



DETERMINANTS OF REPAYMENT OF YOUTH LIVELIHOOD FUNDS IN MBARARA DISTRICT SOUTH-WESTERN UGANDA

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Abstract

The study aimed to determine the group characteristics that significantly influence repayment status of YLP funds in Mbarara District. For this, a cross sectional, descriptive design was used. Simple random sampling was employed in selecting youth group representatives while technical officials were purposively selected. Data were collected using questionnaires. A two-way contingency table was used to cross tabulate the independent variable (group characteristics) with dependent variable (repayment status of YLP funds). Pearson Chi-square and Fisher's test were used to test the hypothesis at 0.05 level of significance. Findings suggested that Social ties, level of education of group members, marital status, period of existence of the youth group, and frequency of meetings statistically influence repayment status of YLP funds. Group leadership, size, gender composition, age, involvement of members in decision making and management, level of satisfaction with leadership do not significantly influence repayment status of YLP funds in Mbarara District. Study concluded that the Ministry of Gender Labour and Social Development and project implementers of the YLP should put more emphasis on social ties, level of education, period of existence of the youth group, marital status, and frequency of meetings to get better repayment results.

Keywords: Group Characteristics, Repayment status, Youth Groups, Youth Livelihood Programme Funds



INTRODUCTION

Youth in developing countries continue to be plagued by working poverty stemming from the irregularity of work and lack of formal employment and social protection. In 2013, more than one-third (37.8%) of employed youth in the developing world were living on less than US \$ 2 per day. Working poverty, therefore affects as many as 169 million youth in the world. According to the Africa Development Bank report of 2015, about 83% of youth in Uganda are unemployed – the highest in Africa. This is a reason for concern since 78% of the populations are below the age of 30 years meaning it is a young and heavily dependent population. Insufficient employment opportunities amidst a rapidly growing labour force can lead to social unrest and political instability (Gemma & Ibrahim, 2015).

In Uganda, Youth Livelihood Programme (YLP) was launched on January 24, 2014 with the sole purpose of reducing the high unemployment rates and poverty levels among the youth who account for 64% of the unemployed in the country (UBOS, 2012). The programme is intended to empower the target youth to harness their socio-economic potential and increase self-employment opportunities and income levels through skills development and support for income generating activities initiated by the youth (MoGLSD, 2014). The YLP is a demand – driven programme, designed in response to the high unemployment rates and poverty levels among the youth. YLP has been implemented in a phased manner. Phase 1 commenced in the financial year 2013/2014 with 27 districts that benefited 1,635 projects (groups) valued at Ugsh 11,961,426,920, while phase 2 that covered the remaining 85 districts commenced in July 2014.

Under YLP, youths do form Youth Interest Groups (YIG) comprising 10-15 youth of whom at least 30% must be female and loans or funds are directly disbursed to YIG. The choice of the group approach is to enhance efficiency and promote the culture of cooperation among the youth as well as to enable individuals to co-guarantee each other. The programme operates on a revolving fund arrangement where youth access soft loans with zero interest if paid within the first 12 months. They will be charged a service fee of 5% if paid beyond 12 months, with a maximum repayment period of 3 years for projects with long maturity periods. Upon repayments these funds are ploughed back to finance new groups within the district (Ministry of Gender, Labour and Social Development, 2015).

In Mbarara district as at January 13th, 2017, YLP had disbursed Ugsh 557,209,040 to 56 youth groups and only Ugsh. 66,528,300 had been repaid by 45 groups (12% repayment rate) which was below the expected rate of 50%. This study therefore is an attempt to identify the specific factors that may significantly influence the repayment status of YLP funds among youth groups in Mbarara District South-Western Uganda.

METHODS AND MATERIALS

Descriptive research design was used. The study population consisted of 11 Community Development Officers, 11 Senior Assistant Secretaries, the District YLP focal person, and 681 youths from 56 youth groups that had received YLP funds as at end of January 2017. Since each youth group was made up of a chairperson, treasurer, secretary and at least seven members, the total population of this study was 704 members.

