

**IMPLEMENTATION STATUS OF VISION 2020 UMURENGE PROGRAM
AND REDUCTION OF EXTREME POVERTY
IN HUYE DISTRICT, RWANDA**

A Thesis

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Master of Project Planning and Management

By:

NKUSI Alain

MPP/33476/111/DF

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DECLARATION A

I hereby declare that this work is a result of my own of effort and has never been submitted for award of a degree in any other university or institutions of higher learning.

Sign.....

Date.....

DECLARATION B

This work has been done by the candidate under Mr. Kibs MUHANGUZI as a university supervisor.

Sign:

Date:

DEDICATIONS

I dedicate this research study; to the Almighty God who has guided me from birth up to now.

To my late father, NTAGUNGIRA Arcade and my mother, MUKANYIMBUZI Berthilde, my brother SANGANO Justin and Sisters Agnes UMURAZA and Alice NTAGUNGIRA who not only funded me but also encouraged me to expand my horizons and be that I am.

ACKNOWLEDGEMENTS

This report is the result of combined efforts from a number of people whom I wish to express my gratitude.

First of all, I would like to express my heartfelt gratitude to Mr. Boaz kibz MUHANGUZI my supervisor, whose advice and comments have been of great importance towards the completion of this work. I am very grateful to him to have been available whenever I needed his help.

Secondly, my heartfelt gratitude goes to the DVC CHDR for her professional guidance and intellectual support to complete this report. Also, my heartfelt gratitude goes to members of the panel; Chairperson; Dr Rosean MWANIKE, member of panel; Dr ABUGA, and Pastor Festus RWABUHIHI for accepting to examine and evaluate this study.

Thirdly, my deepest gratitude goes to my family, for their steadfast care, confidence, and ongoing support throughout the years.

Finally, I wish to declare a such of thanks to all my colleagues and friends for their fruitful help and encouragement they cultivated in me in the due process of writing my thesis may God bless you abundantly.

ACRONYMS AND ABBREVIATIONS

CHDR	: College of Higher Degrees and Research
DVC	: Deputy Vice Chancellor
CP	: Credit Packages
DHS	: Demographic and Health Survey
DS	: Direct Support
EDPRS	: Economic Development and Poverty Reduction Strategy
GDP	: Gross Domestic Product
MINECOFIN	: Ministry of Finance and Economic Planning
NGO	: Non Governmental Organization
PRSP	: Poverty Reduction Strategy Paper
PW	: Public Works
RoR	: Republic of Rwanda
ROR	: Rwanda Development Indicator
SPSS	: Statistical Package for Social Scientists.
UNDP	: United Nation Development Program
VUP	: Vision 2020 Umurenge Program

LIST OF TABLES

Table 3.1: Respondents of the study

Table 3.2: Values and interpretation

Table 4.1: Sector selected for VUP

Table 4.2: Profile of respondents

Table 4.3: Other government programmes supporting household

Table 4.4: Annual income from Public Work, Direct Support, and Credit Packages

Table 4.5: Contribution of VUP in reduction of extreme poverty

Table 4.6: Responses on whether providing cows contributed to eradication of extreme poverty

Table 4.7: Responses on whether jobs creation contributed to eradicate extreme poverty

Table 4.8: Response on whether earning incomes contributed to eradicate extreme poverty

Table 4.9: Access to health

Table 4.10: Access to treatment

Table 4.11: Family planning

Table 4.12: Response on how VUP has done for improving social condition in education

Table 4.13: Providing scholastic materials

Table 4.14: Distance to water sources

Table 4.15: Food security

Table 4.16: Providing housing materials

Table 4.17: Daily income

Table 4.18: Savings

Table 4.19: Access to credit

Table 4.20: Bank account

Table 4.21: Land shortage

Table 4.22: Land infertility

Table 4.23: Ignorance and illiteracy

Table 4.24: High population pressure

ABSTRACT

Poverty at the individual, household and community levels distorts and diminishes the capacity and capability to attain and live a life of well being. Its persistence presence and duration is a threat to national stability and global peace. Rwanda as a country has come to accept this fact and has adopted Vision 2020 Umurenge Program as a way of walking the people out of extreme poverty. The study was about the Implementation of Vision 2020 Umurenge program and reduction of extreme poverty in Rwanda. It was carried out in Huye district which was selected as one of the districts of southern province in Rwanda. The objectives of this study were to determine the profile of respondents and the contribution of Vision 2020 Umurenge Program in reduction of extreme poverty and also to assess the factors that negatively affect the implementation of VUP in reduction of extreme poverty. The sample population of this study was randomly selected. 257 households are involved in Public Works and Direct Support. Heads of households were interviewed by using a structured questionnaire. Implementation of VUP started in May 2008 in 30 pilot sectors, the poorest sector in each of Rwanda's 30 districts. It was found out that VUP provides employment to a large number of people in its flagship of public works, tries to help the vulnerable, in its program of direct support and help households to create projects and get credits by its program of financial services. It also contributes significantly to household income because 100% of the sampled households depended almost solely on wage and money received from VUP. It helps beneficiaries to shift in term of income. However, they are several weaknesses faced by the VUP beneficiaries in Huye district such as lack of land, land infertility, ignorance and illiteracy of the inhabitants that can lead to the bad welfare of its adherents.

TABLE OF CONTENTS

Preliminary Pages		Page
Declaration A		i
Declaration B		ii
Dedications		iii
Acknowledgement		iv
Acronyms and Abbreviations		v
List of Tables		vi
Abstract		viii
Table of Contents		ix
Chapter		
One:	THE PROBLEM AND ITS SCOPE	1
	Background of the Study	1
	Statement of the Problem	2
	Purpose of the Study	4
	Research Objectives	4
	Research Questions	4
	Hypothesis	4
	Scope	5
	Significance of the Study	5
Two	LITERATURE REVIEW	9
	Concepts, Ideas, Opinions from Authors! Experts	9
	Related studies	21
Three	METHODOLOGY	24
	Research Design	24

Research Population	24
Sample Size	25
Sampling Procedure	26
Research Instrument	26
Validity and Reliability of the instrument	27
Data Gathering Procedures	27
Data Analysis	28
Ethical consideration	29
Limitations of the study	29

Four DATA ANALYSIS, PRESENTATION

AND INTERPRETATION	30
Identification of respondents	31
Profile of respondents	31
Contribution to eradication of extreme poverty	38

Five SUMMARY OF THE MAJOR FINDINGS, RECOMMENDATIONS AND CONCLUSIONS

Summary findings	53
Conclusion	56
Recommendations	57

References	59
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APPENDICES

Appendix I	61
Appendix II	63

CHAPTER ONE

THE PROBLEM AND ITS SCOPE

Background of the study

Poverty in Africa is very serious. Most African nations are poor; being the most poor in the world. African nations typically fall toward the bottom of any list measuring small size economic activity, such as income per capita or GDP per capita, despite a wealth of natural resources. In 2009, 22 of 24 nations identified as having "Low Human Development" on the United Nations' (UN) Human Development Index were located in Sub-Saharan Africa (UNDP, 2007).

"In 2006, 34 of the 50 nations on the UN list of least developed countries are in Africa. In many nations, GDP per capita is less than \$200 U.S. per year, with the vast majority of the population living on much less. In addition, Africa's share of income has been consistently dropping over the past century by any measure. In 1820, the average European worker earned about three times what the average African did". (New times, 2009)

Rwanda has made remarkable progress, despite the genocide of 1994 and its devastating effects. The Government of Rwanda and its development partners are strongly committed to achieve the Millennium Development Goals (MDGs). The high rate of population growth has outpaced the rate of poverty reduction, however, and achievement of MDG 1 (The eradication of extreme poverty and hunger) is in doubt (UNDP, 2007).

Implementation of the Economic Development and Poverty Reduction Strategy (EDPRS) is hoped to lead to significant reductions in poverty levels. The resources to carry out its recommendations must be found if Rwanda is to meet the Goals (UNDP 2007). Economic recovery has been consistent since

1994 when real gross domestic product (GDP) declined by 50% and inflation stood at 65% (World Bank, 2008). The average rate of expected annual growth is projected at 8 percent over the next 15 years, and the government has set a goal of raising the per capita income from \$370 in 2007 to \$900 by 2020 (RoR, 2008).

To increase efficiency in public services and accelerate the rate of poverty reduction, the government and its development partners initiated Vision 2020 Umurenge, a program meant to bring about rapid realization of the development objectives in the 30 poorest sectors (administrative units) across the country (RoR, 2008). It is said that there is need to break the vicious cycle of poverty and the only way to do it is by making sure that people have what to do in terms of income generating projects and encouraging them to work harder.

