

**NON-GOVERNMENTAL ORGANISATION SUPPORTED VILLAGE SAVINGS
AND LOAN ASSOCIATIONS (VSLAs) AND HOUSEHOLD LIVELIHOODS IN,
NORTHERN UGANDA: A CASE OF THRIVE- GULU SUPPORTED VSLAs IN
GULU CITY**

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DECLARATION

This is to declare that this dissertation titled “Non-Governmental Supported Village Savings & Loan Associations (VSLAs) and House Holds Livelihood in Gulu city, Northen Uganda: A Case of THRIVE-Gulu supported VSLAs in Gulu city” my own original piece of work and has never been presented to any institution for any academic award.

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APPROVAL

This is to confirm and certify that this dissertation titled “Non-Governmental Supported Village Savings & Loan Associations (VSLAs) and House Holds Livelihood in northern Uganda: A Case of THRIVE-Gulu supported VSLA’s in Gulu City” has been done under our supervision and it is now ready for submission.

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Dr. Margaret Namubiru

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Signature.....

Dr. Doreen Chemutai

Date.....

DEDICATION

This research dissertation is dedicated to my family and children. They have been my inspiration and a source of unconditional love, encouragement, and belief in my abilities. This piece of work will inspire them to achieve greater heights.

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LIST OF ABBREVIATIONS & ACRONYMS

ABP	Assets Building Programme
CRS	Catholic Relief Services
DFID	Department for the International Development
HHL	Household Livelihoods
NGO	Non-governmental Organisation
OWC	Operation Wealth Creation
ROSCA	Rotating Credit and Savings Association
SAGE	Social Assistant Grants for Empowerment
SCT	Social Capital Theory
SLA	Sustainable Livelihood Approach
UBOS	Uganda Bureau of Statistics
VSLA	Village Savings and Loans Associations
YLP	Youth Livelihood Programme

ABSTRACT

Village Savings and Loan Associations have emerged as a significant and transformative approach to improving household livelihoods in diverse socio-economic contexts. This study investigated Village Savings and Loan Associations and household livelihood; the case of Village Savings and Loan Associations under the support of THRIVE-Gulu. The study was guided by the following objectives: to examine the status of Village Savings and Loan Associations in Gulu city; to assess the level of household livelihoods; to determine the relationship between Village Savings and Loan Associations ship between Village Savings and Loan Associations and household livelihoods. Descriptive and cross-sectional research designs were used. Data was collected using questionnaires and interview guides from a sample of 286 Village Savings and Loan Associations members. Data analysis was performed using descriptive and inferential statistics with the help of Statistical Package for Social Sciences version 25.0 software. The study finding shows that savings and credit have significant effect on household livelihoods while soft-skills do not have any significant effect on household livelihoods; the study further found that social trust has a significant moderating effect on the relationship between Village Savings and Loan Associations and household livelihoods. The study concludes that Village Savings and Loan Associations remains a key mechanism in enhancing household livelihoods. The study recommends that measures to improve household livelihood should focus on savings and credit since they have significant effect on household livelihoods. Furthermore, Village Savings and Loan Associations implementors should integrate social trust into Village Savings and Loan Associations operations in order to have greater effect on household livelihoods.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

Household represent the lowest unit yet a pivotal one in the economy of any country. According to Pen et al (2017), they are a pivotal economic unit because they are the primary consumers of goods and services, the basic unit of production for human capital, and a crucial source of savings and labor. They are also central to social and demographic processes, influencing decisions on consumption, education, and family size. As such, their livelihoods can be seen as the strategies, capabilities, assets, and activities that a household uses to secure sustainable income and achieve well-being, such as food, shelter, health, and education.

Household livelihood strategies according to Lingam (2015) refer to a set of economic actions used by a household and its members, embedded in a social context and aware of their access to internal and external resources. Household survival strategies are deliberate social and economic moves by the poor, who can be ironically described as “holding their heads above water” or “keeping the wolf from the door.” As one of the interventions, Village Savings and Loan Associations (VSLAs) over the years have emerged as a significant and transformative approach to improving household livelihoods in diverse socio-economic contexts (Borda-Rodriguez & Vicari, 2019; Fiala & Premand, 2021). In this study, THRIVE-Gulu is an organization located in Gulu City which is responding to the plight of women by supporting 1,000 women and men in 25 VSLA groups to fight poverty. The groups are supported with basic materials necessary for their savings like; passbook, calculator, ruler, stamp pad, bowl and also basic training in business skills, literacy, family planning, health and sanitation. The groups are further supported with seed money as grant to strengthen the groups’ capital base for members to borrow (Laura, 2016). VSLAs have the potential to

enhance income generation, reduce poverty, and build resilience among their members (Hendricks & Chidiac, 2020). This chapter presents the background, problem statement, study purpose, research questions and objectives, scope of the study, significance of the study and conceptual framework.

1.1 Background to the Study

Rural households in sub-Saharan Africa according to Musumba et al (2022), often encounter incomplete factor and product markets, making livelihood diversification a desirable as argued by Davis et al., (2017). In Africa, most household livelihoods are based on agriculture, and further still at the level of smallholder and subsistence farming, although according to Musumba et al (2022), there is move towards diversification into non-farm activities like wage employment and small businesses to manage risk. They go further to state that these strategies are shaped by access to resources like land and credit, and are heavily influenced by challenges like climate change, drought, and market failures. At the same time, diversification as a livelihood strategy depends on several interrelated factors including the context factors households face (including vulnerability to shocks) and the different types of capitals that households draw upon to generate their livelihood. According to Stackhouse et al. (2018), in Ghana livelihood activities include maize, plantain, cassava, and cocoyam as the key crops, and livestock rearing which include sheep, goats, and chicken. In the case of Nigeria, the crops include Sorghum, maize, soybean, and upland rice dominate crop patterns. At the same time, within the East African Community (EAC), the livelihood activities in Rwanda include cassava, maize, sorghum, and beans, with cassava used for both food and also sold as a cash crop; while livestock keeping is practiced on small scale. In Tanzania, maize constitutes the major staple crop while tobacco is the major cash crop, with livestock being an important part of the farming system concentrated in a few ethnic groups.

With the challenges associated the crop and animal livelihood activities, Frelat et al., (2016) opines that there has been a move towards diversification to the livelihoods of rural households in sub-Saharan Africa into other activities, such as and non-farm activities that can increase income and improve food security. Among them initiatives in this direction is the VSLA model which represents a community-based, self-help strategy that fosters financial inclusion, social cohesion, and economic empowerment at the grassroots level. Through group savings, lending, and financial education, VSLAs have the potential to enhance income generation, reduce poverty, and build resilience among their members (Hendricks & Chidiac, 2020).

VSLAs have their roots in traditional savings practices that have existed for centuries in various cultures. Informal savings and credit groups, sometimes referred to as rotating savings and credit associations (ROSCAs) or other local names, have been used globally as mechanisms for saving money and providing loans within communities (Njenga & Kabiru, 2020; Adams & Gichohi, 2022) The VSLA concept, as it is known today, gained significant prominence in Africa. Organizations like CARE International and Catholic Relief Services (CRS) were among the early pioneers in introducing and developing VSLAs in African countries, primarily in West and East Africa (Fiala & Premand, 2021). The African context highlighted the potential for these community-based groups to address financial inclusion challenges in regions with limited access to formal financial services.

The emergence of the microfinance movement in the 1970s and 1980s, particularly the Grameen Bank in Bangladesh, provided the impetus for microfinance innovations worldwide (Chowdhury et al., 2021). VSLAs fit within the broader microfinance framework, emphasizing small-scale savings and credit operations managed by the community members themselves. The early 2000s witnessed a growing recognition of the potential of VSLAs as a tool for poverty alleviation and financial empowerment, especially among women in rural

communities. Several studies and reports highlighted the impact of VSLAs on income, savings, and economic resilience (Ejemeyovwi & Oni, 2022; Oduro & Omari, 2023).

VSLAs have been adapted and scaled to various regions, including Asia, the Americas, and Europe. Each adaptation considers local cultural norms and economic conditions while preserving the core principles of community-based savings and lending (Suri & Jack, 2021). VSLAs have gained recognition from governments, NGOs, and international development agencies as an effective approach for improving financial inclusion and livelihoods. Their success has led to institutionalization and integration into broader development initiatives (UNCDF, 2020). Today, VSLAs continue to evolve and expand, representing a grassroots strategy for financial inclusion, poverty reduction, and economic empowerment among marginalized and vulnerable populations.

Village Savings and Loan Association have garnered attention worldwide as a dynamic approach to enhancing the livelihoods of households in diverse geographic and socio-economic contexts. Originating in Africa and expanding to other continents, VSLAs have demonstrated their potential to empower marginalized and vulnerable communities through financial inclusion, savings, lending, and financial education (Allen & Panetta, 2023; Kazianga & Wouterse, 2022).

In Europe and North America, the concept of VSLAs has gained recognition within the framework of microfinance and community development. While the economic dynamics in these regions differ from those in many developing countries, VSLAs are adopted as models for community self-help, promoting financial literacy and small-scale entrepreneurship (Dichter & Harper, 2017). European and American initiatives often adapt VSLA principles to suit local conditions, with an emphasis on social cohesion, asset building, and fostering economic independence among marginalized groups (UNCDF, 2020). In these contexts,

VSLAs contribute to micro-enterprise development, particularly for women and minority populations.

In Asia, VSLAs have gained prominence as tools for financial inclusion, social empowerment, and women's economic advancement. Countries like India, Bangladesh, and the Philippines have implemented VSLA models, extending financial services to underserved rural and peri-urban areas (Dhar, 2018). VSLAs are leveraged to provide access to credit, savings facilities, and financial training, supporting women's income-generating activities, and improving livelihoods. The Asian perspective highlights the adaptability of VSLAs in diverse cultural and economic settings.

Africa remains the epicenter of VSLA, with countries like Mali, Niger, and Ghana demonstrating the transformative potential of these community-based groups (Fitzgibbon, 2019). VSLAs in Africa have consistently shown positive impacts on poverty reduction, food security, and income diversification (Dunford, 2011). By enabling members to accumulate savings and access credit, these groups enhance household livelihoods and promote resilience against external shocks such as climate change and economic instability. African experiences with VSLAs emphasize the potential for local empowerment and poverty alleviation.

Uganda represents a particularly compelling case study in the context of VSLA. The country has a rich history of community-based development initiatives, with VSLAs playing a pivotal role. Ugandan VSLAs have demonstrated their ability to improve household income, agricultural productivity, and access to education and healthcare (Katungi, 2018). In addition, VSLAs in Uganda are recognized for promoting gender equality and empowering women economically (Mugabi et al., 2020). The Ugandan perspective exemplifies the multifaceted impact of VSLAs in addressing socio-economic challenges specific to the region.

Household livelihood is a key determinant in the overall well-being and prosperity of families. It encompasses all the resources and activities required for living, including employment, income, assets, access to services and social networks (Daudi, 2017). A secure livelihood ensures that households can meet their basic needs, cope with shocks and improve their standard of living over time. Households with secure livelihoods typically have access to stable employment, leading to regular and predictable income streams which can be used to open up small income generating activities that can contribute to financial independence, economic growth which can enable them to invest in productive assets such as land, livestock and farming equipment. These assets can enhance productivity, leading to higher income and better food security.

1.2 Problem Statement

An ideal household livelihood according to FAO (2013) is one that provides adequate and sustainable income and resources to meet basic needs like food, water, and shelter, while also allowing for education, healthcare, and social integration. However, household livelihood is a major problem in Gulu City, stemming from a history of conflict where the two-decade long Lord's Resistance Army (LRA) which lasted from 1986 to 2006 disrupted traditional economies, and led to lack of access to basic services and increased vulnerability for many residents (Majak, 2024). As result, household livelihoods in Gulu City suffer from low income levels, food insecurity and lack of assets.

While a number of interventions by the national and local governments, and non-governmental organizations have been effected over the years, the problem has persisted. Key among the interventions are the Operation Wealth Creation (National Agricultural Advisory Services 2001, Social Assistance Grants for Empowerment 2011, social protection program 2010 and CARE 2013 Oduro & Omari, 2023). The introduction of VSLA support

programmes in Gulu City by many organisation such as Gender Equality and Resilience Project (GEAR) by CARE International (2024) has equally not yielded much as household livelihoods remains low indicated by low asset accumulation, low income and food insecurity in a way that many households are unable to afford two meals a day, cannot invest in income generating activities, and are unable to own basic assets. At the same time, about 24% of the household reported having no access to healthcare services when needed (UBOS, 2022).

The consequences of the poor household livelihoods include exacerbated poverty which results from the inadequate livelihood outcome and also a situation whereby households lack adequate access to assets, like land, water, credit or social support hence affecting their socio-economic status. This study, therefore, assessed the relationship between village savings and loan associations (VSLAs) which are supported by Thrive-Gulu and household livelihoods in Gulu City.

1.3 Purpose of the Study

This study aimed to investigate the relationship between village savings and loan associations (VSLAs) supported by THRIVE-Gulu and household livelihood outcomes in Gulu City in Uganda.

1.4 Study Objectives

- i. To determine the VSLA services under the THRIVE-Gulu support in Gulu City.
- ii. To assess the status of household livelihoods of THRIVE-Gulu supported VSLAs beneficiaries in Gulu City
- iii. To determine the relationship between VSLA services and household livelihoods of THRIVE-Gulu supported VSLAs beneficiaries in Gulu City.

- iv. To determine the moderating effect of social trust on the relationship between VSLA services and household livelihood of THRIVE-Gulu supported VSLAs beneficiaries in Gulu City.

1.5 Research Questions

- i. What are the VSLA services under the THRIVE-Gulu support in Gulu City?
- ii. What is the status of household livelihoods of THRIVE-Gulu supported VSLAs beneficiaries in Gulu City?
- iii. What is the relationship between VSLA services and household livelihoods of THRIVE-Gulu supported VSLAs beneficiaries in Gulu City?
- iv. What is the moderating effect of social trust on the relationship between VSLA services and household livelihood of THRIVE-Gulu supported VSLAs beneficiaries in Gulu City?

1.6 Scope of the Study

The scope of the study covered three major aspects comprising of the subject or content scope, geographical scope and time scope.

1.6.1 Content scope

The study investigated the effect of VSLA services on the households' livelihoods in Gulu City, focusing on VSLAs under the support of THRIVE-Gulu. The independent variable was the VSLA which comprised of the financial services (savings and credit), and soft skills. The dependent variable was household livelihood which comprised of income level, food security and asset accumulation. social trust was also be covered in this study as a moderating variable. It examined the role of VSLA in improving household livelihood, assess the status of household livelihoods in THRIVE-Gulu beneficiaries, examine the relationship between

VSLA and household livelihoods and lastly examine the moderating effect of social trust in the relationship between VSLA intervention and household livelihood

1.6.2 Geographical scope

The study was conducted in Gulu city. Gulu City is located approximately 340 kilometers north of the capital city, Kampala and the coordinates of Gulu City are: 2°46'54.0"N. The city is bordered by Amuru, Omoro and Pader districts respectively. THRIVE-Gulu is located in Bardege-Layibi division in Gulu East in LayibiTecho Village, Lalogi Close, Plots 1&2, Layibi-Bardege Division, Off Sira Dongo Rd. Gulu.

1.6.3 Time scope

The study covered a time period of 5 years which ranged from 2019 to 2024. The time frame was considered because it reflected the period when THRIVE-Gulu intensified its VSLA activities to support VSLAs and therefore, the contribution of these can be studied within this time period. Beside VSLA THRIVE-Gulu is also implementing other strategy such as SASA Together methodology, Functional Adult Literacy and Women empowerment programs.

1.7 Significance of the Study

This study on VSLAs and livelihood of household is bound to benefit a number of stakeholders in the following ways:

For policy makers, the study may be crucial as it provides empirical evidence on the impact of VSLAs on household livelihoods in Gulu City. The findings can guide the formulation and implementation of policies which can promote financial inclusion and poverty reduction such as National Development Plan III 2020/21- 2024/2025, Operation Wealth Creation (OWC), Youth Livelihood Program (YLP) and Social Assistant Grants for Empowerment (SAGE) to mention but a few. The findings can help in designing targeted financial inclusion strategies

and enhancing regulations and support frameworks for VSLAs. Generally, the findings of the study can help policy makers in developing policies that encourage the growth and sustainability of VSLAs, thereby improving household economic stability.

The Government of Uganda may benefit significantly from this study as it provides insights into grassroots financial systems and their role in economic development. Key benefits include informing national development plans and poverty alleviation programs and identifying gaps in current financial systems and creating support mechanisms for informal savings groups.

Non-Governmental Organizations (NGOs) involved in financial inclusion, community development, and poverty alleviation can utilize this study's findings to tailor their activities to better support VSLAs and their members, design programs that address the specific needs and challenges faced by households in Gulu City, and measure the effectiveness of their initiatives and improved resource allocation.

