

**EFFECT OF MICROFINANCE INSTITUTION ON POVERTY ALLEVIATION
IN SOUTH SUDAN: A CASE OF JUBA COUNTY, SOUTH SUDAN**

BY

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DECLARATION

I declare that this research dissertation is my original work and has not been previously published or submitted elsewhere for award of a degree. I also declare that this contains no material written or published by other people except where due reference is made, and author duly acknowledged.

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And have certified that all revisions that the dissertation panel and examiners recommended have been adequately addressed.

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A rectangular box containing a handwritten signature in blue ink on the left and the date '11/4/2022' in blue ink on the right.

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ABSTRACT

This study was purposed with assessing the impact of microfinance institution on poverty alleviation in Juba County, South Sudan. The study specific objectives were to establish the impact of savings by microfinance institutions on alleviation of poverty, in addition determine the influence of micro insurance on alleviation of poverty by microfinance institutions thereafter establish the effect of micro credit on poverty alleviation by microfinance institutions and finally determine the impact of training by microfinance institutions on alleviation of poverty in South Sudan. This study adopted a descriptive research design. The study's target population composed all members of 11 microfinance institutions in Juba County, South Sudan who made a total number of respondents who were suitable for the study. The study applied stratified random sampling with the help of Yamane's formula to sample population. Quantitative data was collected using questionnaires and analyzed by the use of descriptive statistics using SPSS and presented using tables, pie charts and bar graphs. On the study findings, explained that there was a very high number of agreement on the statement that savings of respondents had improved for the past 5 years. On Micro-insurance, the study explained that the respondents have taken several micro-insurance cover. This may constitute for business education and any other risk in the future. On the other hand, the study found that Micro-credit improved their basic needs. Lastly on training, it was explained that trainings have enabled majority of the respondents to save more than before. In conclusion, microfinance institutions are put in place in order to solve an existing problem in the local community. The poor are unable to access commercial bank services due to high interest rate repayment, expensive security and a lot of appraisal for customer character. Banks, on the other hand also incline to avoid the SMEs due to a low return. In this case MFIs are recommended to ensure that everyone is considered irrespective of their poverty level. The government and respective law must enforce strong policies, strategies, laws and regulations that enhances introduction of enough microfinance institutions to influence companions in financial sectors in order to lower interest rate and other cost of borrowing. The study proposed that in creating awareness by MFIs, they should create a demonstration effect in which insurance is seen as part of risk management strategy by the poor. Therefore, the institutions conduct a thorough analysis on the customer character, capacity, collateral and capital in order to offer a credit to them. This credit is a form of development to the firm helps to develop the firm and also helps in the eradication of poverty. The study recommended that micro credit should focus on improvement of client basic need which may lead to the customer loyalty.

Keywords: micro-insurance, micro-credit, savings, and insurance

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DEDICATION

This research dissertation is dedicated to my parents, my Wife and children, friends for the support they have given me in my pursuit for further education.

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LIST OF ABBREVIATION/ACRONYMS

ICT	Information Communication Technology
LDCs	Less Developed Countries
MFI s	Microfinance institutions
NGO 's	Non-Governmental Organizations
ROSCAs	rotating savings and credit associations
SME s	Small and Medium Enterprises
SPSS	Statistical Package for Social Sciences

OPERATIONALIZATION DEFINITION OF TERMS

- Micro Credit:** It is an exceedingly small loan given to an individual for self-employment or assists in growing their business and forms a segment of microfinance (Balogun & Yusuf, 2016).
- Micro Insurance:** It is a type of insurance arranged to safeguard low-income earners against certain perils and is charged at low premiums (Churchill, 2016).
- Microfinance:** This refers to collection of financial services, comprising savings, loans, and insurance, accessible to small and poor entrepreneurs with no security and ineligible for a normal bank loan (Barr, 2015).
- Poverty Alleviation:** This is a term used to denote growth intrusions embracing microenterprises vitality in unlocking stagnant economies' potential and improving the living standards of the poor (Khandker, 2013).
- Poverty:** This is a state in which an individual is deprived of life's basic necessities for minimum living standards (Sida, 2015).
- Savings:** It refers to left over money that an individual has after consuming their spending from their disposable income (Schmidt & Zeitinger, 2019).
- Training:** This is a temporary learning progression that is application specific intended to improve skill or knowledge bearing immediate application to individual or organization's benefit (Bennett, 2017).

CHAPTER ONE: INTRODUCTION

This chapter outlines background on the effect of microfinance institutions services on poverty alleviation. Additionally, it reviews the study objectives and research questions. Finally it provides how significant the topic under study is to various stakeholders and the scope of study besides shedding more light on how impactful microfinance institutions are in alleviating poverty.

1.1 Background to the Study

Micro-finance is definitely not another idea since little micro credit activities have existed since mid-seventeenth hundred years. In any case, most present day micro monetary foundations work in agricultural nations. Current money dates back in 1970s where associated loaning programs were initially demonstrated completing two critical assessments specifically demonstrating the way needy people are dependent on income, their advances and to show feasibility in offering monetary types of assistance to deprived individuals through market-based ventures (Otero, 2019). Microfinance institutions offer monetary administrations like savings, cash moves, installments, settlements, preparing, and protection, among others. Furthermore, majority of microfinance institutions today center around micro-credit: giving the unfortunate little credit with the desire for further developing their work efficiency and in this way lead to augment in family livelihoods. By and large, microfinance primary objective was poverty easing thus conventional microfinance foundations comprised non-legislative associations, particularly in microfinance banks and public area banks.

Poverty is a condition wherein an individual of local area is denied of the fundamental things and provisions for a normal manner of life (Yunus, 2013). Since poverty is observed in several faculties, the fundamental things comprise physical assets

including food, safe drinking water and housing, social assets including data admittance, training, medical care, economic wellbeing, political power, and the chance to foster significant associations with others in the social sphere. As indicated by Sida (2015), Poverty bears numerous and multifaceted origins. The underprivileged are not only denied essential assets but also need data admittance, market data on costs for their produce, wellbeing, construction and administrations of public organizations, and their privileges. These kinds of data are life and work essential to individuals hence need political recognition and voice in the establishments and power relationships that form their lives. The needy deserve information admittance, schooling and abilities advancement on their vocations. The poor frequently need admittance on business sectors and foundations that are administrative and cultural giving those required assets and administrations. Additionally, they need data admittance on income acquiring potential open doors.

On the other hand, in reducing poverty, certain procedures and arrangements that lessen the number or level of individuals living in poverty or the seriousness of poverty effects on the existence of destitute individuals should be assumed. Khandker, (2013) highlights plainly how microfinance can help the poor relies upon the unfortunate's capacity to take advantage of microfinance propositions. Additionally, he notes microfinance as an open door to the poor to get to a saving office.

1.1.1 Global view of microfinance institution on poverty alleviation

Across the world, every nation needs to confront poverty. Precisely, poverty refers to a state wherein low-income individuals are unable to acquire life essential necessities. This present circumstance prompts numerous challenges like diminished wellbeing offices, high lack of education rate and personal satisfaction (Okibo and Makanga, 2019). The World Bank characterizes Micro-finance Foundations as establishments that participate in moderately little monetary exchanges utilizing different strategies to serve low income

families, micro endeavors, limited scope ranchers, and other people who need admittance to conventional financial administrations (Ledgerwood, 2019). Destruction of outrageous poverty and yearning by 2015 is an Economical Development Objective. To decide the quantity of outrageous needy individuals all over the planet, the World Bank describes outrageous poverty as earning a living on daily revenue of 1 US dollar or less. Studies have assessed that around 1.1 billion individuals at present live under these circumstances.

All through the world, needy individuals are prohibited from formal monetary framework. Prohibition goes from halfway avoidance in created nations to full or almost full rejection in Less Evolved Nations (LDCs). Because of absence of admittance to formal monetary administrations, the poor have fostered a wide assortment of casual local area based monetary plan achieving their monetary requirements. To fill this gap, Microfinance came up (Irobi, 2018). At the point when Muhammad Yunus, a financial matters teacher at a Bangladesh college, began making little credits to nearby locals in 1970s; the thought seemed hazy. Globally, proactive attempts by state-run banks to give credits to unfortunate families left a tradition of shortcoming, debasement, and many monetary resources of wasted sponsorships. Presently, Muhammad Yunus is perceived as a development visionary spreading worldwide, guaranteeing north of 65 million clients as toward the finish of 2017. Microfinance organizations (MFIs) center on granting credit access to the unfortunate who lack business banks admittance and lessen poverty that assist the unfortunate with putting up their own pay creating organizations.

As indicated by the World Bank's (2015), poverty refers to a life state portrayed by unhealthiness, ignorance, and sickness depicting low sensible meaning of human goodness. The preferred method for estimating poverty depends on income or utilization line. An individual is viewed as poor on the off chance that their utilization level falls under one US

dollar each day, a critical level to be addressed. This critical level is referred to as the poverty line (The World Bank, 2017).

1.1.2 Regional view of microfinance institution on poverty alleviation

Africa's economic development and development desires have to a great extent been faced with plenty of misfortunes as well as obstinate poverty and social hardship. In most Underdeveloped nations, poverty is quickly disintegrating the little financial additions, with an astounding level of the general population being unfortunate as well as unfit to attain life's necessities like convenient water, haven, and power. It is assessed that individuals in Sub-Saharan Africa (SSA) and South Asia are among the least fortunate on the planet (World Bank Report, 2019). To this end, poverty reduction and poverty centered development actuating strategies stand out in creating economies as of late among states and multilateral organizations. Poverty itself is a perplexing, multi-layered peculiarity; its complicated nature is recreated in numerous characteristics; ignorance, low financial power, and weakness to medical conditions which can all be summarized as monetary, social and political hardship of the individual/society (Healey and Killick, 2015).

Poverty makes an individual more defenseless against income, weather conditions shocks, and practically any slight shock in the public eye. Emerging nations, for example, Ghana face a plenty of difficulties concerning the arrangement of far reaching social insurance. By far most of Ghanaians work in the casual economy, so there are no successful systems to contact them through underlying changes. Since they are independently employed or working in casual organizations, there is no proper business to make commitments to benefits, joblessness, or medical services plans (Jones, Tafere, and Woldehanna, 2015). This view has since been upheld by (Boateng, Boateng, and Bampoe, 2015). In demonstrate hatred for, the functioning poor can't manage the cost of the full expense of federal retirement aide plans while, states in many non-industrial nations don't

have the assets to make adequate framework (for example medical care offices) nor income for the common costs related with social insurance plans (Yarumba and Kazungu, 2019).

Microfinance focuses to a wide scope of monetary administration, including improvement, speculation and insurance, which is available to corrupt business leaders and deceitful business visionaries who are completely precluded from getting a standard bank financing charge (Anyanwu, 2019). Not very many monetary banks center on low-paying organizations. Numerous more modest records give enhancements to borrowers without the requirement for confirmation. They are tiny not due to the level of the establishment yet from the size of the normal trade with clients. The exchange rate goes from not exactly Ksh 10,000 to Ksh 500,000 all things considered, and the degree of execution differs from a couple hundred clients to countless clients (Nyakambi, 2014). Microfinance has shown to be a convincing and astounding resource for declining request. Similarly as other improvement gadgets, then, at that point, quite far, it can penetrate adversely into negative portions of society. An extremely miserable design lacking fundamental medical care and essential schooling admittance. Likewise, the greater part of them without bringing in a limited quantity of cash (Aghion & Morduch, 2015).

Poverty is an issue in any nation regardless of their economic development. Since it contains both income and non-income aspects, it can be viewed in different ways. Individuals from any nation can comprehensively isolate into two classes; poor and non-poor on the basis of poverty line. Those considered non-poor live above the poverty line while the poor are live below the poverty line. As per Bakhtiari (2016) over the years, microfinance plans have continued to multiply globally. Albeit the effect of those plans on the debtors, organizations, government as well as family is generally challenged, the number of debtors has tremendously increased (Salia, 2019). Up to this point Bakhtiari

(2016) contends that due to the powerful demonstration of microfinance as an apparatus for poverty reduction it can be viewed as a significant component for a successful poverty reduction technique. Therefore through entrance and productive arrangement of microfinance the poor can be empowered to better utilize resources and risks, slowly fabricate resources to foster micro ventures, improve on revenues acquiring limit, as well as partake in a superior personal satisfaction.

Development financial matters specialists showed that micro-insurance as an advancement instrument has consistently acquired prevalence throughout the past ten years in low-and center income nations (Armendáriz and Morduch, 2015; Churchill, 2016). This idea as of late emerged out of the micro-finance family, where micro credit and micro-savings have long stood firm on the footing as far as generally executed, generally created, and generally explored. A typical characteristic of each of the three ideas is that they for the most part serve low-to-center income individuals who are not viewed as under conventional supporting business sectors, instruments, and items. Many individuals in low and center income nations live in poverty. Contingent upon the strategy utilized, roughly 2.5 billion individuals live under the global poverty line of \$2 per day (PPP). Shockingly, 1.4 billion live under the \$1.25 a day line (Tumaini et al., 2019). Poverty is generally focused around Asia, Latin America, and particularly Africa. Obeng (2016) thought that main 2.6 percent of Africa's populace (living under \$2 each day) has a protection cover. One component of poverty is the market disappointment of avoidance detachment of the poor to formal funding systems both credit and protection, since the poor are much of the time thought about excessively poor to the bank, or safeguard (Dror, 2016). This has been tested both scholastically and experimentally by for instance teacher Yunus of the Grameen Bank, postulating an eagerness among the deprived to utilize monetary administrations (for

example credit, save, or income charges to be safeguarded) for the two speculations and utilization smoothening (Armendáriz and Morduch, 2015; Dror, 2016).

