poor households become a mirror and the main source of funds for investment among the households within the period up to the time when this study was carried out. Therefore, individual persons who have accessed credits or clients of SUM from households within Juba Municipality were participants to this study. Within the same period, Ibrahim (2013) asserts that there has been high level of access to finance from South Sudan Microfinance by various people in groups who could graduate to access individual credits due to trust by the institution. Among other people who have accessed credits are women who were the target clients to SUM (Ali, 2013). Despite this, there is little information explaining the extent to which poverty has been reduced among households and women in this study.

1.6 Significance of the study

1.6.1 Policy makers and regulators

The policy makers and regulators are enabled to assess the extent to which SUM has been working to satisfy the people's demand in South Sudan. The policy makers in South Sudan are therefore awakened to worked in line to encourage microfinance institutions to assist the poor people within the peri-urban areas of Juba Municipality.

1.6.2 The Government of South Sudan

One of the cardinal roles of the government across the globe is to protect its people and support the social economic development since they are sources of revenue. The Government of South Sudan has used possible approaches to support the people after a long period of domination and oppression by the Islamic Government of Khartoum.

Empirical evidences on poverty shows that the situation stretches from the main town in Juba to the last and remote areas across nation' states. Therefore, using SUM as one of the tools against poverty is essential and attractive to the government in effort to assist its people. SUM as one of the MFIs in South Sudan need to be regulated or supported in the aftermath to this study so that it can easily serve the main purposes of increasing incomes, savings and consumption.

1.6.3 The Managers of SUM

The operations of SUM are said to be under the leadership with a double-edged goal. While the first goal is to maximize and make profits to remain in existence, one can only justify the institutions' effort if people appreciate by passing from one stage of development to another. Despite of being commercialized, the central role of MFIs and banks is to foster development wherever they operate from. To know this, commercial institution use different measures to different clients. One of such approaches is relying on the research findings by different research institutions and government research. This study stands as one carried by a research university so that the managers of SUM are enabled to establish Strength, Weakness, Opportunities and Threats (SWOT analysis) towards its outreach activities to foster poverty reduction. This will go along impacts of its activities as the main concern of poverty reduction and the extent to which people always perceive the institution.

1.6.4 Clients of SUM

MFIs across the world are started for the service of the poor people with less information about their operations. The fact that governments need such institutions to support the people and reduce poverty from the people show that such institutions need to increase their outreach so that the people know their services. Focusing on poverty is therefore basic and essential obligation to those who opt to ameliorate such conditions. The poor people of South Sudan who work in partnership with SUM to access and use microcredit will be enlightened about the institution, the available and advantageous opportunities available for them so as have income generating activities, widen their consumption behavior and savings as well.

From the theory, the study shows that financial intermediaries are important in helping the grassroots level persons to access credit of their needs. This is partly realized from the approaches used, like group loans which enable such people to access credit. Besides, it is clearly indicated that various stakeholders in such institutions need to increase various low approaches that can enable the grassroots people to access credits.

1.7 Definitions of Key terms

Utilization: This study uses the term to refer to the ability of individual persons (men and women) to plan and put into practical use of the received microcredit from SUM.

Microcredit services: These are defined as products and services given to clients of SUM in South Sudan in effort to support their sources of income and encourage the saving spirit. They include training services on how to use received credits, Uptake: This study uses the term to refer to the action by SUM to receive microcredit.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section discusses a review of related literature and the theories supporting this dissertation. It starts with the theories guiding this study and later gives the empirical literature that has been reviewed. The conceptual framework and opera ionized terms are given at the end of the section

2.1 Theoretical review

2.1.1 Financial Intermediary Theory

The Financial Intermediary Theory was advanced by Diamond and Dybvig (1983). The theory assumes that financial intermediaries are created to overcome cost in either partial or fuller approach that would have been incurred by the commercial bank or any other financial lender of sort. According to Diamond and Dybvig (1983), banks work in a coalition of depositors that provide the households with insurance against the shocks on the liquidity position. Diamond (1984) shows that these intermediaries can easily achieve the economies of scale within a nation despite having a major option of the poor people.

As the name intermediary suggests, this study conceives MFIs in the context of South Sudan (like SUM) being in the middle between the people and commercial banks. These

MFIs are mainly supported by the commercial banks or any other stakeholder within or outside the nation so that they can use possible measures to attract the grassroots people to uptake credits. MFIs of sort use simple, friendly and affordable approaches to lend money to poor people living in the conflictual area or outside the conflict with the main target of the poor. These approaches according to this study include individual and group levels to access and use microcredits. According to Allen (2000b), Financial intermediaries pervasive feature of all world economies whose services have been desired and used by people yet others have various challenges in the due course to access finance. According to the theory, organization of economic activity exists within a firm when its organizational form dominates trade in a market. It should be noted that most of the banking systems in the world are fragile; and between 1980 and 1995, thirty-five countries experienced banking crises periods in which their banking systems essentially stopped functioning and these economies entered recessions (Demirgüç-Kunt *et al*., 2000). During the period, the main behaviours that were affected among clients include income generation, savings and consumption. Since the bank loans are the main source of external financing of firms, the functioning of their economies was challenged. Their banking system became weak and there appear to be significant negative effects (Peek and Rosengren, 2000). Therefore, financial intermediaries intervened to support savings-investment process and thereby increasing income and saving behaviours.

While there is lack of enough data about financial intermediaries at a market price, significant empirical work on intermediaries has been done. All the works contribute to a deeper appreciation of the role in savings-investment process and corporate finance, mitigating issues in crises are associated to financial intermediation, the functioning of government regulation and banks that are source of funds (Boot, 2000). The informational asymmetry studies focus on bank/borrower and bank/lender relation is well illustrated in the theory of intermediation. In bank lending, one can basically distinguish transactions-based lending and relationship in lending. The central themes in bank / borrower relation are screening and monitoring function of banks (*ex-ante* information asymmetries) with adverse selection of the problem, credit rationing (Stiglitz and Weiss, 1981), the moral hazard (Stiglitz and Weiss, 1983) and the *ex post* verification problem (Gale and Hellwig, 1985). The central themes in the bank/lender relation is bank runs, why they occur, how they can be prevented, and their economic consequences (Kindle Berger, 1989). There is also an issue of models for competition between banks for deposits in relation to their lending policy and the probability that they fulfill their obligations (Boot, 2000).

The theory is relevant to this study since it presents the roles of banks to savings – investments, economic growth and income generation. In this perspective, the theory shows how MFIs link the poor people to finance from the banks. In the political crisis which took place in South Sudan and the current re-building of the institutions, the hope of the people is [was] less in commercial institutions such as banks. But, majority of the women and men at the grassroots level are enabled to access finance through MFIs such as SUM as the strive to create sustainable sources of income. Besides, financial institution or commercial banks requires security to access their money which are not possessed by majority people in poverty. At this point, MFIs such as SUM intervene to save the situation through group approach.

For the purposes of South Sudan, MFIs have enabled the people to access finance for further business and development of their homes despite having no securities. The approach used by SUM cannot be accepted by any of the commercial banks operating in South Sudan and the world at large. These institutions have enabled poor people to uptake microcredit yet commercial institutions would not have done this. The group lending approach as used by SUM is not welcome by the commercial banks with the view that it put the bank at risk of its money in services. Besides, this intervention has been witnessed in the reconstruction period when the nation has come out from the war.

2.1.2 The stakeholder theory

Under this theory, the study conceives the conflictual situation in South Sudan and the extent to which MFIs are operating with different stakeholders in effort to help the people from poverty. Questions raised and answered under the stakeholder theory include; how does MFIs select the conflictual area to be a zone of its operation? This study shows that such situation has hapless people who need sources of incomes yet rejected by the by the formal financial institutions since they have not security to their finance. Like any other commercial institutions, MFIs are driven to make profits despite friendly and affordable approaches (such as groups) used to attract the people. How can the poor people in conflict zones of South Sudan be cliental to create profits in this case? This study answers this question in sense that such clients are trained about the use of credits by the workers of SUM or the government programs aiming at wealth creation and reducing poverty. Such activities are coined to be among roles and interventions of different stakeholders before accessing microloans.

Generally, the term stakeholder appeared in scholarly world in 1963 to challenge the notion that stockholders are the only groups to whom management need to be responsive. It later became a theory, advanced by Freeman (1984) with the emphasis that managers apply a vocabulary-based stakeholder concept. According to Jensen (2000) and Marcoux (2000), the theory assumes that by providing groups with materials in management as one focus on benefit, the managers find it easier to engage in self-dealing and defend the purpose of the shareholders to increase savings from the public.

Stakeholder theory posits that an organization is a social construct which is made of interaction of various stakeholders, the workers and clients. An organization is envisioned as a center of a network of stakeholders, a complex system of exchanging services, information, influence and other resources (Mersland and Strøm, 2009a). The theory further argues that an organization 's value is created when it meets the needs of the firm by the stakeholders in a win-win fashion (Harrison *et al*., 2007). Stakeholders are distinguished in various ways. In terms of effect, there are two categories - primary and secondary stakeholders. Primary stakeholders are those who are directly affected, either positively or negatively, by an organization's actions. They are groups that continue participating in necessary goals for the survival of the organization or a firm. According to Jawahar and MClaughlin (2001), the key stakeholders include shareholders, investors, employees, customers and suppliers. Secondary stakeholders, on the other hand, are those individuals, groups or organizations who indirectly influence or be influenced by the organization's actions. They are not essential to the operations of the organization, although their actions significantly damage (or benefit) the organization (Freeman, 1984). These may include public groups within the community of clients who befit from the society.

Another distinction is in terms of their location includes internal and external stakeholders (Rousseau and Shperling, 2003). The internal stakeholders are groups which belong inside the organization such as managers and employees. External stakeholders are groups that are outside the organization and have effects on the survival of the organizations (Harrison, 1996). These groups consist of customers, suppliers, government agencies, local communities and unions that essential in using services such as credits of an institution. It is further argued that the core idea of stakeholder theory is not to recognize internal stakeholders with whom stakeholder communication has been implemented for a longer time and has become obligatory (e.g., employee councils), but also external stakeholders whose claims are patently political or social in nature (Freeman, 1984 and Harrison, 1996). This is in line with what some literature argues - that all stakeholder entities have legitimate values and equal interests and a mutual dependency exists between them and the organization (Donaldson and Preston, 1995). It is also related to the objective of this study since some of the internal stakeholders need the services of an institution to be used by clients and this is achieved by setting friendly approaches.

The relevance of stakeholder theory cuts across various areas in sense that it looks at all individuals accessing services from the MFI as stakeholders. For the purposes of this study, stakeholders include the women and men accessing credits from SUM to increase their incomes and savings, workers and managers, plus the Government of South Sudan. They have different roles in development of the SUM and the people who are confronted by the conflict situation. The theory gives three categories of stakeholders among which are individuals who influence the people and the context in different ways. These are the decision makers who are driven to help the people and making profits.

2.2 Empirical review

2.2.1 Levels of up-taking microcredit

Microcredit is an extension of the formal financial services, especially credit, to low-income families and to small enterprises access and use finance (Balogun and Yusuf, 2011). The word formal is important since it shows that the poor use a diversity of informal credit sources, such as the local money-lender, trading credit, relatives, friends, and neighbors. Microcredit is supplied by a microfinance institution (MFI), that ensures repayment by giving small short-term loans, requiring frequent pay-backs, refusing new loans if older are not repaid, stepping up loan amount and maturity if old loans are repaid, and in many instances requiring borrowers to form joint liability groups, where group members select the members of the group and also monitor each member's repayments (Armendariz and Morduch, 2010).

Across the world, microfinance / microcredit continues to face various challenges. One of the challenges according to Armendariz and Morduch (2007) is the personal loan program which this study discusses in detail hereunder. Most borrowers under this approach are found at a high risk of defaulting and MFI are found at the high risk of not being repaid. In response to this challenge, the poor borrowers are requested to seek for money in groups since the borrowers know each other and thus becomes safer to MFIs and the poor borrowers (Abdullah et al., 2011).

Group and individual levels of lending

This model or form of lending was first used in Bangladesh and its success became a key to the rest of the world applying microcredit to reduce poverty of the people through MFIs. Therefore, its success attracted most of the African nations such as Kenya, Uganda, Tanzania, Nigeria and South Sudan. Despite the increased use of this approach, it has not been successful due to irregulates in monitoring and this has led various microcredit to apply individual lending or mixing the approaches. Woller (2002) asserted that whether group or individual lending approach, credits are normally granted to the borrowers and it is imperative to establish if the borrower has been helped as profits being created. In other words, it must be a two-way approach to support the people living in poverty, much as the financial institutions strive to make the life better for its employees (Afolabi, 2010).

The concept of group lending is commonly heralded as one of the main innovations of MFIs and claims to provide an answer to the shortcomings of imperfect credit markets, to overcome information asymmetries (Jain and Mansuri, 2003). In the case of adverse selection, the lender lacks information on the riskiness of its borrowers and the group lending saves an institution. Riskier borrowers are more likely to default than safer borrowers, and thus should be charged higher interest rates to compensate for the increased risk of default. Accordingly, safer borrowers can be charged less provided each type can be accurately identified. Since the lender has incomplete information about the risk profile of its borrowers, higher average interest rates are passed on to all borrowers irrespective of their risk profile (Armendáriz de Aghion and Morduch, 2010).

In moral hazard, the uptake of microcredit leads to the utilization of loans by the borrower and the lender cannot be certain that once a loan is disbursed, it is used for its intended purpose. In most cases, the borrower applies expecting certain amount of complementary inputs, especially effort and entrepreneurial skill, that are the basis for the agreement to provide the loan. If these inputs are less than expected, then the borrower may be less able to repay it (Mersland and Strøm, 2011). In addition to adverse selection and moral hazard, high transactions costs, the provision of incentives to borrowers for timely repayment as well as the design and enforcement of adequate loan contracts are further challenges that play a role in explaining the failure of rural credit markets (Morck *et al*., 2011).

Dellien et al. (2005) assessed the differences between the two (Group vs. Individual) of lending and found that group lending needs time and various persons spend much of their effort in building the network that is worth accessing a credit from MFIs. When this is formed, the only role of the officers from MFIs is to train the loaning process to the group and disbursing or refusing the amount of money required. While group loaning enables institution officers to make a faster decision, loans officer bears full burden by deciding to give out funds to an individual with or without clear assessment. Secondly, the principle incentives for repayment of group loans is joint liability, group reputation, credit rating and future access to credit for each member, all of which are directly contingent on each member upholding their obligations (Addo & Twum, 2013). For the individual access, various incentives are presented to the bank in seeking for the loans. These include collateral requirements, cosigners and various guarantors in order to process the payments.