For VSLAs, the study findings may provide valuable feedback on their operations and impact. These can improve management practices and governance within VSLAs, enhance the services provided to members, ensure they meet their financial needs; and strengthen the credibility and attractiveness of VSLAs to potential members and investors. The community at large may benefit from understanding how VSLAs contribute to household livelihoods. This may encourage more community members to join or form VSLAs; foster a culture of savings and financial responsibility; promote community solidarity and collective economic empowerment.

For researchers, the study may offer a wealth of data and insights that can be used to conduct further studies on the impact of VSLAs and other community-based financial systems; compared the effectiveness of VSLAs in different regions or under different conditions,

contribute to the broader academic discourse on microfinance and community development. To the students, particularly those studying economics, development studies, or business administration can gain practical insights into the functioning and impact of VSLAs; and better understand the relationship between VSLA and livelihoods.

1.8 Conceptual Framework

This study was guided by the conceptual framework presented in Figure 1.

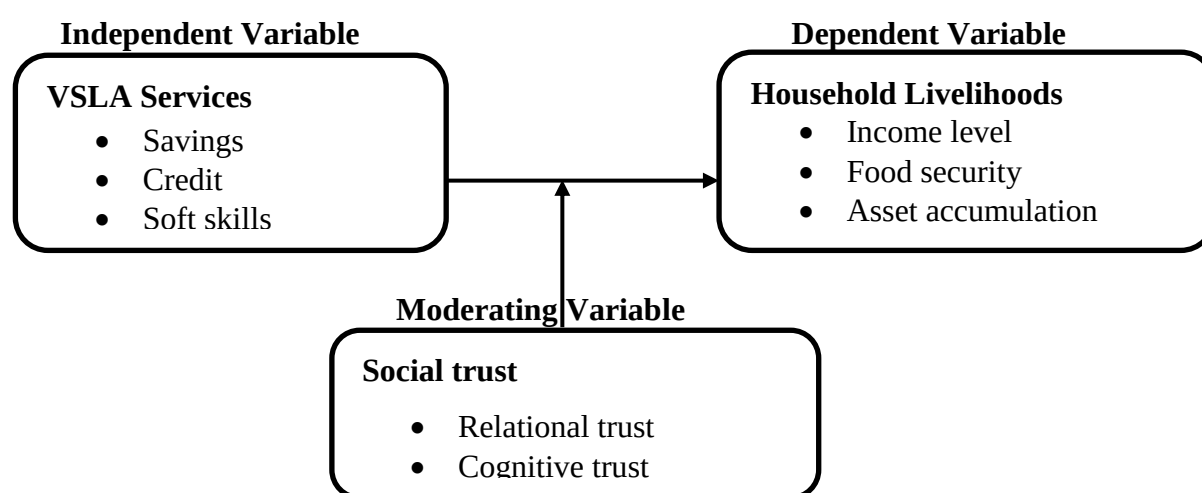


Figure 1: Conceptual Framework

Source: Adapted with modification from Uzzi& Lancaster (2014); Whitener et al., (2018)

According to Figure 1, it is conceptualised that VSLA services can have a positive influence of the household livelihood of VSLA members in Gulu City. The dimensions under the VSLA are savings, credit and soft skills while for households livelihoods are income level, food security and asset accumulation. It is further conceptualised that the relationship between the services and the livelihoods can be mediated by social trust and which is operationalized through relational trust and cognitive trust. As such, VSLA services influences household livelihood and social trust moderates this relationship. This conceptual framework is informed by Social capital theory introduced and popularized by James S. Coleman in the late (1980) and the Sustainable Livelihood approach which was developed by the Department for international Development (DFID) in the late 1990s

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The literature review section on VSLA and household livelihoods provided an overview of existing studies on the subject. This section identified and synthesized the relevant literature, theories, and concepts related to VSLA, social trust and household livelihood. The review captured from reviewed articles and published research works on the concepts of VSLA, social trust and household livelihood.

2.1 Review of Theory

This study was guided by theory of social capital.

2.1.1 Social Capital Theory

James S. Coleman in the late (1980) introduced and popularized Social capital theory. His work “Foundations of Social Theory” (1990) is considered a significant contribution to the development and popularization of the concept of social capital. Coleman’s theory of social capital focused on the value of social networks, relationships, and the norms of reciprocity and trust within a community. He argued that social capital within these networks could facilitate cooperation, improve economic efficiency, and enhance the overall well-being of individuals and communities (Putman, 2000).

VSLA are often analyzed through the lens of social capital theory. The formation of these groups and their emphasis on collective decision-making and community support aligns with the principles of social capital, contributing to improved access to resources and social networks that can positively impact household livelihood strategies (Ahmad et al., 2020).

Ogutu et al. (2022) explored how social capital affects livelihood strategies in developing countries. It outlines how social networks and community relationships influence access to resources, livelihood diversification, and coping strategies, especially in rural settings. In another case, (Woolcock & Narayan, 2000) discusses the relationship between social capital and poverty reduction, particularly in Latin American and Caribbean contexts. It emphasizes how strong social networks can contribute to poverty alleviation and livelihood improvement.

Kinyuira (2021) deliberates on the significance of trust in fostering social capital and its impact on economic development and prosperity. Trust within social networks is a crucial aspect of social capital and influences livelihood strategies and economic outcomes. Furthermore, Kinyanjui & Binagwa (2023) provides practical insights into how social capital theory can be applied to livelihood. It offers case studies and strategies for practitioners to enhance social capital to improve livelihood outcomes.

2.1.2 Sustainable Livelihood Approach

The sustainable livelihood approach (SLA) as a framework was used to understand and analyze the factors that contributed to people's livelihoods and their ability to sustain them over time, particularly in rural and vulnerable communities. Developed by the Department for International Development (DFID) in the late 1990s, the SLA emphasized the importance of holistic and participatory approaches to poverty reduction and sustainable development.

The sustainable livelihood approach identified five key types of assets that individuals and households used to build and maintain their livelihoods: Human capital (skills, knowledge, education, health); Social capital (networks, relationships, social support); Natural capital (land, water, forests, biodiversity); Physical capital (infrastructure, tools, equipment); and Financial capital (income, savings, access to credit) (Higgins, 2017).

Sustainable livelihood approach offered a comprehensive framework for understanding household livelihoods in rural and vulnerable communities. This approach combined elements of microfinance, social capital development, and community empowerment to enhance household resilience, income generation, and well-being. Sustainable livelihood approach recognized that households possess a range of assets that they can leverage to improve their livelihoods. These assets include human capital (skills, knowledge, health), social capital (networks, relationships, social support), natural capital (land, water, forests), physical capital (tools, equipment, infrastructure), and financial capital (income, savings, access to credit) (Higgins, 2017).

According to Sustainable Livelihood Approach, VSLAs enable households to diversify their livelihood strategies by providing access to financial services, such as savings, loans, and insurance. Households can invest in income-generating activities, such as agriculture, small businesses, and livestock rearing, to increase their earning potential and improve their standard of living. Additionally, VSLAs promote social cohesion and mutual support among community members, facilitating collective action and resource sharing (Lwanga & McKay, 2016).

Mkandawire & Mushunje (2018) observed that, VSLAs help households build resilience to shocks and vulnerabilities by providing a safety net for emergencies and unforeseen expenses. Members can access savings and credit to cope with financial hardships, such as illness, crop failure, or natural disasters. Moreover, VSLAs promote solidarity and mutual assistance within communities, enabling households to share risks and support each other during times of crisis. This contribution is in line with the stipulation of sustainable livelihood approach especially on the concept of access to income through social networks.

As posited by the livelihood approach, Participating in VSLAs empowers households, by enhancing their financial literacy, decision-making autonomy, and social status within the community. VSLAs provide a platform for capacity building, skills development, and leadership training, enabling households to take control of their economic lives and participate more actively in local development initiatives (Moll & Zeager, 2017).

Ultimately, the sustainable livelihood approach aims to improve the overall well-being and resilience of households by enhancing their access to financial services, strengthening their social networks, and promoting sustainable livelihood strategies. By fostering economic empowerment, social inclusion, and community development, VSLAs contribute to poverty reduction, food security, and sustainable development goals. The sustainable livelihood framework provides key concepts including the social trust, financial services like savings, credit and above all the different dimensions of livelihoods as being investigated in this study context. In summary, the VSLA sustainable livelihood approach offers a holistic framework for understanding and enhancing household livelihoods in vulnerable communities. By focusing on asset accumulation, livelihood diversification, risk management, empowerment, and sustainable outcomes, VSLAs play a critical role in promoting inclusive economic growth and poverty reduction (Robinovic& Hossain, 2018).

2.2 Village Savings and Loan Associations Services

2.2.1 Savings

Village Savings and Loan Associations (VSLAs) have been recognized as a valuable intervention in various communities, especially in developing countries, to promote financial inclusion, savings, and economic empowerment among members. VSLAs encourage members to save regularly, provide access to small loans, and offer a platform for collective decision-making and community support (Kumar & Wang, 2023). VSLAs improve access to

financial services for underserved populations, enabling them to save regularly and access loans. This fosters a culture of savings and financial discipline as seen in policy briefs and working papers such as by Leora Klapper and Annamaria Lusardi (2019) about “VSLAs and Resilience: How Saving Groups Foster Adaptive Capacity in Sub-Saharan Africa” that examine how VSLAs contribute to building resilience among households by improving their ability to cope with shocks and stress.

A study by Mkumbwa et al (2021) indicated that VSLAs positively influence the saving habits of individuals within communities, leading to increased financial resilience and the ability to handle unexpected expenses, while that by Patel and Soucat (2020) highlighted the role of VSLAs in women’s empowerment taking evidence from Sub-Saharan Africa. The studies have demonstrated how VSLAs not only enhance women’s financial independence, but also contribute to increased decision-making power within households. Recent researches, such as on the economic impact of VSLAs in rural communities emphasizes the broader economic impact of VSLAs discusses how VSLAs contribute to local economic development by enabling members to invest in small businesses, agriculture, and education, consequently stimulating economic growth in the community (Nguyen et al., 2022). With the increasing role of technology in financial services, studies on Mobile Technology and VSLAs in the Digital Age discuss how integrating mobile technology into VSLAs can enhance convenience, transparency, and accessibility of financial services, potentially leading to increased savings among members (Kumar & Wang, 2023).

A study on scaling VSLAs for sustainable impact by Gibson et al., (2021) explored strategies for scaling VSLAs while maintaining their sustainability. It delved into best practices for expansion, ensuring long-term impact, and reaching a larger number of underserved communities particularly through promotion of appropriate saving culture. These reviews reflect the multifaceted impact of VSLAs on savings behavior, economic development,

household livelihoods, and the potential for technological integration. They also underline the importance of sustainability and scalability for long-term positive outcomes within communities.

2.2.2 Credit Services

The inclusion of credit within VSLAs is an essential component that supports economic growth and financial stability within communities. Credit facilities provided by VSLAs enable members to access loans, invest in businesses, meet unforeseen expenses, and empower individuals economically (Owusu, 2020). Studies that focused on enhancing financial inclusion through credit provision in VSLAs emphasizes the significance of credit provision within VSLAs, demonstrating how access to credit enables members to capitalize on entrepreneurial opportunities and cope with financial emergencies (Wambugu & Maundu, 2021).

Additionally, participating in VSLAs often leads to increased income through investment in small businesses and agriculture. Members use loans to purchase inputs, start new enterprises and expand existing ones and all these leads to improvement in their household livelihoods. (Namubiru, 2015)

Furthermore, studies on rural development impact of credit facilities in VSLAs highlight the positive impact of VSLA credit on rural development. This research explores how access to credit within these associations fosters agricultural and small business development, thereby contributing to the overall economic growth of rural communities (Owusu, 2020). Various studies, such as “The Role of Credit in Women’s Empowerment through VSLAs”, delve into how credit facilities provided by VSLAs empower women, allowing them to invest in income-generating activities, gain financial independence, and exert influence within their households and communities (Kabeer & Mahmud, 2022).

Garcia & Singh (2023) conducted a study on managing risks in credit provision of VSLAs, and it elaborated the challenges and strategies for managing risks associated with credit provision in VSLAs. It covered aspects like default rates, collateral, and risk mitigation strategies for sustainable credit delivery. With the increasing integration of digital tools in financial services, studies like digital transformation and credit access in VSLAs explore how technology and digital platforms can improve credit accessibility, streamline processes, and mitigate barriers in loan disbursement within VSLAs (Chowdhury et al., 2021). These studies underline the significance of credit provision within VSLAs and its impact on rural development, women's empowerment, and household livelihood.

2.2.3 Soft Skills services

Soft skills play a key role in the success of VSLAs, enhancing the effectiveness of financial services, empowering members, and contributing to community development. Research focusing on the impact of soft skills training in VSLAs on community development highlights the significance of providing soft skills training to VSLA members. This study explored the impact of training in communication, leadership, negotiation, and teamwork on the overall success of VSLAs and their members' socio-economic development (Ahmed et al., 2021). In addition, studies like empowerment through soft skills in VSLAs delve into how developing soft skills among VSLA participants, especially women, leads to increased confidence, decision-making abilities, and leadership, fostering greater empowerment within communities (Kumar & Devi, 2020). A recent study by Gupta & Sharma (2022) on the Role of soft skills in enhancing financial literacy in VSLAs, focused on the correlation between soft skills and financial literacy. It discussed how the development of communication and interpersonal skills positively influences the understanding and effective utilization of financial services provided by VSLAs.

Some studies, like one on conflict resolution in VSLAs focusing on the role of soft skills, examined the importance of soft skills, particularly in conflict resolution within VSLAs. It addressed how improved communication, negotiation, and interpersonal skills among members contribute to effective conflict management, maintaining the stability and success of these associations (Singh & Patel, 2023). With the growing integration of technology in financial services, (Chowdhury et al., 2021) explored the relationship between digital literacy and soft skills. It discussed how developing soft skills aids in the adaptation and utilization of digital tools for financial services within VSLAs. These reviewed studies elaborate the crucial role of soft skills in enhancing various aspects of VSLA services, including community development, empowerment, and livelihoods.

2.3 Household Livelihood

The household livelihood in this study is operationalized through income level. Food security and asset accumulation. These are further discussed in the subsequent sub-sections.

2.3.1 Income level

The income level is an important factor in determining an individual or household's overall well-being and quality of life. Studies on Income level and health disparities explored the correlation between income level and health outcomes. This study highlights how higher income levels are associated with better access to healthcare, improved living conditions, and overall better health status (Smith et al., 2020). Income level and social cohesion in urban communities is key in influencing livelihood outcomes of households. It discusses how disparities in income levels within communities can affect social relationships, trust, and community well-being (Brown & Johnson, 2021).

Garcia & Lee (2022) investigated the relationship between income levels and access to education. They emphasize how higher income levels often correlate with increased access to quality education and subsequent opportunities. In addition, literature such as one on income level and the efficacy of poverty alleviation programs, evaluates the effectiveness of various poverty alleviation programs in improving income levels among marginalized communities (Roberts & Patel, 2023). Research on income mobility and economic development, examines how individuals and families transition between income levels over time and its impact on broader economic development (Chen et al., 2021). Income mobility is a significant positive influence on economic development. The reviewed literature deliberates the impact of income levels on various aspects of life, including, poverty alleviation, economic development and livelihood outcomes.

2.3.2 Food security

Food security, a fundamental component of livelihood, has garnered significant attention in academic literature across various disciplines. Studies on associations between food Insecurity and Health Status emphasized the adverse impact of food insecurity on physical and mental health, particularly among vulnerable populations (Johnson et al., 2021). Furthermore, literature, on climate change and food security with implications for livelihoods, explores the effects of climate change on food security. It discusses how environmental changes impact food production and subsequently affect livelihoods, especially in agricultural-dependent communities (Kumar & Singh, 2020). At the same time, research focusing on impact of food security on livelihoods evaluates the effectiveness of various, such as food aid programs and agricultural development projects, in enhancing food security and improving overall livelihoods. Studies focusing on the nexus between nutrition and livelihood, such as nutritional status and livelihood opportunities highlight how access to nutritious food influences productivity, educational attainment, and income levels within

communities (Patel & Khan, 2023). Furthermore, studies on urban food security and livelihood Strategies examines food security issues in urban areas, analyzing how access to food resources impacts livelihood strategies among urban populations (Wang & Brown, 2021) The literature elaborates the complex relationship between food security and livelihood

2.3.3 Asset accumulation

Research on asset accumulation spans various disciplines and emphasizes its significance in enhancing livelihood strategies. Studies like on asset and poverty reduction highlight how the accumulation of various assets, including financial, human, social, and physical capital, contributes to poverty reduction and sustainable livelihoods among marginalized populations (Lee et al., 2021). Literature on asset accumulation and resilience in vulnerable communities focuses on how asset ownership and diversification can enhance the resilience of individuals and communities, especially in the face of economic shocks or environmental disasters (Patel, 2018).