1.1.3 Local view of microfinance institution on poverty alleviation

In South Sudan and Juba Province particularly, neediness expanded along the time of common turmoil that left provincial regions ruins (Bank of South Sudan, 2013). In those times, restrictions on monetary exercises existed conveyed by families and after severance of threats, South Sudan was defaced through ancestral furnished struggle that extended sadness to adolescent, ladies as well as different families. Such circumstances drove low unfamiliar speculations (unfamiliar direct venture) eventually, miniature credit positioned fundamentally to deal with the majority neediness by setting out work open doors and produce earnings. Be that as it may, the foundation stays at the lower level and early stages. As per Eissa (2013), microfinance is a need in South Sudan to increase outreach since most needy individuals live in regions within the country with lack of admittance on formal banks in the country.

Micro-credit with the purpose of increasing use of finance has been recognized to support the poor who cannot be reached through conventional financial channels (Elahi & Danopoulos, 2019). In demand driven economies, it acts as a catalyst in building a strong market economy that ensures vibrant market performance, in terms of exchange of goods and services leading to wealth creation by market inhabitants (Philip, 2015). In South Sudan and Juba County specifically, ever since far back in 2015 when the nation survived from the ethnic civil crisis, Sudan Microfinance Institutions (SMIs) have been granting access to credits to the poor. Despite of the efforts in place, most peoples' income and savings at the grassroots level and peri-urban areas are still low depicting inability to access and utilize some of the basic and essential services (FAO et al., 2015).

Towards the year 2015, utilization of Micro-credit in Juba County kick started with the hope that South Sudan would become an independent nation by the year 2016 (Mohamed & Al-Shaigi, 2017). Moreover, a surge interest of financial services in the country for individuals in businesses in places like Juba and agriculture sectors across the country augmented. In the year 2016, and before the independence of South Sudan, the Central Bank of Sudan (CBS) conducted a study that found that microfinance institutions had grown to 1% across the country. Elahi and Danopoulos (2019) in their study found that microfinance institutions had risen to 5% in South Sudan since then to date.

1.2 Statement of the Problem

Microfinance institutions (MFIs) have become an increasingly important component of poverty-reducing strategies. Over the years, poverty alleviation has been of key concern to succeeding governments in South Sudan since it is supposed to be globally recognized way of realizing a country's economic growth. Generally, prior efforts in curbing poverty in South Sudan dates back in 1992. In most cases, the poor individuals residing in rural areas were not mirrored in the macroeconomic intrusions hence increasing the rates of poverty. On the other hand, some MFIs provide non-financial services such as training, business advice, market assistance and counseling to their clients (Kessy & Urio, 2006). Due to the impactful role of microfinance institutions in poverty alleviation, a study on it has been overlooked especially in South Sudan. Besides, no prior studies exist establishing the effect of microfinance institution on poverty alleviation in South Sudan.

Interestingly, numerous studies have been conducted on effect of microfinance institution services on poverty alleviation both locally and globally, however, no study addresses savings, insurance, credit as well as training services on poverty alleviation in Juba County, South Sudan. Perera and Wijekoon, (2019) conducted a study to evaluate the Berendina microfinance program on poverty reduction in Sri Lanka. Kaseva (2017)

researched to establish effect of microfinance in reducing poverty in Tanzania with the study's major constructs being access to loans and training. Akande et al. (2020) investigated effect of microfinance on poverty alleviation in Nigeria with micro-credit as the main study construct. This study therefore aims to fill this gap and establish whether savings, micro insurance, micro credit as well as training services offered by microfinance institutions have effect on poverty alleviation in Juba County, South Sudan.

1.3 Objectives of the Study

1.3.1 General objective

The main objective of this study was to determine the effect of microfinance institution on poverty alleviation in Juba County, South Sudan.

1.3.2 Specific objectives

- i. To establish the effect of savings by microfinance institutions on poverty alleviation in South Sudan.
- ii. To determine the effect of micro insurance by microfinance institutions on poverty alleviation in South Sudan.
- iii. To establish the effect of micro credit by microfinance institutions on poverty alleviation in South Sudan.
- iv. To determine the effect of training by microfinance institutions on poverty alleviation in South Sudan.

1.4 Research Questions

- i. To what extent does savings by microfinance institutions have on poverty alleviation in South Sudan?
- ii. Does micro insurance by microfinance institutions have an effect on poverty alleviation in South Sudan?

- iii. To what extent does micro credit by microfinance institutions have on poverty alleviation in South Sudan?
- iv. Does training by microfinance institutions have an effect on poverty alleviation in South Sudan?

1.5 Significance of the Study

The study anticipates investigating the effect of microfinance institution on poverty alleviation in Juba County, South Sudan. The findings of this study will be beneficial to microfinance institutions, policy makers as well as researchers seeking to expound more on the topic.

1.5.1 Microfinance institutions

The study will benefit microfinance institutions through evidently discovering the effect they have on alleviating poverty in South Sudan. Additionally, the study will assist the microfinance institutions in South Sudan to be more efficient in their service provision and making sure that they have an effect in poverty alleviation of South Sudanese.

1.5.2 Policy makers

The study will be a guide to government policy makers to formulate policies that will be favorable to microfinance institutions and allow them to be efficient and effective in their operations and help them achieve high financial performance.

1.5.3 Researchers

This study will offer contextual information to scholars who may seek to research further in the related topic. Additionally, this study will assist researchers to identify gaps in the current study and seek to fill those gaps. Finally, it will offer a chance to other researchers that are to dwell in such a study to delineate it better.

1.6 Assumptions of the Study

The study assumed that the respondents had a clear understanding about the effect of microfinance institution on poverty alleviation in South Sudan. It was further assumed that

the respondents who formed the target population and sample size were willing to provide factual information. That is, the respondents provided accurate information which enabled the researcher to come up with reliable and concrete study conclusions and recommendations. Also, that there was good cooperation from the target respondents.

1.7 Scope of the Study

The aim of carrying out this study was to determine the effect of microfinance institution on poverty alleviation in South Sudan. The study focused on a target population of 381 members of Microfinance Institutions in Juba County, South Sudan. The research study took a period of five months to complete this research project from June, 2022 to October, 2022.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter outlines accessible literature on the effect of microfinance institutions services on poverty alleviation. Additionally, it reviews past empirical studies regarding the topic under study. Finally it provides a summary of the literature and identifies the various gaps concluding with a conceptual framework.

2.2 Theoretical Review

This study will look into four theories guiding the study topic. They include; the Financial Intermediary Theory, Grameen Bank Theory, The MC2 Model and finally the Stakeholder Theory. These theories are discussed in the section below.

2.2.1 *Financial intermediary theory*

This theory was promulgated by Valuable stone and Dybvig (1983). This theory acknowledges monetary mediators as made to overcome cost in either most of the way or all the more full philosophy brought about by the business bank or some sort of financial credit expert. Gem and Dybvig (1983), notes that banks operate in a benefactor coalition that grants the families security against the pressures on the liquidity position. Valuable stone (1984) exhibits the way that representatives without a very remarkable stretch achieve the economies of scale inside a country paying little heed to having a critical decision of the desperate individuals.

As the middle name proposes, this study envisions MFIs concerning South Sudan (like Total) acting as a middle ground for individuals, business and banks. The MFIs are basically maintained by business or banks or another accomplice inside or outside the country with the objective that they can practice potential measures to attract the unprivileged individuals to take-up loans. MFIs of that kind apply essential, pleasant and sensible ways of managing advance cash to destitute persons living in the conflictual area

or outside the dispute purposively of needy individuals. These strategies according to this study consolidate individual and social occasion ranks to get to and utilize miniature credits. According to Allen (2000b), financial arbiters undeniable component of global economies whose organizations are needed and used by people yet others have various moves in the legitimate technique to get to subsidize. In context of the theory, there exists a relationship of financial activity inside an organization when its progressive construction rules a market trade. It is evident that a bigger percentage of the monetary structures globally are sensitive; and some place in the scope of 1980 and 1995, 35 nations experienced periods of monetary crises in which their monetary systems basically quit working and these economies experienced slumps (Demirgüç-Kunt et al., 2000). In that period, the central approaches to acting that were affected among clients consolidate pay age, investment funds and use. Since the bank credits are the key wellspring of outside supporting of companies, the working of their economies was tried. Their monetary system became delicate and there appear, apparently, to be enormous unfavorable results (Look and Rosengren, 2000). Thusly, financial go-betweens mediated to assist reserve funds with wandering interaction and thusly growing pay and saving approaches to acting.

Basic observational work on delegates has been done while there exists nonattendance of enough data about monetary mediators at a market cost. The entire works add a more significant excitement for the gig in reserve funds adventure process and corporate cash, easing issues in crises are connected with money related intermediation, a working of informal guideline and resourceful banks (Boot, 2000). An instructive awkwardness focuses on revolve around bank/borrower and bank/credit expert association is a lot of depicted in the intermediation theory. During crediting of a bank, one can ultimately perceive trades based and relationship in advancing. Screening and noticing

ability of banks (ex-bet information irregular characteristics) with adversarial assurance of the issue, credit proportioning (Stiglitz and Weiss, 1981), the moral gamble (Stiglitz and Weiss, 1983) and the ex post really take a look at issue (Storm and Hellwig, 1985) are the main subjects in bank/debtor association. The main subjects in the bank/moneylender association are bank runs, why they occur, how they can be hindered, and their monetary results (Stir Berger, 1989). Furthermore there exists an issue of models for challenge between stores banks as indicated by their advancing technique and the likelihood of fulfilling their responsibilities (Boot, 2000).

The relevance of the theory to this study is that it offers the positions of banks to reserve funds - adventures, monetary turn of events and pay age. Due to this standpoint, the theory shows how MFIs associate the down and out persons to back from the banks. During the political crisis that happened in South Sudan and the continuous re-working of the establishments, the craving for people is [was] less in business foundations like banks. Regardless, larger percentage of both women and men at the grassroots level were engaged to subsidize through MFIs, for instance, microfinance as they try to make reasonable sorts of income. In addition, financial establishment or business banks anticipates that security should get to their savings which are not moved by bigger part of individuals in need. In the present time, MFIs intervene to save what is happening through bundle approach.

The main drive behind MFIs in South Sudan is that they have engaged people to get to affirmation for extra business and their households progression paying little heed to having no collateral. This technique used by microfinances isn't recognized by any business banks working in South Sudan and globally. These establishments have facilitated destitute individuals to assume up miniature acknowledgment yet business associations could never have perhaps done this. The social occasion advancing methodology as used by

microfinances isn't welcome by the business deals with a record majorly since it placed the bank at risk for its money in organizations. Moreover, this intrusion is found in the period of diversion when the country has risen up out of the contention.

2.2.2 Grameen bank theory

This theory was made by Yunus and Grameen Bank in 1993 in Bangladesh. The main thought behind it depended on the intentional production of little gatherings of five individuals to offer similar circles, which ethically kept them from meeting in a protected spot needed by standard banks. Here, the women were given equivalent admittance to the projects, and wound up not being steadfast loan specialists and vigilant business leaders. The vision of Grameen Bank has effectively changed the customary monetary framework by taking out protection necessities and advancing a monetary structure dependent on normal trust, obligation, speculation and thinking as a viable apparatus to work on the installment of the poor through private work through elective exercise (Grameen Bank, 2009).

Open acquiring is presumably the most sensible type of restricted credit for endless clients who can offer protection. Assortment size can likewise change with individuals you pick before you stretch out beyond time. The credit level should be kept up with early, which requires energy reserve funds to make ordinary portions and be finished as security. Couples are answerable for one another's return and typically meet at not set in stone freedom to gather a discount, guaranteeing repayment, a part of companion pressure and dependable responsibilities in the current circumstance. All gathering chances are prohibited and are not qualified for additional turn of events on the off chance that somebody commits an error. Robinson (2001), likewise expressed that during the 1980's, different establishments in many pieces of the structure gave little credit and reestablished their turn of events. The 1980 location was a pivotal turning point in all the presence of a

modest quantity of cash, before those ten years; the adjustment of vision was all the while going on. Both Grameen and BRI (Bank Rekyat Indonesia) have shown that the base designation will reach in excess of 1,000,000 borrowers at exceptionally high reimbursement rates.

The relevance of this theory to the study is based on its fundamentals stating that the disclosure of little monetary establishments, for example, Grameen Bank in Bangladesh, Banco Sol in Bolivia and numerous others somewhere else, was the start of a little comprehension of how minimal expenditure can add to the continuous government assistance of poor people, through cash the executives and occupation creation. Microfinance institutions act as monetary establishments that assist the community in learning how to save to achieve their life goals in turn reducing poverty levels.

2.2.3 The MC2 model

This MC2 Model was constructed by Fokam in 1992 in Baham. MC2 grows privately planned and oversaw little banks by keeping up with principles and upsides of neighbors. A vital ally of this thought, Paul K. Fokam discovered motivation in Einstein's notable record: Overcoming Poverty can be viewed as when Competition (M) and Community (C) (C) are joined. The targets of the MC2 Micro bank are determined. The fundamental motivation behind the MC2 little bank is to offer monetary and monetary help according to the viewpoint of the little bank, people and people. The second hand-held MC2 is a local area approach. This remembers centering for poor, low and moderate actual work and accordingly restoring the pride of the people who are paid to see the benefit of being their future administrators (Fokam, 1992).

