

**ASSESSMENT OF DIRECT SUPPORT PROJECTS ON SOCIO-  
ECONOMIC DEVELOPMENT OF LOW INCOME EARNERS IN  
RWANDA: A CASE STUDY OF KICUKIRO DISTRICT.**

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*A Research Project Report submitted to the Department of  
Entrepreneurship, Technology, Leadership and Management in  
the School Entrepreneurship, Procurement and Management in  
partial fulfilment for the requirement of award of the Degree of  
Master of Science in Project Management of Jomo Kenyatta  
University of Agriculture and Technology.*

2015

## **DECLARATION**

This Research Project Report is my original work and has not been presented for examination in this institution or any other institution.

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## **DEDICATION**

I dedicate this research project to my family especially my husband and my children for their support and concern that they have always shown to me. My heartfelt appreciation goes to my parents, my family and friends for their support throughout my study period.

## **ACKNOWLEDGEMENT**

I would like to acknowledge the support from my supervisors Dr. Kule Julius Warren and Anthony Luvanda for their positive critique and contributions. Their effort enabled me to produce this research to the quality it deserves. I would also like to acknowledge all the staff members of Jomo Kenyatta University of Science and Technology. Without their support in terms of teaching research skills contributed a lot to my development of this project.

## **ABSTRACT**

This study sought to assess the direct support projects and the socio-economic transformation of poor households in Rwanda. Specifically the researcher sought to assess the process of identifying and selecting direct support beneficiaries, investigate the nature of economic activities that beneficiaries of direct support undertake for economic productivity and self reliance, assess the payment process and duration of delivery of direct support funds and how it affects recipient households' productivity and sustainability and investigate the effect of beneficiary training and access to credit on their economic productivity and self reliance. The study used a case study research design in order to collect both quantitative and quantitative data. The researcher targeted 1249 people in this study of whom 125 respondents were selected. In this study, two sets of questionnaire were administered, one to the facilitators of the project and another one for the beneficiaries. The findings indicates that there is a statistical significant relationship between beneficiaries ability to receive direct support funds on a regular monthly basis and respondents access to medical services such as (paying for medical Insurance, Drug, etc). The correlation also indicated that there is as statistical significant relationship between the direct support program and social-economic development of the beneficiaries. This was shown by the Pearson Chi-Square value of 52.633 and a p-value less than 0.05 for direct support and economic development and Pearson Chi-Square value of 50.535 p-values less than 0.05 for social-economic activities. The study recommended that evaluation time needs to be increased to a period more than six months in order to allow them more time to uplift their household. This consideration is important since they are relatively poor people who might not even have a place to start financially and therefore limiting them to a six month evaluation period might not yield significant improvement particularly on economic matters. The other recommendation is to increase the amount of payment given to the beneficiaries. The study found out that majority of the beneficiaries struggle with the increasing cost of living. The amount provided is less as compared to the needs and therefore there is a need to increase the amount of direct support funding.

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## **LIST OF ABBREVIATIONS**

BNR	: National Bank of Rwanda
CCT	: Conditional Cash Transfer
DSP	: Direct Support Projects
EDPRS	: Economic Development and Poverty Reduction Strategy
FS	: Financial Services
GDP	: Gross domestic Production
JADF	: Joint Action for Development Forum
MDG	: Millennium Development Goals
MINALOC	: Ministry of Local Government
NPSG	: National Policy Steering Group
PW	: Public Works
RLDSF	: Rwanda Local Development Support Fund
SEDA	: Staff and Education Development Association
SME	: Small and Medium Enterprises
SMME	: Small, Medium and Micro Enterprise
SPSS	: Statistical Package for Social Science
TOCICO	: Theory of constraint International Certification Organization

UCT : Un conditional Cash Transfer

UN : United Nations

UNEP : United Nation Development Programmes

VUP : Vision 2020 Umurenge Programm

## **DEFINITION OF KEY TERMS**

**Direct support:** It is the regular handouts such as cash or direct provision given by the government to the identified poor people within a certain period to raise these households out of extreme poverty and to give them the opportunity to explore possibilities for becoming self sufficient in the longer term (Direct Support Operational Framework, 2009).

**Socio-economic development:** Socio-economic development is a condition which one is able to meet both the social and economic needs within a community (Castelloe, 2002)

**Low income earners:** are poor people who may not be able to raise a dollar per day (Umurenge Program, VUP, 2011)



# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 Background of the study**

Despite significant efforts to eradicate poverty over the last decade, Rwanda remains classified as one of Africa's poorest countries (Direct Support Operational Framework, 2009). Poverty prevails, although at a decreasing rate Per capita income was estimated at \$US 281 in 2006, 56.9% of the Rwandan population were classified poor in the same year, while 36.9% were Surviving in conditions of extreme poverty. Multiple factors contribute to this situation, including a turbulent History (1994 genocide), low agricultural productivity, leading to poor yields for major crops, population pressure on arable land, poor agricultural marketing in rural areas, rural unemployment and underemployment, lack of savings and investment in rural households and weak environmental conservation practices.

The Vision 2020 Umurenge Programme (VUP) is one of three keystone programmes of the National Economic Development and Poverty Reduction Strategy (2008-2012) aimed at tackling these challenges. The overall goal of the programme is to eradicate extreme poverty by 2020. The programme had the ambitious target of lowering extreme poverty from 36.9% (2006) to 24% by 2012. The VUP is an integrated approach that balances central guidelines for socio-economic transformation like economic growth, job creation and extreme poverty eradication with local participatory mechanisms with intent to make the best

possible use of scarce resources while, at the same time, ensuring adequate local incentives for sustainable progress.

Direct support is the third component of VUP which aims to improve access to social services or to provide for landless households with no members qualifying for public works or credit packages, such unconditional support seeks to expand health and education coverage as well as to encourage the development of “appropriate” skills handicraft or social service activities. This component also includes social assistance for extremely vulnerable people.

It is a household based cash transfer poverty program focused on moving people out of extreme poverty in a sustainable way. The “poor must find ways to convert their assets and talents (e.g. skills and productive labour, financial capital, land, nutrition, health) into income, and to release their productive capacity”(Direct Support Operational Framework, 2009). It targets a group of people without land and so the capacity to work. Those with very few assets and productive skills and will be, understandably, much more cautious and take fewer risks than other extremely poor people. According to the Direct Support Operational Framework, 2009, the Poor and extremely poor households require an integrated approach that combines activities in a way that addresses their needs. Cash transfers constitute an effective mechanism for providing resources to poor households if essential goods are available on the market but the poor do not have enough money to purchase them. If the amount of the transfer is enough to cover expenditure

deficits and is predictable, a cash transfer can also provide a solid base to reduce poverty by encouraging households to develop their skills and take risks and adopt other livelihood support activities.

The direct support cash transfer is premised on the rationale that many of the poorest can be helped to help themselves meet survival and livelihood protection needs and some will have the potential to eventually graduate out of poverty if given the right support (an appropriate mix of interventions properly sequenced) and the will and capacity to succeed.

The VUP 2020 Direct Support income transfer aims to combine an unconditional cash transfer with a core complimentary package of training, sensitisation and savings to produce an integrated response. Households will also possibly have access to modest amounts of credit, provided they qualify and it is available. In this way, the productive potential of the poor can potentially be unleashed leading to social economic transformation in their lives.

It is from this background therefore that this study intends to assess the impact of the VUP 2020 Direct Support projects with regard to improving their productive potential and promoting self sufficient household. The study focused on selected sectors (Imirenge) in Kicukiro District of Kigali.

## **1.2 Statement of the problem**

Until very recently, households in Rwanda that fall into the category of extremely poor have relied on the assistance of other household and village members and the provision of external food and other aid for their survival. This assistance helpful though, can be said to be ad-hoc with no reliability guarantee of fully covering the survival needs of recipient households while fostering a culture of self sustainability/sufficiency.

Direct Support was adopted as a more strategic approach to assisting the extremely poor of households in a reliable and sufficient manner to allow them to focus on possible options for helping themselves rather than constantly relying on external support. It is an attempt to provide a regular level of income to raise these households out of extreme poverty and to give them the opportunity to explore possibilities for becoming self sufficient in the longer term.

Its complimentary elements of provision of training, voluntary savings and possibly modest amounts of credit for qualifying households was expected to graduate some households from the programme and become either participants in public works or fully or partially self sufficient.

However, while some previously poor households have been able to graduate to an economically self sufficient level, there remains an arguably large number who are far from this reality. Moreover, there is a perception among some recipients of Direct Support (extremely poor households) that it is an entitlement which is counter-productive to the premise that direct support should not be a form of economic dependency. There are also problems associated to delayed or

unreliable fund disbursement to the beneficiaries which may limit their potential to take on risks such as credit acquisition for economic productivity. And although training, sensitization and credit access are intended to be complimentary elements of Direct support, some beneficiaries do not show evidence of skills acquired from these trainings in terms of risk venturing and loan access.

It is from this background that this study was undertaken to assess the impact of the 2020 VUP Direct support project on the social economic development of the poor households in Rwanda. The study used the case study of a few selected sectors in Kicukiro District of Kigali. It was hoped that the study should highlight some anomalies that hamper the effectiveness of Direct Support project from enhancing economic productivity and promoting self sufficiency of poor households in Rwanda.

### **1.3 Objectives of the study**

The general objective of the study was to assess the direct support projects on the socio-economic transformation of poor households in Rwanda

The specific objectives of the study include;

- 1- To assess the process of selecting direct support beneficiaries and its effect on socio-economic development of low income earners
- 2- To investigate the nature of economic activities that beneficiaries of Direct support undertake for economic productivity and self reliance

- 3- To assess the payment process and duration of delivery of Direct support funds and how it affects recipient households' productivity and sustainability
- 4- To investigate the effect of beneficiary training and access to credit on their economic productivity and self reliance.

#### **1.4 Research Questions**

- 1- What is the process of selecting the beneficiaries of direct support programme and how does it affect their socio-economic development?
- 2- What are the economic activities that Direct Support transfer earnings beneficiaries undertake on receiving this form of support?
- 3- How does the payment process and delivery period for Direct Support transfer earnings affect the beneficiaries' economic productivity and self sustainability?
- 4- In what ways do beneficiaries' sensitization, training and access to credit affect their economic productivity and self sustainability?