Research on asset-based, like effectiveness of asset-building programs on livelihoods, evaluates the impact of programs aimed at promoting asset accumulation, such as microfinance, education, and entrepreneurship initiatives, on livelihood improvement (Khan et al., 2023). Furthermore, studies addressing gender disparities, such as gendered perspectives in asset accumulation, examine how gender influences access to and ownership of various assets, impacting livelihood strategies and overall well-being (Wang & Johnson, 2021).

Patel & Singh (2020) explored economic mobility, such as assets and economic mobility and discussed how asset accumulation plays a pivotal role in economic advancement, allowing individuals and families to move to higher socio-economic levels over time. The review

highlights the diverse roles that asset accumulation plays in livelihoods, including poverty alleviation, resilience, gender disparities, and its contribution to economic mobility.

VSLAs play a significant role in improving household livelihoods by enhancing financial inclusion, promoting savings, increasing income, empowering women, fostering community cohesion, and building resilience. These outcomes contribute to the overall economic and social well-being of households. (Mercy Corps. 2019)

2.4 Social Trust

In this study, social trust is a moderating variable and it is discussed under cognitive trust and relational trust.

2.4.1 Cognitive trust

Cognitive trust is a belief or confidence that an individual has in the competence, reliability, and integrity of another person or entity based on cognitive evaluations. Recent research has focused on refining this definition and identifying specific cognitive processes that contribute to cognitive trust formation (Whitener et al., 2018). Recent research has identified several factors that can influence the formation of cognitive trust, including social influence, perceived similarity, and perceived expertise. Social influence refers to the impact of others' opinions and behaviors on cognitive trust formation (Kim et al., 2020). Perceived similarity, or the extent to which individuals perceive themselves as similar to the trustee, can also contribute to cognitive trust formation (Brazelton et al., 2021). Finally, perceived expertise, or the extent to which individuals perceive the trustee as knowledgeable and skilled in their domain, can also influence cognitive trust formation (Chua & Lim, 2020).

Furthermore, research has also explored the consequences of cognitive trust, including its impact on performance, innovation, and risk-taking behavior. Cognitive trust has been found

to have a positive impact on organizational performance, as it facilitates coordination and cooperation among team members (Eisenbeiss et al., 2020). Additionally, cognitive trust can also foster innovation by creating an environment in which individuals feel comfortable sharing new ideas and taking risks (Brazelton et al., 2021). Finally, cognitive trust can also influence risk-taking behavior, as individuals are more likely to take risks when they trust others (Eisenbeiss et al., 2020).

2.4.2 Relational Trust

Relational trust is a key component of trust which refers to the depth and quality of relationships within a social network (Uzzi & Lancaster, 2014). This literature review provides insights into the role of relational trust within the context of trust, focusing on its role in trust development, influencing behavior, and implications for interpersonal and business interactions. Relational trust is a fundamental factor in the development and maintenance of trust. Studies suggest that trust often emerges from repeated interactions and mutual dependencies within social networks (Uzzi & Lancaster, 2014). A study by Gulati (2012) emphasized that strong relational embeddedness fosters trust by reducing uncertainties and facilitating information sharing.

Furthermore, the depth of relational embeddedness influences individuals' behavior and decisions. Research by McEvily (2013) demonstrated that in organizations, employees were more likely to cooperate and share information with colleagues to whom they were relationally embedded. Similarly, studies by Zaheer (2009) highlighted that in business collaborations, relational trust positively affected collaboration outcomes due to increased trust and communication.

Relational trust has implications for both interpersonal relationships and business interactions. In the context of buyer-supplier relationships, research by Das & Teng (2011)

emphasized that high relational embeddedness can lead to collaborative behavior, improved communication, and joint problem-solving. In friendships, strong relational trust fosters reciprocal trust and support (Uzzi & Lancaster, 2014).

2.5 Summary of Literature Gaps

Most of the study in regards to VSLA that have been done before is not focused on the role of VSLA in improving household livelihoods and this makes it quite important to carry out this research in this regard.

There are limited comprehensive studies specifically focusing on the local context of Gulu City concerning the implementation and effectiveness of VSLA and livelihoods outcomes. Furthermore, literatures focusing on the effect of VSLA on household livelihoods within the context of Gulu City are scares.

There is limited research that has social trust as the moderating variable and how it affects the relationship between VSLA and household livelihood and particularly with the context of Gulu city.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter covers the research methodology that was employed in the study. It discusses the research design, study population, sample size and sample procedure, research instruments, piloting of study instruments, validity and reliability of the study instruments, data collection instruments and techniques, data analysis and ethical considerations.

3.1 Research Design

This study adopted a cross-sectional and descriptive survey design. The design was chosen to allow description of the study variables and to permit investigations into the phenomenon (VSLA and household livelihoods) at a single point in time. In addition, the study used a mixed method approach combining both quantitative and qualitative approaches and where data for both were collected concurrently. The use of quantitative approach permitted analysis of data from a larger group of respondents thereby providing wider information while qualitative approach allowed generation of depth and detailed information from research participants on VSLA and household livelihoods.

3.2 Study Population

The population of the study comprised of 1000 VSLA members who were supported by THRIVE-Gulu and they were spread out in Gulu East and Gulu West divisions whose sub-divisions are Pece and Laroo for the former; and Layibi and Bardege for the latter. Members of the different VSLA groups, the management and the staff of THRIVE-Gulu constituted the study population.

3.3. Sample size and sample size determination

The key informants who included the THRIVE-Gulu Director, program manager, Finance manager, project officers and VSLA Group Leaders were purposively selected while a sample of 278 household heads was selected out of the 1000 beneficiary households under the THRIVE-Gulu support using the Yamane (1967) formula of sample size determination below;

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

Where N = represents total Population; n = Required sample size; and e = Margin of error (5%).

Table 1: Sample Size Distribution

SN	Category of respondents		Population	Sample size	Sampling Technique
1.	THRIVE-Gulu Director		1	1	Purposive Sampling
2.	THRIVE-Gulu program manager		1	1	Purposive Sampling
3.	THRIVE-Gulu Finance manager		1	1	Purposive Sampling
4.	THRIVE-Gulu project officers		2	2	Purposive Sampling
5.	VSLA Group Leaders		7	7	Purposive Sampling
Sub-Total for Qualitative Approach			12	12	
6.	Gulu East	Pece sub-division members	289	80	Simple Random Sampling
		Laroo sub-division members	197	55	Simple Random Sampling
7.	Gulu West	Layibi sub-division members	265	74	Simple Random Sampling
		Bardege sub-division members	249	69	Simple Random Sampling
Sub-Total for Quantitative Approach			1000	278	
Total			1,012	290	

Source: THRIVE-Gulu (2021)

In total, 290 respondents were targeted, twelve (12) of whom were key informants and 278 were VSLA group members.

3.4 Sampling Techniques

Both purposive sampling and simple random sampling techniques were used to draw the sample size out of the study population

3.4.1 Purposive sampling

The key informants who included the THRIVE-Gulu Director, program manager, Finance manager, project officers and VSLA Group Leaders were purposively selected. Each of them was picked because of their in-depth knowledge of the information that was considered relevant for this study as a result of their positions or roles that they play at THRIVE-Gulu or in the VSLA groups.

3.4.2 Simple random sampling

Stratified sampling procedure was used where respondents were stratified based on the sub-divisions where they are situated. This technique was used to draw respondents out of the different VLSA groups in the different divisions that make up Gulu City. Krejcie and Morgan (1970) Table of sample size determination was used since the population size of all the VSLA members was known. From the Krejcie and Morgan (1970) Table, a population of 1,000 correspond to a sample size of 278. Using proportionate stratifications, the sample was computed for each sub-division which included Pece, Laroo, Layibi and Bardege sub-divisions to ensure that each subgroup (stratum) was adequately represented in the sample and also to ensure that the results reflect the true picture of the entire population. It is within each stratum that simple random sampling procedure was used to select respondents (VSLA members) for the quantitative survey. The choice of simple random sampling was to allow respondents equal chances of being selected and stratified sampling was used to allow respondents from all sub-divisions to be represented.

3.5 Data Collection Methods

This study used the questionnaire survey and the interview methods of data collection as explained in the subsequent sections.

3.5.1 Questionnaire method

The questionnaire method as a data collection technique was used in surveys and research studies. Questionnaire is a self-report instrument that contains a series of questions that are administered in written form for respondents to answer (Creswell, 2014). It is a systematic and standardized approach to gather information from individuals or groups of participants. In this study, structured and standardized response questionnaire were used each consisting of a set of predetermined questions with closed ended response options. The questionnaires were standardized to ensure consistency in data collection across respondents and to allow for ease of analysis of responses. Furthermore, the questionnaires was researcher administered since some VSLA members might not be in position to read and write.

3.5.2 Interview method

An interview method is a qualitative data collection approach in which a researcher asks questions directly to participants to gather information, insights or opinions. An interview is a structured technique for data collection consisting of a series of questions, written or verbal, to which respondents provide answers (Kothari, 2014). The interview method is a data collection technique widely used in research and involves direct interaction between the interviewer and the participant. In this interview method, researcher asked questions face to face with participants and recorded the responses, allowing for in-depth exploration of the participant's experiences, perspectives, and insights on VLISA and household livelihood.

3.6 Data Collection Instruments

The data collection instruments that was employed in this study comprised of questionnaires and interview guide.

3.6.1 Structured questionnaires

Questionnaire was designed to include closed-ended questions. Close-ended questions were used since they are simple to administer and be analyzed since they are more standardized. Questionnaire was structured based on four parts: Part A which comprised of the demographic profile of respondents, Part B comprised of VSLA, Part C comprised of Social trust and Part D constituted of Household livelihoods. The 5-point Likert scale whose range is strongly disagree (SD), disagree (D), not sure (NS), agree (A) and strongly agree (SA) was used in developing the tool for parts B to D.

3.6.2 Interview guide

An interview guide is a structured outline or set of questions that researchers use to conduct interviews (Bryman, 2014). It served as a roadmap for the interviewer, ensuring that important topics are covered and facilitating a consistent data collection process. The researcher organized the Structure and flow of the interview guide in a logical and coherent manner. The guide begun with introductory section to establish rapport with the interviewees (participants). The study involved majorly Open-ended and probing questions in order to generate deeper information on VSLA and household livelihoods.

3.7 Data Management and Quality Control

The study ensured quality of the data through validity and reliability testing of the data collection tools as elaborated below:

3.7.1 Reliability

Reliability is the degree of internal consistency of the scales to which scores obtained from the same people or the same phenomena are consistent or stable (Hair, Black, Babin & Anderson, 2014). The reliability of the questionnaires was tested using the Cronbach's Alpha

Coefficient test of reliability using the Statistical Package for Social Sciences (SPSS) and the results were as presented below.

Table 2: Reliability Test Results

SN	Variable	Dimension	Number of Items	Cronbach's alpha Coefficient
1.	Village Saving and Loan Association	i. Saving	7	0.812
		ii. Credit	7	0.789
		iii. Soft Skills	7	0.765
2.	Level of Livelihood	i. Income Level	7	0.881
		ii. Food Security	7	0.902
		iii. Asset accumulation	7	0.733
3.	Social Trust	i. Cognitive	7	0.817
		ii. Relational Trust	7	0.890
Average				0.824

Source: Primary Data

According to the results, it was established that the average Cronbach's alpha coefficient was 0.824. Going by the assertion by Taber (2018) that when the Cronbach's alpha coefficient value is 0.7 and above that the tool passes the test, it follows that the tool used in this study indeed passed the test. It was also observed that all sub-sections of the tool had also each passed the test considering that their individual Cronbach's alpha coefficients were all above 0.7.

3.7.2 Validity

Validity refers to the extent to which a test measures what the researcher actually is interested to measure (Kothari, 2014). Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. The research instrument in this study was presented to three research experts who gave their assessment and rating of the items in the instruments from where content validity index (CVI) was determined as below:

$$CVI = \frac{\text{Number of items rated relevant by experts}}{\text{Total number of items in the instrument}}$$

The researcher then determined the validity using content validity index. According to DeVellis (2016), an instrument with a CVI of 0.7 and above is acceptable and considered a valid instrument. In the case of this study, the following results were obtained.

Table 3: Validity Test Results

SN	Expert	CVI = $\frac{\text{Number of items rated as correct}}{\text{Total number of items in the instrument}}$	CVI
1.	Expert 1	54/61	0.885
2.	Expert 2	49/61	0.803
3.	Expert 3	51/61	0.836
Average			0.842

Source: Primary Data

According to the results as seen above, the average CVI was established to be 0.842 which is above 0.7 and which means that the questionnaire passed the validity test. Other than this test, the tool was also pretested among VSLA members where five of them were required to fill in the questionnaire while pointing out gaps and mistakes in the tool. These were then corrected before actual data collection was conducted. At the same time, all the respondents who precipitated in the pre-testing were left out in the actual data collection exercise.

3.8 Data Collection Procedure

The researcher started the process of data collection by getting approval and permission from relevant authorities. This included first the approval from obtaining an introductory letter from Faculty of Business and Development Studies, Gulu University that was used to introduce the researcher to the different offices like Gulu city development officer, THRIVE-Gulu management. Training of the research assistants was then conducted to equip them with the relevant skills needed in data collection and getting familiar with the research tools. The target population was then well defined using sampling strategies (random sampling and purposive sampling). Data collection then followed the procedures according to the chosen methods and instruments. This was conducted ethically, respecting participants' privacy and

confidentiality. Data were monitored for quality using quality control measures which included double-checking entries and validating responses to maintain data integrity.

3.8 Data Analysis and Presentation

3.9.1 Quantitative data analysis

Data from the field was sorted and edited for quality, accuracy and completeness. The Statistical Package for Social Sciences (SPSS) version 25.0 was used for analysis of data. For the quantitative data, descriptive statistics was used to present the results in the form of mean, standard deviation, frequency and percentages. For the analysis of relationship between the study variables, correlation analysis was used and for the analysis of effect of one variable on another, regression analysis was used.

3.9.2 Qualitative data analysis

The analysis of qualitative data involved the use of thematic analysis. This involved data transcription, coding of the data and then broad categorization in to sub-themes and themes. The findings were then presented in a coherent and organized manner. This was done through narrative descriptions and use of quotes and verbatim.

3.10 Study limitations and Delimitations

The researcher experienced difficulties in accessing comprehensive data on VSLA and household livelihood but she addressed this limitation by establishing strong relationships with the institutions under study, sought for cooperation from relevant stakeholders, and ensuring proper documentation and approvals. The researcher also addressed the limitation of limited size by carefully selecting a representative sample, utilized the appropriate sampling techniques, and clearly defined the target population. This was done through stratification and simple random sampling for proper representation. At the same time, the researcher

employed rigorous research methodologies, which ensured transparency in data collection and analysis procedures, and also employed a diverse research assistant which mitigated the potential biases and conflict of interest.

3.11 Ethical Considerations

The researcher obtained an introductory letter from Gulu University with which she sought for permission from THRIVE-Gulu organisation to collect data for the respondents. She then obtained informed consent from all respondents after she explained to them about the study and the associated ethical considerations including their rights to participate in the study. The respondents were assured of confidentiality and their rights and privacy respected as they participated in the study. The researcher further provided a clear and understandable information about the study's purpose, procedures, potential risks and benefits, and participants' rights to voluntary participation, confidentiality, and withdrawal from the study at any time. The researcher also safeguarded the confidentiality and anonymity of participants by ensuring that their names and responses were kept confidential and could not be linked back to individual participants. The researcher sought for all the necessary approvals and permissions from relevant authorities before conducting the study. This included obtaining an introductory letter from faculty of business and development studies, Gulu University that was used to introduce the researcher to the different research officials from Thrive-Gulu and the respondents.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

This study examined Village Savings and Loan Association services and household livelihoods in Gulu City. This chapter covers the presentation, analysis and interpretation of data. Data were presented in tables with the analysis undertaken using descriptive statistics (percentages) and inferential statistics (correlation and regression respectively) as presented below:

4.1 Response Rate

The response rate was computed as shown in the table below.

SN	Category of respondents	Targeted Sample Size	Actual Size	Sample size
1	Qualitative Approach	12	10	83.3
2	Quantitative Approach	178	171	96.1
Total		190	181	95.3

Source: Primary Data

According to the results, 10 interviews were conducted and 171 questionnaires were received back and this gave a response rate of 83.3% and 96.1%. The overall response rate was 95.3%. All these were considered to have been high enough to allow for subsequent analyses.