A little bank is truly adaptable and fixes minor credit and monetary issues. Given the explanation that, the decent sum is the reason for progress and which shows that it is

the capacity to keep vehicles moving, while the bills are filled as fuel once and for all and the reaction to help identified with the issue of need (Obwanga, 2012).

The relevance of the MC2 Model to the study is derived from its standpoint, microfinance institutions acting as small banks to the less fortunate; those unable to access formal financial services. Moreover, microfinance institutions primary objective is reducing poverty portrayed by the model holding a local area approach that is centered towards assisting the less fortunate. Therefore, the impact that microfinance institutions hold in alleviating poverty relates to this theory.

2.2.4 Partner theory

The partner theory was progressed by Freeman in 1984 through the complement by which bosses use a language grounded on partner thought. According to Jensen and Marcoux (2000), this theory acknowledges that in giving get-togethers resources in organization as an individual focuses on value, the bosses get it less difficult to partake in self-overseeing as well as monitoring justification behind financial backers to augment reserve funds from everybody.

Partner theory points out that an affiliation is a societal act that is crafted of collaboration of numerous partners, the employees and customers. An affiliation is imagined as a point of convergence of an association of partners, a mind boggling method for exchanging information, organizations, influence and various resources (Mersland & Strøm, 2009). Moreover, the theory fights that an affiliation's worth are made when the firm's partners resolves the issues of the firm in a commonly valuable plan (Harrison et al., 2007). Partners are perceived in numerous ways. To the extent that effect, there are two classes - fundamental and discretionary partners. Fundamental partners are the people who are either emphatically or unfavorably directly affected by an affiliation's exercises. Similarly, they are packs that continuously participate in fundamental objectives for the

perseverance of a firm's affiliation. According to Jawahar and MCLAughlin (2001), the main partners consolidate financial backers, monetary sponsor, laborers, clients and suppliers. Discretionary partners, of course, are those individuals, social affairs or affiliations who by suggestion influence or be impacted by the affiliation's exercises. They are not major for the errands of the relationship, despite the way that their exercises basically destroy (or profit) the affiliation (Freeman, 1984). Such may consolidate public get-togethers inside the neighborhood consumers who suit from the overall population.

An additional capability is the extent to which their region integrates inside and outside partners (Rousseau & Shperling, 2003). The inside partners exist as bundles that have a spot in the affiliation like bosses and laborers. External partners are bundles that are outside the affiliation and influence the perseverance of the affiliations (Harrison, 1996). These get-togethers contain clients, suppliers, government associations; close by organizations and affiliations that key in using organizations like credits of a foundation. It is furthermore battled that the middle idea of partner theory isn't to see inside partners with whom partner correspondence is completed for a more expanded time span and is required (for example., delegate loads up), yet likewise external partners whose cases are naturally political or social (Freeman, 1984; Harrison, 1996). This is as per what some composing battles - that all partner components have genuine characteristics and identical interests and a common dependence exists among them and the affiliation (Donaldson & Preston, 1995). It is in like manner associated with the objective of this survey since a piece of within partner's need the organizations of a foundation utilized by clients and realized by setting very much arranged methods.

The significance of partner theory cuts across different regions since it takes a gander at every individual getting to administrations from the MFI as partners. For the

motivations behind this review, partners incorporate the ladies and men getting to credits from microfinance foundations to expand their wages and savings, laborers and directors, in addition to the Public authority of South Sudan. They play various parts being developed of the Microfinance institutions and individuals who are stood up to by the contention circumstance. The theory gives three classifications of partners among which are people who impact individuals as well as setting in various methods. Such leaders are headed to helping and creating gains for individuals.

2.3 Empirical Review

2.3.1 Savings and poverty alleviation

In an investigation of the impact of MFIs on moderateness, households and how the poor exist in Nigeria, (Idor, 2017) utilized a conventional review approach and found that obligation and improvement of little monetary banks essentially affected preparing and future rankings. Additionally, the asset base of limited scope banking establishments essentially affects the advancement record and its assets; while the obligations of the little bank have likewise contrarily affected the rundown of human turn of events and resources.

Ishengoma and Kappel (2016), contend that interests in preservation and security the executives can assume a critical part in programs for individuals who need to decrease hazard, soothe wage change, manage crises and issues, and construct a more modest asset base over the long haul. This is particularly significant for shaky living in rural conditions, which might require business openings and safe approaches to set aside cash.

From one side of the planet to the next, notwithstanding, perpetual ability to assist with subsidizing different primary, monetary and non-monetary designs. Much thanks to you at home, for changing over reserve funds and obligation solidification (ROSCAs), just as for different methods of saving and collaborating. Decisions about the monetary job of corporate monetary ventures, as detailed in occasion accounts and in adjoining business

areas, are as a conspicuous difference to the general obligation to firm protections in severe monetary help (Schmidt & Zeitinger, 2019).

Obwanga (2017), endeavored to decide the impact Saccos in Kisumu County had on lessening interest in Kenya. Obvious scales were utilized to assess the data introduced as tables and diagrams. Discoveries have shown that 5% of Sacco individuals fall underneath the current death rate and not Ksh 100 day by day. The review affirmed that Saccos was a significant supporter of the interest for lamps in Kisumu County as 95% of the populace fell beneath the Ksh 100 day by day utilization rate.

Shengoma and Kappel (2016), show that as a general rule, little interests in venture reserves happen as obligatory investment funds under assortments or individual advance plans. Obligation settlement is generally needed as a store to guarantee early reimbursement. Obligatory venture reserves are additionally seen as an approach to reimburse cash to the least fortunate families. Experience has shown, nonetheless, that mandatory reserve funds don't assist with empowering clients to save, yet rather are viewed as one of the prerequisites for acquiring credit.

Kyale (2013), investigated the Effect of Microfinance Institutions on Progress and Development of SMEs in Machakos County hoping to set the conventional occupation of unmistakably given by microfinance foundations as well as how it influences the advancement of SMEs. To convey information gathered, SPSS was utilized. The discoveries of the review showed that the characterization of microfinance establishments is one of the most critical revealed by Microfinance associations demonstrated by 36.36% of respondents. Not really settled MFIs to anticipate that classes as well as studios should outfit SMEs with monetary innovation, board abilities and ICT execution help.

The contention over certain non-loaning venture foundations (Gadway & O'Donnell, 2016) is persuading in administration circumstances where no other choice can be thought of. Under different government-coordinated conditions, low-pay individuals might be asked to utilize restricted assets from the overall population (Vogel, 2015; Robinson, 2017). Establishments that beginning with a set measure of cash and afterward continue on to obligation at the following stage address are conceivable, however they are finished. Just like the norm of twofold administration, raising money is the most ideal way for a little, very much supported and approved association to plan public accounts. In like manner modest quantities have restricted working expenses, and when in doubt the most beneficial way is to utilize exclusive stores to loan to extremely youthful borrowers.

Khatum et al. (2017), investigated effect of miniature credit ventures of six Government offices, Non-Governmental Organizations and Microfinance (MFI) foundations in decreasing interest in Bangladesh utilizing a designated model of 406 credit beneficiaries. Those near the respondents saw an adjustment of the requirement for testing and tracked down that the chose a piece of the change relied upon family arranging and family training. Two-way review and rehashed investigations led in numerous nations suggest that the degree of advancement, different government organizations, NGOs and the Micro Finance Institution, the degree of satisfaction, early acquisitions and little advances as a beginning stage for changing assets were continuous choices. Variety of gatherings of individuals was found in this review which showed that respondents from various organizations with comparative ID settings would show various outcomes to change the need circumstance.

Nyakambi (2014), left on an excursion to take a gander at the effect of low pay on ladies' exercises in Kakondo locale, Uganda's Rakai district. Unequivocal test setup was

utilized and information gathered was broken utilizing SPSS. True to form, the consequences of the study showed that low home loan loaning assumed a key part in assisting the destitute to adapt to the deficiency, as just little municipalities didn't diminish neediness, prompting these ladies working in their positions.

2.3.2 Micro insurance and poverty alleviation

Generally, less security is viewed as one of the most amazing approaches to decrease the poor' weakness from the effects of thievery, ailment, incapacity, fire as well as different mishaps (Brown & McCord, 2015; Brown & Churchill, 2019). Churchill (2016), has shown little security as a betting game framework to guarantee that low-pay generally safe workers return ordinary value portions as far as set danger levels.

The world is stuck in the web of needs. Demand continues to be unfortunate for both developed and underdeveloped countries. The main purpose of a small protection is to reduce the amount of need and provide very little relief in the event of any catastrophic event. By doing this, less protection gives consumers the opportunity to make more money, while they get it at the same time when big bad things happen. Focusing on the elderly, women and young people who make up the poorest, low-level protection helps reduce demand by creating increasing levels of income for the poor by paying in times of need. Savings management leads to the accumulation of high interest rates in short and long term terms. With increasing leadership, the defenseless are involved. They should feed their children, support them in family-friendly choices, provide education, as well as participate in revenue-generation tests. The level of poor protection management adds to the reduction in demand that often depends on the acceptance of this control by poor and hopeless people. This also depends on the openness of promising speculation and the limits of the poor to take advantage of these open spaces. Especially if in the regions of the country the openness

of speculation does not increase all this time with little control of protection, very little can be achieved (Morduch, 2016).

Mukhtar (2015), investigated the potential for restricted assurance in natural districts of Nigeria. The examiner utilized an interval test program and utilized example information from 190 respondents, driven by the review. The information gathered was tried utilizing a logit recovery model. The evaluation recommends that the pay level of the territory's occupants ought to be considered when contributing, attempting to give, and the fundamental preparing in the spaces ought to be reinforced.

In Bangladesh, home to almost 33% of the world's assessed 30-40 million little loan specialists, advancement stems from little organizations, NGOs and Grameen Banks. Which started with grants and a couple of credits from abroad supporters has now offered more than \$ 100 million to advancement. The main factor in the credit move scheme is the disappointment of the specialists among the credit supplier and the last purchaser. The consolidated financial recuperation rate is amazing at 98%. Grameen Bank has its own special legitimate designs and doesn't fall heavily influenced by the public bank. The bank similarly means to advance thriving and understanding the climate. All of his kin should sow a similar new seed each year as a feature of the woods framework. Grameen might be the main bank on the planet that gives contraceptives, richness, and positive environment as a component of its loaning procedure (Yunus, 2019).

In Bolivia, little monetary and security fights ejected during the 1990's. The biggest business credit was given to BancoSol, which is an exceptional bank for entrepreneurs and a couple of rivals who follow BancoSol with energy and benefit). In 2017, BancoSol, supported by solidifying homegrown and worldwide business commitments and including

private appointments, given useful advances to in excess of a fourth of Bolivian clients (Morduch, 2016).

Hao (2015), takes a gander at whether monetary receptiveness has a relationship with the dangerous force of Vietnam. The maker utilized a drawn out research program with an example size of 1,516 families. The information gathered was sorted utilizing a relapse model in two classes. Trial discoveries have shown that there is a connection between's the accessibility of assets and undesirable funds with the principle objective of which, as receptiveness builds, the degree of destitution diminishes. Khan and Rahaman (2017), in an investigation of low pay from the assumption for everyday living, fortifying and lessening networks in Bangladesh, the researcher tracked down that tiny cash obviously influences the ways of life of individuals out of luck and their lifestyle. In addition to the fact that it helped the destitute by getting to the best in class, however it likewise assisted them with reaching out.

In numerous farming nations, including South Sudan, work creation in a prosperous economy is deficient, and most of the underprivileged seeks dependence from the private area to get an occupation. Enhanced reception of low-level administration engages the poor to make and develop more modest positions and subsequently work on their degrees of acquiring and working together. Without a doubt, even in paid nations like Botswana, South Sudan, and Egypt, where the opening up of worthwhile organizations is especially pervasive, numerous powerless families depend on private work in the little mission of their guests (Kessey, 2013). Sound procedures are drawn to enable limited scope fisheries and can uphold other help programs and that's only the tip of the iceberg. Numerous little assurance associations, including Gloo Insurance, Enterprise Insurance, and Metropolitan Insurance, compel their customers to foster monetary arrangement that incorporates issues

like health, nourishment and youth instruction. Without a doubt, regardless of whether this accentuation isn't fixed, the fixing and high payout of clients because of their low interest in security will drive them to take on another monetary framework. Simultaneously, little safeguard foundations might be more compelling in working on the existences of beneficiaries in a circumstance where quicker monetary development and plant foods grown from the ground better system improve the material interests and the executives given by entrepreneurs. Little self-protection undertakings will likewise work best when non-monetary administration arranging, for instance, school instruction and readiness engages customers to utilize their obligation for their potential benefit (Boadu et al., 2014).

2.3.3 Micro credit and poverty alleviation

Nyakambi (2014), plans on discovering the impact of low credit because of the degree of neediness at the family level in Nakuru region. Examinations utilized a picture learning procedure. A multivariate relapse model was utilized to decide the proper worth of every one of the six variables identified with destitution decrease. The investigation discovered that low admittance to credit could decrease the requirement for families in the Nakuru locale by giving livelihoods to low-pay, less instructed and helpless laborers to assist with growing business, secure better private networks, and admittance to schooling, social and improvement help.