The study used purposive sampling technique on selecting technical officials that consisted of Community Development Officers, Senior Assistant Secretaries and YLP district focal person. Simple random sampling was done in selecting youth group representatives (group leaders and members).

Questionnaires, both open and closed-ended were administered to the respondents in August 2017. Consent was obtained from the respondents before undertaking the field research in order for respondents to participate voluntarily. The purpose of the research was explained to the respondents by the researcher before undertaking the research. This research was cleared by the Research Ethics Committee of Mbarara University.

A pre-test of the research instrument to establish its validity was done through four experts on the subject and they scored the instrument at 77.5%. The Reliability of the instruments was tested using Cronbach Alpha's coefficient. A test-retest was done on questionnaires to estimate the stability of the scores and the result was 0.879.

Measurement of Group characteristics like gender, age, level of education, marital status, period as a member of a group, position, time the group has existed, number of members, group gender composition, level of education, frequency of group meetings was done using a nominal scale while group characteristics like level of involvement of group members in decision making, satisfaction with group leadership, involvement of members in management of group affairs were measured using a 5 point Likert scale.

Filled questionnaires were edited for completeness and consistency to detect errors and omissions. The researcher then coded the data for efficiency in order to reduce the several replies to a small number of classes and data was entered into Statistical Package for Social Sciences (SPSS version 20) for analysis. Other variables such as age whose responses were continuous in nature were recoded into categorical data to obtain age group of respondents. In addition, some group characteristics variables (such as the level of involvement of group members in decision making, level of satisfaction with the group leadership, and level of involvement of members in management of the group affairs) that were measured using a 5 point Likert scale were recoded into a 3 point Likert scale.

While using SPSS, quantitative data was analysed using descriptive statistics like frequency counts, percentages, and presented in tables to describe distributions of scores. Since the data was largely categorical, a two way contingency table was used to determine the frequency counts and percentages between the independent variable (group characteristics such as gender, highest level of education, marital status, period time as members, position, group size, group gender composition, social ties, frequency of meetings, level of involvement of group members in decision making and management of group affairs, and level of satisfaction with the group leadership) and the dependent variable (repayment status of YLP funds).

Pearson Chi-Square tests was used to determine the group characteristics (independent variable) that significantly influence the repayment status of YLP funds (dependent variable). In addition, Fisher's exact test was preferred on variables that generated frequencies in each cell was not greater than five. This procedure is normally used on 2 × 2 contingency tables (that is two variables each with two options) and with small samples. Furthermore, the likelihood ratio statistic, which is based on maximum-likelihood theory was also used with some independent predictors. The level of significance was set to 0.05.

RESULTS

Table 1: Group Characteristics of Youth groups

Group Characteristic	Response	Frequency	Percent
Age group	17 – 26	29	35.4
	27 – 36	48	58.5
	37 and above	5	6.1
Marital Status	Single	35	42.7
	Married	46	56.1
	Widow/er	1	1.2
Existence of the youth group	Less than 1	4	5.0
	1 – 2	22	27.5
	2 – 3	31	38.8
	More than 3	23	28.8
Position in the group	Chairperson	7	8.5
	Treasurer	7	8.5
	Secretary	7	8.5
	Member	61	74.4

Group Gender Composition	Mostly men	29	35.4
	Mostly women	19	23.2
	Balanced gender	34	41.5
Group size	10 and less	36	43.9
	Above 10	46	56.1
Highest Level of Education of Members	Majority completed primary school	32	39.5
	Majority completed secondary school	31	38.3
	Majority completed technical and vocational education	8	9.9
	Majority completed college/university	10	12.3
Knew each other before formulation of the group	Yes	71	86.6
	No	11	13.4
Frequency of meetings	Quarterly	32	39.0
	Monthly	33	40.2
	Once a fortnight	1	1.2
	Once a week	9	11.0
	More than once a week	7	8.5
Level of involvement of group members in decision making	Low	13	15.9
	Fair	20	24.4
	High	49	59.8
Level of satisfaction with the group leadership	Dissatisfied	12	14.6
	Neutral	24	29.3
	Satisfied	46	56.1
Level of involvement of members in management of group affairs	Low	20	24.4
	Fair	17	20.7
	High	45	54.9

Table 1...

