

# The SocioEconomic Contribution of Non-Governmental Organization Programs on Rural Communities Development. A Case Study of Spark Microgrants.

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**ABSTRACT:** This study sought to evaluate the social and economic contribution of NGOs on rural communities' development through an examination of Spark Microgrants. It was directed by the following goals: to examine the activities of Spark Microgrants for rural community development, to evaluate the social economic impact of Spark Microgrants to the rural community; and to establish the relationship between the programs of Spark Microgrants and social economic development of rural community in Gakenke district. Both qualitative and quantitative methods were applied in the investigation. Both in-person interviews and a questionnaire were used to gather data. The sample consisted of 371 Spark Microgrant recipients. The lending program, the pig growing project, and the sale of bulls are among the initiatives carried out by Spark Microgrants.

The study reveals that 49.9% of respondents benefited from loaning scheme. Regarding the impact of Spark Microgrants on social economic development of rural community, The study revealed that after being beneficiaries of Spark Microgrants, 94.6% are able to afford easily the health insurance, 87.9% are employed in agriculture and domestic livestock keeping, 79.8 % are able to earn monthly income more than 20,000 rwfs, 67% are able to make monthly saving of more than 5000 rwfs. In brief, Spark Microgrants had notably contributed to the social economic development of rural community in Gakenke district. It is recommended that Spark Microgrants to focus on how beneficiaries can shift from farming activities to off farm activities and make stronger the collaboration between Spark Microgrants and local government authorities.

**Key concepts:** NGOs, Social economic development, rural community, Spark Microgrants

## I. INTRODUCTION

Non-Governmental Organizations (NGOs) play a crucial role in community development by implementing various programs and initiatives. These programs often focus on addressing social, economic, and even environmental challenges, and they vary based on the specific needs of the community. According to the World Bank, NGOs are defined as organizations and entities that are mostly or totally autonomous from the government and that prioritize cooperation or humanitarian goals over profit. These include member groups in villages, business organizations in industrialized nations that promote worldwide development, and indigenous groups that are arranged regionally or nationally. NGOs are nonprofit and spiritual organizations that raise private capital for development, provide family planning and food assistance, and support neighborhood groups. They also consist of women's organizations, pastoral associations, water-user societies, independent cooperatives, and community associations. NGOs are also citizen groups that impact policy and increase awareness. The Human Development Report states that as of 2002, there were over 37,000 NGOs worldwide, representing a 19.3% increase from 1990. Their objectives vary, but in general, two areas stand out: research (23%), and infrastructure and economic growth (26%). (First, 2007)

In developing nations, non-governmental organizations (NGOs) have grown in popularity, especially in the last ten years of our democratic regime. They are regarded by many as the most dependable organizations for addressing poverty (Swanepoel & Beer, 2016). The process by which rural families build a varied portfolio of activities and social support networks in order to survive and

raise their standard of living is included in livelihood diversification. Life in many African countries has become increasingly difficult in recent decades due to the harsh conditions people have had to endure as a result of conflicts, wars that have occurred practically everywhere on the continent, coup d'états, and other massacres that have claimed many lives, left a great number of people with miserable lives, and slowed down the countries' progress.

Real GDP per capita has decreased in many African nations, and welfare gains made during independence in sectors like food consumption, health, and education have been undone. For example, between 1981 and 1989, real per capita income in sub-Saharan Africa fell by 21%. These statistics were published in March 2018 in *New African* by Firoze Manji and Carl O'Coill. The social wellbeing of the populace appears to be declining as development fails. This has been the setting for the sharp increase in the number of local and Western NGOs operating in Africa.

Due to the State's poor performance in promoting sufficient social, economic, and even political changes in recent decades, the role of the State in the development of many LDCs has come under scrutiny (Bratton, 1990). The quest for additional institutional players to enhance and/or balance the decreasing state services has brought non-governmental organizations (NGOs) to light. As a result, NGOs are quickly rising in importance within the process of development and becoming the backbone of African civil society. Several NGOs around the world were established to assist the people living in rural areas in gaining access to financial services as a response to their unsustainable means of subsistence. The NGOs give the villagers the ability to save money for the group and use that money to pay back debts. Around the world, non-governmental organizations (NGOs) have a big impact on rural communities' quality of life. In the South Asian (SA) region, for

example, NGOs' work in agriculture support services has increased the region's agricultural output, which is the primary source of employment for the workforce (FAO, 2013). In order to lessen the rate of malnourishment in this area, the agricultural potential for providing wholesome food is not being fully utilized. Unless malnutrition is present, producing enough high-quality food may not be enough to improve nutritional results.