Okibo and Makanga (2014) have finished an examination concerning the impacts of microfinance on neediness decrease in Kenya. It is intended to address MFI's credit bureaux and client data on wage upgrades and neediness decrease rates. The test utilized an enlightened understanding project. Individuals in control were 9 representatives and 46 customers of PAWDEP. The test utilized an alternate test technique to choose the MFIs staff and chose clients. The two strategies are utilized to explore individual and quantitative

information. Exploration has tracked down that low pay is a course of destitution mitigation and how obligation can arrive at poor people.

Wairanyagania (2016) led a review to discover the choices of little monetary accomplices and their suggestions for family destitution in the Musoma district, Tanzania. Significant information, gathered from 116 groups of these two non-VICOBA people, were utilized in a two-stage model that assessed co-usable choices on low pay to keep up with the effect of this interest on family pay. The Probit and Heckit models are utilized at the primary phase (support) whereas the two-stage model (2-SLS) is utilized at the installment case. The outcomes showed that the attributes of the top of the family (sexual inclinations, long haul expansion of schooling, conjugal status and occupation), family appropriateness (family size as per populace) and city qualities (market distance range) add to lessening venture. On the other hand, long haul instruction, little family speculations, family distance from parkways and getting influence way of life. Long haul, low-pay ventures are said to lessen family neediness. The assessment recommends game plans to work on sexual direction, foster a provincial establishment, update different or all the more impressive monetary foundations in distant spaces of the city, require MFI credit reimbursements and a solid business climate for little monetary organizations.

Obeng (2016) evaluated the Effect of Microcredit on Decrease in Provincial Analysis of the North German territorial substance, South Sudan. He utilized surveying stations to get data from program proprietors and little monetary establishments and scattered data utilizing tables, scales and systems. The goals of the review were to decide if low pay advances positive or adverse results in lessening destitution. The discoveries of the review showed that individual, particularly those out of luck and the people who were

impeded, gotten credit acknowledgment that altogether influenced the guidelines needed by the individuals who got it.

2.3.4 Training and poverty alleviation

Karlan and Valdivia (2016) tracked down in that low-pay clients presented to the planning plans would keep an immaculate installment record without cutting edge clients. They portray that these conclusions depend on additional established business results that are generally 16% more than expected clients up to bargains. The outcomes are not equivalent to other business results, for instance, the measure of income and changes in the quantity of workers. What's more, there are no significant changes in credit size and consolidated reserve funds because of arrangement. In one more report by Henriken and Svoldal (2015) regarding the result of the business arrangement for independent venture customers in Tanzania, the examination uncovered that the change was not considered for business benefits. The last decision was that the business was getting ready for an increment in changing to high-benefit corporate organizations. This is on the grounds that business people with planning organizations currently have various business people (Karlan and Valdivia, 2016).

Second, business chiefs who give business change have expanded their business responsibilities sabotaging obligation to consolidations. In accordance with this, the weight of pointers orders exchanging as an exceptionally beneficial and coordinated region as a less useful region, particularly for benefit each hour of activity (Bennett, 2017). Thinking about the long periods of activity, it guarantees that the business gets ready for advancement from not so much beneficial but rather more productive regions (Legerwood, 2019). Somewhat improved pointers of imminent business conditions prove hard to track, while entrepreneurs are extremely restricted in the market information accessible while assessing the advantages of different vital arrangements. Thus, business-disapproved of

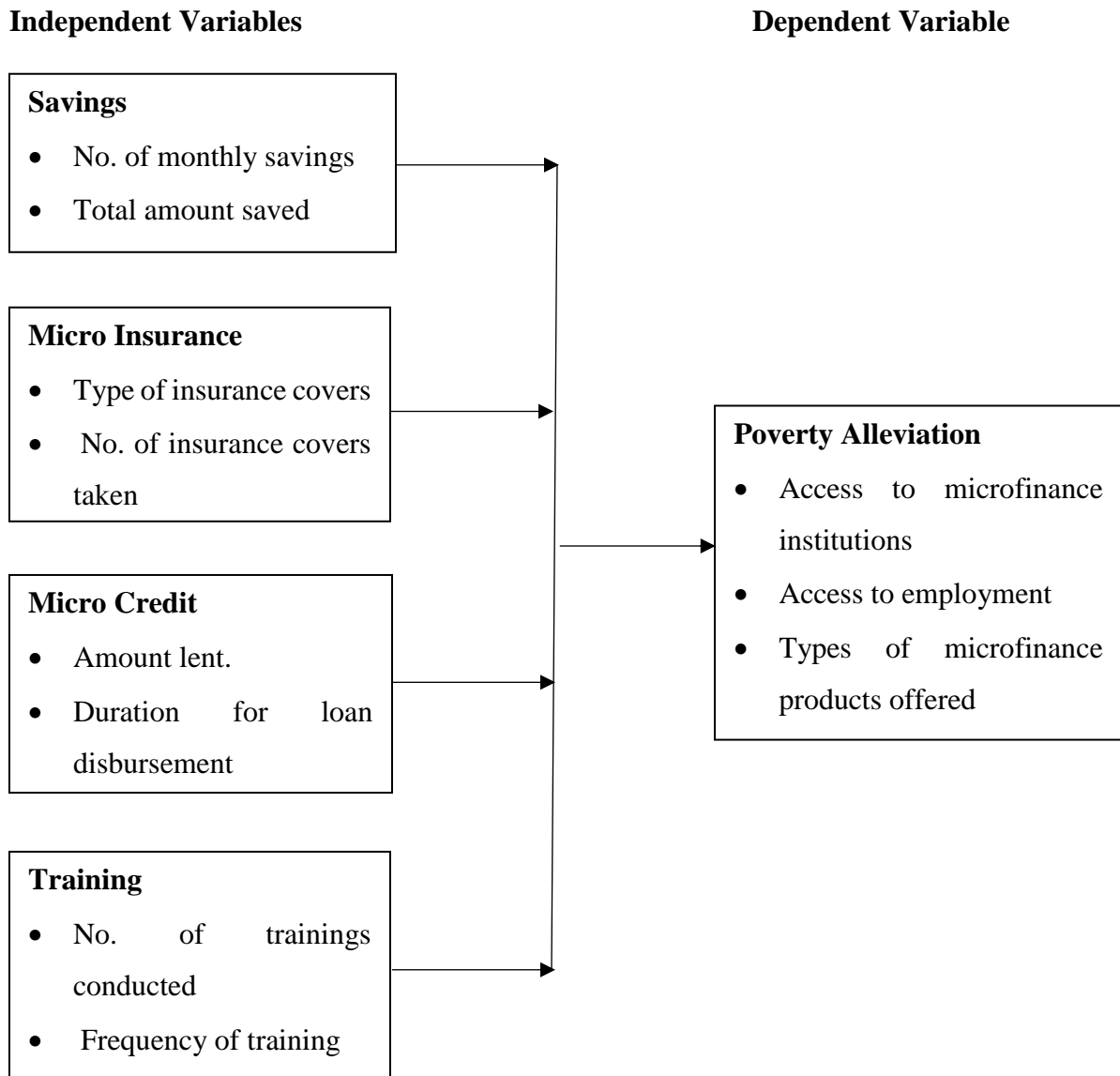
business leaders regularly make the most of the chance to utilize more useful associations contrasted with more modest makers (Henriken and Svoldal, 2015).

Parveen and Leonhauser (2019) directed trial examines fair and square and level of worldwide young ladies' strengthening, factors that impacted them and kept on setting basic plan, self-improvement gathering work, instructing, planning and pondering sex to further develop versatility. For the last motivation behind this review, a participatory technique with a particular number was arranged and significant information was gathered from 156 respondents from three urban communities in the Myanensingh area of Bangladesh from January to April 2013 utilizing a randomized controlled preliminary. To quantify ladies' strengthening, the support list is prepared by adding six marks of support, a reasonable assertion, obligation to family uphold, acknowledgment of resources, obligation, solid family support, sexual orientation affectability and the capacity to change family jobs. The outcomes showed that the degree of strengthening of young ladies was not generally excellent at the family level.

The presence of cohorts the same works with the pattern of refinement, groundwork for business improvement, early use and repayment. This is on the grounds that individuals with information will understand thoughts quicker compared to low degree of perusing individuals (Karlán and Valdivia, 2016). Similarly, issues of authoritative turn of events and development, asset activation, interest counting was completely acknowledged and ought to be known and instructed by individuals taught at credit gatherings (Bennett, 2017). The Microfinance standards likewise gave the improvement of abilities and capabilities that empower clients to configuration, oversee and assess execution, track all theory tests and also utilize credit.

2.4 Conceptual Framework

FIGURE 2.1
Conceptual Framework



2.5 Operationalization and Measurement of Variables

The study variables were measured as well as operationalized as presented in table 2.1 below.

TABLE 2.1

Operationalization and Measurement of Variables

Type of Variable	Variable Definition	Indicators	Operationalization of the Variable	Measure
Dependent	Poverty alleviation	<ul style="list-style-type: none"> • Accessibility to microfinance institutions • Access to employment • Types of microfinance products offered 	The effect of the microfinance on changing the lives of people in South Sudan.	Nominal
Independent	Savings	<ul style="list-style-type: none"> • No. of monthly savings • Total amount saved 	Total amount of money saved by members of the microfinance.	Ratio.
	Micro Insurance	<ul style="list-style-type: none"> • Type of insurance covers • No. of insurance covers taken 	Number of micro insurance covers rendered to the members of the microfinance.	Ratio.
	Micro Credit	<ul style="list-style-type: none"> • Amount lent. • Duration for loan disbursement 	Total amount of loans worth given to microfinance members.	Ratio.
	Training	<ul style="list-style-type: none"> • No. of trainings conducted • Frequency of training 	The number of people trained by the microfinance institutions on matters money.	Nominal.

Source: Author (2022)

2.6 Summary and Research Gaps

The study variables reviewed include; savings, micro insurance, micro credit and training that have proven substantial relationship to alleviation of poverty by Micro-finance institution. The study chose prior activities that are within the study objectives; those that contributed on account of all past theoretical undertakings that sought to assess the impact of microfinance institution on poverty alleviation in South Sudan and this chapter provides a theoretical and conceptual base that develops research methodology, choose an analytical framework, collect appropriate data and carry consequent analyses drawing conclusions to determine the contribution of microfinance institution in reducing poverty in South Sudan with reference to Juba County, South Sudan as study case. The subsequent chapter three of the study tackles the methodology of research, under which the study adopted a descriptive research design. Chapter three looks into the research design, target population, sampling design, data collection methods, research procedures and the data analysis.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This study sought to establish the effect of microfinance institution on poverty alleviation in South Sudan. It symbolizes a draft for data collection, measurement and analysis. For

that reason, the researcher in this section identified the processes and methods that were utilized in the collection, processing and analysis of data.

3.2 Research Design

This study utilized a descriptive correlational research design since it was establishing the association between savings, creativity, micro-insurance, micro-credit, training, and poverty alleviation. This research outlined to what degree of association exists between the quantifiable variables. Association includes gathering data that reflects occasions and afterward ordering them later, arranging, uncovering and revealing those information assortments (Kothari, 2013).

3.3 Target Population

Target population is the vast majority who study or view individuals, gatherings, families, firms, directors, classifications or exploration occasions. This study's target population was the departmental directors and staff of 11 microfinance institutions in Juba County, South Sudan who are estimated to be 8,050. In accordance with these lines, individuals ought to be equivalent to something, what a researcher thinks and society ought to be one (Cox, 2017). This population gave basic examination.

3.4 Sampling Frame

This is the material or device source from which a sample is taken. This refers to list of all those who can be sampled within a population, and may include individuals, households or institutions (Chandran, 2014). Cooper and Schindler (2015), describe the experimental framework as a reduction of the factors in which a sample will be taken. In this test, the test case will provide means to select particular individuals from the target audience that will be outlined in the review. The culmination of the investigation will be departmental directors and staff of microfinance institutions in Juba County, South Sudan. This model

will be useful in identifying the impact of low investment in reducing demand in South Sudan as they are large in business finance and are people involved in financial matters in their daily audits and therefore set an excellent example by providing current and accurate information.

3.5 Sample Size and Sampling Technique

3.5.1 Sample size

This is a survey and therefore the researcher studied all the 11 microfinance institutions in Juba County, South Sudan. Nevertheless, out of the 8,050 target population, simple random sampling was employed to sample respondents from the microfinance institutions in Juba County, South Sudan and obtain a total of 381 population of sample. Kothari (2013), discusses that if the sample of a population is well chosen, it can often output reliable good findings. The microfinance members were considered suitable for the study as they are directly affected by the subject in question and they provided exact information from a first-hand standpoint. To compute the sample, the study adopted Yamane's formula demonstrated as follows:

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

Where n = size of the sample

N = study population

e = level of significance (5% level of significance)

N = target population = 8,050

In applying the formula;
$$n = \frac{8,050}{1 + 8,050 (0.05)^2}$$

$$n = 381$$

Sample Size = 381

3.5.2 Sampling technique

In this investigation the basic tests that will be used to select the subjects that will be addressed will be used. There are factors that often divide people in subordinate areas. This must be taken into account when choosing a model for the people. For the final purpose of obtaining an example that is an agent for a defined community assessment process it will be used. A separate example will be obtained by taking examples from all the layers or small groups of people. A community with fewer layers, will be required to have the width of each layer in the model, this should be the same for people. In utilizing this method, the model will be separated into diverse layers' of association so the sections will be like functional offices. The essence of this strategy is that; the cost of seeing the costs in the review is likely to decrease, and that the boundary assessment will be used for each community. As such, the screening process will ensure that all people from the public will be remembered for the investigation. An unusual example will be popular for the reason that it is exempt from the trend and thus every unit gets a chance to be remembered for example.