Armendáriz and Morduch (2000) shows that each lending approaches have both the weakness and strength. Accordingly, Madajewicz (2011) states that groups are important since they facilitate education and training among clients seeking to receive funding together. To Godquin (2004), group lending is essential in mitigating risks relating to information and risks. It is upon these bases that groups are found potential to supervise members in coordination to repay the money. In fact, members within the groups are responsible for each other and they must coordinate to make sure that the results are desirable for another stage. However, the situation under SUM before this study, was silent and concealed. No one could explain if group or individuals have benefited from the lending – borrowing approach. This and other many gaps have been answered in section four to this dissertation.

Whilst it is more liked by the lenders in the financial process, Savita (2007) shows that group lending is costly in a sense that it involves training of the groups and much information is needed before disbursing the loan. This becomes part of the background of increasing the interest rate on the repayment of the money. According to Giné and Karlan (2010), group loaning can make a disciplined client being disciplined among the risk credit takers or the reverse. It is upon this background that groups need to take their time and approaches to select a member to be included in the short- and long-term inclusion.

In a study conducted from Russia and Eastern Europe on the state and operations of MFIs, Armendáriz and Morduch (2000) find that whilst the group loaning approach exerts pressure on the group members to repay, it is upon the individual to repay since the collateral is used as security. These differences do not only end on repayment or security, rather this study shows that even among the households in South Sudan, differences among individuals have been occurring. Using mean differences however, the study supports the view that raised by scholars such as Laure and Baptiste (2007) in support of group lending. Laure and Baptiste (2007) show that the guarantee mechanism among the borrowers remains one of the questions which MFIs needs to settle in the due course of transaction. They contend that since there is security presented by an individual, such assets become a source of security which the group cannot possess.

Due to the positive arguments advanced by scholars in different case studies, Armendáriz and Morduch (2000) show that MFIs have failed to reach to one choice of using either group or individual approach. This has led adoption of the mixed approach so that an institution can equally benefit from the two at the same time. The choice has remained one of the confusing decisions to the owners of MFIs and all have failed to embrace a uniform philosophy that is acceptable to all. Nonetheless, the provision of microcredit has been guided by various principles and a few have been presented herewith. Firstly, the institution stability is main step if an institution is to be stable and efficient to the clients (Amunyo-Vitor, 2012). The institution needs to be outstanding in meeting some of the lases accruing from uncalled for defaulters. The penalties in place need to be institution and should not be too harsh to scare aware the clients.

Secondly, Warui (2012) shows that there is a need to maintain the social welfare which was the genesis for the formation of MFIs. Therefore, MFIs need to operate as watch dogs to social welfare and development in areas of operation. Pereira and Mourao (2012) presents the third principle of MFIs which has risen because of competition and this is called the win-win approach. Under this principle, most MFIs have failed to reduce poverty since the principle is applied towards different institutions in creating coverage and profits.

2.2.2 Effects on the households

Beatriz and Jonathan (2010) gathered randomized information from the poor households that had access and utilization of microcredit to support their savings behaviors. They realized that initial years of MFIs are spend on satisfying the interest of the people as a road to create market and actual outreach. As a result, the focus is put on outreach and whoever asks for funds is either given as an individual or advised to for a group that is essential approach to guarantee security to access a loan. According to Barr (2005), group lending acts like a security and an insurance to both the MFI and individuals within the group. Barr (2005) concludes that microcredit through MFI helps in reducing poverty only if a client uses it in accordance to what the loan has been intended too. This therefore saves the lower households from the risks and easy access to finance or credit (CIDA, 2002).

Various studies have been conducted on microcredit among the Asian nations and the extent to which it has reduced poverty among the people. Such studies show that households have either transited from one state to another, or certain aspect within a family has improved. However, such situation had not yet proven for the case of South Sudan which has been answered by this study. For example, Khandker (2005) conducted a study from Bangladesh and found that accessed credit has remained instrumental in reducing poverty among the poor households. At the village level, poverty reduction was observed to be at 1% among the females and this revealed the instrumental nature of MFIs to the people. Pitt and Khandker (2006) further show the role of Grameen Bank in same country upon poor households. The study shows that 50% of the village people were able to access the services from the bank and 94% women clients support the view that their situation changed with the access of credit from Grameen Bank.

Another study was conducted by Matin and Hulme (2003) to assess the Bangladesh Rural Advanced Committee's Income Generation for the Vulnerable Group Development (IGVGD) Programme. The findings suggest that poverty has reduced at a high level among the clients who are especially women. The study shows that the programme has been proactive to reach the poor and promoting the livelihood activities among the women and poor households have benefited from such programme.

In Africa, similar studies have been conducted from different countries and there have been areas of improvement even though the continent is still constrained with corruption and greed for more money. In Rwanda, Benda (2012) conducted a study on the effects of Rotating Savings Credit Associations (RoSCAs) on the livelihoods and well-being of the pro-poor communities in the Northern part of the country. The study shows that money received in a group was instrumental in helping the groups to cater for the daily needs and improving on building assets for their families.

Imatia et al. (2010) assessed the reduction of poverty among the households in India using a multidimensional welfare indicator. This was applied to justify the extent to which poverty has been reduced among the households basing on the products or results from which the microcredit enterprises were intended for. Among others, the study assessed increase in agriculture investment and the off-farm business incomes. The Tobit and propensity score matching models were applied in this case and it was found that microcredit improves investments in agriculture and outside business across members who intend to invest in farms. The study also found that the purposes stated while seeking for the credits were more appealing than the outcomes from investments. Results also vary between urban and rural areas. In urban areas, the study shows that poverty reduction was the main result as compared to the rural areas. In fact, people in rural areas would state an appealing reason for the use of microcredit but the outcomes never matched the reasons.

In china, Li et al. (2011) evaluated the impacts of microcredit using incomes and consumption as the main indicators. This study was done after a through observation that few MFIs really reduce poverty among the households in China. In Hubei province, the data was collected from females and analysis reveal that microcredit improves household welfare such as income and consumption but the magnitude remains small. Chines women who invested their credit into income generating activities such as agriculture and self-employment received much rewards than groups investing in asset development. Nonetheless, the main beneficiaries in this approach of microcredit and lending have been the non-poor and majority poor people do not shift from one stage to another.

The results of microcredit to poverty alleviation among families have been mixed, especially among the poor people. According to Coleman (2006), this has been one of the reasons leading various nations and their government to have less emphasis on the MFIs, whilst some individual persons perceive the institutions being exploitative to poor groups. Using a randomized approach, Coleman (2006) conducted a study from Northeastern part of Thailand and his findings were highly positive on the wealth groups living in village. However, the effects on the poor people remained negative. He concludes that only the wealth and well-off people of the society can benefit from microcredit as compared to the rest of the persons.

In yet another study conducted from Manila in Philippines, Karlan and Zinman (2009) show that among the clients who accessed microcredit, profits from business increase especially among the male business entrepreneurs with higher incomes as opposed to the poor entrepreneurs with less income. Some business entrepreneurs were able to maintain the rate at which they pay insurance to the institutions whilst the poor people could not find possible ways. In another study conducted by Banerjee et al. (2009) on the impact of opening MFI branches in the slums of Hyderabad (India). Their results are mixed, but overall the welfare effects of microcredit are *moderate*. This made researchers to assert that there is fewer positive contributions people can achieve from microcredit in case their context is not well improved or levelled. These results from India have however been criticized on the ground that researchers did not generalize the findings. The fact that it was experimental design, the researchers never inform the number of times subjected to the study to be robust. Deaton (2009) is of the view that if such study is meant to accepted, a standard econometric approach needs to be adopted in the methodological approach.

Becchetti and Castriota (2011) carried out a study from Sri-Lanka to evaluate how microcredit helps the poor people who had been hit by Tsunami in 2004. The study adopted a quasi – natural experiment design in which two groups were created. Those hit by the Tsunami and other groups that were not hit. In pre-event, it is indicated that access to microcredit was the main factor compelling the convergence among the borrowers. In the process however, the coming together was disrupted by the crisis which resulted from Tsunami. Although convergence was affected, the aftermath of Tsunami witnessed access to microcredit as an approach to reduce income gaps among the people. The study shows that due to access and use of microcredit, the recovery process was too fast and people regained their status. Such comparison however could not take place in South Sudan since SUM started in the aftermath of the civil war, when the nation was at the trajectory to secede from Khartoum government. Using the example from Sri-Lanka, it can be asserted that microcredit is an effective tool for the fast recovery.

In Africa and most developing nations, health shocks and crisis are common due to poor security operatives and responsive by the leaders. Whilst literature shows mixed results bout microcredit on poverty reduction, much of the empirical evidence from Africa shows that consumption and income are either affected negatively or positively where microcredit is used (Phillips and Bhatia-Panthaki, 2007; Appiah, 2012). On health however, Maghimbi (2010) shows that the persistent shock in Africa and the rest of the developing countries has been due to poor households. At the deception of accessing microcredit, these households think of consumption rather than income. Yet, income needs to be the first to consumption. Literature on the impact or shocks on health depends on the ability of the households against the shock which is important in the application and use of microcredit. In effort to overcome this, studies have recommended MFIs to attach insurance to credits given to the poor households so that clients can also take such insurance. However, there has been no remedy or an alternative to clients who start conSUMng the money that have been given in form of microcredit (Kiraka et al., 2013).

Islam and Maitra (2012) conducted a study in which microcredit roles have been mixed with insurance in Bangladesh. Using a panel data set, the findings show that health shocks among households receiving credits are unpredictable. The findings also show that clients who get credit from MFIs always cop up with the health situation since they have been supported in different ways. Therefore, they stand a better position against the shocks as compared to the rest of the people unwilling to access and utilize such credits. Apart from human life insurance, studies have identified various cases where microcredit has been supported with insurance of livestock to clients in trade. This insurance goes beyond to individuals who can get diseases in transporting such animals.

In Africa and other developing nations, there has been the main question to examine the extent to which microcredit enhance the role of women in decision making. There has also a need to estimate the extent to which credit deposited in a woman hands alter or promote the location of goods and services in a household; or does it empower a woman to control and ownership of resources? These and many questions about the impact of microcredit to the woman have been discussed in literature from Bangladesh and other developing nations by Kabeer (2001). In 2008, Ngo and Wahhaj (2008) present the differences on the impacts of microcredit across the households. The context in which this study was characterized by gender as the main instrument to define the norms. In such situation, the findings reveal that credit cannot improve or empower women in decision making in a household headed by a man. This is because most women accessing credit do have skills and authority over labor, and while they have access to land, such women do not own land where the credit is meant to be invested. It is upon this perceptive that literature attach power and cultural norms to microcredit.

Rai and Ravi (2011) presents a contrasting information in which credit can be invested in the joint venture, in such circumstance, decision making always shifts the paradigm in favor of once a weaker party. It is indicated that for such credit to be beneficial to all parties, cooperation and jointness in making decision is common approach and desirable tool. This approach is instrumental since it leads to empowerment of women but it does not show the extent to which where a man is a weaker party. The question is who controls what and whose decision shall bind to command labor and effectiveness. Centrally to the dominant view, there is a belief that economic opportunities lies in the hands of few women. Whilst a woman may find it better to command respect, involve in decision making and directing labor; the social community do not appreciate the activities and decisions of a woman.

2.3 Drivers for uptake of microcredit

Literature has shown that the uptake of microfinance has been largely hinged on a variety of drivers ranging from investors, lenders, Board of Directors, committee and directors, information technology, innovation, staff training and motivation, management leadership, regulatory framework Information Technology & Innovation, prudent risk management, coverage, reach and marketing, resource access, corporate governance (Pinz and Helming, 2014; Kamukama *et al*. 2010). For the purposes of this study, drivers are discussed into two sections. Borrowers characteristics or drivers and the institutional drivers

2.3.1 Borrower characteristics / drivers

Research has identified various characteristics as main drivers in accessing microcredit. These characteristics include age, gender, household size and education level. Therefore, the extent to which such characteristic or institution drivers influence borrowers under SUM in South Sudan is the main case to be investigated under this study. Whilst such drivers have been influential and leading to poverty alleviation in different nations as reviewed herein, there is still low interlinks in South Sudan.

i) Age

Most research have found a positive relationship between the age of borrows and uptake of microcredit (Mwang and Kihui, 2012). This has been coined from the credit accumulation theory which assumes that older people have accumulated a lot of resources and therefore they are worth to access credit from Microfinance Institution. Despite this assertion, research by Baiyegunhi *et al*. (2012) shows no correlation between age and access to microcredit from any institution. In a study conducted by Zeller (1994) in Mudassar using a probity regression model, credit borrowing decision is found among the young people rather than the older persons. The factors have been divided in terms of labor asserts, individual features and events that affect the credit. In this model, decision to seek for the loan is among individuals with many years in school, increase in age and income.

ii) Sex / gender

Research has also shown that gender or sex is yet another driving force to uptake microcredit from the institutions. According to Devkota (2006), females have lower level of borrowing spirit due to lower level of expected future income, less involvement in financial activities, knowledge and skills. It is indicated that majority of the women depend on their husband and do not have the potential to fulfill what they think it is right in their lives. To Nwaru (2011), males access finance more than the female counterpart. This comes from the fact that they have different items which they could present into the banks or MFIs as security as compared to vulnerable females.

Females at individual, household and wider community and national context are affected by financial, economic, cultural, political and legal obstacle. Female headed households have limited access to various services basing on the socio-economic norms within the area of the study. Some of the females feel inferior in the due course to access and use finance whilst majority do not have potential to use the money apart from spending on paying tuition to their children. Most of the female headed households are dependent on men; either a husband or cohabiting. In Africa, there are various women or females who have lived single mothers but their potential to access and use money from the bank is still limited.

iii) Level of education

Households' heads or individuals with highly formal education have high exposure with external environment and have been exposed to risk and possess more skills to solve such risks in using the money. Education enables such persons to acquire more credit for consumption and production than their counterparts who are uneducated (Li *et al*., 2011). education is also assumed to facilitate credit access through easing entry costs and perceiving things basing on the wider vision as opposed to micro-vision. Lenders normally consider education and can result in permanent income and do not take into consideration in their criteria. Both situations can cause these individuals to be constrained in the credit market and as the educational level increases, demand for credit grows faster than debt supply.

iv) Ability to possess collateral as a security

This is one of the drivers considered essential and needful to all the financial institutions across the world. Some MFIs consider the approach when dealing with the individuals than the group lending. Securities inform of land titles and agreements are always considered by the banks and commercial microfinance institutions have taken up the similar approach. However, in a study which was carried out from Morocco by Duflo *et al*. (2008) to estimate the extent to which lack of collateral hinders access and utilization, it has been indicated that small holder borrowers are assumed at risky and constrained from accessing microcredit. Therefore, it is very hard for the institutions to lend credits to persons without security to their money. The lending policies among the financial like giving restrictions on credit for specific purposes (e.g., poor rural households whose income depends exclusively on agriculture and financing for startup businesses were not able to get financing services), time taking and complicated application procedures, repayment capacity and regulatory of revenues are the other factors that limit access to credit. Tang *et al*. (2010) in China found the same result but added that group guarantee, monthly payments and prior credit experience are determinant factors to access credit (e.g., 32% of farmers engaged in off-farm were more likely to be constrained).

v) Time lag and profitability

Grace period or the time between the day of accessing the credit and the actual date of repayment are important factors towards seeking for a credit by the poor persons. It is imperative to note that the long period of time gives the borrowers ample time to work and prepare the time to repay. In Nigeria, research indicates that the long-time lag between application and disbursement of credit and inadequate credit are major constraints the borrowers' face. In a study by Lawal *et al*. (2009), it has been presented that despite the ability to give money to the clients, some of the commercial banks and MFIs take long period of time to process the credit requested either by an individual or a group. According to Diffusion of Innovation theory, it is indicated that information moves from a few groups of persons to a wider society. The information about delays has been conveyed in a network of individual people who after passing through rigorous exercise of waiting either access or fail to get money. This has been one of the hindering factors to the access and use of credits from formal institutions like MFIs.