Rwanda's medium term strategy is to increase the wellbeing of all citizens, as described in vision 2020, based around achievements of high level performance targets beginning with growth and poverty reduction (Godwin, 2007). VUP discusses the main sectorial policies under three main headings: increasing the incomes of the poor: improving the quality of life and addressing the needs of the most disadvantaged and vulnerable groups.

Statement of the problem

Rwanda's poverty is the outcome of both economic and historical factors. The economic structure reflects a chronic failure to achieve productivity increases in a context of a large and growing population. This failure became increasingly evident in the 1980s and early 1990s, leading to severe structural problems.

The war and genocide of 1994 left a horrific legacy, further impoverishing the country and leaving a number of specific problems and challenges that leads Rwandan people to the extreme poverty such as low income, food insecurity, unemployment, health problems and other many. Evidence from a number of surveys conducted in Rwanda over the past few years gives strong indication on the scale and depth of poverty.

The Household Living Conditions Survey (EICV) indicates that the poverty rate was still 57% in 2005/06 with a poverty line at RwF 250 per adult and per day (or RwF 90,000;150\$ per adult and per year); this represent less than ½ dollar a day at current exchange rate.

Worse still, the extreme poverty rate stood at 37% in 2005/06; this indicates that more than 1 Rwandan in 3 cannot afford the minimum food basket of 2,500 kcal per adult per day, priced at RwF 175 per adult per day (or RwF 63,000 per adult and per year). The average income of the poor is RwF 150 per adult per day and most poor, who live in subsistence, do not even have such money in cash.

The essence of the program vision 2020 umurenge is to tackle extreme poverty, by releasing the productive capacity for the Rwandan people and offering solutions adapted to their needs; The VUP is meant to prove that it is possible to accelerate the rate of poverty reduction in Rwanda by increasing the efficiency in tackling poverty.

This is what has motivated the researcher to conduct the present study on the Implementation of Vision 2020 Umurenge Program (VUP) and poverty reduction in Huye district, to investigate on which level, the VUP has improved the living conditions of the selected households and its contribution towards poverty reduction due to ambitious of Rwandan government.

Purpose of the study

This study intend to find out the achievement made by Vision 2020 Umurenge Program on uplifting on living condition of rural poor, and to examine the problems encountered during implementation of Vision 2020 Umurenge program (VUP).

General objective

To determine the effect of the implementation of Vision 2020 Umurenge Program and reduction of extreme poverty in Huye district, Rwanda.

Specific objectives

1. To determine the profile of respondents as to age, gender, education, qualifications, work experience, and their income.
2. To determine the contribution of VUP in reduction of extreme poverty in Huye district.
3. To assess the factors that negatively affects the implementation of VUP in reduction of extreme poverty.

Research questions

The following are main questions to be addressed in this research;

1. What is the demographic characteristic of respondents in terms of age, gender, education qualifications, and their income?
2. How do VUP contribute to eradication of extreme poverty in Huye district, Rwanda?
3. What are the factors that negatively affect implementation of VUP in reduction of extreme poverty?

Null hypothesis

There is no significant relationship between the implementation of VUP and reduction of extreme poverty in Huye district.

Scope of the study

Geographical scope

The research will be carried out in households of Huye district in Southern Province of Rwanda, with its 14 sectors (Imirenge) three of them (Maraba, Karama, Huye) are under supervision of VUP. Huye district is at 148 kilometres from the capital Kigali.

Content scope

The study intends to investigate the relationship that exists between the implementation of VUP and reduction of extreme poverty in Huye district. It will be specifically concentrated on effectiveness of Vision 2020 and reduction of extreme poverty in Huye district.

Theoretical scope

This study is based on contribution of VUP on poor people by evaluating how Direct Support (DS), Public Works (PW), contribute significantly in improving living conditions and economic growth of people from Huye district in alleviation of extreme poverty. This will be proven or disproven in this study.

Significance of the study

The following disciplines will benefit from the findings of the study;

The local community of the selected sector will recognize the roles they have to play in implementation of VUP and how to improve the condition of living.

This contributes to the outcomes which will be as a tool for local authorities for their self evaluation in reduction of extreme poverty in all sectors in Rwanda

For future researchers, this study will contribute to the available knowledge as well as act as a basis for further research on the same subject.

This study will benefit to researcher by helping her to acquire practical research skills and will also serve as a partial requirement for the award of a degree of Masters of Arts in Project Planning and Management from Kampala International University.

Definition of key concepts

Extreme poverty

Extreme is when a person cannot meet their basic needs for food, water, shelter, sanitation, and health care (Guth, 2009). The World Bank defines extreme poverty as living on less than \$1.25 per day. Over 1.4 billion people can be defined by this.

The defines extreme poverty is also living on less than \$1 a day which severely limits a person's ability to provide for their basic needs, such as food, water, and shelter (UN, 2009). Williams 2009 says extreme poverty is not having adequate food, shelter and clothing, and no hope of getting it in the future.

Extreme poverty line

A person is extremely poor if he/she lives in household that is not able to meet the cost of a reference basket of food goods chosen to provide adequate nutritional energy of 2200 kilo calories per day. The cost of reference food basket was estimated, in EICV1, as of Rwf 45,000 per adult equivalent

person per annum (NISR, 2000).the cost of the same basket was re-expressed in EICV2 prices as of Rwf 63,500 (NISR, 2006).

By survey done in 2008 in VUP, the cost of the basket has been inflated so as to reflect price changes from January, 2006 to December, 2008. The new estimate reaches Frw 99,452(MINALOC, 2008).

Households

A household is classified as either:

A one person household, that is to say, a person who makes provision for his or her own food or other essentials for living without combining with any other person to form part of multi-person household; or a multi-person household, that is to say, group of two or more persons living together who makes common provision for food or other essentials of living. The persons in the group may pool their incomes, and may to a greater or lesser extent, have a common (UNDP, 2006).

Umurenge (Sector)

Umurenge (IMIRENGE in plural) is an administrative entity below the district/ akarere level. The estimated 9 Million (2010) Rwanda People live in 30 districts, 416 Imirenge (sectors) an average of about 14 imirenge per district. A district cover an average of 300,000 people, and Umurenge cover close to 22,000 people on average. The next administrative level is a Cell (Akagari) followed by a village/umudugudu at grassroots levels. There are 5 cells and 36 Villages in each Umurenge on average. (VUP, 2007:4).

Poverty reduction

It is a process whereby an action or actions are taken to reduce the agony that is inflicted on group of people by poverty. In other words, poverty reduction provides the society with the means of attaining the previously lacking essential needs such as food, shelter, clothing and medical care (World Bank, 1998).

CHAPTER TWO

LITERATURE REVIEW

Concepts, Opinions, ideas from authors/ experts

Causes of poverty

Poverty is a multidimensional problem, with numerous causes and contributing factors. Because of its complexity and subtleties, misconceptions about the poor. One common belief is that poverty is caused by overpopulation; many people think that if the poor would only stop having children they could rise out of poverty. Another belief is that poor people must have made wrong choices that led to their poverty. While these explanations might seem to make sense on the surface, they are in fact extremely simplistic.

Poverty is not the result of personal failings, nor is it only a matter of income. Poverty is directly related to income, health, education, housing, food/nutrition, labour/employment, political opportunities, and other factors. Likewise, poverty worsens people's social status and diminishes their involvement in their communities and in the larger sphere. These human development factors are critical to understanding poverty (Ravaillion and Badani, 1994)

Poverty Indicators

Poverty is a multi-faceted phenomenon which affects not only the ability to purchase goods, but also vulnerability towards various pressures that may prohibit an individual from enjoying life. This vulnerability may be gauged from living conditions such as income, health, education, labour/employment,

food/nutrition and housing. It is important to monitor gender differences in poverty, vulnerability and living conditions, and also to understand the causes of these differences, in order to prepare strategies for more efficient intervention schemes aimed at poverty reduction.

Poverty typically is measured by purchasing power or per capita expenditures made by the household, in the form of poverty rates or expenditure quintiles. Purchasing power has a strong correlation to most other living condition indices and is therefore used as a main indicator of poverty and vulnerability. Productivity and incomes from occupations and livelihoods are important factors for reducing poverty. Social conditions such as health, nutrition, education and housing influence productivity, thus affect poverty status.

These in turn are influenced by poverty, affecting the ability of households to gain access to adequate social conditions to improve their productivity. Efforts towards poverty alleviation therefore, require a complete intervention scheme, not simply in economic aspects, but including social dimensions as well, so that poverty may be addressed as a socio-economic phenomenon.

Poverty in Rwanda

Rwanda is one of the poorest countries in the world, ranked 158th out of 175 countries in terms of its HDI and 153rd out of the same 175 countries in terms of per capita GDP in PPP US\$ (UNDP, 2003). Recent evidence on poverty in Rwanda comes from two main sources: an integrated household survey (EICV I) carried out between 1999 and 2001, and a nationwide participatory poverty assessment (PPA) undertaken in 2001.