3.6 Research Instruments

As indicated by Cox (2017) there are many information filtering strategies. The decision of the tool and the tool depends primarily on the topic of the topic, the research context, the objective, the program, the expected information and the outcome. This is due to the fact that the tool gathers clear information. The study adopted a questionnaire.

3.7 Data Collection Procedure

Data was collected using a questionnaire containing close ended questions whereas research materials were integrated with research areas. The study had two sections, where

the first section contains basic information on gender, age and longevity. This empowered the analyst to understand the nature of the respondents, and the next phase has an impact on microfinance institutions in poverty reduction in South Sudan. This empowered the analyst to be in a position to spread the effect of poverty reduction organizations in South Sudan and other areas not identified in the trial.

3.8 Data Processing and Analysis

3.8.1 Validity and reliability

Validity and reliability of the research instruments was tested using content validity and Cronbach alpha respectively. Sürücü and Maslakçi, (2020) promulgates that validity of a research instrument is concerned with quality or behavior measurement and whether it measures what it claims to measure. To ensure that this study was conducted with valid measurements, the questionnaire was pre-tested to obtain content validity. Content validity reveals the degree to which each measuring instrument such as questionnaire serves its purpose (Yusoff, 2019). This was done through pre-testing of the questions to refine the clarity. On the other hand, instrument reliability is the consistency of measuring instruments used over time (Sürücü & Maslakçi, 2020). Cronbach's (α) value of 0.7 and above was considered an acceptable value for reliability of the questionnaire (Glen, 2022).

3.8.2 Diagnostic Tests

Diagnostic tests adopted in this study were normality test, and multicollinearity test. Regression models assume an error term bearing constant variance which is termed as homoscedastic. Classical regression model assumes a homoscedasticity. To test for normality, Shapiro-Wilk test was applied. A p-value of 0.7 and above shows an acceptance of null hypothesis and a normal distribution of residuals.

Daoud (2017), Multicollinearity is a situation in which independent variables are related thereby increasing the standard error of coefficients. Since it inflates the standard error of coefficients, it makes some variables insignificant statistically while in reality they should be significant. Variance Inflation Factor (VIF) was used to quantify the extent to which the variance is inflated. VIF measures the level of multi-linear associations existing between variables. VIF greater than 10 indicates a severe multicollinearity while less than 10 shows less or no multicollinearity among the variables. VIF inflates sample variance and dependence properties of the variables involved in the system.

3.8.3 Analytical model

In utilizing SPSS (Statistical Package for Social Sciences), collected quantitative data using questionnaires was analyzed by the use of descriptive statistics and was presented through percentages, means and frequencies. Frequency tables and charts were used to display the information. Data collected from the open-ended questions was analyzed using content analysis. According to Kirk and Miller (2013), content analysis applies a collection of categorizations to make effective and replicable inferences from data to their context. Therefore it offered a systematic and qualitative description of the study objectives. Additionally, in determining the association between poverty alleviation and the study variables, the researcher conducted a multiple regression analysis. The multiple regression equation that guided the study was $(Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon)$:

Where; Y = Poverty Alleviation

 X₁ = Savings

 X₂ = Micro Insurance

 X₃ = Micro Credit

 X₄ = Training

B_0 = regression constant

ε = term of error

β_0 β_1 β_2 β_3 and β_4 are the coefficients of regression in the equation for each of the variables discussed.

3.8.4 Significance tests

The significance tests assessed whether the differences witnessed in results' assessment is a sample error or chance. The statistical meaning of the model and its parameters will be measured using parametric tests. The F statistic, R^2 statistic and beta/regression coefficients were applied to determine the significance using p values to investigate the causal relationship of the variables. To determine the statistical significance of the correlations between the independent variables, Analysis of Variance (ANOVA) was conducted. The level of association between the dependent and independent variables in the model was indicated by p-value of the F-test. When the significance p-value is less than 0.05, it showed a statistically significant relationship between the dependent and independent variables. A p-value of 0.10 showed a weak significant relationship. Pearson product-moment correlation was utilized to find how much the dependent variable, selected independent variables correlate.

3.9 Research Ethics

The principles of learning are about professional behavior that goes hand in hand with the rights of people who initiate, or are influenced by, and protect from harm (Saunders et al., 2016). Disseminating information and finding solutions to issues, is common in human rights interventions as well important for an expert to offer serious contemplation to such ethical issues (Zikmund et al., 2013).

The research is conducted for Masters's in Science in Commerce, Accounting and Finance and may be transferred to Microfinance Institutions in Juba County, South Sudan among other financial institutions in Kenya. The test will adhere strictly to all levels in terms of conducting research. The trial will treat members with respect as everyone claims to be free and honest. It is my duty and responsibility that I will delegate my duties to the government, protecting human rights in private and in security. The study will guide and demonstrate the level of awareness while leading the investigation. For a 5 year period, the information will be stored thereafter the data will be collected for destruction.

3.10 Conclusion

The chapter describes the employed research methodology. The chapter outlines a chapter introduction, the applied research design precisely descriptive research design, the target population and sampling design, methods of data collection and instruments; whereby the main instrument of data collection was questionnaires, a pilot study and lastly the data analysis methods whereby the collected data was analyzed by the use of descriptive statistics using SPSS. The subsequent chapter four contains the results or findings from the collected data in the questionnaires. The final chapter of the study which is chapter five clearly points out the discussion of the findings, summary of the findings and lastly the study gives recommendations for further research.

CHAPTER FOUR: DATA ANALYSIS, AND PRESENTATION OF FINDINGS

4.1 Introduction

The main objective of the study was to determine the impacts of the microfinance institution on poverty alleviation in South Sudan with a case of Juba County. The independents variables were savings, micro insurance, micro credit and training. This chapter therefore, report the research findings and reporting in accordance with the four study objectives outlined in chapter one. The chapter starts with demographic data, representation and findings, descriptive statistics, regression analysis, correlation analysis and summary descriptive. The analysis findings were presented in form of tables and graphs based on the research questions with the guideline set by the questionnaire.

4.2 Validity and Reliability Results

The study was to establish validity and reliability of the research instrument. The results are indicated in the Table 4.1 and 4.2 respectively;

TABLE 4.1
Validity Assessment

Case Processing Summary		
	N	%
Valid	310	100.0
Cases Excluded ^a	0	.0
Total	310	100.0

a. Listwise deletion based on all variables in the procedure.

From the above Table 4.1, the case processing summary N shows the number of valid data which is 310 units, while the missing data is zero. This means that all data were processed hence valid.

TABLE 4.2
Cronbach Alpha Reliability Assessment

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.812	.815	25

From the results displayed in the Table 4.1 and 4.2, the Cronbach value is 0.812 which is more than 0.06 hence the research instrument is reliable. Since the values were more than 0.7, the instrument did meet the threshold (Glen, 2022).

4.3 Response Rate

The collected data was from members of 11 microfinance institution in Juba County, South Sudan. The sample size was calculated and out of 8,050 the sample size was 381. This shows the rate in which the distributed questionnaires were brought back to the researcher. Out of 381 the respondents were 310. This indicated 81.37% of the entire population. Despite scheduling of appointment, the researcher was not to reach to all the respondents in targeted in the sample size due to emergencies that came up in the working environment making it impossible to meet some workers in the organization. A 70% and above response rate is deemed good since a large population is represented thus 80% is considered to be the best for data analysis. This population provides a significant representation.

4.4 Demographic Analysis

It refers to the relevant respondents' profile information in the study. This segment lays emphasis on the age category, marital status, level of education and, gender of respondents in Micro-finance in Juba, South Sudan. This is important since it indicates the characteristics about a group of people and population. It is essential since it helps the researcher to understand people's behaviors.

4.4.1 Gender

The respondents in Microfinance in Juba were analyzed by their gender. The significance of gender analysis is because individuals in different gender are able to identify the challenges faced in the organization. It also helps in measuring gender equality in an organization.

FIGURE 4.1
Gender Analysis

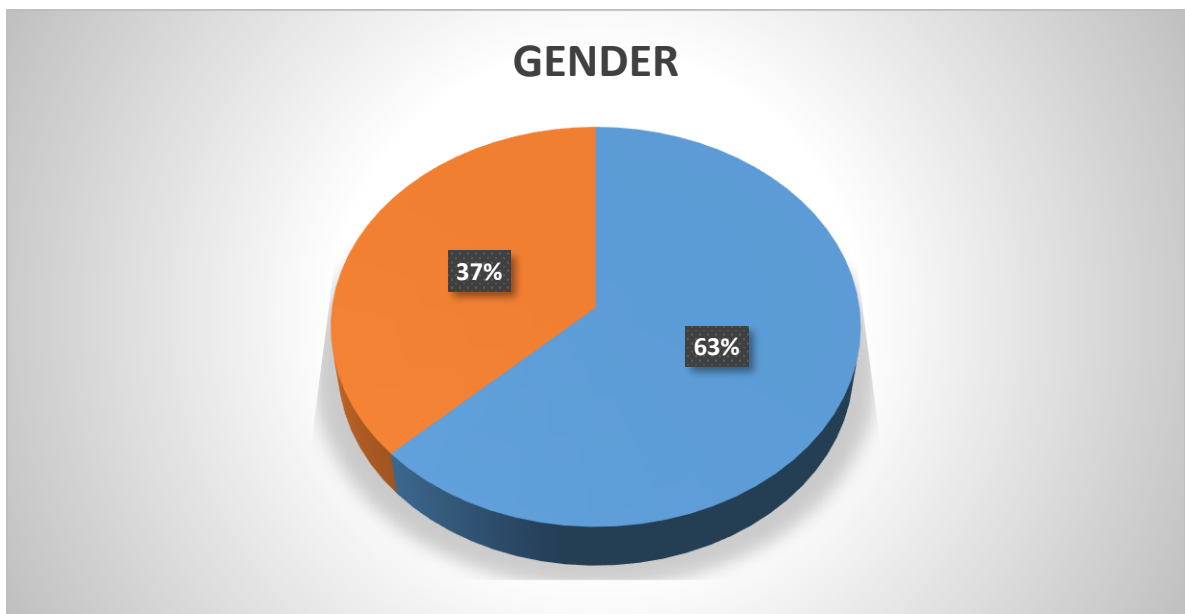


Figure 4.1 shows gender analysis with a clear indication that respondents' majority were male represented by 63% of the population while female respondents were 37%. In calculation, the number of male was 195 and the female were 115. This can be explained that majority of the employees in Microfinance in South Sudan were male compared to female. Therefore the microfinance should focus on ensuring that there is gender balance between the genders to ensure equality and also decision making.

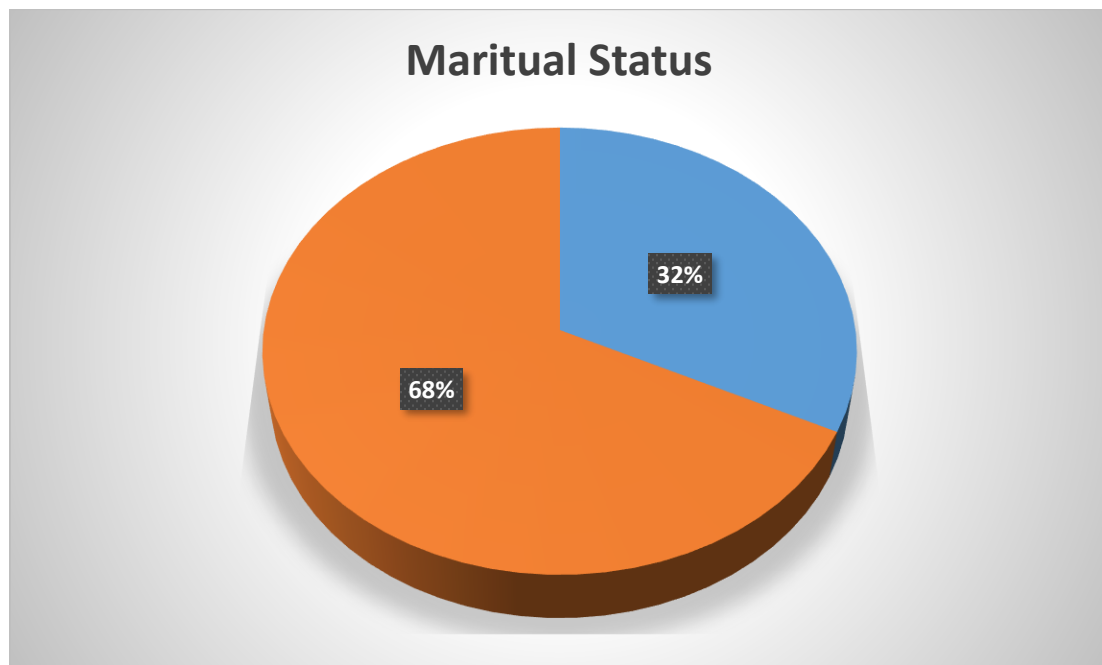
4.4.2 Marital status

This is a representation of the respondents' marriage status in Microfinance institution in Juba. Marriage is the most important social institution and hence a person perspective and attitudes of a person can differ by the marital status. In most cases, this is considered as an experience of how an individual can multi-task the activities. It is considered as a celebratory moment and milestone in a grown-up person life. Nonetheless, early marriage practice may be common and thus leading to biases when it comes to marriage life.