It was also found on the side of the clients seeking for credits. Lawal *et al*. (2009) also shows that some clients perceive the time lag and attach it to the values. This depends on the years of experience, saving, decision making in associations and social capital which have negative and positive effect on the probability of getting loan. Balogun and Yusuf (2011) also reached the same result from Nigeria and added their tone on the interest rate which is another driving factors. In his study, he established they found that the high the interest rate, the lower the people's interest to access the credit. Anyiro and Oriaku (2011) reached the same conclusion that unless clients find a cheaper and bank with low interest rate, they either continue looking for the bank or leave the road to access the credit.

vi) Nature of economic activity

The kind of activity households involved in affects their ability in obtaining credit. Majority of rural farmers in poor countries engaged primary in agricultural production which fetch less incomes as compared to individuals in services and industry. Anyiro and Oriaku (2011) note that unless there is incentivized credit or loan based on inputs such as agriculture, the chances for leaving the credit are higher. Zelle *et al*. (1997) had remarked that most farmers seek for the credit to increase input into their farms. These are particularly farmers with maize, tea and other forms of plantations like sager and coffee. Despite the effort made by microcredit, farmers always depend on rainfall where there is high uncertainty and risks. There are few or no farmers who seek for certain amount of credit for irrigation projects. The failure of the farmers to seek credit for the mega projects makes them to be less inclined to accept and prefer what the borrowers seek for amidst risk-conditions because of the high probability of loan default.

The study by Anyiro and Oriaku (2011) in China; Anyiro and Oriaku (2011) in Nigeria found that occupation affects significantly influence the farmers to access credit from formal financial institutions. It is indicated that farmers who depend on farming are compelled to access and use certain credit effectively since it is their source of income from where they depend. Despite this, they stand high risks to defaulting due to the vagaries of nature like too much rainfall and drought. As already noted, MFIs must be prepared enough to finance such cases of nature in the due course of risks.

2.3.2 Institutional drivers

Institution factors are the contextual factors that borrowers find in an institution as they come to seek for the credit. They include staffing, the role of the managers and directors, policy approach and the interaction with the outreach where the clients live. Chowdhury

(2009) asserts that the main factor driving clients to seek for the loans, has been the information communication technology (ICT) and the innovations. The level at which the information reach to the clients and the extent they perceive the information is instrumental for the effective rate of increasing of clients. These and other factors are discussed hereunder.

(a) Information Technology and innovation

This has been identified as one of the cornerstone pillars towards the uptake of finance by clients and MFIs. Information Technology and innovation by commercial institutions are important since they give a client various opportunity to select what is important basing on their preferences. To Chowdhury (2009), Information Technology and innovations have been key among the Asians Countries like Bangladesh where the innovations by MFIs attracts clients and especially women. One of the innovations that increased the clients was rudimentary banking. Its success as a driver to microcredit has been witnessed in Zimbabwe and various farmers have accessed credit to improve their activities in the farm. In South Sudan, efforts have focused on individual and group lending approaches but there is limited information explaining drivers to either group or individual clients. This study gives the extent to which such approach has been working among the people.

(vii) Staff Training and Motivation

The success of any institution requires a highly competent staff that work to entice its clients to its products. Intellectual capital is worldwide noticed as a strong driver for the success of the organizations (Kamukama *et al*., 2010). Therefore, financial institutions such as MFIs using credits as its product need to consider recruitment process to attract best qualified staff and engage in retraining strategies to better achieve results (Pinz & Helmont, 2014). According to Kamukama *et al*. (2010), recruitments in most institutions of Africa has never been on merit due to corruption tendencies that have taken roots in the continent. This has been mainly political and nepotism. Results from such systems have never been supportive to the work of employees in any given institution. However, Pinz and Helmont (2014) note that workers must be supported to perform their different duties with various incentives which are highly significant to success of their work and micro lending business. The scholar also affirm that the work of such employees is important to the credit institution since the institution is dependent on access of credit to make money profits. Promotion and bonus system are among the most commonly used incentive systems that contribute to success in the microfinance sector.

Hartungi (2007); Hulme and Moore (2006) present that employee incentives have a significant contribution to success in the micro lending business. The failure of the company or MFI to adhere to such call has dire effects on it. Adequate remuneration of staff managerial and non- managerial is critical for better results need also be considered if an institution is to have significant results.

(viii) Management and Leadership

Across the world, research shows that the history and record of accomplishment of management is critical for the growth and sustainability of microfinance institutions. To Chan (2010), this can only happen when the number of clients accessing credit increases through the effort of the leaders with highly recognized success and experience. Leadership and Management are essential to establish the organizational structure of MFI which becomes a driving force in the system. Researchers have found that the degree of autonomy granted by top management is critical for the success of MFIs (Pinz & Helmont, 2014). Leadership that is energetic, highly focused, resourceful and accountable enhance innovation, development, success and sustainability of the institution. A good institutional structure ensures the separation of control and management.

2.4 Stakeholder interventions in the provision of microcredit

Proponents of stakeholder theory suggest that including stakeholder representatives on boards is a formal mechanism in place that acknowledges the importance of relationship with the organization (Hillman *et al*., 2001). There are mostly six stakeholders who participate in organizational activities and specifically on MFIs (Hartaska *et al*. 2005). Some of the stakeholders are discussed herewith with the main emphasis to justify their role in the working conditions of MFI such as SUM in South Sudan.

2.4.1 Clients

These are local low income and poor people who are excluded by the formal banking sector. Most of these clients need special kinds of consideration, which is the reason the lending methodology for most of them is different. To Aghion and Morduch (2000), most MFOs organize their individual and group lending methods differently from formal banking. This indicates that it is important for MFOs to include representatives of clients so that when strategic decisions are made, they match the clients' needs and objectives. Currently, there are studies showing that MFOs are now embarking on a market-oriented view and not only on product view as it was in the past (Woller, 2002). This information is very useful for MFOs since it enables them to design products and services that meet clients' needs for their improved performance.

2.4.2 The Government

The local or central governments' role in MFOs is important, especially if it involve in initial stages of the MFO formation or if it is the owner of that organization. Whether it was formed with the involvement of the government or not, there is an involvement of government in any MFI. The role of government is found in terms of implementation of policy and regulations set for the microfinance industry (Mersland, 2009b). According to Mondal (2009), having a government representative on MFO 's boards poses the risk of having the process which is characterized by political behavior. However, this risk can be minimized if efforts are made to ensure shared vision, approach, and goal congruence among members of the board.

2.4.3 Creditors

There is a relationship between creditors (banks) and organizations is accredited for increasing an organization 's access to funding. Creditors' representation on board has two implications for organizations - through loans to organizations and the aggregation and exercise of proxy voting rights (Agarwal and Elston, 2001). Their representation on boards provides a strong channel of information in both directions. For example, if banks have access to private information that is used to reduce agency costs, organizations with close bank relationships (creditors on boards) may benefit from better access to finance. These relationships should lead to both higher social and financial performance of organizations.

On the other hand, creditors on boards may cause a potential conflict of interest that may manifest itself in organizational financing decisions (Kroszner, 2001).

2.5 Critique of extant literature and gap

Up-take is one of the concepts that has been used in various fields of scholarly world to illustrate the extent to which clients take different items in the debate. Under this literature, institutional and household drivers have been discussed as independent variables. However, the situation under which SUM has been operating and the extent to which the government of South Sudan has been functioning to bring a context for smooth uptake so that households can increase income and saving leaves gaps of research. In the first instance, both SUM and the government of South Sudan have been in existence before, during and after armed conflict. However, the levels income and savings at households have either improved at a lesser rate or no improvement at all. This leaves a gap in knowledge to examine what could be the main cause of the challenge to the situation in South Sudan.

2.6 Conceptual framework

This study was conceptualized through three main independent variables which is considered important in utilization of microcredit. The study considers the levels of uptake like individual and group uptake as independent variables. It is an independent variable since it shows the nature through which microcredit is accessed and utilized by the poor people. Besides, it is upon this basis that the study finds the criteria used by MFIs to give out microcredit to the people.

The second independent variable are the drivers of uptake of microcredit. The drivers have been examined in two perspective; the first one being the side of clients. These include characteristics of borrowers such as age, level of education, marital status and occupation; and social economic position of the clients. The second driver comes from the side of the microfinance. These include the investors, the board, the employees and methods used to reach the clients. These are important since they determine the demand and access for the microcredit. The last category of drivers is the Government and SUM. Whilst the government is instrumental to policy, SUM is considered since it is MFI that gives credit to poor people. Lastly, incomes and savings are among the effects of individual or group uptake credits. For the purposes of this study, the two (savings and incomes) represent dependent variables. Other dependent variables in form of effects have been discussed in chapter for whilst presenting the results. The illustration of the conceptual framework is presented in Figure 2.1.

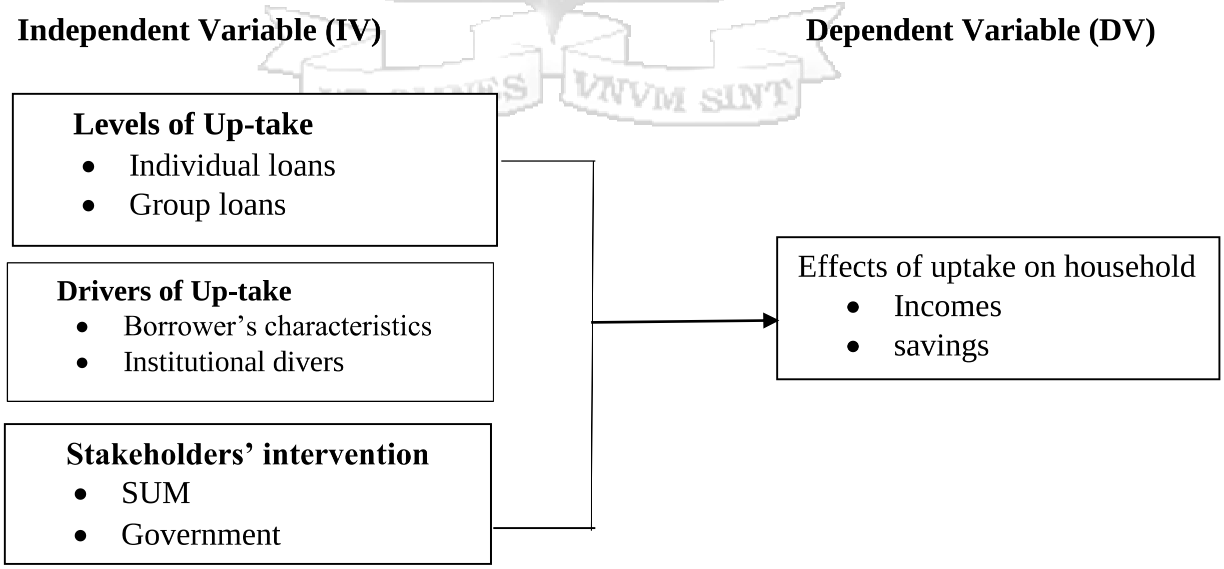


Figure 2.1: Conceptual framework of up-taking microcredit

The conceptual framework shows that the levels of up-take and drivers to microcredit at the household levels are independent variable whilst effects of up-taking credit on the household is a dependent variable. Under the level of up-take, two main variables are presented (up-taking a loan at an individual & group loans). Most of the drivers for up-taking credit are both institutional and household factors which include information technology and innovation, levels of education for the household heads, ability to form group-loans and position of security or collateral. Within this situation, SUM and the government intervene to help in the due course of up-taking the loan. The framework shows that the main effect is upon the increased incomes and saving at the household level as dependent variable.

2.7 Operationalization of the variables

Levels of up-take: This study takes the levels of up-taking a credit at both individual and group levels. Up-take is used to mean access and utilizing credit received from SUM in line to the intention of the household. At an individual level, there are requirements needed by MFIs such as SUM in South Sudan. These requirements include collateral securities which majority of the poor people do not have. The solution is the formation of groups intended to up-take credit from SUM. In a study conducted by Khandker and Pitt (1998) from Bangladesh on 1798 women, it was found that MFIs use group approach to disburse credit among five and above persons. The findings show that microcredit accessed in a group increase household expenditure, family level of education and good nutrition among other. The institution uses group lending as the best alternative to assist the people without collateral securities like land tittle.

Laetitia et al. (2015) assessed the relationship between microcredit and women business in Kicukiro district in Rwanda on a sample size of 275 participants. The study established that group, household and individual approaches used by MFIs have less influence on the households. Rather, the effects are attributed to the intention of microcredit by an individual or individuals' ability to use the credit up-taken. Under this study, these levels are measured: For the purposes of individuals, the person up-taking a loan can be either a man or women; groups are presented to be women or men; or particularly youths. The t-test with the main emphasis of estimating differences in effect of up-taking was used to analyze the effects of such levels on the households.

Drivers of up-take: The study use drivers as a term, in a position of factors compelling a household head, an individual or a group to up-take microcredit. This study discusses individual or personal characteristics and institutional drivers. Within the household drivers, effort have been put on discussing on the age, levels of education, number of children and ability of the members to form a group. Institutional factors include the nature of staff, institutional products and leadership. Studies from Vietnam reveal characteristics of individual persons within a household as main drives influencing individual persons to access financial services. These drivers include household-head levels of education, sex, age, marital states and the nature of activity at hand. As indicated by Ha (2001), the probability of borrowing increases with education and social responsibility by household heads. Age negatively influences the probability of borrowing, but it has a positive effect on loan size to be accessed from the financial institution. This is due to trust from the bank and the number of wealth created by the individual which becomes a basis for offering the loan. Household size has a negative effect on the probability to borrow as well as on the amount borrowed (Ha, 1999). For the purposes of this study, the chi-square under ANOVA has been used to analyze the extent to which this the household and institution drivers are significant to the uptake of microcredit in effort to increase household income and savings.