Table 2: repaying the funds

Repayment Status	Frequency	Percent
Repaying	69	84.1
Not Repaying	13	15.9
Total	82	100.0

Table 3: Group size * Repayment status Cross tabulation

		Repayment status		Total	
		Yes	No		
Group size (members)	10 and less	Count	32	4	36
		% within Repayment status	46.4%	30.8%	43.9%
	Above 10	Count	37	9	46
		% within Repayment status	53.6%	69.2%	56.1%
Total		Count	69	13	82
		% within Repayment status	100.0%	100.0%	100.0%

Table 4: Chi-Square Tests of Group Size and Repayment of YLP funds

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.082 ^a	1	.298
Continuity Correction ^b	.541	1	.462
Likelihood Ratio	1.114	1	.291
Linear-by-Linear Association	1.069	1	.301
N of Valid Cases	82		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.71.

b. Computed only for a 2 x 2 table

Table 5: Knew each other before formulation of the group * Repayment status

		Repayment status		Total	
		Yes	No		
Knew each other before formulation of the group	Yes	Count	64	7	71
		% within Repayment status	92.8%	53.8%	86.6%
	No	Count	5	6	11
		% within Repayment status	7.2%	46.2%	13.4%
Total		Count	69	13	82
		% within Repayment status	100.0%	100.0%	100.0%

Table 6: Chi-Square Tests of Social Ties and Repayment of YLP Funds

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	14.257 ^a	1	.000		
Continuity Correction ^b	11.104	1	.001		
Likelihood Ratio	10.828	1	.001		
Fisher's Exact Test				.001	.001
Linear-by-Linear Association	14.083	1	.000		
N of Valid Cases	82				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is 1.74.

b. Computed only for a 2 x 2 table

Table 7: Symmetric Measures of Social Ties and Repayment of YLP Funds

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Nominal by Nominal	Phi	.417		.000
	Cramer's V	.417		.000
N of Valid Cases	82			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

$\Phi = 0.417$, $Cramer's V = 0.417$, $p < 0.05$, in

Table 7 indicate that social ties significantly highly influence repayment status of YLP funds in Mbarara District.

Table 8: Position in the group * Repayment status Cross tabulation

		Repayment status		Total	
		Yes	No		
Position in the group	Chairperson	Count	7	0	7
		% within Repayment status	10.1%	0.0%	8.5%
	Treasurer	Count	6	1	7
		% within Repayment status	8.7%	7.7%	8.5%
	Secretary	Count	7	0	7
		% within Repayment status	10.1%	0.0%	8.5%
	Member	Count	49	12	61
		% within Repayment status	71.0%	92.3%	74.4%
Total	Count	69	13	82	

% within Repayment status 100.0% 100.0% 100.0%

Table 9: Chi-Square Tests of Group Leadership
and Repayment of YLP Funds

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.317 ^a	3	.345
Likelihood Ratio	5.474	3	.140
Linear-by-Linear Association	2.101	1	.147
N of Valid Cases	82		

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 1.11.

Table 10: Group Gender Composition * Repayment Status

		Repayment status		Total
		Yes	No	
Group Gender Composition	Mostly men	Count 24	5	29
		% within Repayment status 34.8%	38.5%	35.4%
	Mostly women	Count 15	4	19
		% within Repayment status 21.7%	30.8%	23.2%
	Balanced gender	Count 30	4	34
		% within Repayment status 43.5%	30.8%	41.5%
Total	Count 69	13	82	
	% within Repayment status 100.0%	100.0%	100.0%	

Table 11: Chi-Square Tests of Group Gender Composition and Repayment of YLP Funds

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.853 ^a	2	.653
Likelihood Ratio	.857	2	.651
Linear-by-Linear Association	.380	1	.538
N of Valid Cases	82		

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 3.01.