Figure 4.2 indicates that most respondents were married as indicated by 68% while the 32% represented single respondents. This is calculated to be 210 married respondents and 100 single respondents. Marriage is able to guide on the way an individual can be able to handle challenges and problems in the organization. Individuals are able to work and relate with the other workers and able to solve dispute.

FIGURE 4.2

Marital Status



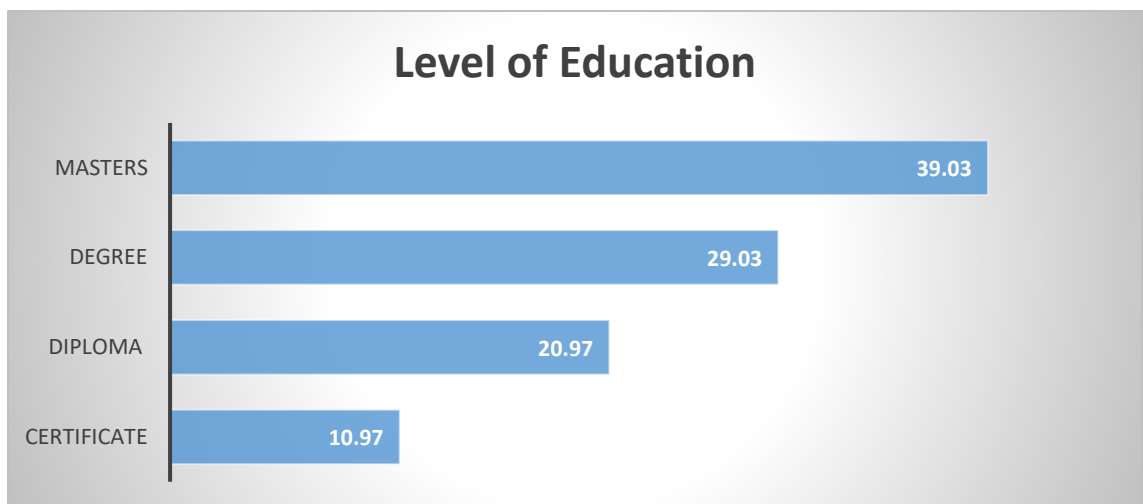
4.4.3 Level of education

This explores respondents' education level who works in the Microfinance. Through exploring their education level helps in understanding an individual's attitude and knowledge to the study being carried out. Additionally it assists in identifying other problems and come up with solutions in the firm that are outside the study research that will act as recommendation to other scholars.

Figure 4.3 indicates that the highest level of education among the employees of Microfinance is Masters were the respondents were 39.03%. Those with degree level were 29.03% while those with a diploma were 20.97%. Those with the lowest level of certificate were indicated by certificate with 10.97%. this can be interpreted that when hiring in the microfinance education is considered as an important factor in different areas of study which in this case it enable to earn knowledge and skills. With the certificate level individuals need to grow in their education in order to maintain in the organization. Policy making is considered efficient since the policy makers are educated in creating better decisions.

FIGURE 4.3

Education Analysis



4.4.4 Age analysis

It signifies the respondent's age group in Juba Microfinance institution. Age analysis is significant since it aids in understanding their opinions on a specific problem. In addition it also shows the maturity level of a respondent as well as work experience in the work environment. Moreover, diverse age groups output different views.

FIGURE 4.4

Age Analysis

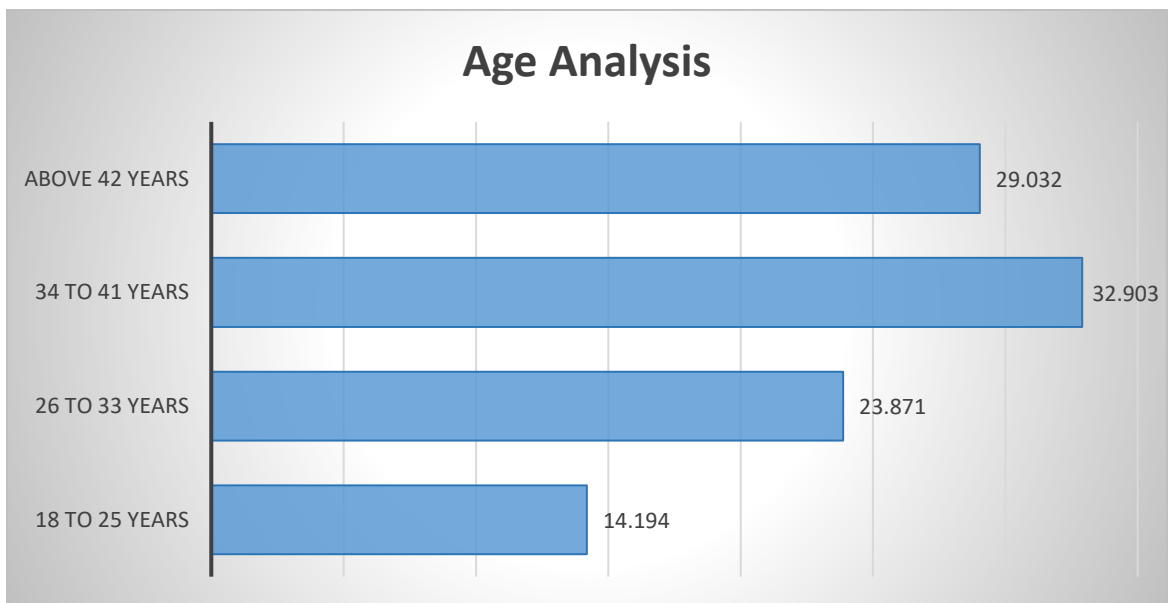


Figure 4.4 shows that most of the respondents represented by 32.9% were between the age of 34 to 41 years. This indicates that they are mature and have experience in working with different types of people. There was also a high number of respondents above the age of 42 years which represented 29.03% while those between the age of 26 and 33 years were 23.87%. The lowest number of respondents was among 18 to 25 years age group indicated by 14.19%. This are the intern, volunteers and the junior group which has completed their education and thus they are starting their experience in the organization.

4.5 Descriptive Statistics

This describes data basic features including mean, median, mode, minimum, maximum, standard error, variance, standard deviation, range, percentage, and sum. They output simple sample summaries that forms part of the qualitative data analysis. In this chapter, descriptive statistics will be analyzed using factor percentages characterized in each study variable in the research. Furthermore they aid the researcher to summarize large amount of data. They were requested to specify by ticking the level of each board characteristics on financial sustainability in the companies listed in the NSE utilizing a five-point scale where 1= Strongly disagree, 2= Disagree, 3= Not Sure, 4=Agree and 5= Strongly Agree.

4.5.1 Savings

Savings among the local community in the microfinance is essential in the having a safe future in handling unforeseen expenditures and emergencies, while putting up a small asset base over time. Savings specifically are essential to the very poor who reside in rural areas, and lack investment opportunities as well as safe ways of keeping their savings. Due to this it aims to improve the poor people living standards. Microfinance saving is efficient since it allows small amount of money which is usually not a burden to the person saving.

TABLE 4.3

Savings

SAVINGS	My savings have increased for the last 5 years.	I save more than once in a month.	The amount of savings made make me improve my lifestyle.	The higher the savings the higher the micro credit.
Mean	4.0774	3.3355	3.6290	3.5129
Standard Error	0.0594	0.0871	0.0811	0.0865
Mode	4	4	5	5
Standard Deviation	1.0461	1.5340	1.4283	1.5238
Sample Variance	1.0943	2.3531	2.0399	2.3218
Count	310	310	310	310

Table 4.3 shows the significance of saving in the microfinance and whether the respondents have saved for a longer time period with the highest mean indicated by 4.08 and a standard deviation of 1.046. According to that record, clarifies a very high number of agreements on the statement that there has been an increase in respondents' savings in the past 5 years. This indicates positive growth and therefore it helps attract more customers to save in the microfinance. The second highest mean is indicated by 3.629 which explains that most of the respondents concurred that savings amount made when saving make the individuals to improve their lifestyle. This can explain that hey save for education in the future, emergencies, investment and to sustain their basic needs in the future. With a mean of 3.51 it was explained that the higher the saving the more the micro-credit. This is an indication that the savings are used as a collateral in case of default. The credit therefore is essential especially if the individual has a plan on how to use it and grow. The lowest mean is indicated by 3.3355 which explains that the lowest number of response compared to the

other variables under saving was indicated by respondents save more than once in a month. This explains that the saving pattern can be irregular but they do not save twice in a month since most of them are employed or monthly basis making it impossible to save twice. Therefore, the main role of study was to determine whether the microfinance institutions' practical role towards perceived solutions in terms of saving has enable growth especially in the growth of individual investment and poverty reduction where it makes it easy to survive during crisis.

4.5.2 Micro-Insurance

This is a financial planning aimed at protecting low income people against theft, disease, disability, fire and other hazards while making regular premiums payments in proportion to the probability and associated risk cost. This means that future of the low-income earners is protected by the micro-insurance which the micro-finance act as risk acceptance agent. Therefore, micro-insurance role is to provide clients with an opportunity to create wealth while simultaneously being redeemed in case of substantial losses.

TABLE 4.4

Micro-Insurance

MICRO-INSURANCE	MFI's have numerous Micro insurance covers.	The insurance covers are affordable.	micro insurance offered my family.	Micro insurance covers have benefited me and my family.	I have taken numerous micro insurance covers.
Mean	2.93871	2.974194	2.580645	3.383871	
Standard Error	0.087168	0.083994	0.087386	0.085076	
Mode	2	2	1	5	
Standard Deviation	1.534749	1.478862	1.538591	1.497916	
Sample Variance	2.355455	2.187034	2.367262	2.243752	
Count	310	310	310	310	

Table 4.4 illustrates that the highest mean is indicated by 3.38 which explains that the respondents have taken several micro-insurance cover. This may constitute for business education and any other risk in the future. Different insurance cover are different according to different people needs this meaning that one with many responsibility may likely have more insurance cover to cover for different activities. The second highest mean is indicated by, 2.97 which states that the micro insurance covers offered are affordable. This can be explained that the premium paid monthly, yearly or semi-annually is affordable and therefore the payment is not more on the customer. MFIs have various Micro insurance covers as agreed by a mean of 2.94. This explains that one can be able to derive all the micro-insurance benefits from micro finance institutions. The least mean is given by 2.58 which explain that most of the respondents did not concur with Micro insurance covers benefiting them and their family. This was also explained with a mode of 1 which means majority selected strongly disagree. When the cover is supposed to cover for fire of the business in case of theft the insurance cannot cover. People prefer to invest in small business or purchasing of land which can be sold later to cover for other loses. Therefore, the study indicated that micro-insurance is important in creation of wealth but in the rural

area where majority are poor the premium rate set should be considered since their income is not too high and also the insurance should be suitable for any environmental condition that may be affected and have an effect to the customers.

4.5.3 Micro-Credit

Micro-credit are small short term loans that are offered by MFIs that have a low interest rate and does not require an expensive collateral. When an individual has a fixed saving account that can be used as security and thus make it easy for repayment. Micro-credit acts as formal financial services extension, particularly offering credit to low-income families as well as grant access and use of finance to small enterprises. There exists a positive contribution of microfinance credit access to alleviation of poverty at household level.

TABLE 4.5

Micro-Credit

MICRO-CREDIT	Micro credit has led improvement for my basic needs.	I prefer to credit of MFIs loans.	micro from bank favorable in terms.	The micro credit are loaned increased the last 5 years.
Mean	3.383871	2.887097	3.216129	3.03871
Standard Error	0.08359	0.087718	0.086125	0.088811
Mode	4	2	4	2
Standard Deviation	1.471762	1.544432	1.516382	1.563681
Sample Variance	2.166082	2.38527	2.299415	2.445099
Count	310	310	310	310

Table 4.5 indicates that micro-finance has been essential in the eradication of poverty. The highest mean is indicated by 3.38 which indicated that majority of the respondent agreed (Mode=4) which state that most of the respondents agreed that improvement of their basic needs has been contributed by Micro credit. This has enable the building of small business as well as educating themselves. The second highest mean is indicated by 3.22 which explain that the micro credit offered is favorable in payment terms. The terms include low interest rate, short procedures and suitable collateral for the credit such as use of fixed account, salaries and guarantors. The amount loaned increases periodically as agreed by a mean of 3.04. The mode indicated that majority showed agreements (Mode=4). The lowest mean is indicted by to be 2.89 which interpreted that most of the respondents did not agree that they prefer MFIs micro credit than bank loans. In this case there are high loans in banks compared to MFIs and also one is able to earn advice on the best businesses to start up. Despite of all that it is indicated that MFIs have led to a high growth in the businesses in the local area which drives development and

increased revenue among the community. The study recognized that microfinance as a strategy aids in poverty alleviation and how credit can reach the poor.

4.5.4 Training

Training on both the client and the employees in the MFIs is important. The employees training leads to more yielding in the institution since they are able to apply their knowledge on the different areas in the institution. There is a positive return when providing training on the clients especially those that want to start entrepreneur activity since the credit is used efficiently and the client is able to repay back on time. Existence of educated individuals also eases the process of sensitization, business development training, utilization of loan and repayment. This is due to the fact that educated people tend to grasp ideas faster than those with low-level of education.