4.2 Demographic Background of Respondents

The demographic background of the respondents in this study covered key components of sex, age, educational level and the duration of participation in the VSLA services as presented in the section and table below:

Table 4: Background Information

SN	Variable	Category	Frequency	Percentage
1	Sex of the respondents	Female	182	67
		Male	89	33
		Total	271	100
2	Age of respondents	30-35	68	25.2
		36-41	155	57.3
		Above 41	47	17.5
		Total	271	100
3	Educational Level	Primary	38	13.9
		UCE	83	30.8
		UACE	123	45.3
		Diploma	20	7.2
		Bachelors	8	2.8
		Total	271	100
4	The number of years in VSLA	Less than one year	11	4.2
		1-4years	163	60.2
		Above 5years	96	35.6
		Total	271	100

Source: Primary Data, 2025

The findings indicated that the majority of respondents were female, accounting for 67.0% of the total sample, while males represented 33.0%. This gender distribution suggests that women are the dominant participants in VSLAs supported by THRIVE-Gulu in Gulu City. The higher participation of women aligns with existing evidence that VSLAs often serve as crucial platforms for women's economic empowerment.

The age distribution shows that the largest age group was between 36–41 years, representing 57.3% of the respondents. This was followed by respondents aged 30–35 years at 25.2%, while only 17.5% were above 41 years. These results imply that the most active participants in VSLAs in Gulu City are in their economically productive years, particularly middle-aged adults.

The education levels of respondents varied significantly. A substantial proportion had attained Uganda Advanced Certificate of Education (UACE), comprising 45.3%, followed by UCE holders at 30.8%, and primary education at 13.9%. Only 7.2% held a diploma, and a small fraction (2.8%) had a bachelor's degree. These findings suggest that the majority of

VSLA participants have moderate educational backgrounds, with relatively few having attained tertiary-level qualifications.

Regarding the duration of participation in VSLAs, a majority of respondents (60.2%) had been members for 1 to 4 years, while 35.6% had participated for over 5 years. Only 4.2% had joined within the last year. These results reveal a stable and experienced membership base in the THRIVE-Gulu supported VSLAs. The relatively long duration of involvement suggests that participants have had sufficient time to benefit from the program's financial services, including savings, loans, and soft-skills training.

4.3 Role of VSLAs in Improving Livelihoods in Gulu City

This section presents the results on objective one which was about the role of VSLA services as offered under the THRIVE-Gulu supported VSLAs. The descriptive results on the three major services that include savings, credit and soft-skills are presented in the following sections:

4.3.1 Savings services

Savings constitutes one of the most critical role or services offered by VSLAs and it has been analyzed as reflected in the table below:

Table 5: Descriptive Results on Savings

SN	Savings	Percent						
		SD	D	SD+D	NS	A	SA	A+SA
1.	In this group we save regularly	5.6	6.4	12.0	9.9	54.3	23.8	78.1
2.	My savings has grown overtime	1.9	11.2	13.1	9.1	45.5	32.4	77.8
3.	The interest on my saving has grown	2.9	8.6	11.5	13.4	42.4	32.7	75.1
4.	We receive interest at the end of our cycle	3.5	8.0	11.5	11.0	42.0	35.6	77.5
5.	In this group savings is must	3.5	7.0	10.4	11.5	34.5	43.6	78.1
6.	I have always exceeded my saving goals	6.1	8.3	14.4	17.6	46.8	21.1	67.9
7.	I can access all my savings at the end of the cycle.	3.2	8.0	11.2	19.0	41.2	28.6	69.8
Average		3.8	8.2	12.1	13.1	43.8	31.1	74.9

Key: SD = Strongly Disagree; D = Disagree; NS = Not Sure; A = Agree; SA = Strongly Agree

Source: Primary data

According to the results, on average, the savings as a service of the VSLAs was scored at 74.9% as much as 12.1% of the respondents were opposed to this and 13.1% were not sure about this. This overwhelmingly positive perception demonstrates that the savings component of VSLAs under THRIVE is highly functional and impactful. These findings suggest that the status of savings in THRIVE-supported VSLAs in Gulu City is highly favorable, with strong savings culture, growth in personal savings, and access to interest earnings.

In general, the analysis of responses regarding savings behavior in VSLAs supported by THRIVE-Gulu in Gulu City reveals a strong culture of regular saving and positive perceptions toward savings growth among members. A significant majority of respondents affirmed that savings are a key and consistent part of their VSLA experience.

To begin with, 78.1% of respondents agreed or strongly agreed that “in this group we save regularly”, indicating a high level of financial discipline and commitment to the saving culture. Only 12.0% disagreed (strongly or otherwise), suggesting that irregular saving is a minimal concern in these groups. This level of regularity is crucial in fostering household financial resilience and supporting livelihood improvement through consistent capital accumulation. Similarly, 77.8% agreed or strongly agreed that “my savings have grown over time”, with only 13.1% expressing disagreement. This points to a substantial increase in personal savings, reflecting both the effectiveness of the savings model and the financial empowerment experienced by members over time. Growth in savings often correlates with improved financial planning, asset acquisition, and the ability to invest in livelihood-enhancing ventures.

The statement “the interest on my savings has grown” also received considerable support, with 75.1% agreement, implying that members are not only saving but also earning appreciable returns on their savings. Interest growth is a strong indicator of the VSLA

model's value proposition, especially when savings are reinvested into the lending cycle. Likewise, 77.5% of the respondents confirmed that they “receive interest at the end of the cycle,” reinforcing the earlier point and suggesting that savings are not only safe but also rewarding. This helps motivate continuous participation and higher savings targets.

A particularly notable response was seen in the statement “in this group, saving is a must”, with 78.1% agreement, showing that members view saving as a mandatory and embedded part of their membership. This mandatory culture may contribute to the discipline and financial accountability observed across groups. Additionally, 67.9% of respondents agreed that “I have always exceeded my saving goals,” while 14.4% disagreed. While this is still a majority, it reveals that not all members are achieving beyond their expectations—possibly due to varying income levels, household needs, or unforeseen challenges such as health emergencies. Furthermore, 69.8% of respondents agreed or strongly agreed that they “can access all their savings at the end of the cycle.” This demonstrates trust in the VSLA system and indicates that savings are indeed accessible and liquid, which is vital for household planning, especially in meeting long-term needs such as school fees, farming inputs, or small business capital.

The qualitative analysis revealed several themes regarding savings as component of VSLA services, particularly. Among these themes includes: regular saving discipline, growth in savings, earnings from savings and achievement of saving goals.

Theme 1: Regular Saving Discipline

The findings revealed that VSLA members consistently save on a regular basis, indicating a high level of financial discipline embedded in the group's routine. Regularity in saving shows that members have internalized financial routines, which form the foundation for building resilience and achieving long-term goals. This behavioral norm appears to be both culturally

embedded and practically enforced. This is supported by one of the participants who observed that:

“In our group, saving is like a routine—we don’t even remind people anymore. Everyone knows that saving day is saving day,” (VSLA Chairperson, Laroo Division, Feb, 2025).

Another member noted:

“Even the members who earn little still try to save something small each week. That commitment has really surprised me, especially among the women,” (VSLA Group Treasurer, Feb, 2025).

These narratives illustrate that saving has become second nature for most members. The discipline observed is not enforced externally but has evolved into a peer-supported norm. Even members with low or irregular income make the effort to contribute consistently, demonstrating a strong commitment and belief in the value of saving.

Theme 2: Growth in Savings

Furthermore, the findings revealed that there is noticeable personal and group-level growth in savings among VSLA members over time. An increase in savings reflects financial growth and improvement in planning and budgeting behavior. It also signals the financial health of the group, which enables reinvestment in livelihood activities such as education and micro-enterprises. The above finding is supported by one the interviewees who noted that:

“When I look back to three years ago, I had nothing in savings. But now, I can boast of having enough to pay school fees without borrowing from outside,” (VSLA Secretary, Pece, Feb, 2025).

Similarly, another respondent remarked:

“We have seen many members growing their savings steadily. Some have even managed to reinvest in their businesses or renovate their homes using these accumulated funds,” (THRIVE Official, March, 2025).

The above expressions suggest that saving through VSLAs has empowered members to achieve tangible outcomes. It is not just about accumulating money, but using it to improve household welfare, reduce dependency on loans, and increase self-reliance.

Theme 3: Earning from Savings (Interest)

The qualitative analysis further revealed that members benefit from interest earned on their savings, making the saving process rewarding and reinforcing participation. Earning interest incentivizes regular saving and increases the total funds available to members. It positions the VSLA not just as a savings vehicle but as a micro-investment platform. The finding is supported by one of the respondents who remarked:

“It feels good when you get your savings back with interest. It’s like your money has worked for you,” (VSLA Treasurer, Bardege-Layibi, Feb, 2025).

In addition, another participant had this to say:

“The end-of-cycle sharing is the most exciting part. Members see their efforts rewarded, and that motivates them to save even more in the next cycle,” (VSLA Chairperson, Pece, Feb, 2025).

Therefore, Interest earnings are perceived as both a return and recognition of members’ commitment. These financial rewards promote long-term participation and enhance the perceived value of saving. The excitement around the share-out day shows how such

milestones build morale and encourage future planning. This qualitative analysis reveals that savings practices in THRIVE-supported VSLAs are underpinned by structured routines, strong social norms, and trust-based systems. Overall, these insights confirm that the savings is a crucial element of VSLAs among THRIVE beneficiaries.

4.2.2 Credit services

Credit is one of the most important services offered by VSLAs and plays crucial role as far as household livelihood is concerned. Its analysis is presented in the table below:

Table 6: Descriptive Results on Credit Services

SN	Percent						
	SD	D	SD+D	N	A	SA	A+SA
1. In this group we access loan anytime	6.4	12.8	19.3	13.6	43.3	23.8	67.1
2. There is no collateral required when accessing loans	5.6	11.8	17.4	14.7	45.2	22.7	67.9
3. In this group we can borrow as a group	5.1	11.0	16.0	16.8	39.8	27.3	67.1
4. The interest rate in this group is fair enough	4.5	9.4	13.9	16.0	41.4	28.6	70.1
5. There is low rate of loan defaulters in our group	6.4	5.1	11.5	11.2	35.3	42.0	77.3
6. The loan repayment periods are very flexible for members.	1.9	7.8	9.7	20.4	31.8	28.2	60.0
7. The size of the loan is friendly.	2.7	9.1	11.8	13.1	42.8	32.4	75.1
Average	4.7	9.6	14.2	15.1	39.9	29.3	69.2

Key: SD = Strongly Disagree; D = Disagree; NS = Not Sure; A = Agree; SA = Strongly Agree

Source: Primary data, 2025

According to the results, on average, the credit services of the VSLAs was scored at 69.2% as much as 14.2% of the respondents were opposed to this and 15.1% were not sure about this. A detailed analysis of credit presented in table 3 above revealed that VSLA members access loans anytime with 67.1% of the respondents in support, while 19.3% of respondents were opposed. This suggests that while a majority of members feel loans are accessible, a notable

portion still face limitations. The relatively high neutrality (13.6%) indicates that loan access may vary by circumstances such as timing, group cash flow, or borrower eligibility.

A total of 67.9% of respondents agreed or strongly agreed that loans can be accessed without collateral. Only 17.4% disagreed. This reflects the inclusive and low-barrier nature of the VSLA credit system, which aligns with the purpose of financial inclusion for low-income and vulnerable groups. It reduces the risk of exclusion common in formal financial institutions where collateral is a barrier. At the same time, 67.1% of respondents agreed or strongly agreed that they can borrow as a group, while 16.0% disagreed. This high level of agreement indicates that group lending mechanisms are active and accessible within VSLAs. Such mechanisms foster collective responsibility and mutual trust, which are critical in reducing default rates and enhancing loan recovery.

An encouraging 70.1% of the respondents viewed the interest rates charged within the VSLA as fair, while only 13.9% disagreed. This indicates that members perceive the interest structure as reasonable and likely sustainable. Fair interest terms are essential for maintaining trust and continued participation in loan programs. Furthermore, a remarkable 77.3% of members agreed that there is a low rate of loan default in their group. This reflects high levels of borrower responsibility, effective peer monitoring, and possibly the impact of soft-skills training provided by THRIVE-Gulu. It also reinforces the credibility and reliability of the group as a self-regulating financial unit.

Loan repayment flexibility received 60.0% agreement, which is lower compared to other items. At the same time, 9.7% of respondents disagreed, while 20.4% remained neutral. These mixed responses may suggest that although terms are relatively accommodating, some members may still find the repayment period challenging depending on personal cash flow or seasonal income fluctuations. Also, 75.1% of the respondents reported that the loan size is

friendly, indicating satisfaction with the amount they are eligible to borrow. This suggests that the VSLAs are matching members' financial needs with available resources, supporting small-scale income-generating activities and household needs.

In general, the responses from VSLA members reflect positive perceptions of credit services offered under the THRIVE-supported model. Members value the ease of access, non-requirement for collateral, fair interest, and group lending structures. The low default rate and loan size satisfaction further affirm the effectiveness of the credit component. This average confirms that approximately 7 out of 10 VSLA members express satisfaction with the credit services, indicating that the VSLAs are significantly contributing to improving members' financial access and supporting household livelihoods in Gulu City.

The qualitative analysis and findings on credit with reference to VSLAs under the support of THRIVE in Gulu city revealed key emerging themes that include: access to loans, non-collateral loan model, perceived fairness of the interest and flexible repayments. The analysis is as elaborated in the sections below.

Theme 1: Accessibility of Loans

A significant number of VSLA members reported being able to access loans easily within their groups as one of the beneficial aspects of credit activities offered by the VSLAs. Loan accessibility is vital in enhancing household financial flexibility, especially for urgent needs or productive ventures. Although a majority experience easy access, a minority encounter limitation, possibly due to low group liquidity or eligibility rules. This is exemplified by one of the respondents who remarked:

“In our group, when someone applies for a loan, they usually get it within a week unless the cash box is dry,” (VSLA group treasurer Bardege-Layibi, Feb, 2025).

In addition, another participant remarked:

“There are times when funds are low, especially when many members borrow at once. But generally, access is not a problem,” (VSLA chairperson, Pece, Feb, 2025).

Therefore, the testimonies show that while the system is designed to provide timely access, group liquidity constraints can affect availability. Nonetheless, the perception of accessible loans demonstrates the group’s ability to meet short-term financial needs more effectively than formal institutions.

Theme 2: Non-Collateral Loan Model

One emerging theme is the non-collateral loan model where participants pointed out that VSLA loans are issued without the need for collateral, making them accessible to low-income members. This approach enhances financial inclusion by eliminating a key barrier collateral which is a requirement in many formal banking systems that excludes rural and vulnerable populations. This finding is supported by one of the respondents who remarked:

“No one asks for land titles or logbooks here. Your character and saving record speak for you,” (VSLA secretary Laroo, Feb, 2025).

Another participant noted that:

“People who can’t even open bank accounts can access loans in our group, which is why many of us joined,” (treasurer, Laroo, Feb, 2025).

These statements affirm that VSLAs serve as a vital financial gateway for people traditionally excluded from formal credit systems. This trust-based lending fosters social equity and empowers vulnerable households.

Theme 4: Perceived Fairness of Interest Rates

Perceived fairness of interest rates also emerged as one of the key themes. Most members believe the interest charged on loans is fair and reasonable. This explains the reasons for most

members joining and participating in the VSLA model. Fair interest builds trust and encourages uptake of credit services. It also ensures the sustainability of the loan fund for future borrowers. This finding is further backed up by research participants who had this to say:

“We charge a small interest just enough to grow the group fund, not to make a profit,” (VSLA treasurer, Layibi, feb, 2025).

Similarly, another member added:

“People don’t complain about interest because it’s transparent, and they know it helps the group,” (VSLA chairperson, Layibi, 2025).

The above expression therefore, points out that transparent and reasonable interest rates not only reduce financial strain but also reinforce mutual understanding and trust within the group, unlike commercial loan systems which may impose harsh conditions.

Theme 6: Flexibility in Loan Repayment

Another significant theme that emerged was flexibility in loan repayment. While most members are satisfied with repayment flexibility, some find it challenging, especially those with irregular income.

Loan terms are moderately flexible but may not always align with seasonal income flows or unforeseen family expenses. One participant had this to say:

“We try to give members time if they’re struggling, especially during the planting season,” (Treasurer, Brdege-Layibi, 2025).

Another participant observed that:

“The terms are fair, but for those who depend on farming, it’s not always easy to repay on time,” (VSLA Group secretary, Brdege-Layibi, 2025).

This theme shows that flexibility exists but may not fully accommodate all members' realities. Groups must continuously adjust terms to remain relevant to diverse member needs. All in all, the qualitative insights reveal that THRIVE-supported VSLAs in Gulu City offer highly accessible, inclusive, and community-responsive credit services. Members appreciate the no-collateral policy, reasonable loan sizes, fair interest rates, and group accountability structures. These factors contribute significantly to improved financial inclusion, loan repayment behavior, and household financial stability.