#### **1.5 Justification of the study**

This study will be significant to various categorized groups and individuals as well: It will benefit the government of Rwanda by providing empirical evidence and reflection of the use of public funds in the country and a feedback on whether or not it is effective in the ground in improving the lives of low income earners.

The study will also be useful to the district management bodies particularly Kicukiro District because it has provided the firsthand information in relation to how effective their strategies are to improve the longing standard of its people in the district.

The study will also be beneficial to other researcher who may wish to conduct their research in related field as a material to make references from and critiques and therefore will facilitates the continuity of research in general. The research also will benefit as an individual not only be fulfilling the requirement of the University to conduct research but also acquiring firsthand experience on how to conduct a study to address various challenges in the society.

## **1.6 Scope of the study**

### **1.6.1 Time scope**

The study was conducted to assess the direct support projects on the living standards of low income earners in Rwanda. An observation was done basing on the described period of 4 years (2010-2014) in order to assess how the low income earners benefit from government projects meant to improve their livelihood.

### **1.6.2 Content scope**

The information for this study was obtained from various sources such as publications, books, and journals, primary data from respondent, with the objective the extent which the direct support projects have made an impact on the

living standard of low income earners in Kicukiro District, how do the low income earners in Kicukiro District.

### **1.6.3 Geographic scope**

Since this study might be limited in time and resources, the researcher collected the information from one district. Kicukiro district was considered to be representative area of study. Both time and means compel the researcher to limit the study to three levels: that is in time, space and domain. Apparently, there are only for districts out of ten in the district which are undertaking such support projects.

### **1.7 Limitation of the study**

The researcher encountered the limitation in data collection because the respondents particularly the beneficiaries were located in different places. Limitation of time was also another challenge and therefore the researcher was not able to sample the vast population of direct support beneficiaries. Only a small representative sample was used and the information obtain was generalized to the rest of population.



## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter is discussed according to the objectives of the study while referring to the studies of other scholars.

#### **2.2 Theoretical review**

According to Maslow's "Hierarchy of Needs Theory" and the "Theory of Human Motivation", people aim to meet basic needs, they seek to meet successively higher needs in the form of a pyramid. The Maslow's Hierarchy of Needs has often been represented in a hierarchical pyramid with five levels (lower-order needs) are considered psychological needs, while the top level of the pyramid is considered growth needs (Maslow, 1970). This study will consider the theory to be relevant because we are discussing ways used to attend to the needs of the poor people in the society.

However, this theory has been criticized in the sense that there is vagueness is what is considered a 'deficiency', citing that what is deficient for one is not necessarily a deficiency for another. Secondly, there seem to be various explanations that frequently occur. For example, some people often risk their safety to rescue others from danger.

The theoretical debate about benefiting the poor has traditionally been dictated by two schools of thought. One cohort believes that the best possible way to execute any poverty reduction intervention is by “identifying” those in need and then directing the entire resource pool towards them. The opposing view prefers universal programs that are extended to all, irrespective of the level of poverty, but offer benefits that in theory end up benefiting the poor disproportionately (Besley&Kanbur 1991; Weiss 2005)

Moreover, political economy considerations of balancing the needs of the poor and the vested interests of the middle and upper socio-economic strata can undermine the theoretical advantage of resource efficiency in targeted interventions (Besley & Kanbur 1991; Besley 1997; Coady 2004).A failure to account for these concerns inevitably leads to one of the two types of errors associated with targeting. These include the error of under coverage or exclusion (type I) where some of the poor are not reached, and the error of leakage or inclusion (type II) in which the non-poor— those outside the target group— receive direct benefits from the program (Weisbrod 1970; Hoddinott 1999).

### **2.2.1 Conditional Cash Transfers (CCT) as opposed to unconditional Cash Transfers (UCT)**

According The Economist (2013), for decades, it was thought that the poor needed almost everything done for them and that experts knew best what this was. Few people would trust anyone to spend \$1,000 responsibly. Instead, governments, charities and development banks built schools and hospitals, roads and ports, irrigation pipes and electric cables. And they set up big bureaucracies

to run it all. However, from around 2000, a different idea started to catch on: governments gave poor households small stipends to spend as they wished—on condition that their children went to school or visited a doctor regularly. These so-called “conditional cash transfers” (CCTs) appeared first in Latin America and then spread around the world. They did not replace traditional aid, but had distinctive priorities, such as supporting individual household budgets and helping women (most payments went to mothers). They were also cheap to run.

Projects such as Give Directly in Kenya are the latest elaboration of these ideas. Their designers saw that CCTs had boosted household incomes, and asked whether extra conditions, such as mandatory school attendance, were necessary. They also argued that, if CCTs were cheap to run, unconditional cash transfers (UCTs) would be cheaper still.

Now enough of these programs are up and running to make a first assessment. Early results are encouraging: giving money away pulls people out of poverty, with or without conditions. Recipients of unconditional cash do not blow it on booze and brothels, as some feared. Households can absorb a surprising amount of cash and put it to good use. But conditional cash transfers still seem to work better when the poor face an array of problems beyond just a shortage of capital.

The same paper maintains that a trial in Vietnam in 2006 gave one-off handouts to 550 households; two years later, local poverty rates had fallen by 20 percentage points. The scheme was dubbed “cash for coffins” after elderly recipients spent the money on their funeral arrangements to save their children the expense.

Furthermore, a different scheme is reported to have been running in northern Uganda for four years. The government gives lump sums of around \$10,000 to groups of 20 or so young people who club together to apply. Chris Blattman of Columbia University, New York, who has studied the program, calls it “wildly successful”. Recipients spent a third of the money learning a trade (such as metalworking or tailoring) and much of the rest on tools and stock. They set up enterprises and work longer hours in their new trades. Average earnings rose by almost 50% in four years.

This scheme has a condition: applicants must submit a business plan. But it highlights the virtues of no-strings grants (UCTs). They work when lack of money is the main problem. The people who do best are those with the least to start with, in Uganda, that especially means poor women. In such conditions, the schemes provide better returns than job-training programs that mainstream aid agencies prefer. Most important, they even do better than secondary education, which pushes up wages in poor countries by 10-15% for each extra year of schooling. This may be because recipients know what they need better than donors do which is a core advantage of no-strings schemes. They also outscore conditional transfers, because some families eligible for these fail to meet the conditions through no fault of their own if they live too far from a school, for instance.

Still, the Economist reports a smaller program in Ghana which offers a contrast to the Ugandan scheme by boosting training and enterprise growth. The Ghanaian program gave small sums (\$120) to a random selection of business owners, some

unconditionally, some requiring the owner to buy something for his or her firm. The conditional benefits proved more useful: profits at firms that got such payments were twice as high after three years as at firms that got cash with no strings attached. In contrast to the Ugandan experience, the women who started with the least (whose firms had the lowest profits) did worst. The big beneficiaries were women whose profits were high at first. In Ghana, just handing over money was not the best way to help firms.

### **2.2.2 Direct support for small projects/start ups**

The Economist (2013) reports that a trial cash transfers in Vietnam in 2006 gave one-off handouts to 550 households; two years later, local poverty rates had fallen by 20 percentage points. The scheme was dubbed “cash for coffins” after elderly recipients spent the money on their funeral arrangements to save their children the expense. Also, in northern Uganda the government gives lump sums of around \$10,000 to groups of 20 or so young people who club together to apply. Chris Blattman of Columbia University, New York, who has studied the program, calls it “wildly successful”. Recipients spent a third of the money learning a trade (such as metalworking or tailoring) and much of the rest on tools and stock. They set up enterprises and work longer hours in their new trades. Average earnings rose by almost 50% in four years. The paper reports that in Ghana, where the biggest beneficiaries were women, the program gave small sums (\$120) to a random selection of business owners, some unconditionally, some requiring the owner to buy something for his or her firm. The conditional benefits proved more useful:

profits at firms that got such payments were twice as high after three years as at firms that got cash with no strings attached. (The economist 2013)

In a study by Ladzani and Netswera, (2009) on Support for rural small businesses in Limpopo Province, South Africa, in which they examines the type of support systems and programmes required and available for the growth and development of rural SMMEs in Limpopo. One of the key findings of the study indicates that nearly 80% of entrepreneurs perceived finance to be inaccessible and thus the most common constraint for their growth. The support by state agencies such as SEDA should be increased for the rural SMMEs in the province.

According to the United States Department of Agriculture (USDA), it offers financial assistance for rural health care facilities and essential equipment, including first-responder equipment, through the Community Facilities program authorized by the Consolidated Farm and Rural Development Act. Community Facilities offers financing in the form of loans, both direct and guaranteed, and grants to eligible participants in rural areas. In fiscal year (FY) 2005, the USDA Community Facilities program funded \$207 million in rural health care projects serving nearly 2.1 million people in rural areas. Individuals living in rural areas are more likely to be uninsured than those in urban areas (24 percent versus 18 percent), although they are 50 percent more likely to have Medicaid coverage. Two-thirds of the uninsured are low-income families, and 30 percent are children. They further report that even those lower income individuals who are working often lack health insurance due to the structure of employment in rural

areas specifically, smaller employers, lower wages, and greater prevalence of self-employment.

### **2.3 Empirical Review**

According to the study conducted by Austin, Chow, Hastings, Taylor, Johnson, Lemon and Leer, (2004) it revealed that low-income families face significant barriers to using public and private services and to increasing earnings from work. Many low-income families who would otherwise be eligible for government cash or in-kind assistance either do not know they are eligible, or find that the application process is an obstacle to receiving assistance (Zedlewski et al., 2003).

