

**EXPERIENCES OF JOINT GROUP LENDING MICROFINANCE AND
POVERTY ALLEVIATION IN RUBIRIZI DISTRICT, UGANDA**

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ABSTRACT

The joint group lending (JGL) scheme has been fuelled by conscious actions of national governments, non-governmental organisations, and donors who view collective efforts as an effective tool for poverty alleviation. Poverty in sub-Saharan Africa is mostly attributed to low levels of productivity and lack of capital. The JGL model targets the very poor in society who cannot borrow individually but as a group using social capital as security. However, the question is the extent to which the clients organise themselves in order to access and utilise microcredit institutional services and whether microcredit institutions have empowered their clients to fight poverty and improve their wellbeing using this group approach.

The general objective of the study was to analyze the experiences of joint group lending microfinance and the impact on household incomes and poverty alleviation in Rubirizi district in western Uganda. The study used a household sample survey in which questionnaires were administered to 297 individual respondents, eight Focus Group Discussions (FGD) were held and 24 key informants were interviewed. The collected data was analysed using quantitative and qualitative methods purposely for ascertaining the accuracy, consistency and complete information. The study revealed that the JGL model is based on the understanding that groups are formed among members with some commonalities which may make them safest borrowers or riskiest borrowers depending on the levels of their risk. There was homogeneous matching of members in groups. Credit accessibility of a group member is from the group itself and the group accesses credit from the financial institution through its leadership. The individual members access credit according to the capacity and the need at hand while the group accesses credit from the microcredit institution only if it is registered and recognized by the government. Respondents increased their productivity at household level and are enjoying a pool of benefits ranging from acquisition of physical assets like land, household items to non physical benefits like connections/networks, prestige, skills and knowledge among others. Joint group lending microfinance has proved to be a resourceful way of providing credit to the people without physical collateral securities and there by enforcing economic empowerment that consequently leads to increased wellbeing and ultimately poverty reduction.