Based on the survey data, 60.3% of the population are identified as being poor in consumption terms relatively to a fairly austere poverty line. Relations between population and land are of particular importance in Rwanda both culturally and in understanding livelihoods and poverty. The Rwandan PPA noted that "Issues of land in rural areas are so crucial that they are on top of problems that impoverish people". Land pressure is cited as an important factor in creating the conditions for internal conflict and ultimately, genocide. Rwanda is a predominantly agricultural economy, with a high (and rapidly growing) population and small cultivatable

Rwanda's poverty is the outcome of both economic and historical factors. First, the economic structure reflects a chronic failure to achieve productivity increases in a context of a large and growing population. This failure became increasingly evident in the 1980s and early 1990s, leading to severe structural problems. Second, the war and genocide of 1994 left a horrific legacy, further impoverishing the country and leaving a number of specific problems and challenges (PSRP, 2002:1).

Poverty incidence decreased, from 60% of the population living under the poverty line in 2000/01 to 57% in 2005/06; with an improvement of 4 percentage point in the City of Kigali (24% in 2000/01 against 20% in

2005/06); in the Northern Province (67% in 2000/01 against 63% in 2005/06); in the Eastern Province with 62% of the population living under the poverty line in 2000/01 against 50% in 2005/06; and in the Western Province, poverty incidence reduced by only 1% from 2000/01 to 2005/06 (GoR, 2006).

Between 1999 and 2000, Rwanda's poverty indicator improved slightly, particularly education and income indicators GDP growth was 6.0% and inflation was 2.1% which led to an increase in per capita GDP from 78.216 in 1999 to 82,001 in 2000 (ROR, 2002:38).

Corresponding to the EICV1, 2001/02 and EICV2 2005/6; the country would only achieve the vision 2020 poverty target of 30% in 2030. This missed target was deemed unacceptable. To reduce the poverty rate from its current levels 57 to vision 2020 targets of 30%, the country should observe a reduction of 3% per year and the efficiency poverty reduction of 27 percentage point from 2007, a period of 23 years leads to 2030 or 10 years after 2020.

Following the ambitions set in Rwanda vision 2020, the leaders decided to increase average real GDP growth from 6.3% in 2008 to 8.0 in 2012; to decrease average population growth from 3.3% in 2008 to 2.0% in 2012 and, to improve efficiency in poverty reduction from -0.39 to 1.00 in 2012 (VUP,2007:6).These are important criteria for poverty. (RoR, 2000)

The annual GDP growth rate is planned to rise from 6.5% to 8.1% by 2012. The main driver of growth will be exports which are scheduled to increase at 15% p.a. compared to their current rate of 10%. This accelerated pace of growth will be made possible through a large increase in the investment rate which will rise from 15% to 23% of GDP by 2012. The effect of this big push will be to reduce the share of the population living in poverty

from 57% to 46%, while those in extreme poverty will fall from 37% to 24%.(EDPRS,2008-2012:30)

Vision 2020 Umurenge Program

Background

The Vision 2020 Umurenge Program is one of three flagship program of the National Economic Development and Poverty Reduction Strategy (2008-2012) aimed at tackling these challenges.

The aim of the program is to eradicate extreme poverty by 2020. An interim target of the program is to lower extreme poverty from 36.9% (2006) to 24% by 2012.

The rate of poverty reduction observed in 5 years from 2000/01 to 2005/06 was low (Extreme poverty from 41.3% to 36.9%).

At existing rates of progress, the country would only achieve the Vision 2020 poverty reduction target in 2030.

Remedy

The Government of Rwanda put in place Vision 2020 Umurenge Program which is: “an integrated local development program to accelerate the rate of poverty eradication, rural growth and social protection”

It is an explicit recognition of the role and importance of the decentralization system to implement the national policies and strategies in order to achieve the MDGs and the objectives of Rwanda Vision 2020

Mission

- ❖ To contribute to reduce extreme poverty from 36.9% (2005/2006) to 24% (2012).
- ❖ Investigate changes in the efficiency of poverty (coordination, interconnectedness of services, change attitudes)
- ❖ To ensure the economic growth is pro-poor (social protection)

Key Objectives of VUP

- To accelerate the reduction of extreme poverty
- Releasing the productive capacities of people and offering solutions adapted to their needs
 - Improving community livelihood assets and ensuring their sustainable usage
 - Increasing the targeting of social protection to the most vulnerable

Expected Outcomes

- Creation of off-farm employment opportunities
- Accelerated monetization and formalization of the economy in rural areas, thereby ensuring long-term sustainability
 - Improved effectiveness of social protection programs, targeted to the most vulnerable (landless and unable to work)

Specific outcomes

- Land productivity
- Financial service coverage

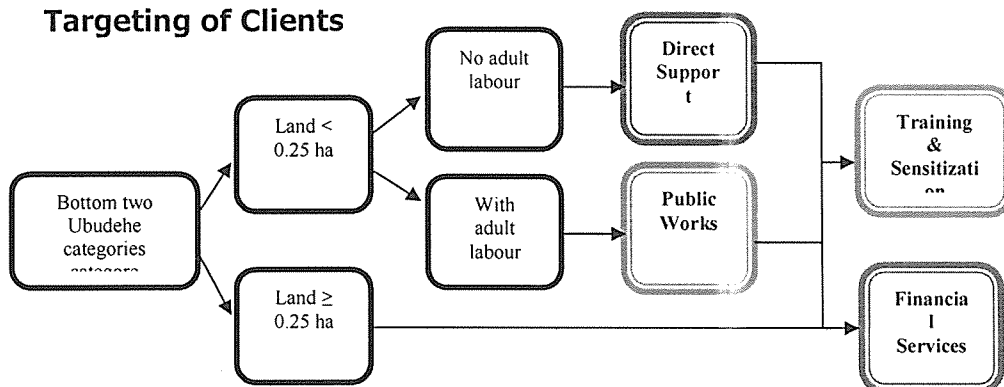
- Off farm jobs
- Access to training
- Access to drinking water
- Access to school
- Access to health facilities

Program Components

- Public Works (PW)
- Direct Support (DS)
- Financial Services (FS)

Underpinned by sensitisation and training

Targeting of Clients



Objectives of Public work and Direct Support

Productive:

Create employment opportunities that form a base for savings and taking credit

Build community assets and create off-farm employment infrastructure

Bring poor households into the market economy and help monetise the local economy

Protective:

Fill expenditure deficit (**DS + PW**)

Stop households from falling below agreed survival levels

Stop households from selling of productive assets

Public Works

Are planned using community-based participatory approaches(e.g. Ubudehe) and intend to build productive community assets. Since private land ownership is widespread in Rwanda, public works can take place on either public or private land (e.g. terracing). However, the case must be made that the assets benefits the community at large.

Credit packages

To tackle extreme poverty as well as to foster entrepreneurship and off-farm employment opportunities, these credit packages are designed to make the best possible use of scarce public resources, involve the private financial sector, and provide people with incentives to improve their own productive capacities.

Direct support

This is to improve access social services or to provide for landless households with no members qualifying for public works or credit packages; such unconditional supports seek to expand health and education coverage as well as to encourage the development of appropriate skills, handcraft, or social services activities.

Ubudehe

The ubudehe process in Rwanda is a unique policy of nurturing citizens' collective action in partnership with a government committed to decentralization. This policy has its roots in the PRSP (Poverty Reduction Strategy Paper) and the PPA (Participatory Poverty Assessment). It is a policy designed to increase the level of institutional problem-solving capacity at the local level by citizens and local government. (RoR: 2007)

Rwandan economy

Rwanda is a poor rural country with about 85% of the population engaged in (mainly subsistence) agriculture and some mineral and agro-processing. In 2008, minerals overtook coffee and tea as Rwanda's primary foreign exchange earner. The 1994 genocide decimated Rwanda's fragile economic base, severely impoverished the population, particularly women, and temporarily stalled the country's ability to attract private and external investment. However, Rwanda has made substantial progress in stabilizing and rehabilitating its economy to pre-1994 levels.

GDP has rebounded and inflation has been curbed. Nonetheless, a majority still live below the poverty line of 250 FRw per day (about US\$0.43). Despite Rwanda's fertile ecosystem, food production often does not keep pace with demand, requiring food imports. Rwanda continues to receive substantial aid money and obtained IMF-World Bank Heavily Indebted Poor Country (HIPC) initiative debt relief in 2005-06.

Rwanda also received a Millennium Challenge Account Compact in 2008. Africa's most densely populated country is trying to overcome the limitations of its small, landlocked economy by leveraging regional trade. Rwanda joined the

East African Community and is aligning its budget, trade, and immigration policies with its regional partners.