In a study by Ayako (2006) on Lessons of the Experience with Direct Support to Schools Mechanism: the findings show that the Direct Support to Schools mechanism, designed to facilitate provision of Universal Primary Education (UPE), had been generally well received and had achieved positive outcomes such as improved access to primary education with enrolment rates increasing rapidly. The study identified key elements of successful implementation of the Direct Support to School (DSS) mechanism including: (i) involvement of multiple stakeholders, business, cultural institutions, students and marginalized groups. In addition, it concluded that effective literacy programs may have to accompany capacity building for local communities. This was relevant because, lack of technical skills by community leaders has led to incomplete participation; (ii) clarification of roles of all stakeholders also seems to be important for the success of the program;

Finally, the study identified many obstacles in the implementation of the Direct Support to School (DSS) mechanism such as i) political interference; ii) weak organization and control; iii) mismanagement (embezzlement) of funds; iv) weak involvement of the community in decision-making; v) weak supervision and monitoring by the MOE; vi) general lack of management skills by many principals and their staff, especially in expenditure and revenue control, budget formulation; viii) duplication in the use of funds; ix) delays in acquisition of inputs; x) shortage and poor quality of education infrastructure including classrooms; xi) shortage of trained teachers. This following part of the study will focus on the following critical factors selected from the direct support operational framework and procedural manual (2009) as core components of the direct support project.

### **2.3.1 Identification of recipients for direct support**

In a paper by Deininger and Okidi (2001) on ‘Rural Households: Incomes, Productivity and Non-Farm Enterprises’ They emphasize the critical need to focus on income growth of the rural poor for overall poverty reduction in Uganda by way of descriptive evidence and econometric analysis. Households with low income levels in 1992, but with human and physical capital assets, were able to benefit the most from overall growth. Rural farmers diversified into non-farm income generation and established non-agricultural enterprises of which education and access to financial markets played a crucial role. The paper uses information from 1992/1993 and 1993/1994 national surveys to explore production, input



demand, and establishment of non-farm enterprises. The paper argues that enabling the rural poor to accumulate additional human and physical capital, increasing the returns to assets they already own through technical progress, increased diversification, market integration, commercialization, and growth of rural non-farm enterprises are key elements of any strategy aimed at equitable growth and broad based poverty reduction. The paper further suggests a regional balance in policies aimed at promoting education, infrastructure, and agricultural productivity to ensure broad access to economic opportunities. The failure of which as in the past will not only cut tight link between growth and poverty reduction but also threaten the sustainability of economic growth in a more fundamental way.

The direct support operational manual (2009), maintains that providing a level of support for the household that is sufficient will be is determined by the size of the household taking into account any other support the household may receive. The basis for the identification of potential recipients is the Ubudehe process and social map at Umudugudu level, which includes all the extreme poor in the village. Committees will be asked to identify which households are in the bottom two categories. Within these two categories, those that are landless (or have less than 0.25 hectares) and have no adult (at least 18 years old) capable of manual labour as required for public works will be assigned to the Direct Support programme eligibility list.

Direct support is seen as a benefit of last resort for landless households who cannot benefit from a public works program or the provision of credit facilities

without considerable training and guidance. Also the committee will note against any household on the list any known support from other programs or any other source. This will be further discussed at the Joint Action Development Forum of the Umurenge, which brings a number of different stakeholders and implementers together. In this way the Ubudehe committee produces a list of potential direct support recipients (and a similar list for potential public works participants and the list is used as the mechanism to identify and to rank households who will receive direct support.

### **2.3.2 The payment process**

In a study by Mutezo, (2005) on obstacles in the access to SMME finance, the thesis assessed the economic contribution of SMMEs in South Africa and the key constraints in particular, obstacles to accessing finance. The study notes in its findings that conventional financing mechanisms do not allow for the cost-effective provision of finance to large numbers of entrepreneurs seeking small quantities of finances.

In another research report by SEDA & EDM (2009), which sought to gather and provide up-to-date data on SMME profiles, challenges and dynamics within the Ehlanzeni district of South Africa, and its five local municipalities. The researchers findings indicate that some of the problems that were prevalent across the board, include among others payment delays especially by government departments, resulting in serious cash-flow problems and escalating costs due to the increase in rent, electricity and fuel, lack of access to finance a lack of entrepreneurial and business management skills.

Moreover, the direct support operational manual (2009) highlights that Payments of direct support must be made on a regular basis in a manner that is convenient to the recipient household. Payments mechanisms should be secure, not subject to possible manipulation, and free to the beneficiary. Direct support will build on the payment process in place for public works, but payments will be made monthly at the beginning of the month. Payments is meant to made directly into Bank Accounts of clients. Plans are in place for the provision of banking services at least on a part time basis at locations convenient to most villages. The manual further maintains that direct support recipients will be given the option of having a small part of their monthly allowance retained as personal savings. To encourage saving, consideration will be given to enhance the amount saved by an additional grant of direct support, if (a) savings are made regularly and (b) savings are held for a minimum period.

### **2.3.3 Duration of direct support**

Brasil, (2013) in a presentation on Turning the invisible into visible for decisions at the 11<sup>th</sup> annual worldwide TOCICO Conference maintains that 'timing' in projects is as important as 'time' is. For one single project to be a success, many dimensions need to be in harmony. There are dimensions where things or references move continuously. There are dimensions where things or references move discretely. Sometimes, dimensions are mixed and the decision process is seen as easier. After decisions are made and implemented, nature shows the effects. Understanding the different dimensions is essential to harmonizing

perceptions, decisions, language, solutions, measurements, phases and criteria. Harmonizing and the right timing need to be inherently simple but are not necessarily easy.

According to the direct support operational framework and procedure manual (2009), direct support is intended as a short term provision of cash support to allow a household to develop skills to help them become self sufficient. However it is recognised that some households will not have the capacity to become self sufficient and will require direct support for longer periods.

Direct support will be awarded for a period of 6 months and then reviewed, during which time households will access training and sensitisation, and possibly small amounts of credit (if they qualify and it is available). At the time of the 6 monthly review: Households that will have graduated are removed from the list, households not able to graduate but able to move to public works will be removed from the list and also households which do not have the capacity to graduate or move to public works will remain on the list for the next period, and may remain on the list indefinitely (they may require long term assistance. Finally those which have the capacity to take advantage of training and sensitisation but who have not made any effort to do so may be removed from the list

Any new household meeting the programme criteria will be added to the list.

Entitlement to direct support will cease at the six month review period if a household has graduated or one adult member of the household becomes able to take up public works.

#### **2.3.4 Training and credit access**

In a study by Mensah, S and Benedict, (2009) on “Entrepreneurship training and poverty alleviation: Empowering the poor in the eastern Free State of South Africa”, the research paper attempts to determine the major long-term role that hands-on entrepreneurship training could play in poverty alleviation and job creation in one of the poorest regions of South Africa – the eastern Free State. The findings indicate that while hand-out measures by government to alleviate poverty, with their unintended consequences of violent protests and demonstrations, may only help some of the poor in the short term, training in entrepreneurship and the provision of other facilities could give poor owners of micro and small enterprises (MSEs) opportunities to grow their businesses and lift themselves and others out of poverty.

Lack of management skills training is highlighted by Abor and Quartey (2010) in an investigation of Issues in Small and Medium Enterprise development in Ghana and South Africa”, this paper discusses the characteristics and contributions of SMEs to economic development, as well as the constraints to SME development in developing countries with particular reference to Ghana and South Africa. It reports that despite the recognition of the important roles that SMEs play in these countries, their development is largely constrained by a number of factors, which include among others a lack of access to appropriate technology; limited access to international markets; the existence of laws, regulations and rules that impede the development of the sector; weak institutional capacity; a lack of management skills and training and, most importantly, finance.

The direct support operation Framework and procedure manual (2009) maintains that the direct support income transfer will be combined with a core package of sensitisation, training and savings. According to the operational framework, it is the intention that all recipients will receive an initial level of sensitisation during which they will be educated on the goals of the VUP program, the importance of saving, and the possibilities of developing skills. Some direct support recipients will be offered more specific training to assist them to become self sufficient.

The aim is to address the barriers that prevent the poor from accessing credit and other services, and the barriers to entering the market economy. The direct support package concept, the amount and duration of assistance, the expectations of graduation, and household obligations, will be explained to all direct support clients. Recipients will also be advised of the importance of savings and the range of existing opportunities and potentials which they could access the culture of savings and using money in general. The function of preparatory microfinance is to provide a pathway towards microfinance for low-income and vulnerable individuals who because of their extreme poverty are not in a position to be entrepreneurial or able to benefit from microfinance loans. The approach consists of a 'staircase', leading from extreme deprivation and risk aversion to purposive involvement in the cash economy, of which ability to take advantage of microfinance loans is a component.

## 2.4 The Conceptual Frame work

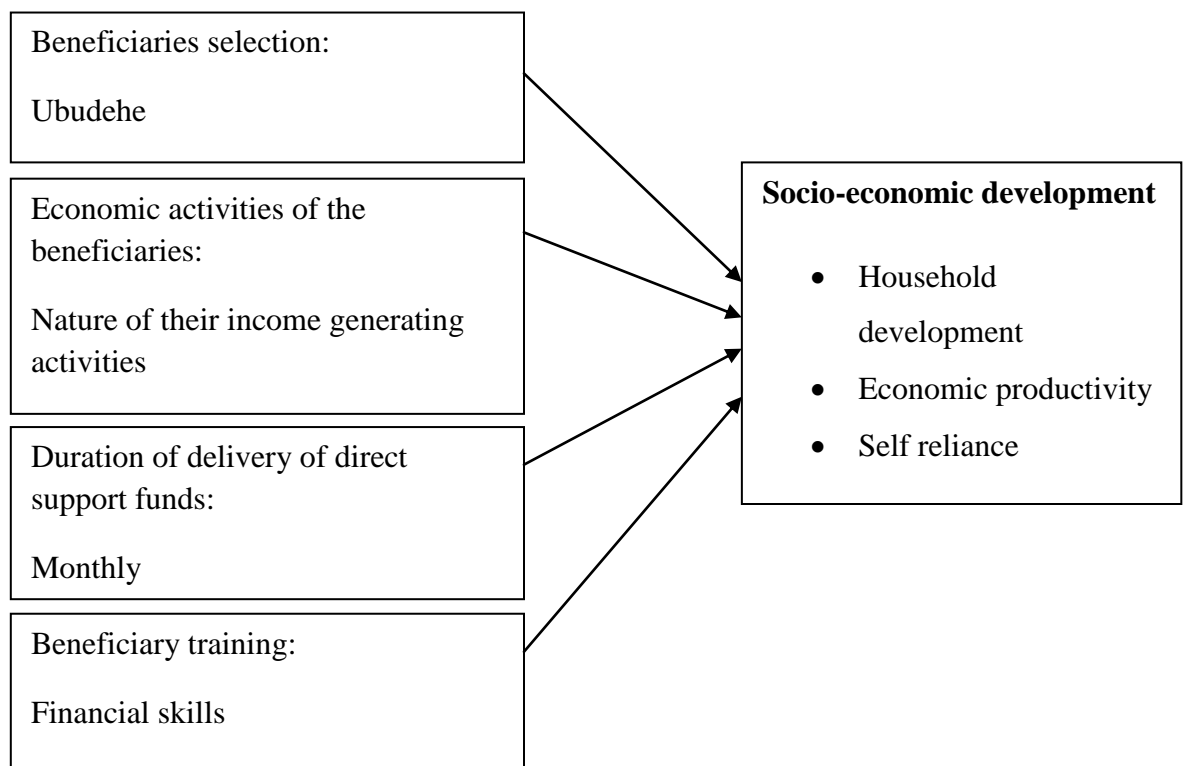
### Independent variables

### Dependent variable

(Beneficiary: identification, (Beneficiary Household economic  
Economic activity, Payment process productivity and self reliance measured in the  
and training and access to credit) level of income from econ activities)

### Independent variable

### Dependent variable



Source: (Researcher 2015)

Figure 2.1 Conceptual framework

### **2.4.1 Explanation of variables**

There are four independent variables that the study assumes: the beneficiary identification process, the economic activities that beneficiaries carry using direct support funds, the payment process and the duration of direct support and finally beneficiary access to training and credit.