Following the 1994 Tutsi genocide, Rwandans recognized that poverty was their main issue, with 57% of the population living below the national poverty line when food needs and non-food essentials were taken into account, and 37% living on an income insufficient to meet MDG 1's minimum calorie requirements. As a result, Rwanda had one of the highest rates of extreme poverty in the world (MINECOFIN, 2013). The governments of Rwanda welcome a large number of non-governmental organizations (NGOs), such as World Vision and USAID. These organizations have been primarily in charge of financing programs for the rehabilitation of agriculture, advancing health, education, and human rights, supporting efforts to rebuild the justice system, and providing support to the UN Human Rights Field Operation. (UNDP, 2018) This study focused on Social Economic contributions of the NGOs on rural Communities development where the case study is SPARK MICROGRANTS.

## II. METHODS AND MATERIALS

### 2.1 Description of study area

The District of Gakenke is one of the five districts of the Northern Province with 704,06km<sup>2</sup>. It is subdivided into 19 administrative sectors, 97 cells, 617 villages (Imidugudu) and 90,194 Households. The district shares borders with Rulindo District to the East, Burera and Musanze Districts to the North, Nyabihu District to the West, Kamonyi and Muhanga Districts to the South.



**Table 2.1: Sample size**

Sector	Population size	Sample size $ni = \frac{Ni * n}{N}$
Busengo	2660	191
Kamubuga	2520	180
Spark Microgrants staff	3	2
<b>Total population</b>	<b>5180</b>	<b>373</b>

Source: SPARK MICROGRANTS report, 2022.

### III. RESULTS

#### 3.1. The Programs implemented by Spark Microgrants in Gakenke district.

The first specific objective of this study was to examine the activities/programs implemented by Spark Microgrants for rural Community in Gakenke district. And the findings are presented below.

**Table 3.1. The respondents according to the projects in which they belong to**

Project	Frequency	Percentage
Loaning Scheme Project	185	49.9
Pig rearing Project	105	28.3
Bulls selling project	81	21.8
Total	371	100

Source: Primary data, March 2024.

The findings shows that the loaning scheme project covers 49.9%, Pig rearing project covers 28.3% and Bulls selling project covers 21.8%. Both Spark Microgrants staff and beneficiaries argued that the better the project gives the interest in short period, the more is chosen by the community. About the loaning Scheme Project, the beneficiary is allowed to borrow a sum of amount of money between one hundred thousand and five hundred thousand Rwandan francs (100,000-500,000rwfs) and reimburse with the interest of between one percent and three percent (1-3%) according to the rules and regulations put in place by different villages.

About the Pig rearing project, The beneficiary is given a pig valuing between sixty and one hundred thousand Rwandan francs (60,000-100,000 rwfs) and return back either the same amount of money or the pig after farrowing and he/she keeps the piglets. When he/she brought the money, that money is used to buy another pig that will be given to another beneficiary and if it is the pig he/she returned is given to another beneficiary and the cycle continue until all beneficiaries are covered.

About the Bulls selling project, the village buys the bulls and choose some people within the village to rear them in six months and after six months they sell them. The interest got is shared among the community members ( who are beneficiaries) after giving some rewards to the people who kept those bulls, After they buy again the bulls and give them to other people to keep them and repeat the cycle. The money from shared interest that one get is used personally according to individual needs.

The other information to note is that, the project to be implanted in the village is chosen to the majority who vote for it in the village meeting. The rules and regulations to follow in management of the project are put in place by the elected committee and present them to all community members (Village) to approve them. All household are required to attend six months session through FCAP approach before benefiting any Spark Microgrants project. The Community mobilisers put in place called "Inyenyeri" are responsible to deliver necessary trainings and continue to facilitate in project management.

**3.2. Assessment of social economic contribution of Spark Microgrants activities/programs on the rural community development in Gakenke district.**

**Table 3.2 Ability of respondents to pay health insurance coverage before and after being beneficiaries SPARK MICROGRANTS.**

Statement	Before		After	
	Frequency	Percentage	frequency	Percentage
Paying the health insurance to the family				
Very difficulty	317	85.4	5	1.3
Not to difficulty	54	14.6	15	4.1
Very easy	0	0	351	94.6
Total	371	100	371	100

Source: Primary data, March 2024.

The researcher asked the respondents to state their ability to pay health insurance for their families before being beneficiary of Spark Microgrants, the big number of respondents represented by 85.4% indicated that it was very difficult before and 14.6% indicates that it was not to difficulty.

Then the researcher asked the respondents to state their ability to pay health insurance for their families after being beneficiary Spark Microgrants the big number of respondents represented by 94.6% of the total respondents indicated that it is easy while the smallest number of respondents represented by 1.3 and 4.1% indicated that it is not at all difficult and it is still very difficult respectively. This illustrate that there are some beneficiaries who are not yet satisfied at all by Spark Microgrants programs.

The findings from the table above shows that before being beneficiaries of SPARK MICROGRANTS, 54% of respondents, their houses were built in mud bricks but after being beneficiaries of SPARK MICROGRANTS, 61.4% lived in cemented houses. This means that after being beneficiaries of SPARK MICROGRANTS, households capacity of earning money for basic needs had been increase compared before getting services offered by SPARK MICROGRANTS. As per DHS 2029-2020 Eighty-six percent of households have at least one member with health insurance coverage. This percentage increases with increasing wealth, from 73% in the lowest wealth quintile to 96% in the highest quintile and RSSB report of fiscal year 2021-2022 ranked Gakenke district the third to pay community based health insurance (CBHI).