The government has embraced an expansionary fiscal policy to reduce poverty by improving education, infrastructure, and foreign and domestic investment and pursuing market-oriented reforms, although energy shortages, instability in neighbouring states, and lack of adequate transportation linkages to other countries continue to handicap growth. The global downturn hurt export demand and tourism while poor rains this year have lowered growth in agriculture.

The relationship between economic growth and poverty reduction

Economic growth is essential for poverty reduction

Rwanda has a large and growing population. If the population grows at 2.5% per year, it will have grown by 67%, to over 13 million by 2020. Moreover, with the existing technology and given the limited cultivable land area, current levels of agricultural exploitation are already degrading the environment and raising concerns about environmental sustainability.

Government, therefore urgently needs economic transformation and growth just to keep pace with the rate of population growth. If it is to achieve rapid poverty reduction, Government needs high positive per capita growth. A real per capita growth of 4-5% per year implies 7-8% real growth per year.

Poverty can also be reduced rapidly within a growing economy by ensuring that the incomes of the poor grow faster than those of other groups. In Rwanda, this can best be achieved by investing in rural and specifically in

agricultural growth, and by ensuring that the most disadvantaged groups are able to participate.

Economic growth, consumption and saving

The consumption decision is crucial for long-run analysis because of its role in economic growth. The Solow growth model shows that the saving rate is a key determinant of the steady state capital stock and thus of the level of economic wellbeing. Household consumption decision affects the way the economy as a whole behaves both in the long-run and in the short-run. By reducing the final consumption and increasing the capital formation we should expect changes in other variables.

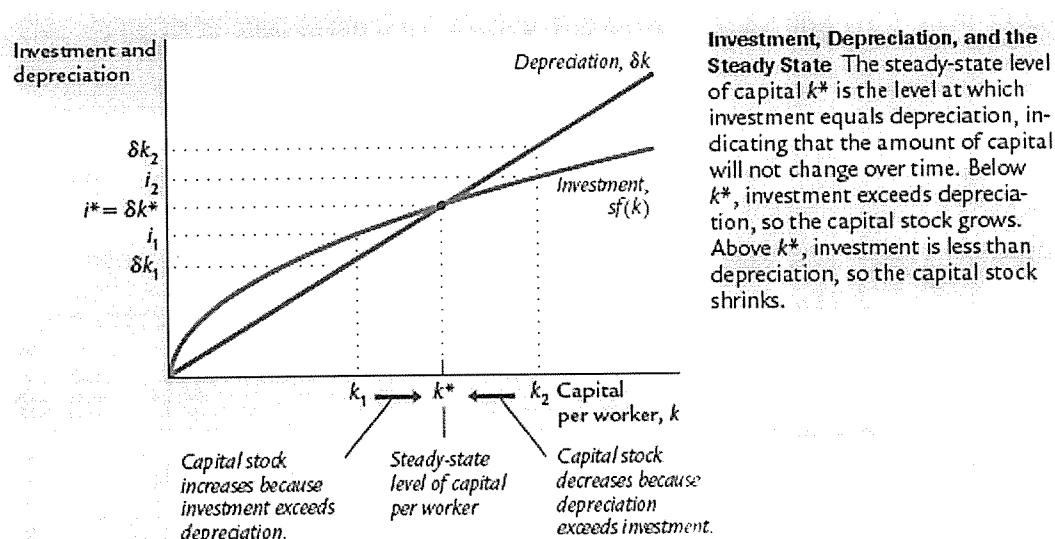
An increase in investment brings about increase in output, intermediate consumption, exports and therefore in net lending, value added, disposable income and savings as the source of capital formation. The capital formation increases after increasing savings.

The Solow model shows that the saving rate is a key determinant of the steady state capital stock. If the saving rate is high the economy is intended to have a large capital stock and a high level of output. If the saving rate is low, the economy will have a small capital stock and a low level of output (Mankiw, 2002).

Higher savings lead to faster growth, but this is true only within a temporary period. An increase in the rate of savings raises growth only until the economy reaches the new steady state. If the economy maintains a high saving rate it will maintain a large capital stock and hence a high level of output. Policies that alter the steady state growth rate of income per person are said to have a "growth effect".

An increase in the saving rates implies that the amount of investment for any given capital stock is higher. It therefore shifts the saving function upward at the initial steady state K_1 , investment now exceeds depreciation. The capital stock rises until the economy reaches the new steady state K_2 with more capital and output

Figure 2. 2: Investment, Depreciation, and Steady State



Source: MANKIW G.2002. *Macroeconomics*

By the above analysis one can be lead to thinking that higher saving is always a good thing for it always lead to greater income. At any moment the capital stock is the key determinant of the economy' output but it can change overtime and those changes can lead to economic growth. Investment refers to the expenditure on new plants and equipment and it results in an increase of the capital stock. Consumption of capital refers to the wearing out of old capital and it causes the capital stock to fall.

In the policies applied at time $T=2$, the reduction of consumption implies the increase in saving. The Solow model assumes that each year people save a

fraction s and consume a fraction $(1-s)$ of their income. We can express this idea with the following consumption function $c = (1-s) Y$.

To see what this consumption function implies for investment, substitute $(1-s) y$ for c in the national income accounts identity for the closed economy: $Y = (1-s) Y + I$. Rearrange the terms to obtain $I = sY$. This equation shows that investment equals saving thus the rate of saving s is also the fraction of output devoted to investment.

Related studies

Reduction of extreme poverty

Ultra-poverty and marginality in developing countries needs to be addressed by going far beyond typical poverty reduction actions. By approaching the persistent problems of extreme poverty through the lens of marginality, features and causes of extreme poverty are put up front, rather than as secondary step to define potential investment actions. Bugingo, E. (2001)

Marginality describes people and communities, in situations affected by circumstances and in places at the edge of economic, ecological, social and political systems. Most of the extremely poor are marginalized, but not all marginalized are extremely poor (UNDP, 2007)

Investing in the ultra poor has large economy wide gains. Public institutional frameworks should be supported, that facilitate social venture capital funds to invest in the ultra poor. Where should social entrepreneurs and venture investors best place their investments?. Action research needs to pave the way. Potential specific investment options are technological, institutional or financial and must respond to the specific features, capacities and capabilities of the marginalized communities, which depend on their endowments.

Customizing an optimal investment or incentive packages for marginalized communities can be seen within a framework in which investments are designed according to the varying capacities to implement them. Therefore the connection between marginalized communities and social venture capital investors needs to be strengthened. That should be supported by decision makers in development organizations in partnership with social venture capital investors' that consider engagement to mobilize the resources (MUSAHARA, H 2008).

Poverty has been referred as a lack of command over basic consumption needs that is, a situation of inadequate level of consumption giving rise to insufficient food, clothing and shelter (Ravallion and Badani, 1994).

Generally, monetary benchmark for measuring or accessing people living in poverty is the World Bank's \$1 a-day expenditure level. Other yardsticks like the level of life expectancy, infant and maternal mortality, primary school ratios, levels of nutrition etc also measure it. An effective poverty alleviation strategy takes into cognizance the economic, political and social implications of addressing inequality and lack in societies. (Joel A. Odigie 2007.)

These different implications impact on one another in way to either promote or endanger peace and development. The political reality can be seen from the commitment of the state to the welfare of its citizen, which has implication for democratic stability, participation and national unity. This also has a way of affecting the other spheres of economic and social imperatives. The economic reality is such that the alleviation of poverty could create market.

The first requirement to alleviating poverty is to create wealth. Therefore, through wealth creation that is driven by employment and income increases;

consumption would be promoted. This in turn can stimulate growth and transform societies. The social imperative of alleviating poverty could be to prevent vulnerability and internal confrontation. This sees social policies as basic condition and a prerequisite for political stability and sustainable economic growth.

In conclusion; poverty is concentrated among certain groups, communities ranked the poorest and the most vulnerable categories of the population as "widows, landless, sick, the elderly and child headed households" it is urgent that new employment opportunities be created for young people just entering the labour market.

However, investing in the ultra poor has large economy wide gains, economic development is best understood as a means to poverty reduction, not an end in itself. Some have argued that human development, on the other hand, is both an end and a means. Developing human capital among poor populations can improve their quality of life from a penurious to livable state, and in the meantime can increase their capacity to contribute to economic growth.

CHAPTER THREE

METHODOLOGY

Research design

The descriptive research design method was used in this study. It involves using questionnaire in collecting data from the respondents.

In collecting concerned data, questionnaire was used as the method applied on the head of household in Huye district. Both quantitative and qualitative research designs were used so as to obtain the ongoing process of Vision 2020 Umurenge Program. It helped to establish the correlation between the implementation of VUP and reduction of extreme poverty.