4.2.3 Soft skills services

Soft skills remain an important factor and a component of VSLA services playing key role in ensuring household livelihood. The analysis of soft-skills is presented in the table below:

Table 7: Descriptive Results on Soft-Skills

SN	Percent						
	SD	D	SD+D	N	A	SA	A+SA
1. Members have taken up leadership positions within the group	2.9	5.9	8.8	13.9	48.4	28.9	77.3
2. Our group train us on financial literacy skills	2.7	9.1	11.8	13.1	42.8	32.4	75.1
3. My business skills have been enhanced	1.3	7.4	8.7	17.2	42.2	31.9	74.1
4. I can identify a good business idea	1.6	7.8	9.4	14.2	48.1	28.3	76.5
5. We regularly have training on diversification of business	3.2	6.4	9.6	12.8	42.8	34.8	77.5
6. This group has skilled us in record keeping	2.3	7.3	9.7	14.2	44.9	31.3	76.1
7. In our group we resolve disputes easily.	2.1	4.3	6.4	16.6	37.8	39.1	76.9
Average	2.3	6.9	9.2	14.6	43.9	32.4	76.2

Key: SD = Strongly Disagree; D = Disagree; NS = Not Sure; A = Agree; SA = Strongly Agree

Source: Primary data

According to the results, on average, soft skills as a service of the VSLAs was scored at 76.2% as much as 9.2% of the respondents were opposed to this and 14.6% were not sure about this. The results on soft skills presented in the above table indicate that 77.3% of respondents agreed or strongly agreed that members have taken up leadership positions within their VSLA groups. Only 8.8% disagreed, while 13.9% remained neutral. This high

level of agreement shows that VSLAs serve as platforms for leadership development, especially for women and youth who may not have had prior access to decision-making spaces. Encouraging members to take on leadership roles helps foster self-confidence, group cohesion, and democratic governance within the associations.

About 75.1% of members agreed or strongly agreed that their group provides financial literacy training, while 11.8% disagreed. This indicates that THRIVE-Gulu supported VSLAs are not only saving and lending platforms but also serve as learning environments. Financial literacy is essential for informed decision-making, budgeting, and responsible borrowing. These skills are crucial for long-term financial independence and household economic resilience.

A significant 74.1% of respondents affirmed that their business skills have been enhanced through participation in VSLA activities. Only 8.7% disagreed. This shows the effectiveness of the soft-skills training provided by the group or external facilitators under THRIVE-Gulu. Improved business skills may include better customer relations, pricing strategies, stock management, and marketing, which ultimately enhance income-generating activities.

According to the data, 76.5% of respondents agreed that they can now identify good business ideas, while only 9.4% disagreed. This suggests that participation in VSLAs has sharpened members' entrepreneurial mindsets and opportunity recognition skills. These skills are vital in diversifying income sources and adapting to changes in the market. At the same time, 77.5% of the respondents agreed that they regularly receive training on business diversification, reflecting THRIVE's holistic approach to livelihood improvement. With just 9.6% disagreement, this finding implies that members are gaining practical knowledge on spreading financial risk and increasing revenue streams through varied business ventures.

In addition, a total of 76.1% of respondents agreed or strongly agreed that their groups have skilled them in record keeping. This is a critical competence for small-scale entrepreneurs,

enabling better tracking of income, expenses, loan obligations, and profits. With less than 10% expressing disagreement, this result reinforces the success of soft-skills training in promoting accountability and business professionalism. Finally, 76.9% of respondents reported that they are able to resolve disputes easily within their groups, while only 6.4% disagreed. This points to strong group cohesion and effective internal governance. Dispute resolution skills are vital in ensuring group sustainability and maintaining trust among members both essential for the success of collective financial initiatives.

Across all the indicators, the average percentage of respondents who agreed or strongly agreed with the statements stands at 76.21%, while disagreement averaged only 9.19%. The neutral responses were 14.58%, suggesting that the majority of VSLA members under THRIVE have experienced significant improvement in their soft skills. These include leadership, business development, financial literacy, record keeping, and conflict resolution skills that are foundational for successful household livelihood strategies.

4.2.4 Overall results of objective one

The overall findings of objective one entailed obtaining an average score out of the scores of the three dimensions of VSLA services as shown in the table below.

Table 8: Overall Descriptive Results on the Role of VSLA Services

SN	VSLA Savings	Percent						
		SD	D	SD+D	NS	A	SA	A+SA
1.	Savings Service	3.8	8.2	12.1	13.1	43.8	31.1	74.9
2.	Credit Service	4.7	9.6	14.2	15.1	39.9	29.3	69.2
3.	Soft Skills Service	2.3	6.9	9.2	14.6	43.9	32.4	76.2
Average		3.6	8.2	11.8	14.3	42.5	30.9	73.4

Key: SD = Strongly Disagree; D = Disagree; NS = Not Sure; A = Agree; SA = Strongly Agree

Source: Primary data

According to the results, the services under the THRIVE-Gulu supported VLSAs were scored on average at 73.4%. This was considered to be above average meaning that these services are highly offered to the members.

4.3 Household Livelihood of THRIVE-Gulu's VSLA Beneficiaries

This section presents the results on objective two which was about assessing household livelihoods of THRIVE-Gulu's beneficiaries. Household livelihood in this study has been conceptualized to cover key components that comprised of: income level, food security and asset accumulation as presented in the following sections:

4.3.1 Income Level

Income level is one of the key measures of household livelihood. The detailed analysis of the status of income level among the VSLA members is presented in the table below:

Table 9: Descriptive Results on Income Level

SN	Income Level	Percent						
		SD	D	SD+D	N	A	SA	A+SA
1.	I can cater for the basic needs of my household	4.3	7.8	12.0	17.9	48.1	21.9	70.1
2.	I am happy with my income	2.4	7.2	9.6	15.5	47.1	27.8	74.9
3.	I have invested from my income	2.9	6.4	9.4	18.7	44.4	27.5	71.9
4.	My income has helped me acquire some assets.	3.5	5.9	9.4	15.0	44.7	31.0	75.7
5.	My income is enough to cover my household expenditure.	4.0	5.6	9.7	16.4	40.8	33.2	74.0
6.	I have saved from my income.	3.4	6.6	10.0	16.7	45.0	28.2	73.3
7.	I have invested from my income.	5.1	11.0	16.0	16.8	39.8	27.3	67.1
Average		3.7	7.2	10.9	16.7	44.3	28.1	72.4

Key: SD = Strongly Disagree; D = Disagree; NS = Not Sure; A = Agree; SA = Strongly Agree

Source: Primary data

According to the results, on average, the income level of the households was scored highly at 72.4% as much as 10.9% of the respondents were opposed to this and 16.7% were not sure about this. Results on specific statements show that 70.1% of respondents agreed or strongly agreed that they are able to cater for the basic needs of their households. Only 12.0% disagreed, and 17.9% were neutral. This majority agreement reflects that participation in VSLAs has contributed positively to meeting essential household needs such as food, shelter, healthcare, and education. The result suggests improved household financial stability, which

is a key objective of livelihood programs like THRIVE-Gulu. At the same time, 74.9% of respondents expressed satisfaction with their current income, while only 9.6% disagreed. This finding indicates that many members feel their income has improved through their participation in VSLA activities. Satisfaction with income is a strong indicator of enhanced economic well-being, particularly in informal economic settings where regular income is often a challenge.

About 71.9% of members agreed that they had made investments from their income, with just 9.4% disagreeing. This shows that VSLAs are not just improving consumption but also contributing to productive economic behavior. Investments may include small businesses, agriculture, or trade each of which strengthens household resilience and long-term livelihood sustainability. An even stronger 75.7% of respondents affirmed that their income had enabled them to acquire assets, with a low disagreement rate of 9.4%. This is a vital milestone in household livelihood improvement, as asset accumulation such as acquiring land, livestock, or household goods is a sign of economic progress and financial security.

Regarding the adequacy of income to cover all household expenses, 74.0% of the respondents agreed, while 9.7% disagreed. This further reinforces the view that the income generated or supported through VSLA participation is sufficient to meet day-to-day needs, which in turn reduces financial stress and dependence on external support.

Furthermore, savings behavior is another indicator of income adequacy. 73.3% of members reported that they had been able to save from their income, while 10.0% disagreed. This suggests that most participants are generating surplus income, which they can reserve for future needs or emergencies. The capacity to save also reflects prudent financial management—a skill likely enhanced by the financial literacy and soft-skills training provided by THRIVE-Gulu.

Though similar to a previous item, the statement “I have invested from my income” again drew 67.1% agreement, the lowest among the indicators. Still, this is a positive sign, suggesting that not all members reinvest consistently possibly due to varying levels of income, risk aversion, or pressing household needs. This could be an area for additional capacity-building or mentorship.

In summary, the findings show strong positive perceptions among VSLA members regarding their income levels and how they are using that income to improve their lives. The ability to meet basic needs, save, invest, and acquire assets all indicate significant strides in enhancing household economic well-being through VSLA participation. The overall average illustrates that nearly three-quarters of the members (72.43%) believe their income situation has improved due to their engagement in VSLAs under the THRIVE-Gulu program. The relatively low average disagreement (10.9%) and moderate neutrality (16.7%) further support the conclusion that VSLAs are positively influencing the income dimension of household livelihoods in Gulu City.

The qualitative analysis presented hereunder, supports the quantitative analysis of the study. During the analysis process, key themes were identified including: ability to meet basic household needs, income satisfaction and economic wellbeing, and income adequacy to cover household expenses.

Theme 1: Ability to Meet Basic Household Needs

One significant theme was the ability to meet basic household needs. A majority of participants affirmed that they are able to meet their household’s basic needs. This finding highlight how participation in VSLAs has enabled many members to consistently afford essential items such as food, education, shelter, and healthcare. These basic needs are

fundamental components of a decent standard of living, and the ability to meet them reflects improved income flow and reduced financial vulnerability. One of the participants reacted:

“Before joining our VSLA, there were days my children missed school because I couldn’t pay fees. But now, I can plan ahead. I know I’ll have some money by the next cycle.”(Secretary, VSLA – Pece Division, feb, 2025).

Another participant remarked:

“We no longer sleep hungry. We can now buy food daily, pay rent, and even save for emergencies. Life is more stable.”(VSLA Member, Layibi-Bardege Division).

These narratives demonstrate a shift from financial instability to greater household security. The VSLA model provides a safety net that allows members to anticipate income and plan expenditures effectively. As a result, households are becoming more resilient and self-sufficient, reducing dependence on external aid or unsustainable coping strategies.

Theme 2: Income Satisfaction and Economic Well-being

Quantitative results on income satisfaction suggests that members not only earn but also perceive their earnings as adequate for their needs and aspirations, which is critical for well-being. To elaborate this further, one participant was quoted saying:

“I may not be earning a salary, but through selling vegetables from my small garden supported by my loan, I earn something every week. That’s income I didn’t have before.” (Treasurer, VSLA, Bardege, Layibi, feb, 2025).

Another participant remarked:

“The group helped me start my chapati business. It may be small, but it brings in money every day. I feel proud and financially independent.” (Chairperson, VSLA – Laroo-Pece, Feb, 2025).

These reflections illustrate that income satisfaction is not solely dependent on high earnings, but on having a stable, predictable, and self-generated source of income. The VSLA framework enhances autonomy and dignity, which are core elements of sustainable livelihoods.

Theme 5: Income Adequacy to Cover Household Expenses

Further qualitative analysis revealed income adequacy to cover household expenses as one of the most important themes that was identified. Therefore, a substantial majority felt their income was adequate to cover household needs. Income adequacy reflects a shift toward a more predictable and manageable household economy. This is a critical step in reducing financial stress and avoiding high-interest debt or dependency on informal support. One of the respondents added:

“My income may not be huge, but it covers what we need weekly food, soap, and sometimes school money.” (Chairperson, VSLA – Bardege Division)

Another participant added:

“Ever since I joined the group, I haven’t had to borrow from neighbors. I manage my expenses better now.” (VSLA Member – Laroo Division).

These statements highlight improved budgeting, income planning, and economic control. Members have moved from reactionary spending to planned expenditure, which is essential for sustained livelihood enhancement. The analysis reveals that income level as a dimension of household livelihood has improved significantly for members of VSLAs supported by THRIVE in Gulu City. Participants report increased income satisfaction, the ability to meet household needs, savings growth, and asset acquisition. Overall, these findings affirm the critical role of VSLAs in fostering inclusive economic empowerment and livelihood sustainability in urban Northern Uganda.

4.3.2 Food Security

Food security constitutes one of the crucial measures of household livelihood. The detailed analysis of the status of food security among the VSLA members is presented in the table below:

Table 10: Descriptive Results on Food Security

SN	Food Security	Percent						
		SD	D	SD+D	N	A	SA	A+SA
1.	My household has adequate access to food.	3.7	8.0	11.8	18.4	43.0	26.7	69.8
2.	My household can afford at least two meals per day	2.7	7.2	9.9	11.2	40.9	38.0	78.9
3.	My household can afford balanced diet.	2.4	6.4	8.8	17.2	41.8	32.2	74.0
4.	My household has access to food variety throughout the season.	1.6	4.6	6.2	10.7	46.9	36.2	83.1
5.	I am less stressed in obtaining food for my family	1.9	7.5	9.4	15.5	40.8	34.3	75.1
6.	Feeding is never a challenge for my household	2.5	6.7	9.2	14.6	42.7	23.5	66.2
7	We have enough food in the garden	2.1	5.3	7.5	13.1	39.7	29.7	69.4
Average		2.4	6.5	8.9	14.4	42.3	31.5	73.8

Key: SD = Strongly Disagree; D = Disagree; NS = Not Sure; A = Agree; SA = Strongly Agree

Source: Primary data

According to the results, on average, food security of the households of VSLA members in Gulu City was scored at 73.8% as much as 8.9% of the respondents were opposed to this and 14.4% were not sure about this. Further, according to the findings presented in the table above, 69.8% of respondents agreed or strongly agreed that their households have adequate access to food, while 11.8% disagreed. This shows that participation in VSLAs has had a positive influence on food availability within households. However, the relatively moderate neutral response (18.4%) and a noticeable disagreement indicate that some households may still experience occasional food access challenges, possibly due to seasonal variations or limited income.

A substantial 78.9% of respondents agreed that their households can afford at least two meals per day, while only 9.9% disagreed. This is a strong indicator of improved food security among VSLA members, suggesting that income from savings, credit access, and small-scale business activities supported by the group is translating into better household consumption. Further, a total of 74.0% of members agreed or strongly agreed that their households can afford a balanced diet, with just 8.8% disagreeing. Access to a balanced diet reflects not just food quantity but also quality, indicating that households are able to purchase or produce a variety of food items to meet nutritional needs. This improvement may be attributed to increased income and awareness through soft-skills training within the VSLA groups.

The highest agreement (83.1%) was recorded on the statement that households have access to food variety throughout the season, while only 6.2% disagreed. This implies that VSLA participation is likely contributing to food resilience throughout different agricultural or market cycles. Access to diverse food options across seasons may stem from household farming, storage strategies, or increased purchasing power. At the same time, 75.1% of respondents felt less stressed in obtaining food for their families. Only 9.4% disagreed. This demonstrates that the financial support and planning facilitated through VSLAs are helping households better manage food-related needs and expenses. Reduced stress levels point to improved well-being and greater food security reliability.

Furthermore, 66.2% of respondents agreed that feeding is never a challenge in their households, and 9.2% disagreed. This suggests that although many households are coping well, a considerable proportion still face occasional or seasonal food access difficulties. The higher neutral response (14.6%) may represent households that are on the borderline of food security and food insecurity, depending on external factors such as price fluctuations or crop performance.

About 69.4% of respondents indicated that they have enough food in their gardens, with just 7.5% disagreeing. This highlights the continued role of household agriculture in ensuring food self-sufficiency. The result also suggests that VSLAs may indirectly support subsistence farming by enhancing access to inputs like seeds or small-scale irrigation through credit or group initiatives.

The overall picture presented by the data indicates high levels of food security among VSLA members. Most members report improved access to food, the ability to afford multiple meals, reduced food stress, and access to varied and nutritious diets. This positive shift in food security can be directly linked to increased incomes, savings, and livelihood diversification achieved through the support of THRIVE-Gulu. This overall agreement rate (73.8%) signifies that nearly three-quarters of VSLA members experience reliable food security as a result of their participation in the group. With a low disagreement average (8.9%) and moderate neutrality (14.4%), the data supports the conclusion that VSLA participation is a strong enabler of improved household food security in Gulu City.

The qualitative analysis of food security as a component of VSLA revealed several key themes identified during the analysis process. Among these themes includes: improved household access to food, ability to afford multiple meals daily, increased access to balanced diet and reduced food related stress.

Theme 1: Improved Household Access to Food

A strong and recurring theme among VSLA members was the reported improvement in household access to food since joining their groups. Financial empowerment through regular savings and access to low-interest credit has enabled members to increase their purchasing power and agricultural investments, which in turn has enhanced food availability. For many,

this change has marked a significant departure from past food insecurity. One respondent remarked:

“Before I joined the group, I would sometimes skip meals to save for the children. But now, I can buy enough food, and everyone eats,” (Chairperson, VSLA Laroo, 2025).