Table 12: Highest level of education * Repayment status cross tabulation

		Repayment status		Total	
		Yes	No		
Highest Level of Education of Members	Majority completed primary school	Count	32	0	32
		% within Repayment status	47.1%	0.0%	39.5%
	Majority completed secondary school	Count	23	8	31
		% within Repayment status	33.8%	61.5%	38.3%
	Majority completed technical and vocational education	Count	6	2	8
		% within Repayment status	8.8%	15.4%	9.9%
	Majority completed college/university	Count	7	3	10
		% within Repayment status	10.3%	23.1%	12.3%
	Total	Count	68	13	81
		% within Repayment status	100.0%	100.0%	100.0%

Table 13: Chi-Square Tests of Level of Education of Group Members and Repayment of YLP Funds

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.228 ^a	3	.017
Likelihood Ratio	14.741	3	.002
Linear-by-Linear Association	6.860	1	.009
N of Valid Cases	81		

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 1.28.

Table 14: Symmetric Measures of Level of Education of Group Members and Repayment of YLP Funds

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Nominal by Nominal	Phi	.355		.017
	Cramer's V	.355		.017
N of Valid Cases	81			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

Table 15: Age group * Repayment status cross tabulation

			Repayment status		Total
			Yes	No	
Age group of members	17 – 26	Count	21	8	29
		% within Repayment status	30.4%	61.5%	35.4%
	27 – 36	Count	44	4	48
		% within Repayment status	63.8%	30.8%	58.5%
	37 and above	Count	4	1	5
		% within Repayment status	5.8%	7.7%	6.1%
Total	Count	69	13	82	
	% within Repayment status	100.0%	100.0%	100.0%	

Table 16: Chi-Square Tests of Age of Group Members and Repayment of YLP Funds

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.092 ^a	2	.078
Likelihood Ratio	5.004	2	.082
Linear-by-Linear Association	2.802	1	.094
N of Valid Cases	82		

a. 3 cells (50.0%) have expected count less than 5. The minimum expected count is .79.

Table 17: Marital status and repayment status

			Repayment status		Total
			Yes	No	
Marital Status	Single	Count	27	8	35
		% within Repayment status	39.1%	61.5%	42.7%
	Married	Count	42	4	46
		% within Repayment status	60.9%	30.8%	56.1%
	Widow/er	Count	0	1	1
		% within Repayment status	0.0%	7.7%	1.2%
Total	Count	69	13	82	
	% within Repayment status	100.0%	100.0%	100.0%	

Table 18: Chi-Square Tests of Marital Status and Repayment of YLP Funds

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.361 ^a	2	.015
Likelihood Ratio	6.898	2	.032
N of Valid Cases	82		

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is .16.

Table 19: Symmetric Measures of Marital Status and Repayment of YLP Funds

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Nominal by Nominal	Phi	.319		.015
	Cramer's V	.319		.015
N of Valid Cases	82			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

Table 20: Period of existence as a youth group and repayment status of YLP Funds

		Repayment status		Total	
		Yes	No		
Period of existence as a youth group (years)	Less than 1	Count	0	4	4
		% within Repayment status	0.0%	36.4%	5.0%
	1 - 2	Count	19	3	22
		% within Repayment status	27.5%	27.3%	27.5%
	2 - 3	Count	29	2	31
		% within Repayment status	42.0%	18.2%	38.8%
	More than 3	Count	21	2	23
		% within Repayment status	30.4%	18.2%	28.7%
	Total	Count	69	11	80
		% within Repayment status	100.0%	100.0%	100.0%

Table 21: Chi² Tests of Period of existence as a Youth Group and Repayment of YLP Funds

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.979 ^a	3	.000
Likelihood Ratio	18.117	3	.000
N of Valid Cases	80		

a. 5 cells (62.5%) have expected count less than 5. The minimum expected count is .55.