Research population

Target population

The target population was composed of the heads of households and to some extent local leaders in Huye district who was questioned depending on the designed questionnaires by the researcher. These households was selected using a simple random sampling method [random sampling is where all elements under study have equal chances of being chosen, and sampling is defined as the process of selecting people or cases to take part in research study (Grinnell et al 1990:132)].

Indeed studying the households was deemed necessary in this study since the research target is to identify and classify them according to their characteristics measured basing on statistical techniques; in order to prove significant contribution of VUP on Poverty reduction.

Sample size

As also said by Grinnell et.al (1990:41), before the sample can be selected, the researcher has to decide on how many people are needed to take part in the study. The collect sample depends upon the research's population. The targeted population was the beneficiaries of VUP in Huye district. A sample was a portion of the population selected to achieve the objectives of the study.

This study implemented a Sloven's formula to determine the minimum sample size.

Sloven's formula:

$$n = \frac{N}{1 + N a^2}$$

Where

n = number of sample

N = total population

a = Margin of error 0.05

$$n = 695 / 1 + 695(0.05 * 0.05) = \mathbf{257}$$

The population under the study was divided into five sectors, but due to the fact that the rural (local) population is identical a sample was drawn from three sectors. The three sectors were chosen randomly.

Table 3.1: Respondents of the study

SECTORS	RESPONDENTS			Sample size
	F	M	LOCAL LEADERS	
Karama	21	25	2	48
Maraba	26	24	2	52
Kinazi	18	32	2	54
Mukura	23	27	2	52
Rwaniro	20	27	2	49
Total	111	136	10	257

Source: author, 2012

Sampling procedure

The total number of population targeted was 695 people. By selection of respondents, the sample of 257 people was obtained composed of 247 beneficiaries of VUP, and 10 local leaders and officials of VUP.

Research Instruments

The research apparatus that was utilized in this study include the following: (1) Structured questionnaire to meet data on the respondents' identification (gender, age, marital status, education lever, Occupation); (2. The response modes and scoring are as follows: for gender: (1); female (2); male. Marital status: (1); single (2); married (3); separated (4) ;divorced (5); widow/widower. Education lever of household: (1); primary (2); ordinary lever (3); secondary (4); bachelor degree (5); catch up. Occupation: (1); agriculture

(2); trade (3); others. 2) Researcher devised questionnaires to determine the lever of implementation of VUP.

The responses modes and scoring are as follows: for implementation of VUP usage – strongly agree (4); agree (3); disagree (2); strongly disagree (1); the response modes of the questionnaire on reduction of extreme poverty are indicated as: strongly agree (4); agree (3); disagree (2); strongly disagree (1).

That was through delivery and collection of the questionnaires in person through either the researcher or research assistant. The researcher chooses this instrument because it is not expensive to administer, as a respondents was free to express their views.

Validity and Reliability of the Instruments

Content validity was censured by subjecting the researcher devised questionnaires on implementation of Vision 2020 Umurenge and reduction of extreme poverty. To judgment by the content experts (who shall estimate the validity on the basis of their experience) such as local authorities (2), officers of VUP (3) and local community leaders (3) in VUP management.

Data Gathering Procedures

Before the administration of the questionnaires

- An introduction letter was obtained from the College of High Degrees and Research, for the researcher to solicit approval to conduct the study from respective heads of secondary schools.
- When approved, the researcher secured a list of the qualified respondents from the District authorities in charge and select through systematic random sampling from this list to arrive at the minimum sample size.

- The respondents were being explained about the study and were requested to sign the Informed Consent Form (Appendix 3).
- Reproduce more than enough questionnaires for distribution.
- Select research assistants who would assist in the data collection; brief and orient them in order to be consistent in administering the questionnaires.

During the administration of the questionnaires

1. The respondents were requested to answer completely and not to leave any part of the questionnaires unanswered.
2. The researcher and assistants were emphasized retrieval of the questionnaires within five days from the date of distribution.

After the administration of the questionnaires

The data gathered was collated, encoded into the computer and statistically treated using the Statistical Package for Social Sciences (SPSS).

Data Analysis

Data analysis method was quantitative in nature and involved using statics in terms of percentages and frequency distribution. SPSS software was used as a tool for data analysis. The findings were presented in form of tables. To interpret the responses of the respondents, the following values and interpretation were used.

Table 3.2: Values and interpretation

Mean Range	Response mode	interpretation
3.26-4.00	Strongly agree	Very satisfactory
2.51-3.25	agree	Satisfactory
1.76-2.50	disagree	Fair
1.00-1.75	Strongly disagree	Poor

Ethical Consideration

To ensure that ethical standards were observed in this study as well as utmost confidentiality for the respondents and the data provided by them, the following will be done: (1) coding of all questionnaires; (2) the respondents were requested to sign the informed consent; (3) authors mentioned in this study will be acknowledged within the text; (4) findings will be presented in a generalized manner.

Limitations of the study

In view of the following threats to validity, the researcher will claim an allowable 5% margin of error at 0.05 level of significance. Measures are also indicated in order to minimize if not to eradicate the threats to the validity of the findings of this study

A major barrier to this study was the language. Many of the respondents could not express themselves in English. To solve this problem, the researcher translated the questionnaire into Kinyarwanda in order to allow them a good understanding.

Attrition/Mortality: Not all questionnaires maybe returned neither completely answered nor even retrieved back due to circumstances on the part of the respondents such as travels, sickness, hospitalization and refusal/withdrawal to participate. In anticipation to this, the researcher reserved more respondents by exceeding the minimum sample size.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

This chapter offers a presentation of the information gathered from the field. Description of results in tables below is used to answer the objectives of the study.

The Total population of Huye District is 290 677 inhabitants who are distributed in various Sectors as shows in the above table. This table 4.1 shows that Karama Sector is the most densely populated sector of Huye district with 11% of the total population and Gishamvu is the least populated with 4% of the total population. On the other hand, it can be remarked that in all Sectors there are more women than men.

Huye District has a number of vulnerable persons as a result of the war of October 1990, 1994 genocide, epidemic diseases, pandemics like HIV/AIDS and homelessness. A large number of these vulnerable persons have neither shelter nor land for cultivation. Their housing is inappropriate; the number of children which have education opportunity and health care is very limited.

Table 4.1: Sectors selected for programme Vision 2020Umurenge 2008-2012

NAME OF SECTOR	ESTIMATED BUDGET IN FRW	IMPLEMENTATION CALENDAR
Maraba	15 603 725 000	2008
Kinazi	15 915 799 500	2009
Rwaniro	16 234 115 500	2010
Mukura	16 558 798 000	2011
Karama	16 889 974 000	2012
TOTAL	81 202 412 000	

Source: Data produced by Sectors (June 2007)

The above table 2; shows different sectors selected for Programme Vision 2020 Umurenge during the period of 2008 to 2012. These are poorest sectors in Huye district.

Profile of respondents

The study used a sample of 372 respondents from various respondents that were described according to age, sex, education level and occupation. In each case, respondents were asked through both opened and closed questionnaires, to provide their respective profile information to enable the researcher classify and compare them accordingly. Their responses were analyzed using frequencies and percentage distributions as summarized in table below

Table 4.2: Profile of respondents (n=257)

Profile of respondents	Category	Frequency	Percentage
Sex	Male	114	44.3
	Female	143	55.7
	Total	257	100
Age category	Under 20	7	2.7
	20-30	42	16.3
	31-40	63	24.5
	41-50	71	27.6
	51-60	53	20.6
	Above 60	21	8.3
	Total	257	100
Education level	Primary	129	50.1
	Ordinary level	11	4.3
	Secondary	8	3.1
	No school	109	42.5
	Total	257	100
Occupation	Agriculture	162	63.1
	Trade	29	11.2
	None	66	25.7
	Total	257	100

Source: Researcher, 2012

Taking into account sex of the heads of households, the table 4.2 shows that 55.7% of households is headed by men compared to 44.3% of households headed by women. This big number of women head of household is the consequence of 1994 genocide during which many women became widower and very poor.

With reference to highest educational level, figure 4.2; shows that heads of household able to read presents 57.5% (males and females, there is a high percentage of illiterate population heads of household with 42.5% (males and females). Even if the majority of respondents are able to read and write 57.5%, their educational level is very low with 50.1% in primary school, 4.3% in ordinary level and a high percentage of respondents who have never been at school with 42.5%.

The above table 4.2 shows that 63.1% of head of household is engaged in agriculture, 11.2% engaged in trade and 25.7% is those who have nothing to do, this include old and handicapped people.

Table 4.3: Other government programmes supporting household

Programmes	Frequency	Percent
FARG	17	6.6
Health Insurance	30	11.6
NGO's	7	2.8
None	203	79.0
Total	257	100.0

Source: Researcher 2012

Apart of the assistance of VUP on the population of Huye district, there are many other programmes which assist poor households in Huye district. The

table 4.7; shows that 6.6% of households is assisted by FARG, 11.6% of households by Health insurance, 2.8% by NGO's, and a big number of households which does not have any else governmental assistance rather than VUP represents 79% of the total respondents.