One other participant had this to say:

“We encourage members to plan with their loans. Many now buy food in bulk during harvest season to avoid high prices later,”(VSLA Group secretary Pece, 2025).

These expressions demonstrate that members are not only meeting immediate food needs but are also engaging in proactive food purchasing strategies. This shows that financial interventions through VSLAs are creating long-term household food stability by promoting financial literacy and planning.

Theme 2: Ability to Afford Multiple Meals Daily

Many respondents emphasized their improved ability to afford at least two meals per day, a key indicator of food security. VSLA participation has translated into tangible benefits through daily income-generating activities, reducing the frequency of skipped meals and hunger-related anxiety. To strengthen this finding, a participant remarked:

“Before joining the VSLA, some days we would have one meal. Now, even if it’s porridge and beans, my family eats twice or thrice daily,” (VSLA treasurer, Bardege-Layibi, 2025).

Similarly, another participant remarked:

“The loans I got helped me set up a small chapati stall. That daily income ensures we don’t sleep hungry anymore,” (VSLA Group member, Pece, 2025).

These accounts highlight how increased financial liquidity and entrepreneurship enabled by VSLAs contribute directly to improved household consumption. Even modest income-generating ventures can significantly reduce the risk of hunger, especially when backed by collective savings systems.

Theme 3: Increased Access to a Balanced Diet

Food security goes beyond quantity it includes quality. VSLA members shared experiences of improved dietary diversity since joining the program. With better income and awareness, members reported being able to afford vegetables, fruits, and protein-rich foods, thus enhancing the nutritional value of meals. One participated noted:

“We used to eat posho and beans every day. But now, I can buy vegetables and sometimes meat. The kids look healthier,” (VSLA Secretary, Pece, 2025).

Another participant added:

“Our training sessions even include cooking and nutrition. Members are beginning to understand why a balanced diet matters,” (THRIVE official, March, 2025). These testimonies reflect the positive impact of soft-skills training, which complements financial interventions. The ability to access a variety of foods and the awareness of why it is important indicates that VSLAs are contributing to holistic household development, including health and nutrition.

Theme 5: Reduced Food-Related Stress

Another vital theme that emerged was reduced psychological stress regarding food access. VSLA participation has enabled better financial planning and access to emergency funds,

reducing the anxiety and unpredictability around household meals. This has been exemplified by one of the participant who remarked:

“I no longer panic at the end of the month. I know I can borrow or use my savings if things get tight,” (Group treasurer, Pece, feb, 2025).

Similarly, one participant had this to add:

“Stress used to kill me during school term openings, but now I can plan better because of the group,” (Secretary, Bardege-Layibi, Feb, 2025).

These expressions demonstrate that food security contributes not just to physical health but also to mental well-being. Reliable access to food, enabled by collective financial support, reduces the emotional toll often borne by caregivers, especially women, in food-insecure households.

The thematic analysis reveals that VSLA participation under THRIVE in Gulu City is a powerful enabler of household food security. Through regular savings, accessible credit, entrepreneurial activities, and nutritional awareness, members have improved their ability to afford, access, and consume sufficient and diverse food.

4.3.3 Asset Accumulation

Asset accumulation constitutes one of the most important parameters for measuring household livelihoods. The detailed analysis of asset accumulation among the VSLA members is presented in the table below:

Table 11: Descriptive Results on Asset Accumulation

SN	Asset Accumulation	Percent						
		SD	D	SD+D	NS	A	SA	A+SA
1.	Members in our group own livestock	2.1	5.3	7.5	13.1	39.7	29.7	69.4
2.	My group members have built or renovated their houses.	12.1	14.3	26.4	16.6	27.8	19.1	46.9
3.	My saving balance has enabled me to invest in productive assets.	2.1	6.4	8.6	9.9	21.7	29.8	51.6
4.	My household Possesses diverse range of assets.	3.2	3.5	6.7	13.4	36.4	43.6	69.9
5.	I have a smart phone	2.3	4.9	7.3	13.3	31.4	28.1	59.5
6.	I have acquired some means of transport	1.6	7.8	9.4	14.2	48.1	28.3	76.5
7	I have expanded my house	13.2	26.4	39.6	12.8	22.8	24.8	47.5
	Average	14.2	19.8	34.1	13.3	23.9	29.1	53.0

Key: SD = Strongly Disagree; D = Disagree; NS = Not Sure; A = Agree; SA = Strongly Agree

Source: Primary data

According to the results, on average, asset accumulation by the households was scored at 53.0% as much as 34.1% of the respondents were opposed to this and 13.3% were not sure about this. This means the rating was just above average implying that not many households are greatly benefited from asset accumulation.

Looking at the specific statements, the results show that 69.4% of respondents agreed or strongly agreed that members in their group own livestock, while only 7.5% disagreed. This indicates that livestock such as goats, poultry, or cattle is a common form of asset accumulation among VSLA members. Livestock is a significant livelihood asset in rural and peri-urban areas, contributing to household nutrition, income, and resilience in times of

financial need. The ability to acquire and maintain livestock reflects improved purchasing power facilitated by VSLA membership. Furthermore, only 46.9% of respondents reported that they or their fellow group members have built or renovated their houses, while a considerable 26.4% disagreed and 16.6% were neutral. This relatively low level of agreement may reflect the high cost and long-term nature of housing investment. It suggests that while some members are improving their housing conditions, many still face financial limitations, or are prioritizing smaller, more immediate investments. This also highlights the gradual nature of asset accumulation.

About 51.6% of respondents agreed or strongly agreed that their savings balance enabled them to invest in productive assets, with only 8.6% in disagreement. This indicates a modest but meaningful connection between savings and investment, particularly in tools, equipment, or income-generating goods. While over half of the members report successful investment, the moderate agreement suggests that more support or training on asset-based investment may be beneficial. Also, 69.9% of respondents agreed or strongly agreed that their households possess a diverse range of assets, with only 6.7% in disagreement. This demonstrates that VSLA participation is contributing to a broadening of the household asset base, which may include household goods, farming implements, electronic devices, and furniture. Diversification of assets enhances household security and economic options during financial shocks.

Regarding technology assets, 59.5% of respondents reported owning a smart phone, while only 7.3% disagreed. Mobile phone ownership is increasingly viewed as a basic economic asset, enabling access to mobile money, market information, and communication. While phone ownership is widespread, it is not yet universal, possibly due to affordability. Notably, 76.5% of respondents agreed or strongly agreed that they had acquired some means of transport, such as bicycles or motorcycles, while only 9.4% disagreed. This represents one of

the highest agreement levels in the asset category. Ownership of transport assets facilitates access to markets, employment opportunities, health facilities, and education. It is also a strong indicator of upward economic mobility.

House expansion recorded one of the lowest levels of agreement, with only 47.5% of respondents confirming this achievement, and a striking 39.6% expressing disagreement. Like new house construction, expansion is a capital-intensive undertaking and is often only feasible after other basic needs are met. This finding points to a slower pace in more substantial, long-term household investments. The analysis of asset accumulation reveals mixed but generally positive outcomes among VSLA members. While many have acquired livestock, mobile phones, and transport assets, fewer have been able to invest in more costly undertakings such as house expansion or renovation. The data suggests that most members are steadily progressing in asset accumulation, beginning with essential and productive items before advancing to larger investments.

Overall Average Agreement (A+SA): 53.04%

This average indicates that just about half of the members (53.0%) have experienced tangible gains in asset accumulation due to their participation in VSLAs. The average disagreement rate (34.1%) is relatively high, especially compared to other livelihood dimensions like savings and food security. This suggests that while VSLAs are effective in promoting short-term financial gains and moderate asset growth, more time or support may be needed for members to achieve significant long-term capital investments.

The qualitative analysis of asset accumulation revealed several key themes that emerged during the analysis process comprising of ownership of livestock, mobile phone ownership, and access to transport assets.

Theme 1: Ownership of Livestock as a Livelihood Asset

A key observation from the analysis was that livestock ownership was prevalent among VSLA members, with nearly most of the respondents reporting owning animals such as goats, pigs, poultry, or cattle. Livestock is not only a readily tradable asset but also serves as an emergency buffer for school fees, hospital bills, or seasonal shocks. These animals are perceived as a stepping stone toward wealth creation and household stability.

A VSLA chairperson in Bardege-Layibi Division recounted,

“I used my first share-out to buy three goats. Today, they have multiplied, and I sell one or two when there’s a need like school fees.”

Similarly, a treasurer from Bardege-Layibi explained,

“Most of our members start with poultry or pigs. Livestock is the first asset they go for after getting loans.”

These insights elaborate how VSLA savings and loans translate into tangible assets, helping members establish a safety net and signaling their improved financial resilience. As such ownership of livestock forms one of the most crucial component of assets among the VSLA members.

Theme 5: Mobile Phone Ownership as a Technological Asset

Phone ownership, particularly of mobile and smart phones, was strongly reported by VSLA participants. This indicates a substantial level of digital access, critical for communication, mobile money transactions, and market updates. Mobile phones are increasingly recognized as essential economic tools in rural and semi-urban contexts. One female treasurer explained,

“With my phone, I get mobile money from customers and buy airtime to communicate with suppliers.”

A VSLA chairperson added,

“Some members lost their phones or can’t afford smart ones yet. But most have basic ones.”

These expressions reflect both access and barriers. While phone ownership boosts participation in the digital economy, affordability gaps remain for the most vulnerable members, pointing to the need for financial literacy and affordable technology initiatives.

Theme 6: Access to Transport Assets

Transport assets particularly bicycles and motorcycles are among the most valued and widely acquired forms of asset accumulation, with most of the participants reporting ownership. These assets enhance mobility, enable timely market access, and reduce dependency on hired transport. A male group member from Bardege-Layibi shared,

“I got a motorcycle from my second loan. Now I work as a boda boda rider and pay school fees on time.”

Another group secretary observed,

“Before, women walked for hours with produce. Now many have bicycles, and it saves energy and time.”

These testimonies show how transport investments not only support income-generation but also improve access to essential services like healthcare, education, and trading centers. Transport ownership is thus a strong indicator of upward mobility and expanded economic opportunities.

The detailed qualitative analysis reveals that asset accumulation among VSLA members in Gulu City is a gradual but significant process. Members start by securing basic and

productive assets such as livestock, mobile phones, and bicycles before progressing to larger and longer-term investments like housing or transport. The steady progression in asset ownership reflects the transformative power of community-based savings groups when supported by programs like THRIVE.

4.3.4 Overall results of objective two

The overall findings of objective two which was about assessing the household livelihood of members of VSLAs supported by THRIVE-Gulu was obtained by taking an average score out of the scores of the three dimensions of household livelihoods as shown in the table below.

Table 12: Overall Descriptive Results on Household Livelihoods

SN	Household Livelihood	Percent						
		SD	D	SD+D	NS	A	SA	A+SA
1.	Income level	3.7	7.2	10.9	16.7	44.3	28.1	72.4
2.	Food Security	2.4	6.5	8.9	14.4	42.3	31.5	73.8
3.	Asset Accumulation	14.2	19.8	34.1	13.3	23.9	29.1	53.0
Average		6.8	11.2	18.0	14.8	36.8	29.6	66.4

Key: SD = Strongly Disagree; D = Disagree; NS = Not Sure; A = Agree; SA = Strongly Agree

Source: Primary data

According to the results, the household livelihoods under the THRIVE-Gulu supported VLSAs were scored on average at 766.4%. This was considered to be above average meaning that the livelihoods are relatively high except for asset acquisition which was the least scored at 53.0%

4.4 Social Trust

This section presents the results social trust which served as a moderating variable in this study. The social trust in this case comprised of cognitive and relational trust as presented in the sections that follow:

4.4.1 Cognitive Trust

Cognitive as a component of social trust play crucial role in facilitating smooth operations of VSLA and therefore, the analysis of cognitive trust is presented in the table below:

Table 13: Descriptive Results on Cognitive trust

SN	Cognitive Trust	Percent						
		SD	D	SD+D	SN	A	SA	A+SA
1.	I feel comfortable sharing and accessing information	6.1	8.3	14.4	17.6	46.8	21.1	67.9
2.	I trust my group leaders	5.6	9.9	15.5	13.1	46.4	24.9	71.3
3.	I feel comfortable sharing my information in the group.	3.5	6.4	9.9	17.1	42.5	30.5	73.0
4.	I feel my money is save in the group	3.2	8.0	11.2	19.0	41.2	28.6	69.8
5.	My group gives us proper accountability.	0.0	8.2	12.8	16.7	44.2	26.3	70.5
6.	I trust the competence of our VSLA leaders.	1.3	4.3	5.6	11.2	47.9	35.3	83.2
7	I trust our VSLA procedures.	1.6	4.8	6.4	15.2	47.3	31.0	78.3
Average		3.6	7.1	10.8	15.7	45.2	28.2	73.4

Key: SD = Strongly Disagree; D = Disagree; NS = Not Sure; A = Agree; SA = Strongly Agree

Source: Primary data

According to the results, on average, cognitive trust was scored at 73.4% as much as 10.8% of the respondents were opposed to this and 15.7% were not sure about this. Based on the result on specific statements, a total of 67.9% of respondents agreed or strongly agreed that they feel comfortable sharing and accessing information within the VSLA group. Although 14.4% disagreed, the majority's agreement signals a relatively strong environment of transparency and openness, which is essential for building cognitive trust—trust based on members' rational evaluations of the group's reliability and integrity.

Trust in leadership is fundamental to group success. In this case, 71.3% of respondents expressed trust in their group leaders, while 15.5% disagreed. This finding underscores the perceived competence and credibility of the leaders managing the VSLA operations. Effective leadership plays a crucial role in promoting fairness, transparency, and

accountability, which in turn reinforces members' confidence in the system. At the same time, 73.0% of members felt comfortable sharing their personal information within the group, with only 9.9% disagreeing. This suggests a high level of interpersonal trust among members. Such trust fosters deeper participation, open communication, and emotional safety—important aspects of social cohesion in any group-based financial system.

About 69.8% of members agreed that they feel their money is safe within the group, with 11.2% disagreeing. Trust in financial security is a core component of cognitive trust. This level of agreement shows that the internal controls, savings protocols, and member oversight mechanisms in the VSLA are generally perceived as dependable. When asked about group accountability, 70.5% agreed or strongly agreed that their VSLA group provides proper accountability, while 12.75% disagreed. This shows that transparency in recordkeeping and financial reporting is mostly upheld. Trust in accountability reinforces members' willingness to contribute and remain active in group activities. A notable 83.2% of respondents trusted the competence of their VSLA leaders, with only 5.6% expressing doubt. This is the highest-rated item under cognitive trust. High trust in leadership competence affirms that members believe their group is well-managed, both administratively and financially. It also reflects successful capacity-building and mentorship efforts under the THRIVE program.

Finally, 78.3% of respondents reported trust in the procedures of the VSLA, including savings collection, loan disbursement, and decision-making protocols. Only 6.4% disagreed, suggesting that the rules governing the group are clear, fair, and consistently followed. This procedural trust further boosts long-term member engagement and reduces the risk of conflict or dropout. Across all indicators, cognitive trust among VSLA members appears to be strong and well-established. Members generally trust their group leaders, believe in the fairness of procedures, feel their money is secure, and are confident in sharing information. This level of

trust is foundational for the success of group-based financial models and serves to enhance collective responsibility and member retention.

This average reflects that nearly three-quarters of VSLA members (73.4%) hold a high degree of cognitive trust in their group's operations, leadership, and procedures. With relatively low average disagreement (10.8%) and neutrality (15.7%), the data supports the conclusion that cognitive trust is a key pillar of VSLA functionality and effectiveness under the THRIVE-Gulu initiative in Gulu City.

4.4.2 Relational Trust

Relational trust is one of the most crucial components of social trust playing pivotal role in facilitating smooth operations of VSLA and therefore, the analysis of relational trust is presented in the table below:

Table 14: Descriptive Results on Relational trust

SN	Relational Trust	Percent						
		SD	D	SD+D	N	A	SA	A+SA
1.	My group members are friendly	1.6	6.0	7.7	13.7	48.1	30.2	78.3
2.	I trust the feedback from the group.	1.1	3.8	4.9	11.5	46.7	36.8	83.5
3.	I highly trust our leaders	1.1	2.5	3.6	10.2	44.8	41.5	86.3
4.	There is an open communication in our group.	1.6	2.7	4.4	8.2	43.1	44.2	87.4
5.	We have fair conflict resolution procedures in our group.	1.4	3.8	5.2	10.9	45.7	38.2	83.9
6.	I trust our VSLA records.	1.9	5.4	7.2	13.9	48.5	30.3	78.8
7.	I feel a sense of belonging in my group	1.6	5.3	7.0	10.2	52.4	30.5	82.9
	Average	1.5	4.2	5.7	11.2	47.0	35.9	83.0

Key: SD = Strongly Disagree; D = Disagree; NS = Not Sure; A = Agree; SA = Strongly Agree

Source: Primary data

According to the results, on average, relational trust was scored at 83.0% as much as 5.7% of the respondents were opposed to this and 11.2% were not sure about this. Based on the results provided in the above table, a total of 78.3% of respondents agreed or strongly agreed that

their group members are friendly, while only 7.7% disagreed. This high level of friendliness within the group is a positive indicator of relational trust, which is built through mutual respect, social support, and a sense of solidarity. Friendly relations encourage participation, honesty, and emotional comfort qualities essential for long-term group cohesion and success. Similarly, a remarkable 83.5% of VSLA members agreed that they trust the feedback from their group, with just 4.9% in disagreement. This shows that feedback processes are likely constructive and trusted, fostering a climate of learning and openness. It also suggests that members are receptive to peer advice and group guidance, which enhances both individual and collective development.