In the process of identification, the study assessed that Ubudehe program enables the facilitators to identify the beneficiaries. Under the programme, households are put in categories based on their social-economic status, and their property and what the families' breadwinners do to earn a living.

Beneficiaries are expected to engage in different economic activities so that they can generate income to support themselves. Through such activities they are able to develop or acquire assets and also can be able to buy food. This enables the beneficiaries to become self reliant and avoid dependency.

The process at which the beneficiaries access direct support is also important in this case because sometimes delays and ambiguity may hinder the process by which beneficiaries get access to their support. It was observed that direct support is provided in a monthly basis.

Training is also another important aspect because financial and economic matters required high level of discipline especially in order to be in a position to invest. Since this support program is finances the beneficiaries, it is recommended that beneficiaries acquire financial skills which enable them to engage in other income generating activities so that they can be able to improve financially.



The dependent variables are the social economic transformation of beneficiaries' households determined in terms of household economic productivity and self reliance (graduation from direct support). The independent variables are assumed to have a direct relationship (effect) on the Dependent variable.

## **2.5 Research gap**

The literature indicates that none of the previous researchers particularly in Rwanda have attempted to conduct a research to assess the relationship between direct support funds and socio-economic development of low income earners. Hence the researcher was eager to bring a new impute on local stock of knowledge of this era.

## **2.6 Critical reviews**

According to the direct support operational framework and procedure manual (2009) direct support is intended as a short term provision of cash support to allow a household to develop skills to help them become self sufficient. However it is affirmed that some households will not have the capacity to become self sufficient and will require direct support for longer periods. There is no empirical data showing the relationship between the direct support and economic development of low income earners and therefore this study seeks to address this issue.

The study conducted by Mutezo, (2005) sought to assess the economic contribution of SMMEs in South Africa and the key constraints in particular, obstacles to accessing finance. In his study, he stated that conventional financing

mechanisms do not allow for the cost-effective provision of finance to large numbers of beneficiaries seeking small quantities of finances. However, his study was basically talking about the entrepreneurs who may not be necessarily being poor. This study is conducted to assess the role of such funding to low income earners.

The study conducted by Austin, et al (2004) argues that many low-income families eligible for government cash or in-kind assistance either do not know they are eligible, or find that the application process is an obstacle to receiving assistance. In this study, the identification process starts from the grassroots whereby the community embers and the local leaders are involved in identifying the beneficiaries. Therefore the situation of identification is sometimes different depending on the structure in place. This study narrows to the effect of such support on beneficiaries living standards.

## **2.7 Summary of the literature**

The above literature provides the general overview conditions which low beneficiaries seeking for financial support either from government or private programme undergo. It also gives details on how it affects the beneficiaries' living standards. This study specifically seeks to assess the effects of direct support programme on socio-economic development of low income earners in Rwanda. This programme is specifically designed to assist the poor people in the society so that they improve their economic development.

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This section mainly describes the study design; study population and sample, the techniques for data collection as well as the methods for data analysis.

#### **3.1 Research design**

The study used a case study descriptive research design in order to collect both qualitative and quantitative data. This design was preferred because case study descriptive research designs allows for an in depth analysis of a given research problem and help provide answers to the questions of who, what, when, where, and how associated with a particular research problem but only cannot conclusively ascertain answers to why. A case study can also be used to obtain information concerning the current status of the phenomena and to describe "what exists" with respect to variables or conditions in a situation. The study does so through respondents' opinions, judgments, experiences and testimonies, which is an entire qualitative exercise (MINELOC, 2012).

#### **3.2 Study population**

Burns & Grove (2005), states that sampling involves selecting a group of people, events or behaviours or other elements with which you conduct the study.

**Table 3.1 Target population**

Target groups	Target population
Rwanda Administrative Entities Development Agency	49
Beneficiaries	1200
Total	1249

Source: Direct support program, 2015

Therefore the researcher targeted 1249 people in this study. Out of this group the researcher selected the appropriate sample size for the purpose of data collection exercise.

The sample size was calculated using Slovin Formula:

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

n = the minimum sample size

N = the population from which the sample was obtained

e = the margin of error estimated at 10%.

### 3.3 Sample frame

**Table 3.2: Sample frame**

<b>Target groups</b>	<b>Sample size</b>	<b>Sample method</b>
Rwanda Administrative Entities Development Agency	$\frac{49}{1 + 49(0.1)^2} =$ <b>33</b>	Simple random
Beneficiaries	$\frac{1200}{1 + 1200(0.1)^2}$ <b>92</b>	Random sampling
Total	125	

Source: Researcher, 2015

### 3.4 Sample and sample techniques

According to Kothari (2004), a technique is defined as a set of means and procedures that a researcher uses to collect data and information. In scientific research books, techniques are defined as procedures which allow the researcher to collect information about the research subject. In this study, the following techniques of data collection were used:

Stratified sampling was used to group the respondents in respective groups. The groups consisted of 92 beneficiaries and the 33 facilitators of direct support program. The research used random sampling to collect the data from the employees in order to allow them equal chances to participate. Simple random sampling was used to collect the information from the beneficiaries to make everyone to have equal chance of being selected.

### **3.5 Instruments**

The following data collection instruments were used to collect the data:

#### **3.5.1 Documentary technique/ secondary data**

Documentation is called by some authors “the literature review” is used in any research in order to collect data and any relevant information of written source (Beck & Polit 2006). The documentary technique helped us to exploit many written documents related to the topic of this study. In this case, it was consist of consulting existing publications such as, books, reports, dissertation and inter-net websites reports.

#### **3.5.2 Questionnaire/primary data**

A questionnaire is a means of relevant communication between an interview and the respondent. According to Politand Beck (2006), construction and use of questionnaire vary in design according to the purpose suggested by the research problem. A questionnaire is always used to cover a wider scope than an interview guide, which best serves to supplement information, clarify gaps and add insight (Mugenda and Mugenda, 1999). A questionnaire contains unstructured (open-ended) items given the qualitative orientation of the study whereby respondents were left free take time, think and then say their opinions and a (closes-ended) questions which gives the respondent variety of choices to select. In this study, two sets of questionnaire were administered, one to the general population selected in the sample size and another to grass root leaders. Both open ended and closed ended questions were used. Mainly, closed-ended questions were preferred

because it guided the respondents within the scope of the content required. Open ended questions were used to supplement the closed ended questions and also give opportunity to respondent to express other issues which may not be captured in the choices.

### **3.5.3 Interviews schedule/ primary data**

Having used the questionnaire with open-ended questions, it may seem irrelevant to also use interviews. Nevertheless, they are meaningful as the researcher wanted to deepen understanding with regard to topic under study.

Interviews are thus justified on the grounds that they are suited for occasions where the questionnaire is not satisfactory (Lofland, 1984). Qualitative interviews may be used either as the primary strategy for data collection or in conjunction with observation, document analysis or other techniques (Bogdan and Biklen, 1982). An interview time guide or “schedule” with a list of questions or general topics that the researcher wants to explore during the interview ensured good use of limited interview time. Use of interviews would help the researcher to probe the respondents and therefore get more in depth information. Normally, interview guides are open and with a characteristic pertinent to this study, because unwilling respondents may be more easily and flexibly convinced to answer all questions.

### **3.5.4 Reliability of the questionnaire**

The researcher used a Cronbach's Alpha to test the reliability of the questionnaire item. This was intended to observe a series of items measuring the same construct. To ensure that the data of this study were reliable the respondent of

questions would be the beneficiaries of the direct support who were above 18 years old.

### **3.6 Data Collection Procedures**

After formulating research questions, the researcher informed respondents about the intention of conducting the research and arrange for the convenient date and time to do so. Permission to obtain and use these documents was adequately sought from the respondents with the assurance of their safety and confidentiality. This created a good interaction process between the researcher and respondents and consequently getting sincere responses from them.

A cover letter explaining the purpose of the study was attached to the research instruments in which it was used to introduce the study to the respondents, an introduction statement at the top of the questionnaire guided the respondents on how to answer the questionnaire and give the assurance of confidentiality.

The researcher distributed the questionnaires to the facilitators and wait around the place of data collection during the entire data collection process in order to respond to any clarity to be made.

### **3.8 Data processing and analysis**

After the data collection the researcher applied statistical methods necessary for the information to be processed for analysis. The researcher sorted out the questionnaires in order to separate those which are well answered and those which



are not well answered. Coding exercise was conducted in order to insert the data in SPSS.

### **3.8.1 Coding**

Coding is an analytical process in which data, in both quantitative form (such as questionnaires results) and qualitative (such as interview transcripts) are categorized to facilitate analysis. Coding means the transformation of data into a form understandable by computer software. The classification of information is an important step in preparation of data for computer processing with statistical software. The researcher used the coding such as 1,2,3,4...to show the response rated from the lowest to the highest in SPSS for easy analysis. SPSS was used to compute the correlation between different associated variables and also to generate tables in APA format. Descriptive statistics showing frequencies and percentages were also generated using this software.