Table 4.4: Annual income from public work, direct support and credit packages

	N	Minimum	Maximum	Mean
Annually income from Public Works	100	288000	360000	324000
Annually income from Direct support	100	90000	480000	285000
Annually income from credit packages	100	60000	100000	80000

Source: Primary data, May 2012

As it is shown in the table 4.8; the annual minimum income from Public works (PW) is equal to 288,000 FRw, the maximum income is 360,000 Frw and the mean of annual income is 324,000 FRw compared to direct support from which the annual minimum income is also 90,000 FRw and the maximum 480,000 Frw but it depends on household's size therefore income increases as the household size increases and the mean income is 285,000 FRw. Considering credit packages the minimum of income they receive is 60,000 FRw and the maximum is 100,000 FRw and the mean income is 80,000 FRw.

Response on How VUP contributed to eradication of extreme poverty

Table 4.5: Contribution of VUP in reduction of extreme poverty by providing opportunities of work

Response mode	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	154	62.3	62.3	62.3
Agree	75	30.4	30.4	92.7
Strongly Disagree	8	3.2	3.2	96.0
Disagree	10	4.0	4.0	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

As shown in the Table 5; 62% of respondents strongly and 30% agreed that the vision 2020 umurenge program contributed in reduction of poverty by providing opportunities of work populations' economic growth because it uses the direct support where every month they distribute some money for helping the poorer. It also uses citizens in public works where it pays employment on productive community asset development projects.

This has posed a double impact in infrastructure development (roads, water, schools) and creation of employment opportunities to community members. Then it increases access to financial services, including savings mobilization, credit and financial literacy. All those are providing income support and helping to reduce financial barriers to accessing essential services.

The 3% of respondents strongly disagree and 4% disagree that vision 2020 umurenge program improved populations' economic development because this program has implemented for the poorest sectors in Rwanda not in all sectors.

The high percentage (92%) of total respondents proved that Vision 2020 umurenge program helped the population in providing opportunities of work this implies that vision 2020 umurenge has the positive benefits in Social economic development of the population.

Table 4.6: responses on whether providing cows contributed to eradication of extreme poverty

This program aims at enabling every poor household to own and manage an improved dairy cow which would help the family to better their livelihood through increased milk and meat production and to improve soil fertility of their land for their crops using the available manure (MINALOC, 2006).

Response mode	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	48	18.7	18.7	18.7
Agree	180	70.0	70.0	88.7
Strongly Disagree	4	1.6	1.6	90.3
Disagree	25	9.7	9.7	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

The 18.7% of respondents strongly agree and 70% agree that providing cows to every poor household to own and manage an improved dairy cow which would help the family to better their livelihood through increased milk and meat production and to improve soil fertility of their land for their crops using the available manure

While only 1.6% strongly disagrees and 9.7% disagree that the program helped in contribution of VUP in reduction of extreme poverty.

Table 4.7: responses on weather Job creation contributed to eradicate extreme poverty

Response mode	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	102	39.7	39.7	39.7
Agree	140	54.5	54.5	94.2
Strongly Disagree	3	1.2	1.2	95.3
Disagree	12	4.7	4.7	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

As it is shown in table above, the 39.7% strongly agreed and 54.5% agreed that VUP contributed to reduction of extreme poverty by creating job in different sector of work. Such as construction of schools, hospitals, roads, radical terraces, anti-erosive ditches. While 1.2% strongly disagreed, and 4.7% disagree, this is due to the different component of VUP.

The high percentage 94.5% of respondents proved that Vision 2020 Umurenge Program contributed in reduction of extreme poverty by creating jobs.

Table 4.8: Responses on whether earning incomes contributed to eradicate extreme poverty

Response mode	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	194	75.5	75.5	75.5
Agree	58	22.6	22.6	98.1
Strongly Disagree	1	0.4	0.4	98.4
Disagree	4	1.6	1.6	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

As shown in the table 4.8: 75.5% of respondents strongly agreed and 22.6% agree they earned income because of implementation of VUP, and 4% of respondents strongly disagree and 1.6% disagree that the implementation of VUP allowed them to earn the incomes.

The high number of respondent 99% agreed that they earned incomes because they get salaries every month with Public Works, while others are being financial supported in their own projects.

Contribution of Vision 2020 Umurenge Program in Improving health system

Table 4.9: Access to health insurance

Response mode	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	175	68.1	68.1	68.1
Agree	77	30.0	30.0	98.1
Strongly Disagree	1	0.4	0.4	98.4
Disagree	4	1.6	1.6	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

As shown in the table 4.9; the majority of respondents 68.1% strongly agreed and 30% agree that the Vision 2020 Umurenge Program supported the targeted population to improve the health by accessing to health system insurance, and 4% of respondents strongly disagree and 1.6 % disagree that VUP contributed to improve their access to health insurance, this is due to the high cost of drugs, treatment in health system.

The highest percentage 98.1% of respondents proved that the implementation of Vision 2020 Umurenge Program contributed to accessing to health system, because every members are entitled to a basic health center package that covers all services and drugs provided by their preferred health center. Before this program many people has died in their home because the health centres and the hospitals were very far they didn't have money for transport and for buying the medicines.

Table 4.10: Access to treatment

Response mode	Frequen cy	Percent	Valid Percent	Cumulative Percent
Strongly agree	94	36.6	36.6	36.6
Agree	100	38.9	38.9	75.5
Strongly Disagree	20	7.8	7.8	83.3
Disagree	43	16.7	16.7	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

From Table 4.10: 36.6% of respondents strongly agree and 28.3% agree that implementation of Vision 2020 Umurenge contributed to access to treatment compared to before.

Other 7, 8% of respondents strongly disagree and 16.7% disagree that VUP contributed to access to the treatment in hospitals or health centre.

Table 4.11: Family planning

Response mode	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	83	32.3	32.3	32.3
Agree	123	47.9	47.9	80.2
Strongly Disagree	10	3.9	3.9	84.0
Disagree	41	16.0	16.0	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

As shown in the table11; 32.3 % of respondents strongly agree and 47.9% agree that that the program of Family planning improved the welfare of the population because it has elaborated with objective for reducing the proportion of unmet needs, thus decreasing the total fertility rate for increasing the use of modern contraceptives.

The 3.9% of respondents strongly disagree and 16% disagree that the program of Family planning improved the welfare of the population those ones are religious people, the villagers and other said that many people have already produced that is for the young married but it will improve the wellbeing of the people later.

Responses on how VUP has done for improving social condition in education

Table 4.12: Providing school fees

Response mode	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	40	15.6	15.6	15.6
Agree	200	77.8	77.8	93.4
Strongly Disagree	3	1.2	1.2	94.6
Disagree	14	5.4	5.4	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

As shown in Table 4.12; 15.6% of respondents strongly agreed and 77.8% agree that the education for all improved the social development of the population because of that, the education system increased the number of children enrolment in primary schools, from 69% in 2003 to 97.5% in 2011) in Huye district.

A little number of respondents 1.2% strongly disagree and disagree 5.4% that education for all improved the social development of the population because despite all those improvement in Rwanda there are still the children whom are not studying and they beg on the ways.

Table 4.13: Providing scholastics materials

Response mode	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	62	24.1	24.1	24.1
Agree	182	70.8	70.8	94.9
Strongly Disagree	5	1.9	1.9	96.9
Disagree	8	3.1	3.1	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

As seen in the table 4.13; 24.1% respondents strongly agree and 70.8% agree that the implementation of VUP contributed to improve education system by providing scholastics materials especially in the village. And 1.9% of respondents strongly disagree and 3.1% disagree that VUP improved social condition in education.

The high percentage 94.9% of respondents proved that Vision 2020 improved social condition in education and helped the population in their education.

Responses on how VUP contributed to improve life conditions

Table 4.14: Distance to water sources

Response mode	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	16	6.2	6.2	6.2
Agree	133	51.8	51.8	58.0
Strongly Disagree	21	8.2	8.2	66.1
Disagree	87	33.9	33.9	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

As seen in table 15; 6.2% of respondents strongly agree and 51% agree that VUP had contributed to improve life condition especially distances to water sources, and 8.2% strongly disagree and 33.9% disagree that the implementation of Vision 2020 Umurenge program contributed to reduce distance to water sources.

Table4.15: Food security achievement

Response mode	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	129	50.2	50.2	50.2
Agree	84	32.7	32.7	82.9
Strongly disagree	12	4.7	4.7	87.5
Disagree	32	12.5	12.5	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

The 50.2% of respondents strongly agree and 32.7% agree that the issue of food security has been solved while 4.7% of respondents strongly disagreed and 12.5% disagree the contribution of VUP on improving their living conditions.