Effects on the households: These are mainly two: incomes and savings to the household according to the conceptual framework. However, there are other effects which are discussed in chapter four (ref. Table 4.4) on the households. Literature presents various cases in which accessed microcredit has been positively affected saving, investment, general growth and development of the borrowers' household. In a study conducted by Mulungi and Kwagala (2015) from Kampala in Uganda on the access to microfinance and its effects to small scale enterprise using descriptive cross-sectional design on a sample of 156, the findings show that the level of access to credit has significant effects on business growth, sales, profits, business expansion and product range. Awuah and Addaney (2016) assessed the interaction between MFIs and SMEs in Ghana, Sanyani Municipality using a sample size of 152 participants. The results show a relationship between microfinance and growth of small-scale business within the area. Within these studies, savings, growth, investment and development are taken as dependent variables. For the purposes of this study, savings and incomes of the households are operationalized dependent variables and analyzed using the t-test and chi-square. The operationized table or the measurement of operationized variables is presented herewith.

Table 2.1: Measurement of each variables

Study variables	**Nature**	**Indicators**

Up-taking microcredit	Levels of uptake	• Individual level • Group level	
Drivers for uptake	Borrowers characteristics	Off-farm income	• Salary • Family business
		Credibility in society	• Transparent • Trusted
		Education levels	• No education • Primary • Secondary • Tertiary
		Security possession	• Collateral • Group
	Institutional characteristics	Reduced interest	• Access by ATM • Access by accounts
		Advertisement	• Radio • Television
		Motivation	• Free accommodation • Transport allowance • Allowance by cash
		Time given for repaying	• Before a moth • One month • After two months
Stakeholders	Government	• Policy approach • Staff support approach • Financial support	
	SUM	• Access to loans • Use of local approaches • Outreach approach	
Effects	Saving behavior	• Savings for paying tuition for the students • Improved family savings	
	Income generation activities	• Increased family income • Income to access farms fertilizers	

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section discusses research methodology that was used during the field study in South Sudan. It presents research design, the sample procedure and target population among others. The sampling procedure which helped the researcher to reach to the sample size as primary sources of information to this study is well discussed. It also contains the section of reliability and validity of instruments that was used in the study. This was done to address the question of ambiguity of the tools which was apprehended with the support from the supervisor.

3.1.1 Research philosophy

The study has been underpinned by pragmatism philosophy as one of the deconstructing paradigms of research (Dewey, 1938). Supporters of pragmatism reject the position between qualitative and quantitative methods, rather suggest for the use of both qualitative and quantitative methods (Creswell, 2009; Creswell, 2013). Under this philosophy, knowledge is always based on experience and one's perception of the world is influenced by the social experience. In fact, it was due to the experience of the people from the households and the key informants under SUM that empirical evidence presented in this dissertation has been collected and presented in chapter four. Like Morgan (2014a) who emphasized the importance of individual person's knowledge to be important in research, this study found that all persons who up-take credit from SUM have different and similar opinions. It therefore become a social research that seeks to establish the truth and what the people really experience in the normal course of events. It is upon this basis that this has been underpinned by pragmatism as a philosophical approach which uses qualitative and quantitative methods of enquiry to get the empirical results.

According to this research, households and SUM in South Sudan have been interacting socially and their social experience has been analyzed qualitatively and quantitatively. To address the research objectives, a pragmatism view point ben too ideal. According to Teddlie and Tashakkori (2010), pragmatism view point allows the researcher to use multiple perspectives in seeing and understanding a phenomenon. With pragmatism paradigm, the researcher is free from the need to adhere solely to either quantitative or qualitative methods; instead he/she can focus on research questions and select whichever methods deem appropriate (Creswell, 2014). With this view point, this study neither aligns him/her self with objectivist view point of a reality which exists distinctly to human experience nor does he/she position wholly within a world centered on the subjective perspective of the researcher's mind (Creswell, 2014).

3.2 Research design

This study embraced a descriptive case study survey in which mixed method of research design was used (Creswell, 2014). Qualitative and quantitative methods of research were used together to serve the triangulation purpose which is essential in understanding values and descriptions. The researcher used a case study since it allows addition of information onto the existing body of knowledge like accessing microcredit and poverty reduction in

South Sudan. It is imperative to note that various studies (ref. literature – chapter two) have been carried out across the globe about microcredit together with poverty reduction and empowerment of females. They either show the extent to which microcredit has been a key to poverty reeducation as well as empowerment of women. Nonetheless, there have been critics about the outreach to the poor people in rural areas. Besides, there is limited information linking modes / levels of access (group and individual modes or levels) and the effects. This forms the basis for this study on the levels used by SUM and their effects on poverty reduction within the household.

It also becomes a peculiar case study basing on the fact that it was carried within a country where civil armed violent conflict has taken place and acts of hope and recovering fast has been seen coming from MFI in South Sudan. Women and men therefore were accessed expressing the extent to which they have been supported by SUM to improve on their savings for the future investments. Microcredit born in this situation of South Sudan restored a sense of stability and rigor for the people to embark to livelihoods activities. Besides, a case study of research survey became important to this study because of its collection of the new information basing on the prevailing circumstances. To collect the information, administered questionnaires for the general participants and interview guide were used on the key informants (Orodho, 2003).

3.3 The study area

The study area was Juba Municipality, South Sudan. It was selected since it is the headquarters of SUM; which is MFI that gives credit to its clients to reduce poverty levels by increasing both incomes and savings. Juba is the largest city of South Sudan and it is situated on the White Nile which is the main source of water supply. Within such location, the study was intended to establish which drivers that influence clients of SUM to access the credits. Juba City was recognized as the city of South Sudan on July 9, 2011 when South Sudan was declared an independent nation. To effect good administration that could accept establishment of various institutions within Juba City, the City Council has been put under the Mayor. Institutions such as SUM are therefore supported by the City Council in the daily disbursement of funds to the people.

3.3.1 Population and sample size

The study population was 23411 clients and staff of SUM in Juba Municipality. This population was selected because it interacts in effort to alleviate poverty by either up-taking or giving microcredit to the people. The researcher interviewed officers with the view that they have competent information about access to microcredit in Juba Municipality in South Sudan and clients were interviewed since they bear the burden of accessing and using credit. A sample of 400 participants was selected and this was determined using the Slovan's formula as presented herewith.

$$n = \frac{N}{1 + N(e)^2}$$

$$\frac{23411}{1 + 23411(0.0025)}$$

= 400 participants

3.4 Sampling techniques

Cluster, random and purposive sampling techniques were used to select participants for the study (Greene, 2007). Two clusters of group and individual participants accessing credit were selected. These clusters were selected due to heterogeneous nature of participants with different (two) approaches used to access microcredit from Microfinance Institution. It was from these clusters that random sampling techniques was used to reach participants. Random sampling technique was used after accessing the list of clients from the MFIs in Juba Municipality at the headquarters of SUM. Participants were divided into two clusters, having been informed by literature that whilst microcredit empowers women into decision making to access credit through groups (Chandarsekar and Parkash (2010), some always access it individually.

Whichever approach to access and utilize the credit, the focus is to have sources of income and increased saving by households. Although the tow variables have been conceptualized (ref. Figure 2.6) as dependent variables, this study established other dependent variables which are discussed in chapter four. During the data collection, it was also mentioned that with the inception of SUM and other MFIs in Juba Municipality and South Sudan in general, there was anxiety and hope that the period of recovery would take a short period of time. This was however disturbed with the ethnic wars which further destabilized borrowing – lending process. Besides, there was a view that the findings from men and women would differ by two clusters since men have direct control and ownership of land unlike women who could access. It was also anticipated that women have limited businesses and their initiative into the business sector is limited by skills. However, some of the similar trends and effects in access to and utilization of credits have been presented in chapter four.

Purposive sampling was applied since it does not go wrong and highly directs an invigilator to participants knowledgeable about the problem (Guest, 2013). Purposive sampling was used to select seven (7) officers from the MFI. These were selected with the view that they have been at the forefront of giving credits to clients and therefore, they knew what type of group that had positive effects and why some of the groups or individuals could not get needed results from the accessed credits. According to Creswell (2014), there are various features possessed by participants who are selected through purposive sampling technique and according to this study, these were officers who train clients about using microcredit. The summary of the participants is presented in Table 3.1 of this proposal.

Table 3.1: Illustration of sample size and sampling techniques

Sources	**Categories**	**Number**	**Sampling technique**
MFIs	Key informants	7	Purposive sampling
Male clients	Participants	100	Random sampling
Female clients	Participants	283	Random sampling
Total		400	

3.5 Data collection methods

Primary sources of data collection were used to collect the data under the concept of poverty reduction in the contest in South Sudan. The desk research was used and the information gained was supportive in writing chapter one and two. References were also written and presented as last section to this dissertation.

Primary methods involved the extraction of primary information from the field as an approach to get firsthand information about the accessed microcredit and poverty reduction in South Sudan (Johnson, 2017). It involved collecting information from participants using interviewing and administering questioners to participants using both interview guide and administered questioners.

3.5.1 Data collection tools

Interview guide

The study used interviewing method to collect qualitative data from the key informants (seven participants). Formal interviews were administered and qualitative information collected which supplemented firsthand information from the clients of the microcredit or participants (Johnson *et al*., 2004). The key informants were engaged in a purposeful conversation and this was intended to generate more information. Interviewing method was used because it allows participants to express themselves freely on matters relating to the study and effects of the up-taken credit by SUM.

Participants could be allowed to give their own discourses during the study, as they responded to questions. A conducive atmosphere was created between participants and the researcher so that they could not recall issues pertaining the war. Both structured and semi-structured questions were used with the view that the former allow participants to give long discourses about access of microcredit and reduce poverty in South Sudan.

Administered Questionnaires

Administered questionnaires were used under the survey method to get the needed information from participants. These were sets of questions delivered to participants to give their understanding, and attitudes to microcredit and poverty reduction in South Sudan with the focus on Juba Municipality. They were delivered by hands whilst the researcher received information of the participants. The researcher printed 388 questionnaires that were used during the study. In the due course of interacting with the participants, the point of saturation eas reacched when all the participants would give similar information and the researcher decided to stop interviewing at 300 participants. Some of the administered questionnaires were close-ended ones and according to Maxwell (2013), these are questions that are direct to the concerns of a study. Besides, they allow little time of answering during the study. The Likert scale (strongly agree, agree, not sure, disagree and strongly disagree) was used in setting the questions to limit answering to certain levels.

3.6 Data quality control

3.5.1 Validity

This was taken as the appropriateness and the extent to which a research instrument measures what it is intended too. To establish validity of instruments, ten (10) administered questionnaires were used in form of a pilot study, to establish the ambiguity of instruments; which was collected with assistance of the University Supervisor. After amending the instruments, Content Validity Index (CVI) for questionnaires was computed by first giving instruments to two independent professional researchers (judges) on a rating system of relevance and non-relevance. Judges being two with two different scores, the scores were added up and divided by two to get the highest rating (HR) scale.

Table 3.2: Responses to determine CVI

Categories	J_1	J_2	Total
Relevance	9	10	19
Non-relevance	1	0	1

$$\text{HR} = \frac{19}{2}$$

$$= 9.5$$

Later, CVI was computed and it was found high on the rating scale of 9.5 by the total number of the questionnaires using the formula herewith;

$$\textbf{Content Validity Index} = \frac{\textbf{Highest Rating Scale}}{\textbf{Total Number of Items}}$$

$$\text{CV} = \frac{9.5}{10}$$

$$= 0.95$$

Content validity for the questions used was therefore equivalent to 0.95 and according to Amin (2005), a good content validity should be beyond 0.7. The fact that the CV for this study rated at 0.95; the conclusion that instruments were valid was reached with the view that good and accurate results must be obtained.

3.6.2 Reliability

Reliability is the consistency of an instrument to produce same results each time it is measured under same conditions and subjects (Barifaijo, and Oonyu, 2010). Smith and Smith (2004) noted that reliability estimates are used to evaluate (1) the stability of measures administered at different times to same individuals or using the same standard (test–re-test reliability) or (2) the equivalence of sets of items from the same test (internal consistency) or of different observers scoring a behavior or event using the same instrument (inter-rater reliability). Test–retest was carried out in a lapse of two weeks before carrying out the study using 32 instruments and Cronbach's alpha test was run to establish the reliability of items / tools and the results are presented in Table 3.3

Table 3.3: Illustration of the Cronbach's alpha test for reliability of instruments

Cronbach's Alpha	N of Items
.873	32

In accordance to the results from the Cronbach' Alpha in Table 3.3, it indicates that 32 items / questions were used and the result was 0.873. In Social Science Research, Cronbach's alpha is accepted when alpha or the p-value is greater than the 0.05 (Amin, 2005). For the case of this study, it was 0.873 and therefore accepted; which means that the instruments were good enough to be used for the study.

3.7 Data analysis

Data analysis is the evaluation and proper arrangement of the information which has been attained from the field. It is the process of systematic applying statistical and logical techniques to describe, summarize and compare data as generated from the field using qualitative and quantitative methods of data collection. It is due to the use of qualitative and quantitative methods of data collection that the same methods are used in the analysis.

3.7.1 Quantitative data analysis

Exploratory factor analysis of the quantitative data was be used. This was intended to analyze the findings from objective one and two which needs level and drivers of uptake of microcredit and its effect on the household incomes and savings in Juba Municipality. In order to analyze objectives (one, two and third objective), the findings were computed and put into Scientific Package for the Social Scientists (SPSS) and analysis was done by establishing mean differences, standards deviation, mean error and the table of significance follows as related to the t-test. T-test which is commonly known as student t-test is a test of significance to determine whether significant differences exist or does not exist between groups as presented chapter four. The analysis of variance (ANOVA) and Levene's tests for equality of means were employed in the analyses. It is important to note that all the three objectives had quantitative results to be analyzed.

3.7.2 Qualitative data analysis

For qualitative data analysis, data was categorized, edited and arranged according to themes developed from the objectives (in each objective, a qualitative analysis was done and later triangulated with quantitative results). Data was analyzed descriptively and thematically. The content analysis was also done whilst transcribing the narratives from participants and later relating to the quantitative analysis. The link to quantitative data was provided so that presentation and flow of the data can easily have meaning to the reader.

3.8 Ethical considerations

A letter permitting to conduct research about utilization of microcredit services by customers was sought and received from the Strathmore University. This was used to introduce to participants in different villages, zones and offices who had consented to participate in this study. Seeking consent from participants could precede formal interview intended to this study. Those that conceded, they would be interviewed; unlike non-cooperative participants. Participants would be informed about their voluntary participation in the study so that they could not expect money or any form of material gains. Therefore, there was no use of finance or buying participants to be interviewed. Participants were informed about their choice to withdrawal from the study at any point, or refuse to answer any questions that they felt uncomfortable with or violates their rights as human beings.