The data shows that 86.3% of respondents highly trust their leaders, one of the highest trust levels reported. Only 3.6% disagreed. This strong endorsement suggests that leaders not only manage operations well but also inspire confidence, fairness, and empathy—critical components of relational trust. Trustworthy leadership is central to maintaining harmony, promoting fairness, and resolving disputes effectively.

A significant 87.4% of VSLA members agreed that there is open communication in their groups, the highest level of agreement in this dataset. This indicates a very strong relational culture where members feel free to express concerns, share ideas, and participate in dialogue. Open communication is a hallmark of healthy group dynamics and enhances transparency, accountability, and inclusiveness. With 83.9% of members agreeing that their group uses fair conflict resolution procedures, and only 5.2% in disagreement, it's clear that VSLAs foster a conflict-sensitive environment. This is essential in maintaining trust, especially when disputes arise over financial or interpersonal issues. Fair resolution procedures prevent tension and promote mutual respect. Furthermore, trust in the integrity of group records is also high, with 78.8% of respondents agreeing and only 7.2% disagreeing. Reliable records reinforce

financial transparency and reduce suspicions of mismanagement or fraud. This trust supports sustained saving, borrowing, and investment behavior among members.

Finally, 82.9% of members reported a strong sense of belonging in their VSLA group. This emotional connection reinforces both participation and retention. A strong sense of belonging contributes to member commitment, accountability, and social bonding key drivers of relational trust. In summary, the findings illustrate that relational trust is deeply rooted among VSLA members under the THRIVE-Gulu program in Gulu City. Members express strong trust in their leaders, enjoy open communication, trust the feedback they receive, and experience friendliness and fairness within the group. These relational dimensions create a supportive environment that enhances both personal and group development outcomes.

The overall average of 83.01% of the respondents demonstrates that over 8 in 10 VSLA members trust and feel emotionally connected to their group environment. The low average disagreement rate (5.71%) and small neutrality (11.23%) confirm that relational trust is a key pillar in the success and sustainability of VSLAs supported by THRIVE-Gulu.

4.4.3 Overall results of descriptive results on the moderating variable

The overall findings of the moderating variable were as shown in the table below.

Table 15: Overall Descriptive Results on Social Trust

SN	Social Trust	Percent						
		SD	D	SD+D	NS	A	SA	A+SA
1.	Cognitive Trust	3.6	7.1	10.8	15.7	45.2	28.2	73.4
2.	Relational Trust	1.5	4.2	5.7	11.2	47.0	35.9	83.0
Average		2.6	5.7	8.3	13.5	46.1	32.1	78.2

Key: SD = Strongly Disagree; D = Disagree; NS = Not Sure; A = Agree; SA = Strongly Agree

Source: Primary data

According to the results, social trust under the THRIVE-Gulu supported VLSAs was scored on average at 78.2%. This was considered to be above average.

4.5 Relationship between VSLA Services and Household Livelihoods in Gulu City

This section presents the results on objective three which was about establishing the association between the VSLA services rendered under the THRIVE-Gulu support and the livelihoods of the households of members in Gulu City. To address this objective, both Pearson's correlation analysis and regression analysis were conducted and the results were as presented in the subsequent.

4.5.1 Pearson correlation analysis between VSLA services and household livelihoods

The Pearson correlation results were as presented in Table 16.

Table 16: Correlation Analysis

Variables	1	2	3	4	5	6
Savings (1)	1					
Credit (2)	.473** .000	1				
Soft Skills (3)	.424** .000	.479** .000	1			
Cognitive Trust (4)	.292** .000	.420** .000	.274** .000	1		
Relational Trust (5)	.324** .000	.495** .000	.289** .000	.517** .000	1	
Household Livelihoods (6)	.343** .000	.463** .000	.275** .000	.434** .000	.588** .000	1

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Primary Data

The correlation analysis results presented in the table above shows the relationships between different dimensions of the IV (VSLA services) which include: savings, credit, soft-skills, those of the MV (social trust) which include cognitive trust and relational trust; with the DV (household livelihoods).

The result shows a moderately significant positive relationship between savings and household livelihoods ($r = 0.343^{**}$; $p < .01$). This suggests that as savings increases, it is associated with an increase in household livelihoods. The result further shows a moderate

significant positive relationship between credit and household livelihoods ($r = 0.463^{**}$; $p < .01$). This implies that higher levels of credit are associated with higher levels of household livelihoods. There is a weak significant positive relationship between soft-skills and household livelihoods ($r = 0.275$; $p < .01$) implying that an increase in payment services is associated with increase in household livelihoods.

Generally, the correlation analysis revealed that there are positive and statistically significant relationships between the dimensions of VSLA services with household livelihoods. This implies that, by improving the VSLA services, the household livelihoods of the VSLA members will improve.

4.5.2 Regression analysis between VSLA services and household livelihoods

The analysis of effect of VSLA services and social trust on household livelihood was performed using hierarchical regression model and the result is presented in the table below:

Table 17: Regression Analysis

Variables	Model 1	Model 2	Collinearity Statistics	
			Tolerance	VIF
(Constant)	2.512**	1.064**	Na	Na
Savings	.111**	.042	.726	1.378
Credit	.258**	.046	.682	1.466
Soft Skills	.017	.004	.721	1.387
R	.485	.761	Na	Na
R ²	.235	.579	Na	Na
Adjusted R ²	.229	.569	Na	Na
ΔR^2	.235	.344	Na	Na
F change-statistics	37.908	62.664	Na	Na
Sig	.000	.000	Na	Na
Sig F Change	.000	.000	Na	Na

Source: Primary data, 2025

The regression results presented in table above shows the coefficients for different models predicting household livelihoods.

Model 1:

As presented in model 1, the constructs of VSLA services (savings and credit) have been presented as the independent variable to measure its effect on the dependent variable (household livelihoods).

Accordingly, the coefficients for savings and credit are ($B = 0.111^{**}$ and $B = 0.258^{**}$) respectively. All the two constructs of VSLA services are positively associated with household livelihoods and have a statistically significant effect on household livelihoods. However, the coefficient for soft-skills as a construct of VSLA services is ($B = 0.17$) which is statistically not significant in predicting household livelihood.

Overall, the model in this case VSLA services is significant in predicting household livelihoods as reflected by ($p = .000$; $p < .01$). The R-squared change (ΔR^2) value is 0.235, indicating that VSLA services explains 23.5% of the variations in household livelihood.

Model 2:

In model 2, the constructs of social trust (cognitive and relational trust) have been presented to measure their effect on the dependent variable (household livelihoods).

As presented, the coefficients for cognitive trust and relational trusts are: ($B = 0.018^{**}$ and $B = 0.064^{**}$) respectively, implying that both cognitive and relational trust have statistically significant effect on household livelihoods.

Overall, the R-squared (R^2) change value ($\Delta R^2 = 0.344$), indicating that social trust explains 34.4% of the variation in household livelihoods. The F change-statistic is 62.664, and the p-value is ($p = .000$; $p < .01$), suggesting that social trust is significant in explaining household livelihoods. In summary, the regression models suggest that VSLA services and social trust with all their dimensions are significant in predicting household livelihoods.

4.6 Moderation Analysis

This section presents the results on objective four which was about examining the moderating effect of social trust on the relationship between VSLA services and household livelihood of THRIVE-Gulu supported VSLAs beneficiaries in Gulu City. Moderation analysis was performed using PROCESS MACRO procedure in SPSS version 26.0 to determine the moderating effect of social trust on the relationship between VSLA services and household livelihoods. The result is presented in the table below:

Table 18: Model Summary

R	R-sq	MSE	F	df1	df2	p
.8018	.6429	.2567	59.4214	3.0000	99.0000	.0000

Source: Primary Data

As presented in the Table 18 above, the model summary indicates that VSLA services in combination with social trust, explains the variation in dependent variable (household livelihoods) by up to 64.3% as reflected by ($R^2 = .6429$).

Table 19: Moderation Coefficients

	coeff	se	t	p	LLCI	ULCI
Constant	.1443	.5398	.2672	.7898	1.2154	.9269
VSLA Services	1.2254	.1885	6.5021	.0000	.8514	1.5993
Social Trust	.4527	.2214	2.0452	.0435	.0135	.8920
Int_1	.1561	.0627	2.4885	.0145	.2805	.0316
VSLA Services (X):	Independent Variable					
Social Trust (M):	Moderating Variable					
Livelihood (Y):	Dependent Variable					

A further analysis of the moderation effect indicates the social trust has a statistically significant moderating effect on the relationship between VSLA services and household livelihoods since the probability value of the interaction term is less than 0.05 ($p = .0145$; $p < .05$). As such, social trust moderates the relationship between VSLA services and household livelihoods. In simple terms, the result implies that; when VSLA members trust each other in the group, the benefits they get from VSLA services become even stronger, leading to better household livelihood outcomes.

CHAPTER FIVE

DISCUSSIONS OF FINDINGS

5.0 Introduction

This discussion section delves into the key findings of the study, examining how different elements of VSLA services affect household livelihoods. It also considers the moderating role of social trust, highlighting discussion on how cognitive and relational trusts influence the effectiveness of VSLA services and household livelihoods. The discussion provides insights into how the study on VSLA and household livelihoods compares with studies conducted by other researchers in the similar field.

5.1 The Status of VSLA Services

The current study revealed a high level of savings, increased access to credit, and strong development of soft skills among members of Village Savings and Loan Associations (VSLAs) supported by the THRIVE-Gulu program in Gulu City. The analysis showed that more than 74.9% of VSLA members consistently save and report growth in their savings over time. This aligns with the findings of Ksoll et al. (2016), who observed that members of savings groups in rural Africa significantly improved their savings discipline due to group accountability and peer influence. Similarly, Karlan et al. (2017) found that structured saving mechanisms within VSLAs promote financial resilience by instilling regular saving habits, even among the poorest. The current study's agreement with such literature can be attributed to the use of group-based saving cycles, social accountability, and financial literacy training, all of which are key components of the THRIVE-Gulu supported VSLAs.

However, some studies report more cautious results. For example, Dupas and Robinson (2023) noted that although saving mechanisms improve short-term liquidity, long-term

savings often remain low in rural groups without external incentives. This slight divergence could be explained by context differences whereas Dupas and Robinson’s work focused on individual savings without group enforcement, the current study examines collective models that leverage social dynamics and trust to drive saving consistency.

The findings further revealed that VSLAs are facilitating timely and equitable access to credit, with members frequently using loans for productive activities such as small business expansion and school fees. This supports the work of Anyango et al. (2017), who found that access to informal microloans in VSLA frameworks improves household liquidity and entrepreneurial capacity. Likewise, Ledgerwood et al. (2023) emphasize that VSLAs bridge the financial access gap by offering flexible, low-cost credit to populations excluded from formal banking.

What sets the current study apart is the clear link between credit access and productive use, evidenced by members’ reported investments and asset accumulation. This may be attributed to the integration of soft-skills and financial literacy training, which enables better loan utilization. In contrast, studies like Banerjee et al. (2015) argued that credit alone may not lead to transformative economic outcomes if not paired with supportive training—thereby justifying the success observed in this study due to THRIVE’s holistic support structure.

The research also highlighted significant improvements in soft skills, including leadership, record keeping, conflict resolution, and business planning. With over 76% of respondents reporting enhanced abilities in these areas, this supports research by Allen and Panetta (2020), who demonstrated that participation in VSLAs leads to higher levels of self-confidence, group leadership, and entrepreneurial ability. Similarly, Gash and Odell (2023) emphasized that VSLAs act as “learning spaces” where peer-to-peer capacity building and experiential learning strengthen members’ non-financial competencies.

The development of soft skills in the current context could also be linked to THRIVE-Gulu's deliberate focus on training in financial literacy, business skills, and social cohesion, which agrees with the findings of Brody et al. (2015). They concluded that when financial programs integrate soft skills, they tend to yield better outcomes in terms of empowerment and livelihood sustainability. On the other hand, some scholars like Swain and Varghese (2019) argue that soft-skill development is less consistent and highly dependent on the intensity and quality of training. This may explain potential limitations in other settings, but in the case of THRIVE-Gulu in Gulu City, the robust program design likely accounts for the high effectiveness observed.

5.2 The Status of Household Livelihoods

The study investigated household livelihood outcomes among members of Village Savings and Loan Associations (VSLAs) supported by the THRIVE-Gulu program in Gulu City, focusing on three key dimensions: income level, food security, and asset accumulation. The findings indicate a high level of income and food security, with moderate asset accumulation. The results demonstrated that a majority of respondents (72.4%) reported improved income levels, with many able to cater for basic needs, save, invest, and cover household expenses. This finding is consistent with the study by Ksoll et al. (2016), which concluded that participation in VSLAs significantly enhances household income through improved access to microloans and strengthened saving behavior. Similarly, Anyango et al. (2017) found that group-based financial models like VSLAs help stabilize income flows, particularly in rural and post-conflict areas where formal financial access is limited. The consistency with existing literature may be attributed to the revolving loan systems and structured savings plans within the VSLAs, which provide members with the financial means to start or expand income-generating activities. Moreover, the integration of financial literacy and business

skills training under the THRIVE-Gulu initiative likely amplified income gains by improving members' ability to manage and invest funds wisely.

However, Banerjee et al. (2015) argue that microcredit alone does not guarantee income growth unless combined with market access and supportive infrastructure. The current study partly addresses this concern, as the VSLA model under THRIVE-Gulu includes capacity-building components, suggesting that the positive income outcomes are not only due to credit access but also due to training and group support systems.

Food security among respondents was notably high, with an average of 73.8% of participants reporting adequate access to food, ability to afford two or more meals a day, and access to a variety of nutritious food throughout the year. This aligns with findings by Karlan et al. (2017), who observed that savings-led microfinance models increase household consumption, especially food intake, by smoothing income across seasons.

Additionally, Brody et al. (2015) observed that increased control over finances by women in savings groups significantly improved food security and nutrition outcomes in their households. In the current study, the observed food security gains could also be linked to reduced financial stress, greater purchasing power, and increased agricultural productivity supported through group knowledge sharing and investment in farm inputs.

Disagreement comes from studies like Dupas and Robinson (2023), who found that while savings tools improved emergency liquidity, they had limited effects on long-term food security unless paired with agricultural inputs or subsidies. However, this study's context—characterized by a multi-dimensional approach including training, farming support, and cooperative learning offers a more holistic intervention model, thereby justifying the divergence.

In contrast to income and food security, the findings showed only a moderate level of asset accumulation (average agreement = 53.04%), particularly in long-term or capital-intensive assets such as house expansion and renovation. This is in line with the arguments by Gash and Odell (2023), who found that while VSLAs improve financial behavior and consumption, their ability to influence long-term asset growth is gradual and varies based on external economic conditions.

Swain and Varghese (2009) also found that asset accumulation tends to lag behind income improvements due to competing household priorities like education, food, and healthcare. In the present study, the slower pace of asset growth could reflect the prioritization of daily needs and productive investments over capital assets. It may also point to the limited size of loans accessible through the group, which are sufficient for microbusinesses and consumption but inadequate for large capital investments.

Still, some asset categories such as livestock, mobile phones, and transport means (e.g., bicycles and motorcycles) showed relatively high ownership rates, indicating that members are progressing incrementally in their asset accumulation journey. These results affirm that while VSLAs effectively support initial asset building, long-term wealth creation may require additional support in the form of higher capital lending, external funding linkages, or government subsidies.

5.3 The relationship between VSLA and Household livelihood

The study established a significant positive relationship between all elements of VSLA services—namely savings, credit access, and soft skills training—and household livelihoods, including income, food security, and asset accumulation. The analysis revealed that high levels of regular saving within the VSLA structure are positively associated with improved household livelihoods. Members who saved regularly reported better capacity to meet

household needs, invest in productive activities, and manage risks. This finding strongly aligns with studies such as Ksoll et al. (2016) and Gash and Odell (2013), which concluded that structured savings within VSLA frameworks enhance household resilience and economic security, especially in resource-constrained settings.