### **3.8.2 Recording**

After the data has been coded in the SPSS, the researcher used descriptive statistics in order to generate tables with frequencies and percentages in their respective ways which the respondents answered the questions. The tables and figures were transferred to word documents where the recordings of statistics were analyzed.

### **3.8.3 Data Analysis**

After the collecting of data, the data was analyzed using descriptive statistics. Descriptive statistics provides simple summaries about the sample and about the observations that were made. The data was carefully organized and checked to whether all the questions were addressed properly before entering them into Statistical Package for Social Science (SPSS) for data analysis. In order to make the research report simple and understandable, the framework of quantitative and qualitative methods of data analysis and presentation was applied. After entering all the questionnaires in to SPSS the researcher generated the tables which show the frequencies and percentages of the respondents to each question asked. The statistics on each table were analyzed using simple English for easy understanding. Each of these tables were linked with the specific objectives. Additionally, correlations were made in order to establish the relationship between associated variables. Chi-square test was used to establish the relationship between the variables.

### **3.8.4 Ethical Consideration**

Ethical considerations in this research are confidentiality, the researcher observed respondents confidentiality during the interviewing process. The researcher allowed the respondents to feel free when conducting the interview and were explained the use of these data for academic purpose.

## **CHAPTER: 4**

### **RESEARCH FINDINGS AND DISCUSSIONS**

This chapter present the information obtained from the field. The information is presented in table for simple interpretation easy understanding. The first section presents the general information of the respondent while the subsequent parts resent the detailed information regarding the subject matter and were in line with the objective of the study.

#### **4.1 Respondent's Profile**

Respondents profile provides the demographic information of the respondents in order to understand the character of the sampled group. This provides credibility to the study by ensuring that the researcher selects proper representation in the study to avoid bias. The researcher sampled 92 beneficiaries and 33 facilitators of whom all of them responded appropriately. The respond rate was therefore 100% covered.

**Table 4.1 Gender**

<b>Beneficiaries</b>		
	<b>Frequency</b>	<b>Percentage</b>
Male	16	17
Female	76	83
Total	92	100
<b>Facilitators</b>		
Male	12	35
Female	21	65
Total	33	100

Source: (Researcher, 2015)

The study sampled respondents obtained from both the beneficiary side and the facilitator's side. It is indicated that in the sample, 17% of the respondents obtained from beneficiaries' side were male and the majority of 83% were female. However, on facilitators' side, out of 33 respondents, 35% were male and 65% were female. In general female seemed to form a large number in this sphere of influence because in most cases women in the society especially in African contexts are underprivileged. They are disadvantaged by the cultural believes that women roles mainly revolves in household chores and therefore majority of them do not have chance to get out of this perpetual circle rendering them prone victims of poverty circle. Consequently, due to recent rigorous campaigns of championing of women empowerment, many women have come forth to be in the front line and therefore we find that in such issues which mainly touch women, majority of those who have capacity takes up this task. This is why we find that women form the majority of both categories in this study.

**Table 4.2 Level of education of the respondents**

**Beneficiaries**

	<b>Frequency</b>	<b>Percentage</b>
Illiterate	30	33
Primary	60	65
Secondary	2	2
Others	0	0
<b>Total</b>	<b>92</b>	<b>100</b>

**Facilitators**

Bachelor	21	65
Masters	12	35
Others	0	0
<b>Total</b>	<b>33</b>	<b>100</b>

Source: (Researcher, 2015)

The researcher wanted to assess the level of education of the respondents in order to distinguish the respondents' potential skills and also assess the intellectual trends of the beneficiaries of direct support programmes. It was found out that 33% of the beneficiaries were illiterate, 65% were primary school drop outs and 2% had secondary school level of education. This implies that a direct support programme is meant to assist people with low level of education.

The study also observed that majority of the respondents who consisted of 65% had bachelor degree and 35% had masters. This shows high competent level

among the project facilitators shown by their highly educational qualifications and that they operate as expert and also with great results on the respective responsibilities.

**Table 4.3 Age of the respondents**

**Beneficiaries**

	<b>Frequency</b>	<b>Percentage</b>
18-25 years	3	3
26-45 years	6	7
46 > years	83	90
<b>Total</b>	<b>92</b>	<b>100</b>

**Facilitators**

18-25 years	0	0
26-45 years	30	90
46 > years	3	10
<b>Total</b>	<b>33</b>	<b>100</b>

Source: (Researcher, 2015)

Tale 4.3 shows that 90% of the beneficiaries were aged more than 46 years, 7% aged between 26-45 years and only 3% were between 18-25 years of age. This implies that direct support program targets elderly people who may not be able to support themselves economically. However, younger people are encouraged to peruse their studies in order to improve their living standards and that is why in most cases, secondary schools students are not part of this program. The program

only support young people who physical or mental challenges but predominantly age is the factor.

On the contrary, the same Table 4.3 shows that 90% of the beneficiaries were between the age of 26-45 and a small percentage of 10% were above 46 years. Predominantly, youthful people are employed to facilitate this program because they are considered to be energetic and competent enough to improve the lives of poor people in Rwanda through sound and policies and implementation practices.

#### **4.2 Identification and selection of direct support beneficiary**

The researcher wanted to find out the process of identifying and selecting direct support beneficiaries in order to find out whether it actually serves the purpose of assisting the low income earners in Rwanda. Various questions were asked to both the beneficiaries and the facilitators relating to this subject matter. The following tables provide the statistics of the information sought.

**Table 4.4 Use of ubudehe’ for identifying and selecting direct support beneficiaries**

<b>Likert scale Statements</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Not Sure</b>	<b>Agree</b>	<b>Strongly agree</b>	<b>Total</b>
The ‘ubudehe’ process is both used in the identification of target beneficiaries for direct support in the sector (Umurenge).	<b>Facilitators</b>					
	Freq	0	0	0	0	33
	%	0%	0%	0%	0%	100%
	<b>Beneficiaries</b>					
	Freq	0	0	1	6	85
	%	0%	0%	1%	6%	93%

Source: (Researcher, 2015)

The study established that for the facilitators, all the 100% agreed strongly that Ubudehe process is both used in the identification of target beneficiaries for direct support in the sector (Umurenge). However, most of the beneficiaries of direct support households have failed to from graduate and achieving self sustainability through the stages of Ubudehe because they have gotten used of handouts and forget about working for themselves to earn living.



**Table 4.5 Whether responses agree with the minimum age qualification for direct support beneficiaries**

<b>Likert scale</b>		<b>Strongly disagree</b>	<b>Disagree</b>	<b>Not Sure</b>	<b>Agree</b>	<b>Strongly agree</b>	<b>Total</b>
<b>Statements</b>							
All direct support beneficiaries that we know, are adults above 18 years incapable of manual labour.	Freq	0	0	0	0	33	33
	%	0	0	0	0	100%	100

Source: (Researcher, 2015)

Facilitators were also asked the criteria which the beneficiaries of the program are being selected and the results indicated that 100% of them highlighted that they strongly concur that all direct support beneficiaries are adults above 18 years incapable of manual labour. Initially, in the table showing the age bracket of the respondents, the study established that majority of the beneficiary are elderly people with low level of education and are subjected to perpetual circle of poverty as indicated in the ratings of Ubudehehe. This means that no child or youth who is considered to have ability to get education and work for a living is eligible to access direct support programmes.

**Table 4.6 Economic development among direct support beneficiaries**

<b>Likert scale</b>		<b>Strongly disagree</b>	<b>Disagree</b>	<b>Not Sure</b>	<b>Agree</b>	<b>Strongly agree</b>	<b>Total</b>
<b>Statements</b>							
Most households in the sector (Umurenge) that have received direct support since it was first introduced have been able to graduate and are now self reliant and no longer receiving direct support.	Freq	8	2	23	0	0	33
	%	23%	7%	70%	0%	0%	100

Source: (Researcher, 2015)

Table 4.6 shows that 70% of the facilitators were not sure that most households in the sector (Umurenge) that have received direct support since it was first introduced have been able to graduate and are now self reliant and no longer receiving direct support. This indicates a high significant level of uncertainty of direct support programs to better the lives of the beneficiaries. Coupled the fact that majority of the beneficiaries do not graduate to higher levels of Ubudehe where they may be considered self reliant. However, 23% of the respondents strongly disagreed with this statement whereas 7% disagreed mildly.

**Table 4.7: Respondents views on selection of beneficiaries of direct support**

<b>Likert scale</b>		<b>Strongly disagree</b>	<b>Disagree</b>	<b>Not Sure</b>	<b>Agree</b>	<b>Strongly agree</b>	<b>Total</b>
<b>Statements</b>							
The JDAF committee rankings are the transparent and reliable way of identifying the right targets for direct support intervention	Freq	0	0	5	73	14	92
	%	0%	0%	5%	80%	15%	100

Source: (Researcher, 2015)

Table 4.7 revealed that 80% of the beneficiaries strongly agreed and 15% normally agreed that JDAF committee rankings are the transparent and reliable way of identifying the right targets for direct support intervention. However, only 5% were not sure about this statement.

**Table 4.8 Respondent’s views on whether good practices of identification of household representative are adhered to**

<b>Likert scale</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Not Sure</b>	<b>Agree</b>	<b>Strongly agree</b>	<b>Total</b>
The registration of head of household member as a representative of all members for an identified household is a good practice.	0	10	0	13	69	92
	0%	11%	0%	14%	75%	100

Source: (Researcher, 2015)

Table 4.8 shows that 75% of the respondents strongly agreed, 14% agreed and 11% disagreed that the registration of head of household member as a representative of all members for an identified household is a good practice. This is because they value that the support given to the head of the household can easily trickle down to the rest of the household members. This idea might also be based on the

### **4.3 Economic activities the direct support beneficiaries undertake for self economic when they receive direct support funds**

The researcher wanted to find out the socioeconomic activities undertaken by the members who benefit from direct support programme in Rwanda in order to establish whether they are indeed progressing their lives. Also the researcher

wanted to know if this support assists them to achieve their goal of feeling themselves from the vicious circle of poverty.