Table 4.16: Providing housing materials

Response mode	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	206	80.2	80.2	2.3
Agree	24	9.3	9.3	10.5
Strongly Disagree	21	8.2	8.2	19.8
Disagree	6	2.3	2.3	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

The 80.2% of the respondents strongly agree and 9.3% agree that VUP contributed in providing housing materials in their household. With the support of VUP, household became able to buy assets such as clothes, furniture, radio, hoes, and other assets which are important in nowadays' life. Also 8.2% of the respondents strongly disagree and 2.3% disagree that VUP contributed in providing housing materials, this is due to the priorities of the household.

Responses on how VUP contributed to increases financial incomes

Table 4.17: Daily income

Response mode	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	44	17.1	17.1	17.1
Agree	181	70.4	70.4	87.5
Strongly Disagree	6	2.3	2.3	89.9
Disagree	26	10.1	10.1	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

The 17.1% of the respondents strongly agree and 70.4% agree that VUP contributed increase financial incomes and 2.3% strongly disagree and 10.1% disagree that VUP contributed to increase their daily incomes.

Table 4.18: Savings

Response mode	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	127	49.4	49.4	49.4
Agree	124	48.2	48.2	97.7
Strongly Disagree	2	.8	.8	98.4
Disagree	4	1.6	1.6	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

As shown in the table 4.18; 49.4% of respondents strongly agree and 48.2% agreed that the Vision 2020 Umurenge Program contributed to increase their incomes so that they should as well saving their money in banks and cooperatives. Then it increases access to financial services, including saving mobilisation, credit and financial literacy.

The 8% of respondents strongly disagree and 1.6% disagree that Vision 2020 Umurenge Program improved population in saving system because they still using all their incomes in their everyday life, their incomes are not sufficient. And also saving is voluntary, but is encouraged

The high percentage (97.4%) of total respondents proved that Vision 2020 Umurenge Program helped the population to increase their incomes.

Table 4.19: Access to credit

Response mode	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	2	0.8	0.8	0.8
Agree	11	4.3	4.3	5.1
Strongly Disagree	150	58.4	58.4	63.4
Disagree	94	36.6	36.6	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

The 8% of the respondents strongly agree and 4.3% agree that VUP contributed in increasing financial incomes by helping them accessing to credit, and 58.4% strongly disagree and 36.6% disagree that Vision 2020 Umurenge Program contributed on accessing to credit.

The percentage 95% of respondents disapproved the contribution of VUP in getting credit because many of respondents cannot get all conditions to access on credit.

Table 4.20: Bank account

Response mode	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	92	35.8	35.8	35.8
Agree	158	61.5	61.5	97.3
Strongly Disagree	2	0.8	0.8	98.1
Disagree	5	1.9	1.9	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

As shown in Table 4.20; 35.8% of respondents strongly agreed and 61.5% agree that Vision 2020 Umurenge Program contributed in accessing on bank account, and 8% strongly disagree and 1.9 5 % disagree that VUP contributed to increase financial income by accessing to the bank account.

The high percentage (97.3%) of total respondents proved that Vision 2020 Umurenge Program helped the population to create an account in banks and cooperatives because it use the direct support where every month they distribute some money for helping the poorest.

It also uses citizens in public works where it pays employment on productive community asset development project. Every VUP beneficiary household is required to receive payments through an account with a financial institution (there can be no cash payments).

The factors that negatively affect implementation of VUP in reduction of extreme poverty

The factors that affect negatively Vision 2020 Umurenge Program are grouped under the following points: land shortage, land infertility, ignorance and illiteracy high population pressure.

Responses on challenges faced by VUP in reduction of extreme poverty

Table 4.21: Land shortage

Response mode	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	68	26.5	26.5	26.5
Agree	176	68.5	68.5	94.9
Strongly Disagree	4	1.6	1.6	96.5
Disagree	9	3.5	3.5	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

As shown in the table 4.21; 26.5% strongly agree and 68.5% agree that the shortage of land affect negatively implementation of VUP in reduction of extreme poverty in Huye district. Rwanda is one of the continent's most density populated countries, with up to 467 people per square kilometre. (NISR, 2010). And 1.6% of respondents strongly disagree and 3.5% disagree that the shortage of land affects negatively the implementation of VUP. Meanwhile VUP

targets the landless extremely poor households (landless means owning less than 0.25 hectares).

Table 4.22: Land infertility

Response mode	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	42	16.3	16.3	16.3
Agree	76	29.6	29.6	45.9
Strongly Disagree	69	26.8	26.8	72.8
Disagree	70	27.2	27.2	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

As demonstrated in table 4.22; 16.3% of respondents strongly agree and 29.6% agree that the infertility of constitute a treat to the implementation of Vision 2020.and 26.8 % strongly disagree and 27.2% disagree that land infertility affect negatively the implementation of VUP in reduction of extreme poverty.

Table 4.23: Ignorance and illiteracy

Response mode	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	57	22.2	22.2	22.2
Agree	187	72.8	72.8	94.9
Strongly Disagree	6	2.3	2.3	97.3
Disagree	7	2.7	2.7	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

The 22.2% of the respondents strongly agree and 72.8% agree that ignorance and illiteracy negatively affect the reduction of extreme poverty. The country's literacy rate defined as those aged 15 or over who can read and write, was 71% in 2009. The 2.3% of the respondents strongly disagree and 2.7% disagree that illiteracy and ignorance constitute a treat to the implementation of Vision 2020 Umurenge program.

Table 4.24: High population pressure

Response mode	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	111	43.1	43.1	43.1
Agree	132	51.3	51.3	51.3
Strongly Disagree	3	1.1	1.1	1.1
Disagree	10	3.8	3.8	100.0
Total	257	100.0	100.0	

Source: Primary data, May 2012

As shown in the table 4.24; 43.1% of respondents strongly agree and 51.3% agreed that the highly population pressure affect negatively implementation of VUP in reduction of extreme poverty, and 1.1% of respondents strongly disagree and 3.8% disagree that high population pressure negatively affect the implementation of VUP.

CHAPTER FIVE

SUMMARY OF THE MAJOR FINDINGS, RECOMMENDATIONS AND CONCLUSIONS

This chapter sets out the discussion of the findings as presented in chapter four, draw a conclusion and provides recommendations and suggests areas of further research.

Summary of findings

Profile of respondents

The first objective of the study was to determine the profile of respondents in terms of sex, age, category, educational background and occupation. The results on this objective indicate that the majority of respondents are male representing 55.7%. Most of them their age comprise between 41 – 50 and represent 27.6%. The result indicates that the level of respondents in terms of education is low; 42.5% are illiterate while 50.1% have only primary level.

Summary of findings on contribution of vision 2020 Umurenge Program in alleviation of extreme poverty

A positive contribution of VUP in alleviation of extreme poverty in Huye district has been shown in different tables.

A big number of households was in category of ultra poor, this means that they had no land, no livestock, nothing to eat, sometimes they could pass nights without eating, the research shows that in 257 households in Huye district before VUP, 87% of them took 1 meal per day and 13% took 2 meals

per day. In 2010-2011 many households shifted from ultra poor to very poor, from very poor to poor and from poor to above poor.

This is after being supported by VUP where we recognize that the selected sample of households shifted in term of number of daily meals, where 1% still takes 1 meal per day, 93% take 2 meals per day and 6% take 3 meals per day.

This is a good progress due to the implementation of VUP by helping households in food security. Mean income or income per household increased as it is shown in the table3, shows how the income of a household which is working within VUP has increased significantly.

The majority of VUP beneficiary households hold accounts with savings and credit cooperatives. Before working in VUP 1% of total respondents had a bank account and 97% of total respondent had not a bank account but working within VUP 97.3% has a bank account. VUP help getting an income, many households are able to save amount of 4000Frw per month, buying livestock manly goats, pigs and chicken.

The percentage of households not covered by any health insurance was 74%, before working within VUP, those who were covered by some were 26%, but after working and supporting by VUP, all respondents are covered by health insurance, this gives a percentage of 98%.

The program is innovative in a number of ways. There is an emphasis on people moving out of poverty and the four components are expected to provide a "staircase out of poverty". It also places a strong emphasis on social cohesion and empowerment, through the use of participatory community-based methods rooted in Rwandan culture and decentralized planning and financing.

In terms of gender, female-headed households are disproportionately represented among the extreme poor in Rwanda and perform worse against almost all human poverty indicators than male-headed households. Through its targeting of the extreme poor, 53% of direct support and 49% of public works beneficiary households in 2010/11 were female-headed.

There are early indications of increased empowerment of women through job creation, increased household income and inclusion in the banking system, contributing to reduced violence in the home and less conflict over decision-making.