TABLE 4.6

Training

TRAINING	Trainings have enabled me save more than before.	MFIs organize frequent trainings to its members.	The trainings offered made me understand the benefit of MFIs.	Trainings have led to better usage of micro credit.
Mean	3.464516	2.906452	2.664516	3.448387
Standard Error	0.08494	0.091632	0.084817	0.088525
Mode	5	1	1	5
Standard Deviation	1.495527	1.613342	1.493361	1.558642
Sample Variance	2.236601	2.602871	2.230128	2.429366
Count	310	310	310	310

Table 4.6 indicates the effects of training in the MFIs on the poverty eradication process. According to the analysis the highest mean was indicated by 3.47 which explained that trainings have enabled majority of the respondents to save more than before. The mode indicated 5 which explained that majority strongly agreed. The training on savings and how to be effective in credit is important since a client is able to earn knowledge on how to earn profit. The second highest mean is indicated by 3.45 which explains that better usage of micro credit has been driven by Trainings. The mode was indicated by 5 which means that majority strongly agreed. This explain that credit usage can be disadvantageous or advantageous. If one borrows for consumption without a source income it may become difficult to repay but borrowing for recreation that is to start or expand the business it will be profitable and the credit is repaid on time. The mean of 2.91 is low which explains that MFIs organize frequent trainings to its members. The mode is indicated by 1 which indicates strong disagreement meaning that MFIs do not carry out training to the members in order to reduce the operation cost. The results does not necessarily means that when

training there is profitability in the MFIs. The lowest mean was indicated by 2.66 which explained that the trainings offered made the respondent understand the benefit of MFIs. This is in line that majority of the respondents do not have training from the MFIs.

4.5.5 MFIs poverty alleviation

Financial institution especially commercial banks earn their income from credit and insurance that they offer and therefore they prefer to invest in an environment that is developed. This has therefore has left the poor community with difficulties in access to financial resources and formal financial system which the MFIs have helped in filling the gap. It is noted that the poor have developed a wide variety of informal community based financial arrangement to meet their financial needs due to lack of access to formal financial services,. Availability of credit, insurance, training and saving enables poverty reduction since financial resources are used effectively and appropriately in the community. Poverty alleviation is measured by accessibility to microfinance institutions among the community, access to employment especially self-employment and types of microfinance products offered by microfinance institutions.

TABLE 4.7

Poverty Alleviation

POVERTY ALLEVIATION	Types of microfinance products help in poverty alleviation.	Accessibility to microfinance institutions is good.	The products costing in the microfinance is favorable.	The number of microfinance institutions help in the products being cheap due to competition.
Mean	3.537217	3.653722	2.944984	2.993528
Standard Error	0.085321	0.080839	0.085151	0.084153
Mode	5	5	2	1
Standard Deviation	1.499807	1.421025	1.49682	1.47928
Sample Variance	2.249422	2.019312	2.24047	2.18827
Count	310	310	310	310

Table 4.7 indicates that most respondents concurred with the statement that accessibility to microfinance institutions is good since the mean is highest represented by 3.65. The mode is indicated by 5 thus supporting that there is accessibility of MFIs products and services among the local community as well as the poor people in different locality. The second highest mean is indicated by 3.54 with a mode of 5 which explains that most respondents approved that the different types of microfinance products helps in poverty alleviation. The types of products are fixed investment, SMEs savings, Insurance, Micro-credit and leasing of asset. The products costing in the microfinance is favorable as indicated by the mean of 2.94 with a mode of 2 which means there was more disagreement on the statement. This can be interpreted that some of the products are too expensive to afford for the clients. The lowest mean is represented by 2.99 which state that the number of microfinance institutions help in the products being cheap due to competition. This has

been indicated to be strongly disagreed that competition causes high prices in the products and services.

4.6 Diagnostic Test

Diagnostic tests were used to examine the fundamental statistical assumptions for linear and multiple regressions. Diagnostic tests to be carried out include Normality, and Multicollinearity tests.

4.6.1 Normality test

Normal distribution was used to determine normal distribution of data set and to figure out how likely it is for a random variable to be normally distributed.

TABLE 4.8
Test for Normality

	Tests of Normality					
	Kolmogorov-Smirnov^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
SAVINGS	.216	310	.000	.854	310	.000
MICRO-INSURANCE	.149	310	.000	.886	310	.000
MICRO-CREDIT	.153	310	.000	.879	310	.000
TRAINING	.158	310	.000	.877	310	.000
POVERTY ALLEVIATION	.165	310	.000	.888	310	.000

a. Lilliefors Significance Correction

Table 4.8 indicated that the entire population was indicated to be 310 and the analysis was carried out by two test which were Kolmogorov-Smirnov and Shapiro-Wilk. The Shapiro-Wilk explains that the significant level are all less than the level of confidence interval which is 0.05. Therefore this eludes a normal distribution of data and is considered an effective analysis of linear regression.

FIGURE 4.5
Normality Test

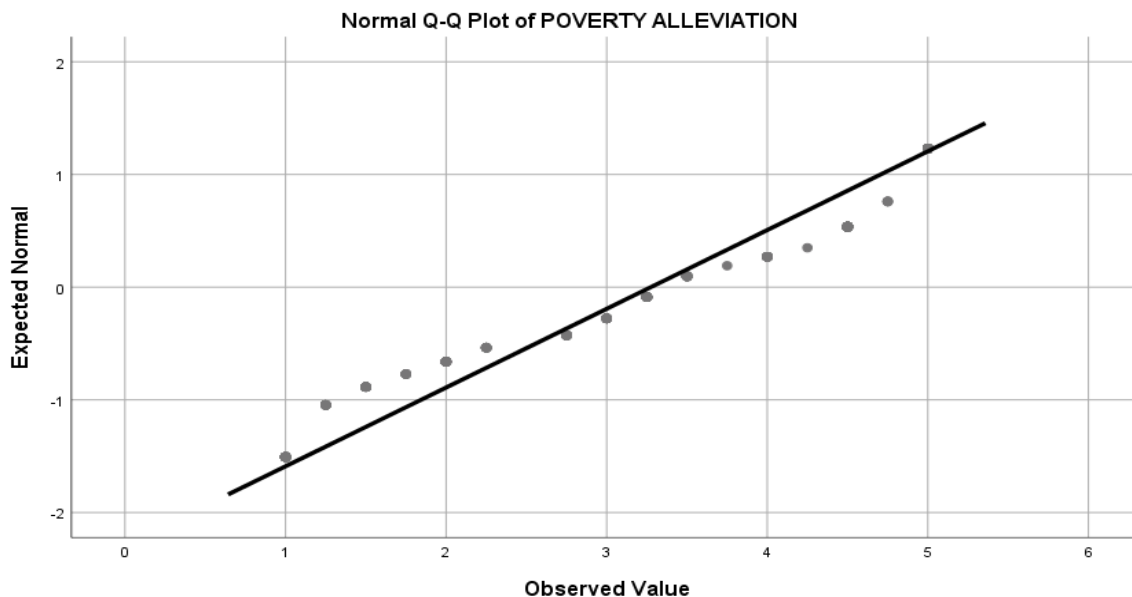


Figure 4.5 indicates that there is a positive effect on poverty alleviation which indicates moving from negative to positive. This can be explained that the micro-finance services have a positive effect on poverty. This therefore concludes that a normal distribution exists between the independent and dependent variable.

4.6.2 Multicollinearity tests

TABLE 4.9
Multicollinearity

		Collinearity Statistics	
Model		Tolerance	VIF
1	(Constant)		
	SAVINGS	.046	21.821
	MICRO-INSURANCE	.011	93.912
	MICRO-CREDIT	.016	62.957
	TRAINING	.011	92.286

The analysis indicates that the tolerance is less than 1 which can be explained that there is a relationship between the variables. On the other hand the VIF is greater than 10 and therefore it concludes a substantial multicollinearity.

4.7 Inferential Statistics

4.7.1 Correlation analysis

This analysis entails statistical measure that indicates either positive or negative relationship strength between two or more variables. Variables can either relate with each other positively or negatively. When the multicollinearity is said to be at 0.7 and above, it indicates a strong relationship. To determine if any pair of independent variables was highly collinear through the magnitude of the correlation coefficient of the pairs of variables established, a correlation matrix was used.

TABLE 4.10
Correlation Analysis

		Micro- Savings	Micro- Insurance	Micro- Credit	Training	Poverty Alleviation
Savings	Pearson	1	.931**	.948**	.965**	.978**
	Correlation					
	Sig. (2-tailed)		.000	.000	.000	.000
Micro- Insurance	Pearson	.931**	1	.989**	.986**	.979**
	Correlation					
	Sig. (2-tailed)	.000		.000	.000	.000
Micro- Credit	Pearson	.948**	.989**	1	.984**	.984**
	Correlation					
	Sig. (2-tailed)	.000	.000		.000	.000
Training	Pearson	.965**	.986**	.984**	1	.991**
	Correlation					
	Sig. (2-tailed)	.000	.000	.000		.000
Poverty Alleviation	Pearson	.978**	.979**	.984**	.991**	1
	Correlation					
	Sig. (2-tailed)	.000	.000	.000	.000	

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

The correlation analysis is indicated to be positive and strong between the variables. The strongest relationship was indicated by 0.991 which indicated the relationship between poverty alleviation and training. The second relationship is indicated by 0.984 which is the relationship between poverty alleviation and micro-training. The relationship between micro-insurance and poverty alleviation is indicated by 0.979. The lowest association between the independent and dependent variable is indicated by 0.978 which shows the

relationship between the savings and poverty alleviation. The weakest relationship between the independent variables is indicated by 0.931 which is the relationship between saving and micro-insurance. This can be explained that as one insures on the hazards it minimizes the savings and other investments. It can be interpreted that training is the most important factor then there is micro-credit then there is micro-insurance then there is savings.

4.7.2 Multiple regression analysis

The multiple regression analysis is carried out to confirm an association between the independent and dependent variable. It is additionally utilized to show the association among each variable. To acquire output, SPSS software was used for analysis. Poverty alleviation is affected by many factors thus the importance of regression analysis to establish how each variable in the MFIs affects the poverty level in the local community.

TABLE 4.11

Fitness of the Model

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.996 ^a	.992	.992	.12587

a. Predictors: (Constant), TRAINING, SAVINGS, MICRO-CREDIT, MICRO-INSURANCE

The table 4.11 shows the R analysis. The R value is represented by 0.996 which is indicated to have a high correlation. This can be interpreted as a strong relationship between poverty alleviation and microfinance services. The R-square was indicated by 0.922 which explain that poverty alleviation was affected by the microfinance activities by 92.2%. This means that the remaining 7.8% indicates that poverty alleviation is affected

by other factors which include government policies, environmental factors and leadership style.

TABLE 4.12
ANOVA Analysis

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	627.912	4	156.978	9908.825	.000 ^b
	Residual	4.832	305	.016		
	Total	632.744	309			

a. Dependent Variable: POVERTY ALLEVIATION

b. Predictors: (Constant), TRAINING, SAVINGS, MICRO-CREDIT, MICRO-INSURANCE

The table 4.12 predicts a significant dependent variable in the regression model. The significant level is indicated by 0.000 which is less than the p- value ($p < 0.05$) and thus the model is statistically significant. Table 4.9 also indicate the ANOVA analysis, which state that, at 95% confident interval F calculated was 9908.825 while F critical was 0.0000 (0.05, 4, 309). Since the F test computed (9908.828) > the F critical (0.0000) then the model is significant. Therefore, we accept the null theory that state that microfinance institution affects the poverty of alleviation in South Sudan.

TABLE 4.13
Coefficients

Coefficients ^a	
---------------------------	--

Model		Unstandardized		Standardized		
		Coefficients		Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.103	.027		-3.818	.000
	SAVINGS	.445	.025	.415	17.738	.000
	MICRO- INSURANCE	.305	.047	.313	6.451	.000
	MICRO-CREDIT	.108	.038	.112	2.824	.005
	TRAINING	.165	.046	.172	3.575	.000

a. Dependent Variable: POVERTY ALLEVIATION

Table 4.13 shows the regression equation model coefficient which provides the necessary information to predict poverty alleviation and the micro finance activities. Taking all the independent factors (Savings, Micro-insurance, Micro-credit and training) constant the effects microfinance institution on poverty alleviation is indicated by -0.103. This explained that with no microfinance products and services there is no poverty reduction in the community. It can be concluded that without saving for the future unexpected event one cannot get a credit in case of need for expansion. A unit change of savings has a positive effect to poverty alleviation as indicated by 0.445. A unit change of micro-insurance has a positive effect to poverty alleviation as indicated by 0.305. A unit change of micro-credit has a positive effect to poverty alleviation as indicated by 0.108. A unit change of training has a positive effect to poverty alleviation as indicated by 0.165. This explains the positivity in the MFIs products and services to eradication of poverty. The multiple regression equation is indicated by:

$$\text{Poverty Alleviation} = -0.103 + 0.445 \text{ Savings} + 0.305 \text{ Micro- insurance} + 0.108 \text{ Micro-credit} + 0.165 \text{ Training} + 0.027$$

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter's main objective is to outline a summary of the discussion, conclusion and recommendations indicated from all the qualitative and quantitative data analysis in chapter 4. From the data analysis obtained from the collected data, the following findings, conclusions and recommendations were made with a lens on the study objectives.