**Table 4.9 Economic activities undertaken by beneficiaries**

<b>Activities</b>	<b>Frequency</b>	<b>Percentage</b>
1. Subsistence (buying food + supplies)	92	100%
2. Medication(paying for medical Insurance, Drug, etc)	78	85%
3. Fruits and Vegetables sale (grocery)	0	0%
4. Asset buying	86	93%
5. Cooperative (saving)	41	45%
6. Loan re-servicing	0	0%
7. Animal rearing (goats, pigs)	49	53%
8. School fees	75	81%
9. Other	14	13%

Source: (Researcher, 2015)

The study established that out of the 92 beneficiaries sampled during the exercise, and it is shown in Table 4.9 that all the 100% stated that direct support programme has enabled them to undertake some economic activities specifically the subsistence business like buying food and supplies, 93% stated that direct support programme has enabled them to buy assets, 85% mentioned that they are able to buy medication for instance paying for medical insurance and drugs. However, the government provide them with medical cover by giving them *mituelle de santé*. Additionally, 81% of the respondents stated that they have been

able to pay school fees although the facilitators affirmed that the government also provide the dependents of this group with fees. What they do is to facilitate their school going children with just few things necessary for learning.

The study also established that 53% of the respondents have been able to improve their lives by acquiring assets by buying animals like goats, chicken and pigs using the direct support programme. This is a subsistent farming which requires little capital but it facilitates the beneficiaries to have a source of income. Some of them also have small piece of land where they cultivate in order to get food so that they avoid buying them from the market. Other members consisting of 45% of the sample indicated that they have been able to join cooperatives where they contribute money for savings and another 13% highlighted the have been able to conduct other economical activities such as selling water, fruits, vegetables and so on.

#### **4.4 Effects of payment and delivery process of funds beneficiaries' economic productivity**

The study wanted to find out the effects of payment and delivery process of funds beneficiaries' economic productivity. This was important because in some incidences, beneficiaries complain that that the payment might delay hence affecting their efficiency. When the money is delays, it may affect the operations and the morale to undertake execute some projects.

**Table 4.10 Respondents views on whether beneficiaries receive direct support funds on regular monthly basis**

<b>Likert scale</b>		<b>Strongly disagree</b>	<b>Disagree</b>	<b>Not Sure</b>	<b>Agree</b>	<b>Strongly agree</b>	<b>Total</b>
The beneficiary received direct support funds on a regular monthly basis	Freq	0	9	8	65	10	92
	%	0%	10%	9%	70%	11%	100

Source: (Researcher, 2015)

Table 4.10 shows that 70% of the respondents agreed normally, 11% agreed strongly, 10% disagreed and 9% were not sure that the beneficiary received direct support funds on a regular monthly basis. It implies that in average, more than 81% agreed that indeed the beneficiaries receive support in a monthly basis to assist their livelihood.

**Table 4.11 Respondents views showing whether the process and duration for reception of direct support funds is predictable and reliable**

<b>Likert scale</b>		<b>Strongly disagree</b>	<b>Disagree</b>	<b>Not Sure</b>	<b>Agree</b>	<b>Strongly agree</b>	<b>Total</b>
The process and duration for reception of direct support funds is predictable and reliable	Freq	0	7	11	63	11	92
	%	0%	8%	12%	68%	12%	100

Source: (Researcher, 2015)

The researcher also wanted to find out from the beneficiaries is the process and duration for reception of direct support funds is predictable and reliable. Table 4.11 shows that 68% of them stated that it is predictable and reliable, 12% strongly agreed, 12% were not sure and 8% disagreed. From the above statistics, it is true to say that in most cases since this support programme is given out in a monthly basis then it is considered to be reliable.

**Table 4.12 Respondents views showing whether payments are made directly to bank accounts and never receive cash by hand**

<b>Likert scale</b>		<b>Strongly disagree</b>	<b>Disagree</b>	<b>Not Sure</b>	<b>Agree</b>	<b>Strongly agree</b>	<b>Total</b>
<b>Statements</b>							
Payments are made directly to bank accounts and never receive cash by hand	Freq	0	0	0	0	92	92
	%	0%	0%	0%	0%	100%	100

Source: (Researcher, 2015)

The researcher wanted to find out how beneficiaries get access to the direct support and the results as indicated in Table 4.12 shows that 100% of them indicated that the payments are made directly to bank accounts and never receive cash by hand. This implies that they must have a bank account once they are registered in this programme.



**Table 4.13 Respondents views showing the use of additional grants as an incentive to encourage maximum savings by direct support beneficiaries**

<b>Likert scale</b>		<b>Strongly disagree</b>	<b>Disagree</b>	<b>Not Sure</b>	<b>Agree</b>	<b>Strongly agree</b>	<b>Total</b>
There are incentives such as additional grants given as a way to encourage maximum savings by direct support households in sector.	Freq	0	0	0	8	84	92
	%	0%	0%	0%	9%	91%	100

Source: (Researcher, 2015)

The researcher wanted to find out the methods used to encourage the beneficiaries to practice saving and the information obtained indicated in Table 4.13 shows that 91% of the beneficiaries responded strongly and 9% agreed mildly that there are incentives such as additional grants given as a way to encourage maximum savings by direct support households in sector. Saving money is an important alternative to consumer credit to help people meet periodic needs. But many people on low incomes do not have any money saved formally in a regulated savings account.

**Table 4.14 Respondents views whether the six monthly receiving phase mechanism to make sure recipient households work hard to graduate**

<b>Likert scale</b>		<b>Strongly disagree</b>	<b>Disagree</b>	<b>Not Sure</b>	<b>Agree</b>	<b>Strongly agree</b>	<b>Total</b>
The six monthly receiving phase for direct support before evaluations is an effective mechanism to make sure recipient households work hard to graduate	Freq	80	2	10	0	0	92
	%	87%	2%	11%	0%	0%	100

Source: (Researcher, 2015)

The study also wanted to find out the appropriate mechanism used to evaluate the beneficiaries in order to enable them to graduate to different levels of direct support program. Ideally, they given six months receiving phase for direct support before evaluations is done to make sure recipient households work hard to graduate. Table 4.14 shows, 87% of the beneficiaries strongly disagreed, 2% normally agreed and 11% said they are not sure if this is effective mechanism. This means that they need more time for receiving these supports before being evaluated. That is why initially, the facilitators had mentioned that majority of the beneficiaries fail to graduate because they like receiving on a monthly basis for an extended period rather than utilizing these money to improve their livelihood

**Table 4.15 Beneficiary response on evaluation period**

<b>Likert scale</b>		<b>Strongly disagree</b>	<b>Disagree</b>	<b>Not Sure</b>	<b>Agree</b>	<b>Strongly agree</b>	<b>Total</b>
<b>Statements</b>							
The prior six monthly payment duration is not sufficient to assess the graduation of households	Freq	0	0	2	1	89	92
	%	0%	0%	2%	1%	97%	100

Source: (Researcher, 2015)

Table 4.15 shows that 97% of the beneficiaries strongly agreed, 1% agreed and 2% mentioned that they are not sure whether the prior six monthly payment duration is not sufficient to assess the graduation of households. This emphasizes the dissatisfaction of the beneficiaries on the time given for them to be evaluated to the next stage.

While asked to identify any problems that they find in the payment process of direct support transfer earnings if any, they cited that the living standard has gone up and the amount they receive as direct support is quite small. They mentioned that the amount cannot be able to meet their basic needs such as paying house rent, buying food, clothing and even paying medication bills.

#### 4.5 Effect of beneficiaries training and access to credit on economic productivity

The study wanted to find out whether there are any effects as a result of beneficiary training on various entrepreneurial skills which may help them to be economically productive. The information below shows the results of the prop.

**Table 4.16 Respondents views whether tailored trainings have enabled beneficiaries acquire skills on economic productivity**

Likert scale		Strongly disagree	Disagree	Not Sure	Agree	Strongly agree	Total
Statements							
The tailored trainings to direct support transfer earnings have enabled beneficiaries acquire skills related to field of economic activity thus increasing ability to be self reliant	<b>Facilitators</b>						
	Freq	0	0	1	0	32	33
	%	0%	0%	2%	0%	98%	100
	<b>Beneficiaries</b>						
	Freq	0	0	0	19	73	92
	%	0%	0%	0%	21%	79%	100

Source: (Researcher, 2015)

While seeking to find out the effect of beneficiaries training and access to credit on economic productivity, the researcher found in Table 4.16 that 98% of the facilitators strongly believe that the tailored trainings meant for direct support beneficiaries have enabled beneficiaries acquire skills related to field of economic activity thus increasing ability to be self reliant and only 2% were not sure about

this statement. Beneficiaries were asked the same thing and 79% agreed strongly while 21% agreed normally with the same statement.

**Table 4.17 Respondent’s view on whether sensitization and trainings have made obligations on household clear**

<b>Likert scale</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Not Sure</b>	<b>Agree</b>	<b>Strongly agree</b>	<b>Total</b>
From the sensitizations and trainings, household obligations for households that are recipients of direct support are clear.	<b>Facilitators</b>					
Freq	0	0	0	0	33	33
%	0%	0%	0%	0%	100%	100
	<b>Beneficiaries</b>					
Freq	0	0	30	17	45	92
%	0%	0%	33%	18%	49%	100

Source: (Researcher, 2015)

According to Table 4.17 showing the responses of the facilitators, they all strongly agreed 100% that from the sensitizations and trainings, household obligations for households that are recipients of direct support are clear. However, 33% of the beneficiaries were not sure, 18% agreed mildly and 49% agreed strongly on this statement.

**Table 4.18 Respondents' view whether direct support transfer earnings are combined with training and credit access as additional interventions**

<b>Likert scale</b>		<b>Strongly disagree</b>	<b>Disagree</b>	<b>Not Sure</b>	<b>Agree</b>	<b>Strongly agree</b>	<b>Total</b>
Direct support transfer earnings are combined with tailored sensitizations, trainings and credit access as additional interventions	Freq	0	0	0	30	3	33
	%	0%	0%	0%	92%	8%	100

Source: (Researcher, 2015)

Table 4.18 shows that 92% of the respondents agreed normally and 8% strongly agreed that direct support transfer earnings are combined with tailored sensitizations, trainings and credit access as additional interventions. Beneficiaries indicated that they get training on financial planning and management, farming and also entrepreneurial skills.