Table 22: Symmetric Measures of Period of existence as a Youth Group and Repayment of YLP Funds

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Nominal by Nominal	Phi	.581			.000
	Cramer's V	.581			.000
N of Valid Cases		80			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

Table 23: Group meetings and repayment status cross tabulation

			Repayment status		Total
			Yes	No	
Frequency of meetings	Quarterly	Count	31	1	32
		% within Repayment status	44.9%	7.7%	39.0%
	Monthly	Count	28	5	33
		% within Repayment status	40.6%	38.5%	40.2%
	Once a fortnight	Count	1	0	1
		% within Repayment status	1.4%	0.0%	1.2%
	Once a week	Count	5	4	9
		% within Repayment status	7.2%	30.8%	11.0%
	More than once a week	Count	4	3	7
		% within Repayment status	5.8%	23.1%	8.5%
Total	Count	69	13	82	
	% within Repayment status	100.0%	100.0%	100.0%	

Table 24: Chi-Square Tests of Frequency of Meetings and Repayment of YLP Funds

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.428 ^a	4	.009
Likelihood Ratio	12.809	4	.012
N of Valid Cases	82		

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is .16.

Table 25: Symmetric Measures of Frequency of meetings
and Repayment of YLP funds

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Nominal by Nominal	Phi	.405		.009
	Cramer's V	.405		.009
N of Valid Cases	82			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

Table 26: Level of involvement of group members in
decision making * Repayment status

		Repayment status		Total	
		Yes	No		
Level of involvement of group members in decision making	Low	Count	10	3	13
		% within Repayment status	14.5%	23.1%	15.9%
	Fair	Count	16	4	20
		% within Repayment status	23.2%	30.8%	24.4%
	High	Count	43	6	49
		% within Repayment status	62.3%	46.2%	59.8%
Total	Count	69	13	82	
	% within Repayment status	100.0%	100.0%	100.0%	

Table 27: Chi-Square Tests of level of involvement in decision making
and repayment status of YLP funds

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.245 ^a	2	.537
Likelihood Ratio	1.211	2	.546
Linear-by-Linear Association	1.175	1	.278
N of Valid Cases	82		

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 2.06.

Table 28: Level of satisfaction with the group leadership * Repayment status

			Repayment status		Total
			Yes	No	
Level of satisfaction with the group leadership	Dissatisfied	Count	10	2	12
		% within Repayment status	14.5%	15.4%	14.6%
	Neutral	Count	21	3	24
		% within Repayment status	30.4%	23.1%	29.3%
	Satisfied	Count	38	8	46
		% within Repayment status	55.1%	61.5%	56.1%
Total	Count	69	13	82	
	% within Repayment status	100.0%	100.0%	100.0%	

Table 29: Chi-Square Tests of Level of involvement of members in decision making and repayment status of YLP funds

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.290 ^a	2	.865
Likelihood Ratio	.301	2	.860
Linear-by-Linear Association	.063	1	.802
N of Valid Cases	82		

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 1.90.

Table 30: Level of involvement of members in management of the group * Repayment of YLP funds

			Repayment status		Total
			Yes	No	
Level of involvement of members in management of the group	Low	Count	16	4	20
		% within Repayment status	23.2%	30.8%	24.4%
	Fair	Count	12	5	17
		% within Repayment status	17.4%	38.5%	20.7%
	High	Count	41	4	45
		% within Repayment status	59.4%	30.8%	54.9%
Total	Count	69	13	82	
	% within Repayment status	100.0%	100.0%	100.0%	

Table 31: Level of involvement of members in management and repayment status of YLP funds Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.237 ^a	2	.120
Likelihood Ratio	4.097	2	.129
Linear-by-Linear Association	2.027	1	.155
N of Valid Cases	82		

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 2.70.