CHAPTER FOUR

PRESENTATION OF RESEARCH FINDINGS

4.1 Introduction

This section presents the findings from the study by starting with the response rate of the participants. It then gives some of the socio-demographic characteristics in influencing the utilization of the accessed credit from SUM. The rest of the findings are arranged thematically on the objectives.

4.1.1 Response rate

The study was planned for a survey of 400 participants but only 300 were interviewed. The rest of the participants could not be reached during the study since they had farms in the villages and businesses in other states of South Sudan. By the time of the study, they were absent. This response rate is therefore presented in Table 4.1

Table 4.1: Response rate

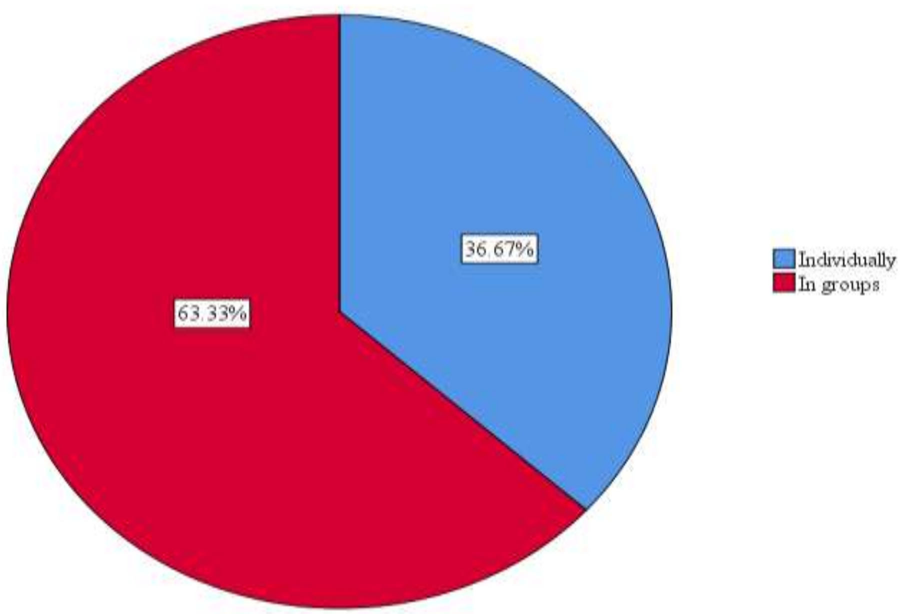
Categories	Frequency	Percentage
No. of tools delivered	400	100
Answered questionnaires	300	75
Tools not answered	100	25
Key Informants	7	100

Table 4.1 shows that the findings presented herewith was contributed by 75% (300) of the participants whose tools were answered during administering the questions. According to Creswell (2013), there is no specific sample for qualitative research yet above 60% of the total responses can inform the study according to Creswell et al. (2011). The fact that 75% of the responses were collected, the researcher found it appropriate to inform this study. Only 25% of the tools were not answered since the

4.2 Levels of uptake and effect of microcredit on household

The first objective to this study seeks to interrogate levels of up-taking and their effect on incomes and savings at a household. The findings established that SUM use two levels or approaches as presented in the Pie-chart 4.1.

Pie-chart 4.1: Levels of up-take of micro-credit under SUM



Pie-chart 4.1 shows that majority of the participants (63.3%) uptake microcredit in groups and 36.6% would uptake credit through the individual process. Study established that around Juba Municipality and in its peri-urban areas, there were various women who up-take credits through groups which was perceived a security to such groups of people. The key informants noted that most women like up-taking microcredit through groups since majority of the women do not have securities leading them get such loans. The study also established that women have most advantages to SUM as compared to mean (Key Informants). It was noted that "*a few women can think defaulting microcredit intentionally as compared to men. Even women within groups remind one another about period for re-payment.*" The key informants went ahead to assert that '*the two approaches have been used to support all the people despite of their nature so that they can be liberated from poverty.*' Despite such approaches, it was noted that there is still large number of people living in poverty in South Sudan.

The key informants noted that most clients of SUM seek credit for immediate or confronting problems such as tuition fees or lack of money to address certain illness. This has been one of the challenges hindering road against poverty reduction in South Sudan.

> *Efforts by various groups such as Non-Governmental Organizations, the Government of South Sudan and MFIs have been witnessed towards by people through training to access and use funds, giving funds to people, supervising and monitoring various projects. However, poverty has continued to ruin peri-urban Juba Municipality and the nation at large* (5 Key informants)

The study established that clients of SUM are given one month to repay from the period of up-taking credits. This is applicable to all persons receiving credits as individuals and groups. Majority participants asserted that the period is okay but not good enough since people were coming from war and there are still less activities to generate incomes to many people especially women. Other participants noted that if the period is prolonged, many borrowers are likely to become lazy and later fail to repay. On how to use credit, participants noted that most people are trained how to use credit received and this has been essential in running of the institution. The study also established that men and women are given credit without discrimination which has been appealing towards SUM. Cases of failure to repay were not mentioned since most of the people accessing the credit could be first assessed to understand their potential to repay.

The key informants went ahead to mention rigorous process most people undergo to access credit from SUM. Due to uncertainty in South Sudan and lack of collateral security, females without collateral and individuals in groups are requested to have recommendations and signatures from the local leaders. This becomes easier for tracing and recovering in case of defaulting. Otherwise, it would have been difficult for the clients to uptake credits without securities.

4.2.1 Effects on incomes and savings

Although there are many effects within the households setting because of up-taking microcredits, this study put much more emphasis on various results related to incomes and savings. This study perceived that once income increases, people can increase on the levels of consumption and the remaining part of their incomes could be saved. Besides, with increased incomes among the households, peoples' potential to spend increase and their purchasing power as well. The effects of microcredit were therefore linked to mode or level (individual & group) of up-take during the study and the findings with differences are presented in Table 4.2 and Table 4.3.

Table 4.2: Group statistics of individual and group effects of up-taking credits

Effects of credits	Mode of up-take	N	Mean	Std. Deviation	Std. Error Mean
Improved incomes	Individual	110	2.53	1.038	.099
	Group	190	2.57	.999	.072
Improved family savings	Individual	110	2.58	1.168	.111
	Group	190	3.25	.996	.072
Improved homestead outlook	Individual	110	2.52	1.056	.101
	Group	190	2.67	1.043	.076
Helped in paying tuition	Individual	110	2.47	.906	.086
	Group	190	2.35	1.052	.076
Accessing fertilizers	Individual	110	2.45	1.194	.114
	Group	190	3.16	1.067	.077
Increased labor to the farm	Individual	110	3.05	1.156	.110
	Group	190	3.23	1.018	.074
Increased women in business	Individual	110	2.57	1.137	.108
	Group	190	2.86	1.115	.081
Financial status in family	Individually	110	2.56	1.162	.111
	Group	190	3.03	1.190	.086
Helped to pay debts	Individual	110	2.85	1.148	.109
	Groups	190	2.91	1.146	.083
Increased households' utensils	Individual	110	2.67	1.212	.116
	Group	190	2.81	1.220	.088

Table 4.3: Independent sample test for individual and group effects of up-take

Variables		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	t	df	Sig. (2-tailed)
Incomes	Equal variances assumed	.206	.650	-.382	298	.702
	Equal variances not assumed			-.378	220.598	.705
Savings	Equal variances assumed	5.746	.017	-5.230	298	.000
	Equal variances not assumed			-5.013	199.598	.000
Homestead outlook	Equal variances assumed	.080	.778	-1.239	298	.216
	Equal variances not assumed			-1.235	225.562	.218
paying tuition	Equal variances assumed	2.829	.094	1.045	298	.297
	Equal variances not assumed			1.088	255.733	.278
Access to fertilizers	Equal variances assumed	2.387	.123	-5.265	298	.000
	Equal variances not assumed			-5.110	207.610	.000
Labour to farm	Equal variances assumed	2.276	.132	-1.380	298	.169
	Equal variances not assumed			-1.334	204.984	.184
Women in business	Equal variances assumed	1.079	.300	-2.119	298	.035
	Equal variances not assumed			-2.108	224.171	.036
Financial status	Equal variances assumed	.634	.426	-3.310	298	.001
	Equal variances not assumed			-3.332	232.321	.001
Paying debts	Equal variances assumed	.535	.465	-.369	298	.712
	Equal variances not assumed			-.369	227.415	.713
Households' utensils	Equal variances assumed	.014	.906	-.945	298	.345
	Equal variances not assumed			-.947	228.850	.345

Table 4.2 presents the effect, the mode, number (N), mean (±) differences, standard deviation and error. Table 4.3 presents analysis under t-test on the groups, degree of

freedom and significances to justify if the means were significantly different. In accordance to Table 4.2, the findings show the mean differences on income between individual and group (± 2.53 & 2.57), which means that uptake of credit affects income of the people differently. Using the Table 4.3, results on the sig calls for the acceptance of the null hypothesis. Therefore, group or individual uptake of microcredit from SUM has no significant effect on the household's income. The key informants noted that most clients up-take microcredit with problems rather than increasing in their business or projects that have been started. Other clients up-take microcredits to start certain projects yet it would be better to access credit for increasing the existing capital in the already established project. Ahead of this, "*majority of our clients are poor*.' Such factor hinders the road to increasing the incomes. Therefore, the means vary from group and individual up-take of credit but not significant basing on Table 4.3.

Results are also presented on effects of accessing credit on savings and the ± differences of 2.58 for individual and 3.25 for the groups shows a higher saving among borrowers in groups than individuals. Despite this significance, savings is presented sig .000 in Table 4.3 at the same or equal variance. Thus, whether accessed by the group or individual, saving is enabled. While interviewing the key informants, it was noted that 10% of the credit accessed on the individual or group basis is saved. This becomes a basis for saving in SUM with the hope for further investments in the life of the borrower. In fact, the key informants noted that some clients can fail to have incomes on the money up-taken but open accounts and save certain amount of money as an obligation from MFI/SUM.   Differences in ± are also observed on the homestead outlook for individual (±2.52) and group (± 2.67). In comparison, improved family or the households outlook is high for the groups as compared to ± from individuals. Table 4.3 also shows that despite ± differences, home outlook is presented with sig. beyond the p-value. Thus, adoption of null hypothesis. The key informants however noted that majority of the clients who have been able to beautify their homes, up-take credits purposely for the purpose. However, due to the small nature of the credits, clients need to seek credits more times if they are to make their homes better and get funds from other sources.

The ± differences are also presented on helping borrowers to pay tuition with a ± 2.47 for individuals and ± 2.35. This means that individual borrowers seeking credit to pay tuition were many as compared to persons within the groups. The level of sig. presented in Table 4.3 is an indicator to accept the null hypothesis. This was supported by the key informants who noted that there are quite a big number of clients who seek microcredit to pay tuition for their children in schools and in such circumstances, there is no income that could be generated. Whilst there is ± difference on access to the fertilizers for individuals (±2.45) and ±3.16 for the groups, it is indicated that groups always seek for credit to be applied in farms as compared to individuals. Table 4.3 also shows that access to fertilizers was found sig .000 and thus rejection of the null hypothesis for the alternative. In fact, according to the key informants, this is mostly by women who think of buying maize seeds and fertilizers to increase on their production. However, many of the farmers have small plots of maize gardens which is normally done for home consumption and little for sale. The key informants noted that in such situation, increasing on the clients' income remains negligible.

The ± differences were also observed in the extent to which accessed credit increase labourers to the farm as presented from Table 4.2. The ± for individual is 3.05 and ±3.23 is presented from groups. The differences herewith corollate to the up-take of agriculture fertilizers in a sense that high ± is presented from groups. However, Table 4.3 presents sig .169 and .184 which are different from the assumptions of t-test (equal variance). Results also leads to the acceptance of null hypothesis. The ± differences are also presented on increasing women into business which is high for the group (±2.86) as compared to ±2.52 for the individuals. Although this variable present different significance (ref. Table 4.3), the run results are below the value of p-value and thus rejection of the null hypothesis. It can be asserted that microcredit increase women in business which is also related to increase in financial status in the family as indicated by ±3.03 for the group which is different to ±2.56 for the individuals. Further, the significance of the financial status is also presented at the same variance as justified by sig .001 in Table 4.3; an indication that microcredit increase financial status for persons up-taking microcredits individually or in groups.

Table 4.2 also presents differences in ±2.85 for the individual and ±2.91 for the group. However, the groups difference is higher as compared to the individual. Results of sig. presented in Table 4.3 call for accepting the null hypothesis basing on the value of p-value. The differences in ± are also presented on the increasing households' utensils and for individuals, it is presented at ±2.67 and ±2.81 for the group. Results in Table 4.3 on the variance are also different and calls for acceptance of the null hypothesis.

4.3 Drivers for up-taking microcredit among households

The study examined drivers for the up-taking micro-credit by the borrowers from SUM. these have been divided into two: institutional and the household factors or the characteristics as presented herewith.

4.3.1 Institutional drivers

The study shows that institutional drivers are the activities, products and personnel within the institution. For the purposes of this study, SUM in Juba Municipality is the institution of the study and descriptive results are presented in Table 4.4.

Table 4.4: Illustration of institution drivers

Variable	Strongly agree	Agree	Not sure	Disagree	Strongly disagree
Reduced interest rate	7 (2.3%)	108 (36.0%)	3 (1.0%)	89 (29.7%)	93 (31.0%)
Innovation by SUM	15 (5.0%)	118 (39.3%)	38 (12.7%)	99 (33.0%)	30 (10.0%)
Advertisement by Radio / TV	58 (19.3%)	97 (32.3%)	19 (6.4%)	101 (33.7%)	25 (8.3%)
Staff of SUM	34 (11.3%)	154 (51.3%)	11 (3.7%)	75 (25.0%)	26 (8.7%)
Management of SUM	42 (14.0%)	147 (49.0%)	9 (3.0%)	79 (26.3%)	23 (7.7%)
Time given to repay	25 (8.3%)	88 (29.3%)	16 (5.4%)	121 (40.3)	50 (16.7)

Table 4.4 shows reduced interest rate as one of the drivers compelling the poor people to seek for the credit from SUM. Result shows that 336.0% agreed with the statement, 29.7% disagreed, 31.0% strongly disagreed and 2.3% strongly agreed. Such varied results show

that the up-take of microcredit is driven by the interest rate whilst it has no effect to others. According to the key informants, the interest rate is significant in that if it is high, borrowers must run away and come back when it has been lowered. It was noted that the interest rate of SUM ranges from 3% – 5% and this has been up-taken by various groups of people in South Sudan.