#### 4.6 Relationship between the variables

The researcher wanted to establish the relationship between different variables in this document in order to establish whether it has association with each other.

**Table 4.19 Identification process and the ability of beneficiary to engage in income generating activities**

			Animal rearing (goats, pigs)		Total
			Yes	No	
Ubudehe process is used in identification of target beneficiaries	Not Sure	Count	0	1	1
		Expected Count	.6	.4	1.0
	Agree	Count	0	6	6
		Expected Count	3.7	2.3	6.0
	Strongly agree	Count	56	29	85
		Expected Count	51.7	33.3	85.0
Total		Count	56	36	92
		Expected Count	56.0	36.0	92.0

The study wanted to establish the relationship between the process which beneficiaries are selected and how it contribute in facilitating them to engage in income generating activities. Correlation were done as indicated in table 4.19 whereby the researcher wanted to find the link between respondent who stated that Ubudehe process is used in identification of target beneficiaries and those who answered that they are able to engage in activities such as animal rearing (goats, pigs). The expected values and the actual count are indicated.

#### 4.20 Chi-Square Tests showing the relationship between beneficiary selection process and their economic development

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.786 <sup>a</sup>	2	.003
Likelihood Ratio	14.048	2	.001
Linear-by-Linear Association	10.584	1	.001
N of Valid Cases	92		

a. 4 cells (66.7%) have expected count less than 5. The minimum expected count is .39.

The study found that there is a significant correlation between the processes of beneficiary ability to engage in economic activities. This is indicated by a Pearson Chi-Square value of 11.786<sup>a</sup> and a p-value of .003. This value is less than 0.005 alpha which is a standard measure to either reject or accept hypothesis. However the chi-square test assumption indicates that 4 cells (66.7%) have expected count less than 5. The minimum expected count is .39. Normally, when this value exceeds 20%, it means that the assumption has been violated. This implies that it is not by any chance that the above statistics behaves this way. There are other causes underneath the above occurrence.



**Table 4.10 Crosstab between payment process and ability of beneficiaries to engage in socio economic activities**

		The beneficiary received direct support funds on a regular monthly basis				Total
		Disagree	Not Sure	Agree	Strongly agree	
Asset buying	Yes	9	8	65	4	86
	No	0	0	0	6	6
Total		9	8	65	10	92

Source: (Researcher, 2015)

Table 4.19 presents the correlation of two variables which shows the relationship between the respondents who stated that they receive direct support funds on a regular monthly basis and their response on what they highly rate that they use the money to do asset buying in order to establish if there is a statistical significant different between this two variables. The information below shows the chi-square test values observed in this test.

**Table 4.21 Chi-Square Tests of monthly receipt and asset development**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	52.633 <sup>a</sup>	3	.000
Likelihood Ratio	30.900	3	.000
Linear-by-Linear Association	15.716	1	.000
N of Valid Cases	92		

a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is .52.

Table 4.20 indicates that there is a strong correlation between this variables because the p-value is less than 0.05 which leads to rejection of the null hypothesis and acceptance of the alternate hypothesis hence it is indicated that indeed there is a statistical significant relationship between monthly receives of direct support program package in terms of cash and beneficiaries ability to buy assets for themselves. This is indicated by a p-value of .000 and a Pearson Chi-Square value of 52.633<sup>a</sup>

**Table 4.22 Correlation between monthly payment and access to medication**

		The beneficiary received direct support funds on a regular monthly basis				Total
		Disagree	Not Sure	Agree	Strongly agree	
Medication(paying for medical Insurance, Drug, etc)	Yes	9	8	58	0	75
	No	0	0	7	10	17
Total		9	8	65	10	92

Source: (Researcher, 2015)

Similarly, the researcher also wanted to find out the relationship between the respondents who stated that they receive direct support funds on a regular monthly basis and their response on what they highly rate that they use the money to access medication such as (paying for medical Insurance, Drug, etc) as indicated in Table 4.21 in order to establish if there is a statistical significant different between this two variables. The information below shows the chi-square test values observed in this test.

**Table 4.23 Chi-Square Tests for monthly receipt and access to medication**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	50.535 <sup>a</sup>	3	.000
Likelihood Ratio	43.640	3	.000
Linear-by-Linear Association	21.522	1	.000
N of Valid Cases	92		

a. 3 cells (37.5%) have expected count less than 5.

The minimum expected count is 1.48.

Source: (Researcher, 2015)

The results in Table 4.23 indicates that the p-value of the two correlated variables was .000 which is less than 0.05 and it indicatives that there is a statistical significant relationship between beneficiaries ability to receive direct support funds on a regular monthly basis and respondents access to medical services such as (paying for medical Insurance, Drug, etc).

**Table 4.24 Correlation of direct support with socio-economic activities like animal rearing (goats, pigs)**

		The beneficiary received direct support funds on a regular monthly basis				Total
		Disagree	Not Sure	Agree	Strongly agree	
Animal rearing (goats, pigs)	Yes	9	8	39	0	56
	No	0	0	26	10	36
Total		9	8	65	10	92

Source: (Researcher, 2015)

Table 4.22 shows the correlation between the beneficiary received direct support funds on a regular monthly basis and their socio-economic activities such as animal rearing such as pigs, goats and other animals which may be sold and obtain the money or sell their production such as milk, wool among others. This was to establish whether there is any significant relationship with direct support and socioeconomic development of beneficiaries. The results are indicated in the table below.

**Table 4.25 Chi-Square Tests of direct support and socio-economic activities like animal rearing (goats, pigs)**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.505 <sup>a</sup>	3	.000
Likelihood Ratio	35.665	3	.000
Linear-by-Linear Association	21.439	1	.000
N of Valid Cases	92		

a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is 3.13.  
Source: (Researcher, 2015)

The correlation indicated that there is as statistical significant relationship between the direct support program and social-economic development of the beneficiaries because the p-value of these correlations is less than 0.05. This means we adopt the alternate hypothesis and reject the null. The Pearson Chi-Square is 26.505<sup>a</sup> and the level of significance is .000 which indicates strong correlations.

**Table 4.26 Training and economic development of low income earners**

			Cooperative (savings)		Total
			Yes	No	
The tailored trainings to direct support transfer earnings have enabled beneficiaries acquire skills related to field of economic activity thus increasing ability to be self reliant	Agree	Count	0	19	19
		Expected Count	11.6	7.4	19.0
	Strongly agree	Count	56	17	73
		Expected Count	44.4	28.6	73.0
Total		Count	56	36	92
		Expected Count	56.0	36.0	92.0
		Count			

The researcher wanted to establish the relationship between beneficiary training and their ability to practice saving. Therefore the researcher assessed the information showing the response for those who stated that tailored trainings to direct support transfer earnings have enabled beneficiaries acquire skills related to

field of economic activity thus increasing ability to be self reliant and those who stated that they save from the little they get form direct support programme.

**Table 4.27 Chi-Square Tests showing the relationship between training and economic development**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	37.248 <sub>a</sub>	1	.000		
Continuity Correction <sup>b</sup>	34.097	1	.000		
Likelihood Ratio	43.918	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	36.843	1	.000		
N of Valid Cases	92				

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 7.43.

b. Computed only for a 2x2 table

The study found that there is a statistical significant relationship between training skills and ability of the beneficiary to practice saving. The statistics shows that Pearson Chi-Square is 37.248 and a p-value is .000 showing a strong correlation. This means that if beneficiaries are facilitated with proper financial skills, they are able to get knowledge concerning investment. Once they make decision, they are able to save for the future investment.

## **CHAPTER 5**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter discusses the content presented in chapter four in brief and gives the conclusion and recommendations.

#### **5.2 Summary**

##### **5.2.1 The process of direct support beneficiary identification**

The study established that for the facilitators, all the 100% strongly agreed that Ubudehe process is both used in the identification of target beneficiaries for direct support in the sector (Umurenge). Under the programme, households are put in categories based on their social-economic status, and their property – in terms of land and other belongings – and what the families' breadwinners do to earn a living. The categories are as follows:

Category 1: Families who do not own a house and can hardly afford basic needs.

Category 2: Those who have a dwelling of their own or are able to rent one but rarely get full time jobs.

Category 3: Those who have a job and farmers who go beyond subsistence farming to produce a surplus which can be sold. The latter also includes those



with small and medium enterprises who can provide employment to dozens of people.

Category 4: Those who own large-scale business, individuals working with international organisations and industries as well as public servants.

The new Ubudehe categorisation process involves local leaders and communities. The community gathers and a representative from each household gives details on the families' social and economic status. The details are provided through to a questionnaire designed by the Ministry of Local Government. After each household has filled in the questionnaire, the community gathers at the cell level to crosscheck the accuracy of the information. When the community approves the information as accurate, the categorisation process begins. All the members who are eligible for direct support beneficiaries are adults above 18 years incapable of manual labour.

The study established that since this programme targets poor people in the society, majority of the beneficiaries seems to be reluctant to struggle hard in order to graduate to other higher levels where they are able to sustain themselves without direct support. However, the study revealed that 80% of the beneficiaries strongly agreed that JDAF committee rankings are the transparent and reliable way of identifying the right targets for direct support intervention.

### **5.2.2 Economic activities the direct support beneficiaries undertake for self economic when they receive direct support funds**

The study established that 100% of beneficiaries stated that direct support programme has enabled them to undertake subsist business which enables them to buy food and supplies, 93% stated that direct support programme has enabled them to buy assets, 85% mentioned that they are able to buy medication for instance paying for medical insurance and drugs, 81% of them stated that they have been able to pay school fees, 53% have been able to improve their lives by acquiring assets by buying animals like goats, chicken and pigs using the direct support programme, 45% indicated that they have been able to join cooperatives where they contribute money for savings and another 13% highlighted the have been able to conduct other economical activities such as selling water, fruits, vegetables and so on.