Moreover, Karlan et al. (2017) emphasized that savings mechanisms not only improve liquidity and consumption smoothing but also empower members to plan for future needs. The strong agreement found in this study may be due to the institutionalized culture of savings discipline and peer accountability within VSLAs, which fosters long-term savings behavior. Disagreements with scholars such as Dupas and Robinson (2023), who noted limited long-term impact from simple savings interventions, may be attributed to differences in group dynamics and additional support (e.g., financial literacy) offered by THRIVE-Gulu, which enhances the effectiveness of savings.

Access to credit was found to significantly contribute to improvements in income generation, food stability, and small-scale investments. This outcome resonates with Anyango et al. (2017), who found that flexible microloans from savings groups increase financial access for underserved populations, enabling them to fund businesses and smooth consumption during hard times. Additionally, Ledgerwood et al. (2023) emphasized that credit access through informal financial systems bridges the financial gap for rural and unbanked communities, which is a key determinant of household development.

Contrary to this, Banerjee et al. (2015) suggested that microcredit alone does not lead to substantial income or asset gains unless paired with strong training and market opportunities. The current findings align more with the former scholars, likely because credit in the THRIVE-Gulu supported VSLAs is integrated with capacity-building and peer support, which ensures that borrowed funds are used more productively and responsibly.

The development of soft skills including leadership, record-keeping, financial literacy, business planning, and conflict resolution was also found to have a significant positive association with household livelihoods. Members with better soft skills were more likely to invest wisely, manage their finances, and contribute meaningfully to group operations. This confirms the findings of Brody et al. (2015), who reported that programs integrating soft skills with financial services produce better outcomes in terms of income, food security, and personal empowerment. Allen and Panetta (2010) also supported the idea that soft skills, particularly in leadership and communication, promote stronger group cohesion and more effective utilization of savings and credit resources. The current study supports this line of thinking, suggesting that the holistic development of financial and non-financial capacities significantly enhances the livelihood outcomes of VSLA members.

The disagreement with scholars who argue that soft-skill impacts are difficult to quantify (Swain & Varghese, 2009) may be explained by the specific program design under THRIVE-Gulu, which includes structured training sessions, mentorship, and regular performance reviews that translate into measurable outcomes at household level. The findings clearly indicate that all core components of VSLA services positively and significantly contribute to household livelihood outcomes among members in Gulu City. This agrees with a growing body of evidence suggesting that when saving, credit, and capacity-building interventions are delivered in tandem, they yield more substantial and sustainable improvements in income, food security, and asset ownership.

5.4 The Moderating effect of Social trust

The study revealed that social trust significantly moderates the relationship between Village Savings and Loan Association (VSLA) services and household livelihoods among members in Gulu City, under the THRIVE-Gulu program. Specifically, the interaction term between

VSLA services and social trust was statistically significant ($p < .05$), indicating that the effectiveness of VSLA interventions on household livelihoods is enhanced when social trust among members is strong. Social trust in this context refers to the belief in the reliability, integrity, and competence of fellow group members and leaders. It includes both cognitive trust (confidence in leadership, procedures, and group operations) and relational trust (friendliness, fairness, sense of belonging, and openness among members). The significant moderating effect indicates that even where VSLA services are offered, their impact on household livelihood outcomes such as income, food security, and asset accumulation is stronger in groups where social trust is high. This result supports the theory of social embeddedness (Granovetter, 2015), which posits that economic actions are deeply rooted in social relationships. In VSLA contexts, group cohesion, mutual respect, and shared norms reduce default risks, increase participation, and foster productive use of savings and credit all of which directly enhance household livelihood outcomes.

The current findings strongly align with previous studies. For instance, Putnam (2020) emphasized that trust within social networks significantly enhances collective action and economic cooperation, especially in community-based development models. Similarly, Greif (2023) and Krishna and Uphoff (2022) noted that trust among group members is a critical ingredient for the successful functioning of informal financial institutions like VSLAs.

Empirical support is further drawn from Gash and Odell (2023), who reported that VSLAs with higher levels of trust exhibited better performance in loan repayment, savings discipline, and knowledge sharing, which translated into improved household outcomes. The current study confirms these insights by statistically demonstrating that social trust intensifies the positive effects of VSLA services, making them more impactful in trusted environments.

Contrary to these positive findings, some scholars argue that trust, while valuable, may not always lead to better outcomes. Molyneux (2022) cautioned that high levels of social trust could create “exclusionary networks” where only a few benefit, while the less connected are marginalized. Additionally, Banerjee et al. (2015) emphasized that trust cannot replace the need for proper training, supervision, and structured program delivery.

While these concerns are valid, they may not directly contradict the present findings. In the THRIVE-Gulu supported VSLAs, trust is not operating in isolation but is embedded within a framework of institutional support, capacity building, and monitoring. As such, the significant moderating role of social trust observed here is likely strengthened by a formalized structure that ensures inclusive participation, transparency, and accountability—minimizing the risks of exclusion or misuse of trust.

CHAPTER SIX

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.0 Introduction

This chapter presents summary of the key findings, conclusion and recommendations in line with research objectives that incorporates VSLA Services, social trust and household livelihoods. The conclusion and recommendations are derived from the findings on the highlighted variables, including the relationship that exists among the variables and the moderating role of social trust. This section also includes recommendations for areas of future studies and research.

6.1 Summary of Key findings

Based on this study on VSLA and household livelihoods in Gulu city, the following key findings have been summarized:

- i. The study revealed high rate of adoption of VSLA services across all the dimensions of VSLA services: savings, credit and soft-skills.
- ii. The study findings also demonstrate a high level of household livelihoods in terms of income levels and food security. The study however revealed moderate level of asset accumulation.
- iii. Derived from the study was a significant positive relationship of all the dimensions of VSLA services (Savings, credit and soft skills) with household livelihoods.
- iv. As derived from the study, Savings and credit have significant positive effect on household livelihoods while soft skills do not have any significant effect on household livelihoods.
- v. Social trust has been found to have a significant moderating effect in the relationship between VSLA services and household livelihoods.

6.2 Conclusions

This study set out to examine the influence of VSLA services on household livelihoods among members supported by the THRIVE-Gulu program in Gulu City, with particular focus on the dimensions of savings, credit, and soft skills, and the moderating role of social trust. The research has yielded several significant findings that contribute to a better understanding of how community-based financial services affect the socioeconomic well-being of households in a post-conflict, low-income urban setting from where the following conclusions have been drawn.

Firstly, the study concludes that the adoption of VSLA services remain high across all the core dimensions savings, credit, and soft-skills training. This widespread adoption reflects the relevance and accessibility of the VSLA model in meeting the financial and capacity-building needs of underserved populations. The commitment of members to consistent saving, participation in credit schemes, and attendance in training sessions indicates a well-functioning VSLA structure that is deeply embedded in the social and economic lives of its members.

Secondly, the study established a high level of household livelihood outcomes in terms of income generation and food security. Many participants reported improvements in their ability to meet daily needs, invest in microenterprises, and ensure consistent food access for their families. However, the research also noted a moderate level of asset accumulation, the study thus concludes that; while VSLAs enhance short-term household welfare, their capacity to foster long-term wealth creation remains gradual and constrained likely due to limited capital and competing consumption needs within households.

Importantly, the study confirmed a significant positive relationship between all VSLA service dimensions and household livelihoods. This implies that when members participate in saving,

borrowing, and skill-building activities, they are more likely to experience improved economic resilience, income flow, and food security. Nonetheless, the study revealed that only savings and credit had a statistically significant direct effect on household livelihoods, while soft skills, though widely adopted, did not show a significant direct impact. The study therefore concludes that while soft skills enhance group functioning and individual confidence, their economic benefits may be indirect or take longer to materialize.

Another crucial finding was the significant moderating role of social trust in the relationship between VSLA services and household livelihoods. Therefore, the study concludes that trust among members build confidence in group leaders which strengthens the effectiveness of savings and credit services. This highlights the importance of building cohesive, transparent, and accountable group dynamics in maximizing the effect of financial interventions on household wellbeing. The integration of trust-building and group cohesion mechanisms further enhances their effectiveness. While soft skills may not directly influence livelihoods in the short term, they remain a critical component for sustaining group performance and individual empowerment.

6.3 Recommendations

Based on the key findings from the study on the influence of VSLA services on household livelihoods in Gulu City, several targeted recommendations are proposed for key stakeholders as below:

- i. Given that both savings and credit services were found to have a significant positive effect on household livelihoods, implementing agencies e.g THRIVE-Gulu should invest more in strengthening these financial components. This includes increasing members' access to larger loan amounts, offering flexible repayment terms, and providing financial literacy training to improve loan management. Additionally,

development partners and local government authorities should support the scaling up of VSLA initiatives to underserved areas of Gulu City, particularly among youth, women-headed households, and vulnerable groups, to broaden financial inclusion and household economic resilience.

- ii. While soft skills were widely adopted, the study found no significant direct effect on household livelihoods, suggesting a need for VSLA facilitators, NGOs and training institutions to re-evaluate the content and delivery of such trainings. Facilitators and NGOs should restructure soft-skills training to include more hands-on business development, entrepreneurship coaching, and application-focused modules such as marketing, record-keeping, and digital financial literacy. Linking soft skills directly to income-generating activities and mentorship programs can help translate knowledge into tangible livelihood improvements.
- iii. The finding of moderate asset accumulation highlights a gap in long-term wealth creation. Local governments, micro-finance institutions and development agencies should encourage VSLAs to initiate group-based investment projects, such as cooperative farming, livestock rearing, or housing schemes, which can enable members to accumulate physical assets over time. Additionally, microfinance institutions can collaborate with VSLAs by offering asset-backed loans or lease-to-own arrangements for productive tools and equipment. Government support in form of grants, matching savings schemes, or subsidies for productive assets would further enhance asset acquisition.
- iv. The study identified a significant moderating effect of social trust in the relationship between VSLA services and household livelihoods. To sustain and deepen this trust, VSLA leaders, implementing partners and NGOs should invest in group governance

training, emphasizing transparency, participatory decision-making, and conflict resolution. Regular audits, open meetings, and recognition of ethical leadership can further strengthen accountability and foster trust. Development agencies can support this by creating VSLA performance monitoring tools that include trust and cohesion indicators.

6.4 Areas of Future Studies

Building on the findings and limitations of the current study, the following are recommended areas for future research to deepen understanding and improve the design and implementation of Village Savings and Loan Association (VSLA) programs for household livelihood enhancement have been proposed:

- i. The role of digital financial services in strengthening VSLA operations and household livelihoods in Northern Uganda.
- ii. Gender dynamics in VSLA participation and their effect on household livelihood outcomes in Gulu city.
- iii. A longitudinal study on the Impact of VSLA services on asset accumulation in post-conflict urban areas; the case of Gulu city, Northern Uganda.
- iv. The effectiveness of soft skills training on entrepreneurial success among VSLA members in Gulu City, Northern Uganda.
- v. The influence of youth participation in VSLA programs on employment creation and livelihood diversification in Northern Uganda.
- vi. A comparative study of VSLA-only groups and VSLA-linked groups with access to formal financial institutions in Northern Uganda.
- vii. The role of social capital in sustaining VSLA groups and enhancing household livelihoods; the case of Gulu city.

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APPENDICES

Appendix I: Questionnaire Survey Form for Household

Dear Respondent,

I am Akello Filda, a student of Gulu University pursuing Masters of Business Administration (MBA) degree. I am carrying out a study on “*Non-Governmental Supported Village Savings and Loan Associations (VSLAs) and Households Livelihood in Uganda: A Case Of THRIVE-Gulu, Gulu City*”. You have been identified a resourceful person and I am requesting you to participate in this study. The information you provide will be treated with utmost confidentiality and will be used purely for academic purpose. Thank in advance you for your consideration and cooperation.

Section A: Demographic Information

Please tick the most appropriate option applicable to you

1. Sex of respondent: Male () Female ()
2. Age of respondents
18-23 years () 24-29 years () 30-35 years () 36-41 years () Above 41 years ()
3. Number of years in VSLA Group:qq
Less than 1 year () 1-4 years () Above 5 years ()
4. Educational level of respondents:
Primary () UCE () UACE () Diploma () Bachelor () Post Graduate ()

Section B: Village Saving and Loan Association

Saving is a critical component of financial stability and future planning allowing individuals and organization to set aside a portion of their income for future needs and emergencies. The role of Village Saving and Loan Association. Please indicate the extent to which you agree with the following statements by indicating the most appropriate option(s) whereby SD = Strongly Disagree; D = Disagree; N = Neutral; A = Agree; and SA = Strongly Agree

SN	Statements on Saving	SD	D	N	A	SA
1	In this group we save regularly					
2	My savings has grown overtime					
3	The interest on my saving has grown					
4	We receive interest at the end of our cycle					
5	In this group savings is must					

6	I have always exceeded my saving goals					
7	I can access all my savings at the end of the cycle.					
SN	Statements on CREDIT	SD	D	N	A	SA
1	In this group we access loan anytime					
2	There is no collateral required when accessing loans					
3	In this group we can borrow as a group					
4	The interest rate in this group is fair enough					
5	There is low rate of loan defaulters in our group					
6	The loan repayment periods are very flexible for members.					
7	The size of the loan is friendly.					
SN	Statements on Soft Skills	SD	D	N	A	SA
1	Members have taken up leadership positions within the group					
2	Our group train us on financial literacy skills					
3	My business skills have been enhanced					
4	I can identify a good business idea					
5	We regularly have training on diversification of business					
6	This group has skilled us in record keeping					
7	In our group we resolve disputes easily.					

Section C: Level of Livelihood

Household livelihood serves as a critical indicator of the effectiveness and impact of Village savings and Loan Associations, as it reflects the economic stability and well-being of members' families. Please indicate the extent to which you agree with the following statements by indicating the Most appropriate option (s) whereby SD = Strongly Disagree; D = Disagree; N = Neutral; A = Agree; and SA = Strongly Agree.

SN	Statements on Income Level	SD	D	N	A	SA
1	I can cater for the basic needs of my household					
2	I am happy with my income					
3	I have invested from my income					
4	My income has helped me acquire some assets.					
5	My income is enough to cover my household expenditure.					
6	I have saved from my income.					
7	I have invested from my income.					
SN	Statements on Food Security	SD	D	N	A	SA
1	My household has adequate access to food.					
2	My household can afford at least two meals per day					
3	My household can afford balanced diet.					
4	My household has access to food variety throughout the season.					
5	I am less stressed in obtaining food for my family					
6	Feeding is never a challenge for my household					

7	We have enough food in the garden					
SN	Statements on Asset accumulation	SD	D	N	A	SA
1	Members in our group own livestock					
2	My group members have built or renovated their houses.					
3	My saving balance has enabled me to invest in productive assets					
4	My household Possesses diverse range of assets.					
5	I have a phone					
6	I have acquired some means of transport					
7	I have expanded my house					

Section D: Social Trust

Social trust within communities significantly influence the success of Village Savings and Loan Associations and the livelihood of other members. Please indicate the extent to which you agree with the following statements by indicating the most appropriate option (s) whereby SD = Strongly Disagree; D = Disagree; N = Neutral; A = Agree; and SA = Strongly Agree.

SN	Statements on Cognitive	SD	D	N	A	SA
1	I feel comfortable sharing and accessing information					
2	I trust my group leaders					
3	I feel comfortable sharing my information in the group.					
4	I feel my money is save in the group					
5	My group gives us proper accountability.					
6	I trust the competence of our VSLA leaders.					
7	I trust our VSLA procedures.					
SN	Statements on Relational Trust	SD	D	N	A	SA
1	My group members are friendly					
2	I trust the feedback from the group.					
3	I highly trust our leaders					
4	There is an open communication in our group.					
5	We have fair conflict resolution procedures in our group.					
6	I trust our VSLA records.					
7	I feel a sense of belonging in my group					

Thank You Your Time

Appendix II: Interview Guide

Dear Respondent,

I am Akello Filda, a student of Gulu University pursuing Masters of Business Administration (MBA) degree. I am carrying out a study on “*Non-Governmental Supported Village Savings and Loan Associations (VSLAs) and Households Livelihood in Uganda: A Case of THRIVE-Gulu, Gulu City*”. You have been identified as a resourceful person and I am requesting you to participate in this study. The information you provide will be treated with utmost confidentiality and will be used purely for academic purpose. Thank in advance you for your consideration and cooperation.

Questions

1. What forms of support do you provide to VSLAs under your support?
2. What is the current status of livelihoods of households under your VSLA support?
3. Can you say VSLA members trust themselves? Please elaborate
4. How has VSLA affected livelihood of household under your support? Please say more.
5. What is the role of VSLA in improving household livelihood?
6. What is the status of livelihoods of households under the support of THRIVE Gulu?
7. What is the relationship between VSLA intervention and household livelihoods?
8. What is the effect of social trust in the relationship between VSLA services and household livelihood?

End of Interview

Thank You For Participation

Appendix III: Plagiarism Check Report

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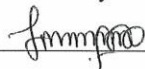
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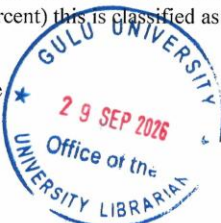
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