**Table3.3: Nutrition status before and after being beneficiaries of SPARK MICROGRANTS**

Nutrition status	Before		After	
	Frequency	Percentage	Frequency	Percentage
One meals per day	210	56.6	0	0
twice meals per day	96	25.9	255	68.7
Three meals per day	65	17.5	116	31.3
Total	371	100	371	100

Source: Primary data, March 2024.

The findings indicated that before being beneficiaries of SPARK MICROGRANTS, there were 56.6% who could only have one meal per day, 25.9% could afford two times meal per day and only 17.5 were able to take meal three times per day. This is an indicator of the low income that people earned.

The increase from 17.5% to 31.3% of households which can afford three times meal per

day and the increase from 25.9 to 68.7 of households who can afford two times meal after being beneficiary of SPARK MICROGRANTS indicates its significance impact and the positive response to health-related shocks through increases in household income hence enhanced access and affordability of household health requirements

**Table 3.4: Types of business done before and after being beneficiaries of SPARK MICROGRANTS**

	Before		After	
	Frequency	Percentage	Frequency	Percentage
Unemployment	237	63.9	0	0
Trading business	0	0	25	6.7
Transportation business	5	1.3	15	4.0
Manufacturing business	0	0	5	1.3
Agriculture and Livestock business	129	34.8	326	87.9
Total	371	100	371	100

Source: Primary data, March 2024

The findings shows that being beneficiaries of SPARKS MICROGRANTS goes with having at least occupation. Great number have preferred to do agriculture means growing different crops and keeping different domestic animals. RDB reports that Agriculture is a major economic sector for the people of Rwanda, employing about 70% of the total population. The industry contributes about 31% to GDP, and it stands out as one of the most

strategic sectors in Rwanda’s development. It accounts for a more significant part of the foreign exchange earnings from the exports of products, including; coffee, tea, hides and skins, pyrethrum, and horticulture. 75% of Rwanda’s agricultural production comes from smallholder farmers. About 61% of Rwandan soil is suitable for agriculture as the soils are fertile.

**Table 3.5: Monthly income before and after being beneficiaries of SPARK MICROGRANTS**

Monthly income	Before		After	
	Frequency	Percentage	Frequency	Percentage
Less than 20,000 Rwfs	240	64.7	0	0
Between 20,001 and 40,000 Rwfs	61	16.4	75	20.2
Between,40,001 and 60,000 Rwfs	42	11.3	213	57.4
Between 60,001 and 80,000 Rwfs	23	6.2	44	11.9
Between 80,001-100,000 Rwfs	5	1.3	27	7.3
Above 100,000 Rwfs	0	0	12	3.2
<b>Total</b>	<b>371</b>	<b>100</b>	<b>371</b>	<b>100</b>

Source: Field data, April2024

From the above table the study indicated monthly income had increased after that being beneficiaries of SPARK MICROGRANTS. This implies that after being beneficiaries of SPARK MICROGRANTS their monthly income has been

increased compared to before due to different services and activities offered by SPARK MICROGRANTS to their members. Respondents said they use this money to support their family and pay other personal expenses.

**3.3. To determine the relationship between the programs of Spark Microgrants and social economic development of rural communities**

**Table 3.6: Monthly saving before and after being beneficiaries of SPARK MICROGRANTS**

Monthly savings	Before		After	
	Frequency	Percentage	Frequency	Percentage
Less than 5,000 Rwfs	218	58.8	0	0
Between 5,000 and 15,000 Rwfs	99	26.7	126	34

Between 15,001 and 30,000 Rwfs	54	14.6	198	53.4
Between 30,001 and 50,000 Rwfs	0	0	41	11.1
Above 50,000 Rwfs	0	0	6	1.6
Total	371	100	371	100

Source: Field data April, 2024

Findings indicated that the majority 58.8% of respondents before being beneficiaries of SPARK MICROGRANTS reported that their monthly savings was less than 5,000 rwfs . After being beneficiaries of SPARK MICROGRANTS, 87.3 % of respondents said that their monthly savings were between 5,000 and 30,000 Rwfs. Taking into consideration the statistical results presented above, it obvious to say that the level of savings of beneficiaries of SPARK MICROGRANTS after being beneficiaries has been improved compared to before. A larger number of households were able to competently manage their businesses and were literate to run successful economic activities.

#### IV. DISCUSSION

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#### V. CONCLUSION

The study aims at assessing, the social economic contribution on rural community development with reference to Spark Microgrant in Gakenke District. Based on the findings of this study, the study concluded that there is positive effect of Spark Microgrants on the rural community development. Spark Microgrants had contributed to the positive change in different sectors such as Health, Shelter, Nutrition, employment, savings and others .

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