### **5.2.3 Effects of payment and delivery process of funds beneficiaries' economic productivity**

It was indicated that the beneficiaries receive direct support funds on a regular monthly basis and is considered to be reliable. The payments are made directly to bank accounts and never receive cash by hand. This implies that they must have a bank account once they are registered in this programme. There are incentives such as additional grants given as a way to encourage maximum savings by direct support households in sector.

However, the study found out that the beneficiaries do not agree that the mechanism used to evaluate the beneficiaries in order to enable them to graduate to different levels of direct support program is effective. Ideally, they given six months receiving phase for direct support before evaluations is done to make sure recipient households work hard to graduate. On the other hand, majority of the beneficiaries fail to graduate because they like receiving on a monthly basis for an extended period rather than utilizing these money to improve their livelihood. The study found out that 97% of the beneficiaries strongly agreed the prior six monthly payment duration is not sufficient to assess the graduation of households. This is emphasizes the dissatisfaction of the beneficiaries on the time given for them to be evaluated to the next stage. They complained that the living standard has gone up and the amount they receive as direct support is quite small. They mentioned that the amount cannot be able to meet their basic needs such as paying house rent, buying food, clothing and even paying medication bills.

#### **5.2.4 Effect of beneficiaries training and access to credit on economic productivity**

While seeking to find out the effect of beneficiaries training and access to credit on economic productivity, the researcher found out that 98% of the facilitators strongly believe that the tailored trainings meant for direct support beneficiaries have enabled beneficiaries acquire skills related to field of economic activity. Facilitators strongly believe that from the sensitizations and trainings, household obligations for households that are recipients of direct support are clear.

Beneficiaries indicated that they get training on financial planning and management, farming and also entrepreneurial skills.

### **5.3 Conclusion**

The study found that there is a statistical significant relationship between monthly receives of direct support program package in terms of cash and beneficiaries ability to buy assets for themselves.

The study found that there is a statistical significant relationship between beneficiary's ability to receive direct support funds on a regular monthly basis and respondent's access to medical services such as (paying for medical Insurance, Drug, etc).

The correlation also indicated that there is as statistical significant relationship between the direct support program and social-economic development of the beneficiaries. The study indicated that when beneficiary received direct support funds on a regular monthly basis, they are able to buy animal for rearing such as goats, pigs and cows so that they can be able to sell them in them with a with a profit or consume their products such like milk.

Direct support programme focuses on moving people out of the extreme poverty in a shorter term. However, to move people out of the poverty in a sustainable process, poor people are required to use whatever means either assets or talents into income and increase their productivity capacity

Cash transfer constitutes an effective mechanism for providing resource to the poor households if the essential goods are available at the market but the poor do not have money to purchase them. If the amount of the transfer is enough to cover the expenditure deficits and it is predictable, a cash transfer can also provide a solid base to reduce poverty by encouraging households to develop their skills and take risks and adopt other livelihood support activities.

The poor and extremely poor and extremely poor households require an integrated approach that combines activities in a way that addresses their needs. The direct support cash transfer is based on the rationale that many of the poorest can be helped to help themselves meet the survival and livelihood survival needs and some will have the potential to eventually graduate out of the poverty if given the right support.

#### **5.4 Recommendations**

The study recommends that there are issues which need to be addressed in order to improve the effectiveness of this programme.

1. Evaluation time needs to be increased in order to allow the beneficiaries enough time to graduate. Table 4.15 shows that majority of the respondents indicated that prior six monthly payment duration is not sufficient to assess the graduation of households.
2. The other recommendation is to increase the amount of payment given to the beneficiaries. While asked to identify any problems that they find in the payment process of direct support transfer earnings if any, they cited

that the living standard has gone up and the amount they receive as direct support is quite small. They mentioned that the amount cannot be able to meet their basic needs such as paying house rent, buying food, clothing and even paying medication bills. The amount provided is less as compared to the needs and therefore there is a need to increase the amount of direct support funding.

3. Training programme needs to be structured such that it provides relevant skills to beneficiaries' particularly financial management skills and saving. This is because majority of the beneficiaries are semi-illiterate and therefore do not have such vital skills.

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## **APPENDIX A Introduction Letter**

Dear sir / Madam,

My name is M. Claire UWINGABIRE, I am a masters student at Jomo Kenyatta University of Agriculture and Technology, I am doing a research on Effect of Direct support Projects on Socio-Economic Development of Low income Earners in Rwanda ,A case Study of Kicukiro district

The attached questionnaire has been designed to assist gather data for this research project, in partial fulfilment for the reward of Master of Science in Project Management of JKUAT. I therefore kindly request you to facilitate the collection of the necessary data.

The information sought is purely for academic purpose and thus I assure you of strict confidentiality.

Yours faithfully,

M .Claire UWINGABIRE

## APPENDIX B Sampler Questionnaire

### *Beneficiaries*

#### **RESPONDENT'S PROFILE:**

Kindly tick (√) on the appropriate for you

##### 1. Respondent's Gender

a) Male [ ]

b) Female [ ]

##### 2. Respondent's age

a) 18 - 25 [ ]

b) 26 - 45 [ ]

c) 46+ [ ]

##### 3. Respondent's educational level attained

a) Illiterate [ ]

b) Primary [ ]

c) Secondary [ ]

d) other [ ]

**Use the Likert scale provided to rate your degree of agreement or disagreement with the following statement regarding the process of direct support beneficiary identification.**

**1 = Strongly disagree   2 = Disagree   3 = Not sure   4 = Agree   5 = Strongly Agree**

**Research Question 1**

**The process of direct support beneficiary identification**

a) The ‘ubudehe’ process is both used in the identification of target beneficiaries for direct support in the sector (Umurenge).

**1   2   3   4   5**

b) The JDAF committee rankings are the transparent and reliable way of identifying the right targets for direct support intervention

**1   2   3   4   5**

c) The registration of head of household member as a representative of all members for an identified household is a good practice.

**1   2   3   4   5**

d) What reasons in your view, have led to failure of some direct support recipient households from graduating and achieving self sustainability?

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**Research question 2**

**What sort of economic activities do direct support beneficiaries undertake for self economic when they receive direct support funds?**

**From the box below, tick the activities that you engage in for your household economic using direct support funds.**

<b>ACTIVITY</b>	<b>TICK ((√)where applicable)</b>
1. Subsistence (buying food + supplies)	
2. Mutuelle de santé (medical)	
3. Fruits and Vegetables sale (grocery)	
4. Asset buying	
5. Cooperative (saving)	
6. Loan re-servicing	
7. Animal rearing (goats, pigs)	
8. school fees	
9. water sale	
10. other (specify)	

### Research question 3

**How does the payment and delivery process of funds affect the beneficiaries' economic productivity?**

**Use the likert scale provided to indicate your degree of agreement or disagreement with the statements below**

**1 = strongly disagree   2 = Disagree   3 = Not sure   4 = Agree   5 = Strongly Agree**

a) The beneficiary received direct support funds on a regular monthly basis

**1   2   3   4   5**

b) The process and duration for reception of direct support funds is predictable and reliable.

**1   2   3   4   5**

c) Payments are made directly to bank accounts and never received cash by hand

**1   2   3   4   5**

d) There are incentives such as additional grants given as a way to encourage maximum savings by direct support households in sector.

**1   2   3   4   5**

e) The six monthly receiving phase for direct support before evaluations is an effective mechanism to make sure recipient households work hard to graduate

**1   2   3   4   5**



f) The prior six monthly payment duration is not sufficient to assess the graduation of households

**1 2 3 4 5**

g) Identify any problems that you find in the payment process of direct support transfer earnings if any.

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h) Explain how these problems affect household economic productivity?

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**Research question 4**

**In what ways do beneficiaries training and access to credit affect their economic productivity?**

**Use the Likert scale provided to indicate your degree of agreement or disagreement with the statements below**

**1 = strongly disagree   2 = Disagree   3 = Not sure   4 = Agree   5 = Strongly Agree**

a) The tailored trainings to direct support transfer earnings have enabled beneficiaries acquire skills related to field of economic activity thus increasing ability to be self reliant.

**1   2   3   4   5**

b) From the sensitizations and trainings, household obligations for households that are recipients of direct support are clear.

**1   2   3   4   5**

c) Identify at least 3 skills related to what you economically do that you have acquired as a result of the tailored trainings and sensitizations to direct transfer earnings.

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**END**

**THANK YOU**

## **APPENDIX B Sample Questionnaire**

### **Facilitators**

#### **RESPONDENT'S PROFILE:**

Kindly tick (√) on the appropriate for you

1. Respondent's Gender

a) Male [ ]

b) Female [ ]

2. Respondent's age

a) 18 - 25 [ ]

b) 26 - 45 [ ]

c) 46+ [ ]

3. Respondent's educational level attained

a) Bachelor's Degree [ ]

b) Master's Degree [ ]

c) Other [ ]

**Use the Likert scale provided to rate your degree of agreement or disagreement with the following statement regarding the process of direct support beneficiary identification.**

**1 = strongly disagree   2 = Disagree   3 = Not sure   4 = Agree   5 = Strongly Agree**

**Research Question 1**

**The process of direct support beneficiary identification**

a) The ‘ubudehe’ process is both used in the identification of target beneficiaries for Direct support in the sector (Umurenge).

**1   2   3   4   5**

b) All direct support beneficiaries that we know, are adults above 18 years incapable of manual labour.

**1   2   3   4   5**

c) Most households in the sector (Umurenge) that have received direct support since it was first introduced have been able to graduate and are now self reliant and no longer receiving direct support.

**1   2   3   4   5**

d) What reasons in your view, have led to failure of some direct support recipient households from graduating and achieving self sustainability?

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**Research question 2**

**In what ways does beneficiaries training and access to credit affect their economic productivity?**

**Use the Likert scale provided to indicate your degree of agreement or disagreement with the statements below**

**1 = strongly disagree   2 = Disagree   3 = Not sure   4 = Agree   5 = Strongly Agree**

a) Direct support transfer earnings are combined with tailored sensitizations, trainings and credit access as additional interventions

**1   2   3   4   5**

b) The tailored trainings to direct support transfer earnings have enabled beneficiaries acquire skills related to field of economic activity thus increasing ability to be self reliant.

**1   2   3   4   5**

c) From the sensitizations and trainings, household obligations for households that are recipients of direct support are clear.

**1   2   3   4   5**

**END**

**THANK YOU**