5.2 Summary of Findings

The study's general objective was to establish the effect of microfinance institution on poverty alleviation in Juba County, South Sudan. A descriptive correlational design with a sample size of 381 was utilized to examine the research objective. A number of tests were carried in support of regression analysis application. The data analysis revealed four major findings under this objective.

5.2.1 Saving on poverty alleviation

The analysis' results indicate that saving is a major element in poverty alleviation since it facilitate for unexpected expenditure and emergencies. This means that savings contribute positively in alleviating poverty. These results concur with those of Irene et al. (2015) who found that savings impact positively in alleviating poverty since individuals can save for a life goal and ultimately improve their livelihood. Majority agreed due to the interest rate increase their savings have increased continuously and this they are able to acquire credit and also develop their businesses. With that the savings amount have prompted to advance the citizens' way of life since the more the savings the more the micro-credit. According to the diagnostic test the normality test indicates that saving highest test and therefore interpreted as a supportive mechanism for development. More relationship between poverty alleviation and saving is indicated by a tolerance rate of 21.82 compared to the

other variables. The correlation between the savings and poverty alleviation was indicated by 0.978 which is a strong positive association between the independent and dependent variable. In regression analysis, a unit change of savings has a positive effect to poverty alleviation as indicated by 0.445.

5.2.2 Micro-Insurance and poverty alleviation

The descriptive analysis indicates that most respondents represented a mean of 3.38 which explained that majority of the customer have several micro- insurance policies to cater for the unexpected event. These results are in concurrent with those of Kaseva (2017). However, there was a low disagreement of micro-insurance since the savings and credit sometimes can be used for other contingency plan. Majority agreed that the insurance wasn't for their advantage but for the entire household where sometimes it's only covers for only one accident and the customer has to find the funds for other accidents. The normality test showed a positive relationship between the micro-credit where the Kolmogorov-Smirnov indicated that 0.149. The multicollinearity tests that micro insurance had a VIF of 93.91 which indicate significance. The correlation analysis indicates that the association between micro-insurance and poverty alleviation has 0.979 which shows a strong positive relationship between independent and dependent variable. However these results contradict Akande et al. (2020) who found that micro-insurance negatively impacts poverty alleviation since it insures one of a loss and does not cater for their daily needs. The regression analysis indicated that unit change of micro-insurance has a positive effect to poverty alleviation as indicated by 0.305. Therefore insurance have a positive rate of return toward development and thus reducing poverty.

5.2.3 Micro-Credit and poverty alleviation

The regression results indicated by a mean of 3.38 agreed that citizen basic needs improvement was driven by micro credit. When the financial history is good for the customer the Credit is offered according to the customer capability to repay. The diagnostic test indicated that the micro-credit had a statistics of 0.153 in Kolmogorov-Smirnov. The normality test indicates a positive relationship between micro-credit and poverty alleviation. In the Multicollinearity Tests the VIF was indicated to be 62.96 which indicates that after saving credit helps in poverty eradication by ensuring business growth and expansion. The correlation between poverty alleviation and micro-credit was indicated to be 0.984 which indicate a strong positive relationship. These results are consistent with those of Onyele and Onyekachi (2020) who found a positive influence in microcredit in poverty alleviation in Nigeria. The correlation analysis indicated that that with availability of credit both short term and long term the customers are able to reduce poverty by creating a source of income for them. The regression analysis indicate that unit change of micro-credit has a positive effect to poverty alleviation as indicated by 0.108. This means that poverty is alleviated by any changes in micro credit. The more the micro credit is available the more poverty is reduced in the country and thus lack of proper schemes for micro-credit lead to increase in poverty due to lack of employment. However, these results differ with those of Garson (2001) who found a negative influence of micro credit in poverty alleviation as he discussed that most unfortunate individuals are always in a hard situation to use a micro credit in undertaking a business activity.

5.2.4 Training and poverty alleviation

The study regression results show the highest mean indicated by 3.47 which explained that trainings have enabled majority of the respondents to save more than before. The normality

test indicate a positive relationship between training and poverty alleviation since the Kolmogorov-Smirnov statistics was greater than 0.05. In Multicollinearity Tests VIF was indicated by 92.29 thus indicating that training has significance on poverty alleviation. The correlation analysis between training and poverty alleviation indicated by 0.991. The regression analysis indicates that unit change of training has a positive effect to poverty alleviation as indicated by 0.165. Therefore, the study established that training has a positive impact on poverty alleviation where they are able to get educated on different ways to invest and recreate in order to earn an extra coin. These results concur with those of Kaseva (2017) who found a positive influence of training on poverty alleviation; the study found that when training is offered to low-income business owners they are able to maximize their earnings.

5.3 Conclusion

The study aimed to investigate the effect of microfinance institutions in poverty alleviation in Juba County. The study specifically intended to establish the relationship savings, micro credit, micro insurance, and training have on alleviating poverty in Juba County.

5.3.1 Saving and poverty alleviation

The study concluded that saving with the microfinance had led to development of the rural areas. This is held by the analysis that there had been an increase in most savings for the past 5 years for different customers which indicates progress. Although there is a high number that disagreed on saving more than once in a month there was a number that agreed and that enable development. Their lifestyle improves in terms of education, buying basic goods and expanding the business through the savings amount made. Due to the lack of enough collateral the more savings made the more the micro credit. The micro credit requires a security that will act as assurance they will pay. The regression analysis state

that savings has help in poverty reduction since the community is able to provide for their basic goods.

5.3.2 Micro-Insurance and poverty alleviation

This product had the lowest agreement where majority agree on the importance of other products other than insurance. However there was a number that agreed that MFIs have various Micro insurance cover and they are affordable. These insurance covers have been of benefit to some of the members and their family. This current research pursues to study creation of insurance as a service of eradicating poverty as a main role of MFIs. The analysis indicated that insurance is so expensive for the client as some of them are even unaware of the need of the insurance cover. The analysis indicates that the clients are not given a chance to participate in the insurance policies. There exists a proposal indicating that micro finance institution consider carefully their insurance opportunities and lay foundation of insurance among those living below poverty line hence companies should inspire them through designing products for life and health insurance in order to increase market share.

5.3.3 Micro-Credit and poverty alleviation

The study established that improvement of the basic needs had been driven by micro credit. This means that micro credit impacted individual lives hence reducing poverty. This is because individuals are able to provide for themselves by the use of short term loans which have been an improvement. There was a high disagreement from the statement that individuals prefer micro credit from MFIs than bank loans. The micro-credit may be too small to perform large and expensive activities therefore the bank may be of importance since it offers loans in large amount. This is suitable for a person with a business with large capital. The micro credit offered are favorable to public in payment terms. This means that

majority agreed that there is low interest rate of payment and they allow a grace period for repayment. The amount loaned increased periodically since individuals are able to save for a longer time period and also due to a good record of borrowing there is increase in amount to borrow. However this comes about with interest rate which is not suitable for the client.

5.3.4 Training and poverty alleviation

The study concluded that training is an element of adding knowledge and skills towards the individuals allowing for productivity and efficiency in production. Microfinance institutions are educated financially since they are in the banking sectors but through benchmarking with the bank they will be able to learn from them and implement their methods. According to the analysis training is not indicated as an element of microfinance. Very few microfinance focus on the development and growth and thus training is minimum even when employing. This is believed to save cost and operation cost but there is always need of training to understand the organization system. Trainings have enabled client save more than before. For the few microfinances that offer training the individual is aware of the use of money on what is productive and also the market price of money is easily identifies. However, there was a high disagreement on the statement that MFIs organize frequent trainings to its members which in this case majority are not given the opportunity. This explain why there is women group, youth group and other local community group that help in education the members on the best entrepreneur activities. The trainings offered made the client understand the benefit of MFIs and thus better usage of micro credit has been driven by the trainings.

5.4 Recommendations

In light of the study findings, this study recommends that the government and respective law must enforce strong policies, strategies, laws and regulations that enhances

introduction of enough microfinance institutions to influence companions in financial sectors in order to lower interest rate and other cost of borrowing. There should be regulation to protect the customer from high prices of investment and to increase the rate of interest of saving. The government should take up consistent monitoring and evaluation in MFIs on credit compliance and loan disbursement. Besides, the study also proposes that as MFIs create awareness, they should create demonstration effect in which underprivileged individuals take insurance as a part of their risk management strategy. They ought to align more with community groups as they interact with persons living below poverty line. Additionally, the study recommends that micro credit should focus on improvement of client basic need which may lead to the customer loyalty. This will motivate more customers on the microfinance institution compared to commercial banks. The micro credit should offer favorable payment terms since their major customers are low income individuals in the community. The interest rate should be preferably low and the client should be added a grace period in case of delay.

5.5 Recommendation for Further Study

This study aimed to investigate the effects of microfinance institution on poverty alleviation. Therefore it proposes a larger size research sample since it will increase accuracy level and produce more reliable results. Subsequently, this study proposes a similar study in other geographical areas of South Sudan to gauge if the results would be the same. Additionally, the study suggests hypothesis of poverty alleviation to not only be dependent on the four variables (Savings, Micro-Insurance, Micro-credit and Training), but also other attributes such as Income, Employment level, health facility status and the education of the households to clarify more of the disparities in the dependent variable in

comparison to fewer independent variables. Finally, the study recommends integrating other predicting variables to the framework of research.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

This research questionnaire seeks to establish the effect of microfinance institution on poverty alleviation in South Sudan. The study is strictly for academic purpose.

(Tick and fill were appropriate)

SECTION A: GENERAL INFORMATION

1. Gender

Male []

Female []

2. Marital status

Single []

Married []

3. Level of education

Certificate []

Diploma []

Degree []

Masters []

4. Age

18-25 Years []

26-33 Years []

34-41 Years []

Above 42 years []

SECTION B: SAVINGS

5. In your opinion, does savings effect on poverty alleviation in South Sudan?

Yes []

No []

6. To what extent do you agree with the following statements that relate to savings in your organization? Use a Use a scale of 1-5 where; 1= strongly disagree, 2 = disagree, 3 = not sure, 4 = agree, 5 = strongly agree.

STATEMENT	1	2	3	4	5
My savings have increased for the last 5 years.					
I save more than once in a month.					
The amount of savings made make me improve my lifestyle.					
The higher the savings the higher the micro credit.					

SECTION C: MICRO INSURANCE

7. Does micro insurance effect on poverty alleviation in South Sudan?

Yes []

No []

8. Kindly indicate how you rate the following factors on micro insurance. Use a scale of 1-5 where; 1= strongly disagree, 2 = disagree, 3 = not sure, 4 = agree, 5 = strongly agree.

MICRO INSURANCE	1	2	3	4	5
MFIs have various Micro insurance covers.					
The micro insurance covers offered are affordable.					
Micro insurance covers have been of benefit to me and my family.					
I have taken several micro insurance covers.					

SECTION D: MICRO CREDIT

9. In your opinion, does micro credit effect on poverty alleviation in South Sudan?

Yes []

No []

10. To what extent do the following facets of micro credit effect on poverty alleviation in South Sudan? Use a scale of 1-5 where; 1= strongly disagree, 2 = disagree, 3 = not sure, 4 = agree, 5 = strongly agree.

CATEGORY	1	2	3	4	5
Micro credit has led to improvement of my basic needs.					
I prefer micro credit from MFIs than bank loans.					
The micro credit offered are favorable to me in payment terms.					
The amount loaned increased for the last 5 years.					

SECTION E: TRAINING

11. Does training effect on poverty alleviation in South Sudan?

Yes []

No []

12. Kindly indicate how you rate the following factors on training. Use a scale of 1-5 where; 1= strongly disagree, 2 = disagree, 3 = not sure, 4 = agree, 5 = strongly agree.

TRAINING	1	2	3	4	5
Trainings have enabled me save more than before.					
MFIs organize frequent trainings to its members.					
The trainings offered made me understand the benefit of MFIs.					
Trainings have led to better usage of micro credit.					

SECTION F: POVERTY ALLEVIATION

13. Is microfinance institutions services a solution to poverty alleviation in South Sudan?

Yes []

No []

14. Kindly indicate how you rate the following factors on poverty alleviation. Use a scale of 1-5 where; 1= strongly disagree, 2 = disagree, 3 = not sure, 4 = agree, 5 = strongly agree.

POVERTY ALLEVIATION	1	2	3	4	5
Types of microfinance products helps in poverty alleviation.					
Accessibility to microfinance institutions is good.					
The products costing in the microfinance is favorable.					
The number of microfinance institutions help in the products being cheap due to competition.					

THANKS FOR YOUR COOPERATION

APPENDIX II: WORK PLAN

TIME IN WEEKS																												
2022	JUNE				JULY				AUGUST				SEPTEMBER				OCTOBER											
Activities	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4								
Chapter One	■	■																										
Chapter Two			■	■																								
Chapter Three				■	■																							
Pretest questions						■																						
Proposal draft							■	■	■																			
Data collection									■	■																		
Data analysis											■	■	■															
Report writing													■	■	■													
Final project draft															■	■												
Defense																	■	■	■	■								

APPENDIX III: BUDGET

ITEM	COST (Ksh)
Three rims of printing papers	1,500
Writing Pens	200
Typesetting and printing	6,500
Typesetting and printing of questionnaires	3,500
Traveling	5,300
Meals & Drinks	4,800
Internet Services	6,500
Binding of report	3,800
Miscellaneous	4,000
Total Amount	36,100