Although there were different people supporting the view that SUM has gotten different innovations, it was not mentioned apart from giving credit to the people. The findings show that 39.3% agreed that innovations by SUM drove participants to seek for the credit, 33.0% disagreed, 12.7% were not sure, 10.0% disagreed, 5.0% strongly agreed. The key informants noted that apart from improving the rate at which borrowers receive microcredit, there is no innovation put in place to the people. Advertisements increased on both radios and television to inform people about the available funds to the people which has driven the people to seek for the credit against the challenges in life. Accordingly, 32.3% agreed with the fact that they were driven by adverts, 19.3% strongly agreed and 33.7% disagreed, 8.3% strongly disagreed whilst 6.4% was not sure. Despite such institutional drivers, the key informants recalled that some of the people do have access to radio and television. The main option which has increased some of the clients to SUM has been network among the people as advanced under diffusion of innovation theory of information.

Table 4.4 shows a high percentage about staff of SUM as the best driver to people’s effort to access credit. Accordingly, 51.3% agreed with the statement, 25.0% disagreed, 11.3% strongly agreed, 8.7% strongly disagreed and 3.7% was not sure. One of the key informants at the managerial level noted that in order to have a staff that can equally perform and achieve goals of the organization, it is imperative to start with the recruitment and this should be based on the level of qualification and the motivation to serve the people. The key informants also noted that SUM takes extra-miles to train its workers in different skills like assessment and communication approaches that attract various groups of people to seek for services from the institution.

The key informants also noted that the management of SUM has also drove the people to seek for the credits. They appeal to the people in a simple and convincing approach focusing on what microcredit can do to participants. Most of the managers have been among other personnel appearing on the radio and television appealing the people to use microcredits in the period of reconstruction. According to Table 4.4, it is indicated that 49.0% agreed and 14.0% strongly agreed. the table also shows that 26.3% of the participants disagreed with the statement, 7.7% strongly disagreed and 3.0% was not sure.

Lastly, Table 4.4 shows that time given to repay is yet another institutional driver among the people to seek microcredit. accordingly, 40.3 of the participants disagreed and 16.7% strongly disagreed. On the other hand, 29.3% agreed, 8.3% strongly disagreed whilst 5.4% was not sure. Such varied response show that time to repay has never been appropriate in accordance to the needs of people.

Analysis for the institutional drivers was done using ANOVA of the group samples and the findings show that most of the institutional drivers are significant as presented in Table 4.5.

Table 4.5: ANOVA Analysis of institutional drivers

Variables		Sum of Squares	df	Mean Square	F	Sig.
Reduced interest rate	Between Groups	.373	1	.373	.215	.644
	Within Groups	518.597	298	1.740		
Innovation by SUM	Between Groups	1.445	1	1.445	1.090	.297
	Within Groups	395.152	298	1.326		
Advertisement by radio / TV	Between Groups	45.444	1	45.444	28.707	.000
	Within Groups	471.743	298	1.583		
Staff of SUM	Between Groups	11.933	1	11.933	8.329	.004
	Within Groups	426.983	298	1.433		
Management of SUM	Between Groups	12.804	1	12.804	8.757	.003
	Within Groups	435.743	298	1.462		
Time given to repay	Between Groups	23.467	1	23.467	15.118	.000
	Within Groups	462.570	298	1.552		

Table 4.5 shows the analysis of the institutional factors. It presents the sum of squares, degree of freedom and the significance. A part from reduced interest rate (.644) and innovation by SUM (.297), the rest of the drivers are presented significant in driving the people to access or up-take microcredit from SUM. The value of advert by the radio and television (.000), staff of SUM (.004), management of SUM (.003) and time given to repay (.000), are all presented significant in the due course of up-take microcredits.

4.3.2 Household drivers

The study further assessed the household drivers that are essential in compelling the people to uptake microcredits. These factors range from the individual factors such as the level of education and age, to household and garden / business factors. Descriptive results are presented in Table 4.6.

Table 4.6: Illustration of the household drivers

Variable	Strongly agree	Agree	Not sure	Disagree	Strongly disagree
Credibility in the society	15 (5.0%)	92 (30.7%)	12 (4.0%)	107 (35.7%)	74 (24.7%)
Collateral security	34 (11.3%)	113 (37.7%)	16 (5.3%)	105 (35.0%)	32 (10.7%)
Off-farm income	49 (16.3%)	144 (48.0%)	7 (2.3%)	86 (28.7%)	14 (4.7%)
Level of education	57 (19.0%)	118 (39.3%)	4 (1.3%)	73 (24.4%)	48 (16.0%)
Network in community	74 (24.7%)	152 (50.7%)	4 (1.3%)	58 (19.3%)	12 (4.0%)
Through a phone	50 (16.7%)	133 (44.3%)	3 (1.0%)	77 (25.7%)	37 (12.3%)
Group members	53 (17.7%)	71 (23.7%)	36 (12.0%)	92 (30.6%)	48 (16.0%)
My business	20 (6.7%)	92 (30.7%)	18 (6.05)	133 (44.3%)	37 (12.3%)

Table 4.6 shows that one of the driving factors for accessing the credit from SUM is the individual credibility in the society. Although significant, 35.7% of the participants disagreed with the statement and 24.7% strongly disagreed. On the other hand, 30.7% agreed, 5.0% strongly agreed and 4.0% was not sure. It is important to assert that the study established that if a person is not credible within the area where he/she lives, the local councils become non-supportive which leads to denial of recommendation to up-take microcredit. Credibility was also mentioned by the staff of SUM who were interviewed as key informants that once one is credible and has repaid the credit well, it is onus of the institution to give another credit or a group of individual graduates to start up-taking credit at individual level. The key informants noted that clients without security to up-take credits form groups to qualify for microcredit and such groups hardily select a person whose

credibility is low. Clients chose persons who are willing to use microcredit received productively so that they have no problems with repayments.

Another driver discussed is collateral security and it is indicated that 37.7% of the participants agreed and 11.3% strongly agreed. On the other hand, 35.0% disagreed, 10.7% strongly disagreed and 5.3% was not sure. Most of the participants that disagreed included female and men clients who had accessed the credit through groups. Despite this group, the key informants noted that ability to provide a security is very important to disburse microcredit.

The study also found off-farm income as another factor to disburse and uptake microcredit. according to the key informants, the off-firm income such salaried vulnerable women and youth becomes another credible part to support a client to access or uptake the credit. Accordingly, 48.0% of the participants agreed and 16.3% strongly agreed. on the other hand, 28.7% of the participants disagreed, 4.7% strongly disagreed and 2.3% was not sure. The study also examined the level of education as presented in Table 4.8. accordingly, 39.3% agreed with the statement and 19.0% strongly agreed with education. However, 24.4% disagreed, 16.0% strongly disagreed and 1.3% was not sure. The varied responses were since even participants without education were able to access microcredit to support their daily needs. However, the key informants noted that SUM prefer giving microcredit to the educated persons as compared to people without levels of education.

Table 4.6 shows that community network is essential towards access or up-take of microcredit. Importantly, community network stems from the diffusion of innovation theory or model which assumes that information spread to the community starting with a small group to a bigger one. The network bis a form of chain that spread either the goodness or the badness of something and this attracts or demotivate individual involvement. Accordingly, 50.7% of the participants agreed and 24.7% strongly agreed. it is also indicated that 19.3% disagreed, 4.0% strongly disagreed and 1.3% was not sure. The key informants noted that SUM has gotten a group of women who have created a network to attract various females and males into motives to up-take credits in the post conflict days. These skills to create a network is mainly acquired during the induction training before a worker of SUM starts his / her job.

It was also found that phones have been used to exchange information but a few women were mentioned to be holding phones and therefore many do not have clear information. According to Table 4.6, it is indicated that 44.3% agreed and 16.7% disagreed with the statement. On the other hand, 25.7% disagreed, 12.3% strongly disagreed and 1.0% was not sure. On group members, 30.6% disagreed and 16.0% strongly disagreed. On the other hand, 23.7% agreed, 17.7% strongly disagreed and 12.0% was not sure. Lastly, it was one's business or farm that drive such person to seek for microcredit or form a group in order to access the funds. In accordance to business or farm, it is indicated that 30.7% of the participants agreed and 6.7% strongly agreed. however, 44.3% disagreed and 12.3% strongly disagreed whilst 6.05% was not sure. According to the key informants, SUM mainly empower women in Juba Municipality to have skills in using finance and making upright decision in distributing resources. However, it considers both men and women to up-take credits. On the age, the key informants noted that all clients are welcome to uptake credit if they are above 18 years of age. This applies to nature of economic activities although the priority to SUM are agricultural farmers.

Analysis of the household drivers was done using ANOVA. In accordance to Table 4.7, the mean squares, degree of freedom and sig are presented to justify the significant results.

Table 4.7: ANOVA Analysis of households' drivers

Variables		Sum of Squares	df	Mean Square	F	Sig.
Credibility in society	Between Groups	.751	1	.751	.452	.502
	Within Groups	495.286	298	1.662		
Collateral security	Between Groups	13.441	1	13.441	8.557	.004
	Within Groups	468.079	298	1.571		
Off-farm income	Between Groups	1.416	1	1.416	.991	.320
	Within Groups	425.970	298	1.429		
Level of education	Between Groups	10.542	1	10.542	5.350	.021
	Within Groups	587.228	298	1.971		
Network in community	Between Groups	5.703	1	5.703	4.359	.038
	Within Groups	389.883	298	1.308		
Through a phone	Between Groups	30.461	1	30.461	17.971	.000
	Within Groups	505.125	298	1.695		
Group members	Between Groups	19.686	1	19.686	10.727	.001
	Within Groups	546.911	298	1.835		
My business	Between Groups	.291	1	.291	.200	.655
	Within Groups	433.959	298	1.456		

ANOVA analysis in Table 4.7 shows that apart from credibility in the society (.502), off-farm incomes (.320) and personal business or farm (.655), the rest of the variables examined in table are significant. This is since they are below to the values of p-value. Basing from the findings of this study, it is imperative to assert that personnel drivers are many as compared to the institutional drivers. It was observed that the post-conflict situation in South Sudan and Juba Municipality where the wars have characterized the nation for a long period, instructional such SUM are perceived as blessing to settle some of the confronting challenges. Therefore, whilst SUM gives a manageable interest rate and an appropriate time to repay, it is upon the people being conflated with challenges that they must seek for microcredit.

Using Table 4.7, F (factor) analysis was reached using some of the variables that were run under ANOVA. On credibility in the society as a driver, the calculated value of F is .452 which is less than 3.98 with df (1, 298) but greater to .05. The fact that the calculated significance (sig) of .502 is greater than the value of α 0 0.05, it leads to the acceptance of H_o. On collateral security, the value of F is 8.557 is greater than 3.98 with df (1, 298) and the significance (sig) value is .004 is less than the value of $\alpha = 0.05$. Therefore, H_o is rejected in favour of the alternative. Amin (2005) is of the view that the rejection of H_o means that there is a strength between an independent and dependent variable. Using the information from Table 4.7, it is indicated that majority of the participants agreed and strongly agreed that collateral security is among the drivers to access microcredit.

Conclusively, drivers whose Factor (F) values (credibility in the society, .452; off-farm incomes, .991; and personal business or farm, .200) are less than 3.98 are not significant to compel individuals or groups to access microcredit from SUM. On the other hand, drivers whose Factor (F) values (collateral security, 8.557; levels of education, 5.350; networking through the phone, 17.971; group member, 10.727) are greater than 3.98 are significant in accessing microcredit from SUM. This is because their p-values are less than of $\alpha = 0.05$, which calls for rejection of their H_o.

4.4 Interventions of SUM and Government of South Sudan

The last objective assessed the interventions of the stakeholders with main emphasis to SUM and the Government of South Sudan in enhancing uptake of microcredit by households. Results have been presented with the main emphasis to establish if there are differences in intervention. However, the study first interrogated if participants always access microcredit from SUM and the findings are presented in the Pie-chart 4.2.

Pie-Chart 4.2: Whether people always up-take microcredits from SUM

Pie-chart 4.2 shows that despite the increased effort by SUM for the poor people to recover from the wounds of the war by accessing microcredits, many of the people still do not access or up-take the credit. Accordingly, 70% of the participants reported with "No" whilst 30% with "Yes." In effort to increase the number of the people to access the credit, the role of stakeholders like the government and SUM have been intervening and results are presented Table 4.8.

Table 4.8: Illustrations of intervention by SUM and Government

Variable	Innervations	N	Mean	Std. Deviation	Std. Error Mean
Whom do you attribute help to access credit	Government	110	1.48	.502	.048
	SUM	190	1.54	.500	.036
Whose officials sensitized you about SUM credit	Government	110	1.65	.478	.046
	SUM	190	1.55	.499	.036
Whose training did you attend about use of credit	Government	110	1.65	.481	.046
	SUM	190	1.79	.405	.029
Whose policy attracted you to access credit	Government	110	1.56	.498	.048
	SUM	190	1.74	.439	.032
Whose advert attracted you to access credit	Government	110	1.68	.468	.045
	SUM	190	1.78	.412	.030

Table 4.9: Intervention analysis by SUM and Government

Variable		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	T	df	Sig. (2-tailed)
Whom do you attribute help to access credit	Equal variances assumed	.466	.495	-1.006	298	.315
	Equal variances not assumed			-1.004	226.826	.316
Whose officials sensitized you about SUM credit	Equal variances assumed	13.895	.000	1.821	298	.070
	Equal variances not assumed			1.842	235.946	.067
Whose training did you attend about use of credit	Equal variances assumed	27.797	.000	-2.870	298	.004
	Equal variances not assumed			-2.743	197.768	.007
Whose policy attracted you to access credit	Equal variances assumed	27.583	.000	-3.229	298	.001
	Equal variances not assumed			-3.121	204.977	.002
Whose advert attracted you to access credit	Equal variances assumed	13.961	.000	-1.971	298	.050
	Equal variances not assumed			-1.906	205.182	.058

Differences in ± are presented in Table 4.8 about the intervention by the Government of South Sudan and SUM. Differences on whom participants attribute their access to credit show the government with ±1.48 and ±1.54 for SUM. The differences are higher with SUM as compared to the government. according to the key informants, such high difference was attributed to the role played by SUM to the grassroots level as the people seek to get credits. SUM as an institution has the outreach program in which its individual move from door to door enquiring from different households if there is a need for assistance to access microcredits (Key informants). Corresponding results are shown in Table 4.9 on the government's Levene's Test for equality and t-test for the equality of means. In this table, the value of p-value is greater, which calls for the acceptance of null hypothesis. This makes the interpretation that whilst there is work done basing on Table 4.8, it is not yet significant.