VUP is strengthening its gender sensitive monitoring and evidence base to better understand the gender gaps in poverty, and to be able to maximize outcomes for women and girls. VUP plays major role in alleviation of extreme poverty, but also has a significant importance in Rwandan economy by increasing productivity, employments, income, consumption, investment and saving.

The Solow growth model shows that the saving rate is a key determinant of the steady state capital stock and thus of the level of economic wellbeing. Household consumption decision affects the way the economy as a whole behaves both in the long-run and in the short-run.

By reducing the final consumption and increasing the capital formation we should expect changes in other variables. An increase in investment brings about increase in output, intermediate consumption, exports and therefore in net lending, value added, disposable income and savings as the source of capital formation.

The capital formation increases after increasing savings. The Solow model shows that the saving rate is a key determinant of the steady state

capital stock. If the saving rate is high the economy is intended to have a large capital stock and a high level of output. If the saving rate is low, the economy will have a small capital stock and a low level of output (Mankiw, 2002).

Higher savings lead to faster growth, but this is true only within a temporary period. An increase in the rate of savings raises growth only until the economy reaches the new steady state. If the economy maintains a high saving rate it will maintain a large capital stock and hence a high level of output.

Summary of findings on factors that negatively affect implementation of VUP

The VUP objective is to tackle extreme poverty; however it has encountered with some challenges such as; land infertility, lack of job, high population pressure, the land shortage, etc. The suggestion illustrated were the supply of fertilizers, the supply of improved crops and working with the project that provides job. On the other hand the researcher has found others problems in functioning of VUP, ignorance and illiteracy, a big number of Huye district is illiterate and they do not have spirit of hard work and creating different projects.

Conclusion

The research presented different findings and showed that VUP initiated by the Government of Rwanda in 2008 in tackling poverty has significantly contributed to the reduction of extreme poverty in many districts of Rwanda, especially in Huye District. As a result, poverty is reducing in Rwanda due to public works, direct support and financial services by employing and empowering those people who are unemployed or vulnerable.

The results of this research presented above explain clearly the positive and significant impact of VUP in extreme poverty alleviation in Rwanda as it was

shown in the chapter four, where 100% of selected households in Huy district confirmed that VUP has a big importance in ameliorating poverty indicators for example food security (before VUP assistance only 8% of all respondents were food secured while after VUP's assistance 92% of all respondents are food secured).

It is very clear that VUP increases living conditions of different households in Huy district, by offering them opportunities of working, creating new projects, increasing education level of their children, covering health insurance and secured in food. The summary of the findings also indicated that VUP make major contributions to household's income through the payment from Public Work. Even though, the project is part time conducted for some workers, helps inhabitants of Huy to furthermore earn income from wage.

Recommendations

To conclude this research, the researcher suggests certain recommendations: Extreme poverty alleviation needs a multi-disciplinary approach. This is not a role of program its self but also contribution, collaboration and participation of local leaders and target population.

It could be better if VUP continues and incorporates new initiatives in order to remove out ignorance and illiteracy through reading and writing trainings.

VUP also has to increase working time as it was reported by respondents they do not work full time and they need much more works in order to gain much more income.

Inhabitant of Huy that are working with the VUP should be assisted by local leaders in helping them to invest their money earned from Public Work and creating cooperatives and people should be trained to the best

management of cooperatives, and leaders should encourage people and serve as good examples in poverty reduction; they can also promote agriculture sector to achieve the Vision 2020 targets.

Local leader should assist in providing short credits, creating vocational train centres to improve skills of Huye district's inhabitants and motivate them to invest and create projects because VUP will not always exist. Therefore Huye's inhabitant should be trained in terms of entrepreneurship at sector level

Current study is based on the VUP, and aims to find out the contribution of VUP on the household living conditions.

Farther more research that will be carried out in next few years should include how many households benefit VUP support that are no longer beneficiaries and check which level are they attended.

The next research should include comparison between beneficiaries of VUP and beneficiaries of others NGO's in charge of reduction of poverty and find out how many shifting from different categories in beneficiaries of VUP compared to beneficiaries of other NGO's and those who do not get any support, it should include comparison between VUP beneficiaries and non-VUP beneficiaries living conditions.

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APPENDIX I
CLEARANCE FROM ETHICS COMMITTEE

Date_____

Candidate's Data

Name_____

Reg. _____

Course _____

Title of Study _____

Ethical Review Checklist

The study reviewed considered the following:

___ Physical Safety of Human Subjects

___ Psychological Safety

___ Emotional Security

___ Privacy

___ Written Request for Author of Standardized Instrument

___ Coding of Questionnaires/Anonymity/Confidentiality

___ Permission to Conduct the Study

___ Informed Consent

___ Citations/Authors Recognized

Results of Ethical Review

___ Approved

___ Conditional (to provide the Ethics Committee with corrections)

___ Disapproved/ Resubmit Proposal

Ethics Committee (Name and Signature)

Chairperson _____

Members' _____

APPENDIX II
INFORMED CONSENT

I am giving my consent to be part of the research study of Mr. NKUSI Alain that will focus on emotional intelligence and leadership styles.

I shall be assured of privacy, anonymity and confidentiality and that I will be given the option to refuse participation and right to withdraw my participation anytime.

I have been informed that the research is voluntary and that the results will be given to me if I ask for it.

Initial: _____

Date: _____

APPENDIXE III

RESEARCH INSTRUMENT

Dear Respondent

This questionnaire is designed to seek information from you on the assessment of Public financial management systems towards accountability in Rwanda. It is carried as a partial fulfillment of the requirements for the award of a Masters of Business Administration of Kampala International University. Your contribution, opinions and experience will be highly appreciated.

Thank you very much for your assistance.

Section 1. **HEAD OF HOUSEHOLD'S CHARACTERISTICS**

1. Who is the head of household?

Male headed

Female headed

Children under 18years

Youth over 18years

2. Does the head of household know write and read?

Reading

Both

None

3. Education Level attained by household members

1= Primary

2= Ordinary level

3= Secondary (A2)

4= No school

5= Catch up

4. What is head of household occupation?

1= agriculture

2= Trade

3= Other (Specify)

SECTION 2: INFORMATION RELATED TO IMPLEMENTATION OF VUP

5. In which year did u starts receiving VUP support?

6. What are the activities you are engaged

Public works

Direct Support

Farming

Livestock breeding

Trade

Tailoring ☐

7. What are other government programs supporting you?

HIMO ☐

FARG ☐

SFAR ☐

Hearth insurances ☐

NGO's ☐

Others programs specify ☐

Section 3. Please indicate your choice by ticking the response options which are indicated in the box

Score	Response mode	Interpretation
1	Strong Agree (SA):	You agree with no doubt at all
2	Agree (A)	You agree with some doubt
3	Disagree (D)	You disagree with some doubt
4	Strong Disagree (SD)	You disagree with no doubt at all

8. How do VUP contribute to eradication of extreme poverty?

1. Contribution of VUP in reduction of extreme poverty	Respondents' responses			
	SA	A	SD	D
Opportunities of working				
Providing cows(one cow per family)				
Job creation				
Earning income				
2. How VUP has done for improving Health	Respondents' responses			
	SA	A	SD	D
Access to Health Assurance				
Access to treatment				
Family planning				
Support in health care expense				

3. How VUP has done for improving social conditions in Education	Respondents' responses			
	SA	A	SD	D
Providing school fees				
Providing scholastics materials				

4) How VUP contribute to improve Life conditions	Respondents' responses			
	SA	A	SD	D
Distance to water sources				
Food security achievement				
Providing Housing materials				

Contribution of VUP on financial incomes	Respondents' responses			
	SA	A	SD	D
Daily income				
Savings				
Access credit				
Bank account				

9. What are the factors that negatively affect implementation of VUP in reduction of extreme poverty?

Challenges faced by VUP in reduction of extreme poverty	Respondents' responses			
	SA	A	SD	D
Land shortage				
Land infertility				
Ignorance and illiteracy				
High population pressure				

TIME FRAME

[illegible]

APPENDIX VI

RESEARCHER'S CURRICULUM VITAE

To document the details of the researcher, his competency in writing a research and to recognize his efforts and qualifications, this part of the research report is thus meant.

Personal Profile

Name: NKUSI Alain

Gender: Male

Nationality: Rwandan

Educational Background

- ❖ Bachelor Degree in SOCIAL WORK (National University of Rwanda) (2009)
- ❖ Secondary School in Human sciences (Groupe scolaire St Bernadette, Save, Rwanda) (2005)
- ❖ Primary school at Gacuba II primary school (1998)

Work Experience

- ❖ 2009: The National Fund for Assistance to Survivor of Genocide (**FARG**).

Education Officer (March 2009- December 2009)

- Identification of qualified students for FARG sponsorship