The ±differences are also presented on sensitization about credit from SUM. It shows ±1.65 for the government and ±1.55 for SUM. This means that the government has high response to microcredit access in the road to recovery as compared to SUM. The correspondent analysis presented in Table 4.9 calls for the acceptance of null value at the critical values for both stakeholders. The key informants noted that the main reasons for such low responses is the fact that few people up-take microcredit from SUM and the government role has remained on policy approach rather than the grassroots. A part from allowing microfinance institutions and NGOs to assist the grassroots people, the government of South Sudan has no other projects to help the grassroots persons. This was due to the time lag from the war. May be, the government will start such programmes in future. However, there are no grassroots projects now.

The study also assessed the intervention through training and the ± differences are presented with ±1.65 for the government and ±1.79 for SUM. Therefore, intervention by SUM to train the people about using the microcredit was high as compared to government. In fact, the key informants noted that SUM official train people before disbursing credits into their hand. Some training is also done at the household level to ensure successful results. In some agricultural clients, efforts have been done by coordinating some of the government agriculture extension officers to reach farmers for the improved and quality services. Correspondent result at the variance shows the significance of training and a call to reject the null hypothesis in for the sake of the alternative.

Assessment was also done on the policy approaches in attempt to call the people access microcredit. There are ± differences according to Table 4.8. Accordingly, the government has ±1.56 and ±1.74 for SUM. Still, SUM has a higher mean as compared to the government. The key informant to this study assessed the policy basing on SUM and government commercial banks. In this approach, the government commercial banks emphasize collateral securities and this is not the case with SUM. despite this, correspondent results in Table 4.9 show that this is significant and calls for rejection of the null hypothesis for the alternative.

Lastly, was the intervention by advertisement on the radio or television. Both SUM and the government are presented intervening through adverts. However, the ± differences in intervention as presented by the government with ±1.68 and ±1.78 by SUM. The correspondent results in Table 4.9 shows the significant work from both the government and SUM.

A factor analysis for the Government of South Sudan and SUM as stakeholders was run and the findings are presented in Table 4.10.

Table 4.10: ANOVA analysis for the government and SUM stakeholders

Variable		Sum of Squares	df	Mean Square	F	Sig.
Whom do you attribute help to access credit	Between Groups	.253	1	.253	1.011	.315
	Within Groups	74.627	298	.250		
Whose officials sensitized you about credit	Between Groups	.800	1	.800	3.315	.070
	Within Groups	71.946	298	.241		
Whose policy attracted you to access credit	Between Groups	2.219	1	2.219	10.427	.001
	Within Groups	63.418	298	.213		
Whose training did you attend about use of credit	Between Groups	1.553	1	1.553	8.237	.004
	Within Groups	56.167	298	.188		
Whose advert attracted you to access credit	Between Groups	.730	1	.730	3.886	.050
	Within Groups	56.016	298	.188		

The factor analysis presented in Table 4.10 shows that apart from policy (F, 10.427; p-value, .001); training (F, 8.237; p-value, .004) and advertisement (F, 3.886; p-value, 0.050), the rest of the variables were not significant. In such circumstances, H_o is accepted for the rest of the insignificant variables as opposed to H_o for policy, training and advertisement.

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.1 Introduction

This section presents the discussion of the findings within the theoretical ambits and the literature that has been used in chapter two. This discussion is tailored on the specific objectives with the main emphasis on the levels of up-taking microcredit and its effects on the household income and savings. In the process of up-taking microcredit, there is a general perspective which a person can easily pick from the findings that despite using different approaches, poverty reduction is still low in Juba Municipality. This therefore raises questions like why has poverty remained among the clients of SUM? Could it be the uptake or the failure of the people to use microcredit appropriately? Such questions are well discussed with reasons hereunder.

In answering these questions, one needs to observe that SUM is acting as a link between the people and commercial banks and the policy maker- the Government of Sudan. The study assumes that SUM gets finance from the commercial banks and use possible approaches so that the grassroots person is served. In this service and study, SUM acts as an intermediary institution so that those that do not qualify to access findings from commercial bank get opportunity to do so. Therefore, it becomes the main stakeholder in its services together with the Government of Sudan as discussed herewith.

5.1.1 Levels in up-taking microcredit

The study findings show up-take of microcredit through two levels; group and individual levels. Although the main emphasis is centered on the clients, Woller (2002) is of the view that main emphasis to attract client up-take of credit by different MFIs is nothing else rather than making profits. Whilst clients seek for credits to solve immediate or the long-term problems, it is the duty of clients of MFIs such as SUM to determine the level of profits that will be accrued with the credit. d to improve on the living standards. Whether MFIs such as SUM take extra-miles to establish if certain clients make profits from received money is not examined in this study. There is therefore a need to undertake such studies to establish whether MFIs take establish how clients benefit from the accessed amount of credit received.

Nonetheless, the study is in line with what Madajewicz (2011) states on the groups lending. The scholar notes the reason MFIs and the borrowers prefer group lending is the fact that they facilitate education and training of the clients seeking the credit. According to Godquin (2004), training and information mitigate risks relating to failure to repay. Therefore, SUM finds the use of group to disburse credit essential and basic to people at the grassroots level. Getting a letter from the local leaders by individuals or groups is one of the solutions in case of defaulting or an approach to trace the location of the clients. Duflo *et al*. (2008) show that most people fail to access and utilize credit since they do not have collateral and the institutions lending money consider such groups as risky groups. In the circumstances of SUM, groups and letter from the local leaders serve as alternative.

How does the up-taken credit affect incomes and savings at a household level?

The findings to the study show the effects on incomes of different groups and individuals; and various activities that generate income to the people. Whilst the qualitative findings show variances in responses, results from a study conducted by Li et al. (2011) from China show only positive effect of microcredit on incomes and consumption of the people. In fact, the study shows that due increased levels of income, consumption and expenditure on household items increased than prior periods to up-taking microcredit. this study shows that clients up-take microcredits to get fertilizers to their maize garden and other agriculture fields to increase production. This is intended to increase income rather than anything else. Such information is in line with what Becchetti and Castriota (2011)'s study from Sri-Lanka after the great Tsunami of 2004. Using a quasi – natural experiment design, his findings show positive significance in recovering fast in agriculture and business merchandize after the event. This justifies the view that microcredit affect significantly agricultural farms and productivity.

5.1.2 Drivers compelling the up-take

Drivers are assessed having realized that they are influential in other areas or part of the globe to clients. Whilst similar drivers exist among the clients of SUM and people from South Sudan, poverty has remained in Juba Municipality. This leaves a question why have such drivers compelled clients in other areas of the world to up-take microcredit and reduce on poverty yet such reduction is low in South Sudan and Juba Municipality where SUM has urban operation? Having such in mind, this study interrogates such drivers and the extent to which they have been successful or not.

At an institutional level, the study reveals the extent to which various institutions such as SUM have engaged in advertising products to the clients. This has been associated to their policy on using either information communication technology or by its staff on the door to door approach. Advertisement as a driver to attract clients is presented by Chowdhury (2009) as one of the policy-approaches an institution can use to attract clients. Chowdhury (2009) states that through advertisement, institutions reveal to the public their products but never show approaches that could be used to generate incomes among the people. In fact, the findings show that SUM advertises its products to the people but the concern to invest microcredit to income generating product is for the individual clients. Whilst advertising as used by SUM could have attracted clients to access or up-take microcredit, the user of the driver used it at less extent to unpark how to microcredit can increase income and savings.

Another driver which is also assessed in this study is recruitment of the competent staff who also receive inductive skills at initial inception to their work. according to Kamukama *et al*. (2010), recruitment is one of the best exercises to increase motivated staff into an organization although most African states have marred it with corruption practices. In fact, while such recruited workers have been motivated to work for SUM and increase clients / outreach, Kamukama *et al*. (2010) state that such workers despite training given to clients before accessing microcredit may not be enough to help in income generating activities.

Indeed, efforts by SUM have been increased through alliance with the South Sudan agriculture extension workers, but the results have however remained low.

Lawal *et al*. (2009) show that the perception of clients according to repayment is important since it either increase clients or reduce them. In his study from Nigeria, Balogun and Yusuf (2011) reach on a conclusion that short period puts the institution at risk but this period should not be too long. Whilst the period to repay is one month according to the findings of this study, it is also indicated that after one-month clients have not yet accumulated repayment money. moreover, there is several clients who invest money in paying tuition to students which does not generate income in a short period of time.

At the households or individual drivers, the study establishes that education serves the main purpose to up-take microcredit and attracts staff of SUM to a client. This assertion is in line with what Li *et al*. (2011) who noted that education and securities such as collateral facilitate credit up-take among clients. Most research have found a positive relationship between the age of borrows and uptake of microcredit (Mwang and Kihui, 2012). Despite this, research by Baiyegunhi *et al*. (2012) shows no correlation between age and access to microcredit from any institution. The findings received from the key informants show that SUM does not consider age – old or young, rather if one is beyond 18 years of age, he/she can be allowed to up-take credit.

5.1.3 Intervention by Stakeholders

Although there are various stakeholders to institutions such as MFI and SUM, the intervention has been specifically discussed on the government and SUM. The questions arising are the extent to which the two (SUM & Government of South Sudan) have worked to increase the uptake of microcredit. In fact, what are interventions of the stakeholders (SUM & Government) in enhancing the uptake of microcredit by households? The role of the government according to Mersland (2009b) is to use its one arm to make enabling laws and policies so that the people can easily access and use services and goods. MFIs such as SUM serve the people on behalf of government. The services rendered to people agree with what the government intends to do. The findings show that there is a difference in intervention between the Government of South Sudan and SUM. While SUM is an intermediary and a stakeholder in this, it works under the government policies to reduce poverty from the people.

The findings show that both the government and SUM use radio, televisions and all possible means to sensitize the people, it is the duty of the people to take initiative to access the funding. This information is line with what Agarwal and Elston (2001) note that the people need to decide which stakeholder can solve the emerging problem. Whilst the findings of the study show differences in methods of intervention, stakeholders have the same focus to reduce poverty.

CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This section presents the summary of the results, conclusion and recommendation. These are presents as they originate from the study to the extent to which the gaps which this study addressed and leaves for further research can be addressed.

6.2 Summary of the findings

The findings of the study reveal the extent to which SUM has stood as one of the best financial intermediaries in enabling the people, especially women to access and use microcredit. Under the theoretical perspective which guided this study, the financial intermediaries are presented linking the commercial banks in terms of finance while lending the public at disposal of their approaches. In fact, the findings emphatically bring a situation which has never been in the criteria for lending the public by commercial banks. That is, lending the public in groups yet without collateral securities. Besides, supervising persons within the groups so that they can graduate for individual loans. The differences in borrowing and use of credit, and the effect to minimizing poverty remain outstanding among the group lenders since they supervise one another with need to graduate for individual borrowing. As a stakeholder in this relationship, SUM has used possible drivers such as managed interest rate and grace periods to the people. Such drivers have been attracting borrowers to access loans. The fact that its presence as a stakeholder benefits the government (another stakeholder), and its goals supports the government agenda to reduce poverty from the people, the Government of South Sudan has also used possible approach to maintain relationship with SUM. This relationship has been among other factors attracting the citizens to access microcredit from SUM.

6.2.1 Group verses individual microcredit uptake and their effects

It can be asserted that group level or approach of lending microcredit is the most desired by the poor people at the grassroots level as compared to individual lending. The most striking group in this approach are women since they are vulnerable without collateral securities which are the most prerequisite to access credits from other financial institutions and SUM at an individual level. Its design to support such groups of people who seek to access credit amidst shortfalls remains a method to attract the poor. One of the striking factors on the group lending or borrowing is the fact that it starts with savings. This is the major component that is encouraged by SUM according to the findings of this study. In the long run, women and all individuals in a group later graduate to access individual credits basing on their ability. This later become the basis for increasing both savings and income in the household. Savings and income are normally associated with the level or the rate in consumption. However, this study did not go extra-mile to critique consumption. It therefore remains a gap to future studies.

6.2.2 Drivers for uptake of microcredit at households' level

It is interesting to note that there are various drivers for the uptake of microcredit and these have been presented significant in the context of South Sudan. The most drivers discussed were households and institutional factors. At the household level, the poor people and women without securities needed by the bank are attracted to form groups as the main driver. Whilst other drivers such as age, gender, level of education, off-farm income and the nature of a family can be important drivers, it is imperative to note that this study shows that whoever wishes to acquire credit without security must form a group. Therefore, the catalyst nature of the group remains significant in the process to borrow and receive credit. It needs to be remarked that some of the household drivers are important or applicable in one household yet not applicable in another. That is the most reasons why there are differences in responses as indicated by the findings. All in all, it is important to assert the main intention to all different applicable factors is access microcredit.

Besides the household drivers, there are institution factors like motivated staff who attract the clients to seek for the credit. The management and the directors are also important in this case with the main interest of reconciling making profits and increasing the clients who seek credits in short and long run. The policy used on the interest rate and grace period, together with amount of money disbursed also drive client to seek for the credit. Therefore, whist the household's factors compel groups or individuals to access credit, institutional drivers are the most drivers since they exist where there is a point of contestation.

6.2.3 SUM and Government interventions as stakeholders

It is important to observe that the main factor leading to the establishment of SUM was the creation of profits as well as serving the public. If credits are given to the people without making any benefit, it means that there could be no business taking place to SUM. Suffice to remark is the fact that what brings the people or borrowers and SUM is microcredit. In fact, it is microcredit which is contested. Upon this perspective, SUM becomes the main stakeholders in the contestation since the failure to have more clients means losing business and making no profits. Besides, it must set appropriate policies that can easily attract the people, who are the poor to access credits. The fact that most of the clients are the poor people and women without security, it makes the contestation of credit by SUM difficult.

Upon this situation, the Government of South Sudan intervene yet another player in the transactions made by SUM. as a stakeholder, it intervenes to secure SUM to make profits and to encourage its citizens to access microcredits from SUM. at the end of the business, SUM serves the two masters! As a profit-making institution, SUM pays taxes to the Government of South Sudan and provides credits to people. This attracts the Government of South Sudan to be supportive to SUM so that it can have a wider tax base. Besides, the expansion of SUM to the country employs majority people which is yet another focal point to a government. In such respect, the government get taxes from SUM and the people who are the nationals that meant to contribute to taxes to receive services by the government. The Government of South Sudan and SUM therefore must use the same voice to people since benefits are not shared within SUM alone rather to the two (Government of South Sudan & SUM) stakeholders.

6.3 Conclusions

It can be concluded that the levels of uptake are influential in a microfinance institution as an intermediary that prefer to stand between the public and commercial banks. It within the approach used that more and promising results can be achieved among the people who are purtily stakeholders to the institution. What is important with SUM, is that the focus has been women and males at the grassroots level and people without any redress to their community. These are the most people who do not fit in the criterion by the commercial banks. The group approach of lending is the best since it can lead members of the group to graduate into individual leading. Through this approach, many people are likely to access microcredit which in turn can help to such people to get land titles and other forms of asset needed by MFI and banks. In long run, the process can easily lead people to access and utilize finance which is an engine to economic growth and development.

It is within the context where the people live that drivers leading to access and utilization of microcredit can be found. Whilst the institutional factors have been discussed, people living in post-conflict areas are more vulnerable and need finance for reconstruction. In other areas of the world, it is the context that shapes the nature of finance that is needed at any time. Upon this perspective, the people at the grassroots level need to be updated about various financial institution existing in their context and which services do they offer. This will attract more clients since the grassroots people lack finance, ability to get it and skills to use them for effective development.

It can also be concluded that the interventions of stakeholders like SUM and other microfinance institutions are vital to the people seeking for the credits. Upon this perspective, these institutions need to be empowered by the policy in any context so that they can help the people. Government need to support these institutions and the people who increase their approach to uptake of microcredits.

6.4 Contribution to knowledge

The study presents a special approach which is group lending to the people as opposed to other financial institutions. Group lending is important since it enables the poor who would not have been able to access funds from other commercial institutions. This contribution becomes instrumental that it is not only those who have securities that can use money only. In fact, those without securities can also use credits or borrowed funds to accumulate profits like those or more than individuals with securities. This is approved from the fact that some of the women or people who start accessing funds in groups later graduate and start accessing funds individually. Further, the focus on women is yet another knowledge that is presented in this respect. Despite of the social marginalization in respect to norms and traditions in Africa, women under SUM microcredit have portrayed as able individual who have potential and wisdom to compete with men.

6.5 Recommendations

6.5.1 Managerial recommendations

Basing on the group lending approach as discussed from this study, it important for the microfinance institutions such as SUM to increase its branches to the grassroots people to enable them access finance. Such approaches are vital and supportive in a sense that they can increase the ability of the people to access finance.

There is a need to identify indicators for the household wellbeing and welfare so that MFIs such as SUM attach certain condition to them in disbursing funds. The focus on such indicates will necessitate measures for monitoring from MFI in policy approach in collaboration with the government so that the grassroots person can live an improved life.

The management of SUM must be selective in policy approach of recruiting staff members so that they get vigilant persons who are ready to serve the institution and the poor people at large. This will in turn increase the outreach to the grassroots level with the main slogan that its increase to the grassroots is a focus to income and employment.

6.5.2 Policy and regulatory recommendations

This study examined education as one of the drivers to microcredit. The government and MFIs should identify more drivers which are supportive like education so that they are supported in policy. Importantly, the study shows the importance of women in access and use of microcredit. It is upon this basis the government of South Sudan to increase effort to female education so that many women involve in using finance to enhance economic growth and development.

Further, an inclusive policy in education and access to finance needs to be enacted by the parliament of South Sudan so that women are given some soft – loans by the commercial banks. Such initiative will motivate women to access loans from various banks and use then effectively to liberate themselves from poverty

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Appendices

Appendix I: Introductory letter

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Strathmore
UNIVERSITY
BUSINESS SCHOOL

TO WHOM IT MAY CONCERN

Monday, 16 December 2019

RE: FACILITATION OF RESEARCH – DANIEL, ATHIOR ATEM

This is to introduce Daniel, Atem Athior who is a Master of Science in Development Finance (MDF) student at Strathmore University Business School, admission number MDF 102218/17. As part of our MDF Program, Daniel is expected to do applied research and undertake a project. This is in partial fulfilment of the requirements of the MDF course. To this effect, he would like to request for appropriate data from your organization.

Daniel is undertaking a research paper on "The Impact of Microcredit Utilization on Rural Poverty Eradication by South Sudan Microfinance institutions." The information obtained from your organization shall be treated confidentially and shall be used for academic purposes only.

Our MDF seeks to establish links with industry, and one of these ways is by directing our research to areas that would be of direct use to industry. We would be glad to share our findings with you after the research, and we trust that you will find them of great interest and of practical value to your organization.

We appreciate your support and shall be willing to provide any further information if required.

Yours sincerely,

Veronica Muniu
Manager - Graduate Programmes Coordination

Appendix II: Questionnaire to participants

I am, Manyuon, Daniel Athior Atem; A student pursuing a Master of Science Degree in Development Finance at the Strathmore University. The topic to my research is titled: "**Utilization of Microcredit Services by Customers: The Case of South Sudan Microfinance - SUM**" I request your full participation and information collected will be treated with confidentiality and used for academic purposes.

SECTION A
DEMOGRAPHIC INFORMATION
(*Tick whichever appropriate*)

1). State your Gender a). Male [] b). Female []

2). State your age bracket

a). 20-25 [] b). 26 – 35 [] c). 36 – 45 [] d). 46 – 55 []
e). 56 and Above []

3). What is your education level?
a). Primary [] b). Secondary [] c). Diploma/certificate []
d). Bachelors' degree [] e). Masters [] Others - specify……………………

4). State the number of children in your family
a) 1 – 3 b) 4 – 6 c) 7 & above

SECTION B
LEVELS OF UP-TAKE AND THEIR EFFECTS

4. State the mode through which Microcredit was access by you
a) Individually b in groups
5. State amount of money requested from MFI………………………………….
6. State amount of money given …………………………………………………
7. State where it was used for
a) Agriculture b) Payment of Tuition c) Home improvement
d) Business e) Others. Specify ……………………………….

8. Explain the process under which you went through before accessing microcredit
…………………………………………………………………………………………………
8 a). How does SUM maintain the following in giving out loans?

- Collateral security
…………………………………………………………………………………

- Time lag for application before accessing micro-credit

……………………………………………………………………………………………

- Time lag for using microcredit
  …………………………………………………………………………………………
- Treatment of men and women accessing microcredit
  …………………………………………………………………………………………..
- Occupations to people accessing microcredit
  …………………………………………………………………………………………
- Training to use credit
  ……………………………………………………………………………………………
- Management of the business for microcredit
  …………………………………………………………………………………………

9. You can use the following to tick from the table. 1. Strongly agree; 2. Agree; 3. Not sure; 4. Disagree; 5. Strongly Disagree

Statements	1	2	3	4	5
Accessed microcredit improved the levels of income					
Accessed microcredit improved the levels of savings					
Accessed microcredit improved homestead outlook					
Accessed microcredit helped in payment of tuition					
Accessed microcredit increased agriculture fertilizers					
Accessed microcredit increased Labour to the farm					
Accessed finance supported women to involve in business					
Accessed microcredit increased on financial status in a family					
Accessed microcredit was to pay debts					
Accessed microcredit increased households' utensils					

State any other activity where accessed microcredit was invested
…………………………………………………………………………………………………
10 Do you always access microcredit from SUM?
a) Yes b) No
If yes, state your perception of the SUM in reducing poverty from the people
……………………………………………………………………………………………………
If No, state the source and how it reduces poverty from the people
……………………………………………………………………………………………………

SECTION C
INSTITUTIONAL AND HOUSEHOLD DRIVERS FOR THE UPTAKE OF MICROCREDIT

a) Institutional drivers

11. Use the following to tick your agreement or disagreement to institutional drivers for the uptake of microcredit. 1. Strongly agree; 2. Agree; 3. Not sure; 4. Disagree; 5. Strongly Disagree

Statements	1	2	3	4	5
Investors reduced the interest rate					
Innovation by SUM attracted me					
Use of advertisement by radio / TV by SUM					
Staff of SUM attracted me to microcredit					
Management of SUM attracted me to take credit					
Time given to repay the loan attracted me to take microcredit					

State any other driver from SUM which made you access microcredit
……………………………………………………………………………………………

b) Borrowers characteristic s

Use the following to tick your agreement or disagreement to borrower's characteristics to the uptake of microcredit. 1. Strongly agree; 2. Agree; 3. Not sure; 4. Disagree; 5. Strongly Disagree

Statements	1	2	3	4	5
My credibility in society					
Ability to possess collateral security					
Off-farm income					
My level of education					
It was network in community					
I was informed through a phone					
My group members influenced me access microcredit					
It was my business that drove me to take microcredit					

State any other driver from the household that influenced you access microcredit
…………………………………………………………………………………………………

SECTION D

INTERVENTIONS

13. State innervations by the following to access microcredit

a). Use the following to tick agree with the view that both the government and SUM have to access credit. 1. Government of South Sudan; 2. SUM

Statements	1	2
Whom do you attribute help to access credit		
Whose officials sensitized you about SUM credit		
Whose training did you attend about use of credit		
Whose policy attracted you to access credit		
Whose advert attracted you to access credit		
State who subsidized the credit to specific use		

a. The Government of South Sudan

i. ……………………………………………………………………………………

ii. ……………………………………………………………………………………

iii. ……………………………………………………………………………………

b. SUM

iv. ……………………………………………………………………………………

v. ……………………………………………………………………………………

vi. …………………………………………………………………………………

vii. ……………………………………………………………………………………

viii. ……………………………………………………………………………………

End

Appendix III: Interview guide for the Key Informants

1. State the main approaches through which clients of SUM always access microcredit. Is there certain limit of credit given to clients? Support your answer with reasons.

2. Explain the process under which clients undergo to up-take microcredit from SUM. In your opinion, explain what would be the best process for the clients.

3. How does SUM maintain the following during the up-take of microcredit?
   - Collateral security
   - Time lag for application before up-taking micro-credit
   - Time lag for using microcredit
   - Gender equality to up-take microcredit
   - Occupations of clients as they up-take microcredit
   - Training to use microcredit
   - Management of group microcredit

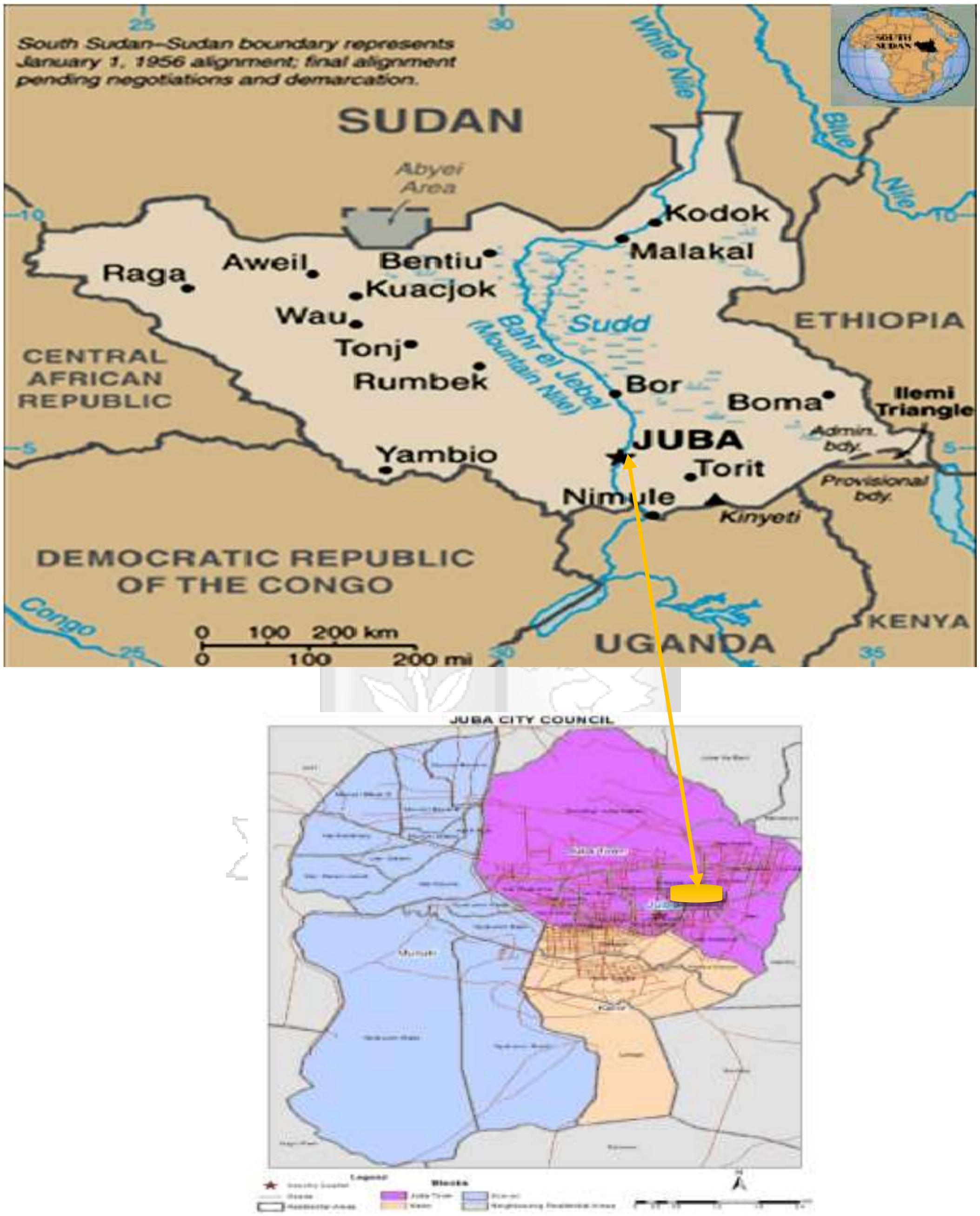
4. What evidence do you have that microcredit taken by clients improve income and savings among clients? Is there any other effect of microcredit as up-taken by the clients? Support your answers with examples.

5. State and explain the following that drive clients to up-take microcredit from SUM
   - Personal or individual characteristics / drivers
   - Household characteristics / drivers
   - Institutional (SUM) drivers

6. State other drivers influencing households to up-take microcredit
7. State the innervations by the following to to facilitate the people to uptake microcredit
   - SUM
   - Government

End

Appendix IV: Map of SUM on Juba Municipality



Appendix V: Details of the Sample Size

The sample size to this study was divided into three categories (the key informants, male and female participants). The key informants were seven (7) workers of South Sudan Microfinance. They were educated with diplomas (2 workers) and degrees (5 workers). They were recruited basing on their qualifications and experience in microfinance and how it works. they are given daily allowance to motivate them to work effectively and through interaction with them, they were eloquent and able to articulate issues at hand.

Male participants were mainly educated and uneducated. The highest level of education was a certificate (some of them lacked money to go for the diploma). It is this group that had majority participants access microcredit at an individual level and one hundred (100) male participants were interviewed. It was also found that due to lack of collateral securities, some male participants are also encouraged to form groups so that SUM can disburse the needed amount of money. Such groups first undergo training before accessing the money. female or women participants were 195 and these were mainly uneducated but with ability to access microcredit from SUM and use it diligently. Some of the women were heading families and most of them had lost their husbands during the civil crisis in South Sudan with Khartoum Government and the 2013 – 2016 ethnic crisis that broke out between the Nuer and the Dinka. Despite being uneducated, participants were able to respond to questions asked and their responses made the write up in section four of this dissertation.