Most of the youths groups comprised of youths between 17 and 36 years of age as indicated by the majority 93.9% of the youths an implication that the majority were youths. This implies that indeed YLP benefiting the targeted population (youth) in Mbarara District. In addition, 56.1% were married and 42.7% were single. On the existence of the youth groups, cumulatively 71.3% indicated that the groups have been in existence for not more than three years, an indication that most of the groups were purposely formed to benefit from YLP. In addition, each group had a chairperson, treasurer, and a secretary. In regards to gender composition of these groups, the majority 41.5% reported that they were balanced which agrees with YLP guidelines that 30% of the youth group members should be women. Most of the groups comprised of more than 10 members as reported by 56.1% of the youths which is the recommended number by the YLP guidelines. In addition, most of the groups consisted of primary leavers as indicated by 39.5%, while 38.3% reported that they had completed secondary level, and 12.3% had completed college/university. On social ties, the majority 86.6% indicated they knew each other before formation of the group which is consistent with project guidelines that members of a group should be from the same village. In addition, cumulatively, most of the groups meet frequently as reported by 60.9% of the youths that participated in the study.

DISCUSSION

The level of education of group members statistically significantly influenced the repayment status of YLP funds in Mbarara District, $\chi^2 = 14.741, p < 0.05$. Findings indicate that there is extremely desirable relationship ($\Phi = .355$) which is statistically significant at 0.05 level of significance. This implies that higher levels of education of group members increase repayment status of YLP funds. Some scholars such as (Amjad, Farzand, Rasheed, & Muhammad, 2011; Yitbarek, 2014; Theresa, Charles, Blessing, & Moses, 2014) link education of members with loan repayment. The authors found out that the level of education significantly influences loan

repayment. In addition, this finding is similar to findings obtained by (Besley, T., & Coate, S. (1995); Chirwa, E. W. (1997), who examined socio-economic factors influencing loan repayment among small scale farmers in Ogbomoso agricultural zone of Oyo State of Nigeria. The results of multiple regression analysis showed that amount of loan obtained by farmers; years of farming experience with credit use and level of education were the major factors that positively and significantly influenced loan repayment.

In addition, social ties were found to significantly influence repayment status of YLP funds ($\chi^2 = 10.828, p < 0.05$). Taking into consideration the Phi = .417, implying that there is extremely good relationship between social ties and repayment status of YLP funds in Mbarara District. The findings are in agreement with Alessandra, Lucas, & Bruce, (2005); Klaus, Bernd, & Elke, (2002). Also, Zeller (1998) found that groups with stronger ties showed higher repayment rates. This supports the assumption that group members with stronger ties have more information about each other and are, therefore, better able to screen, monitor and enforce. Zeller's results are supported by Assfaw et al., (2015) the existence of social ties among members and such information may help group members to screen and monitor each other's behaviour before group formation and to use sanctions against delaying members which helps to mitigate repayment problems. The results showed that there was significant association between group loan repayment performance (Kipkinyor, T. C., & Wahome, N. A., 2016) and group members knew the other group members before the group was formed. This result is similar to the findings of Al-Azzam, Hill, & Sudipta, (2007) who found that social ties reduce the probability of loan delinquency. In addition, close social ties (Klaus, A., Bernd, I., & Elke, R. 2002) enhance peer pressure and group solidarity thus influencing loan repayment.

Period of existence of the youth group was found to statistically significantly influence repayment status of YLP funds in Mbarara District ($\chi^2 = 18.117, p < 0.05$). Findings indicate that there is a redundant relationship (Phi = .581) which implies the two variables are probably measuring the same concept. This means that there is a strong positive influence between period of group's existence and repayment status of YLP funds. This is because old groups have overcome start-up challenges and are now established concentrating on productivity. This increases the group revenue and reduces defaults in loan repayment.

In addition, frequency of group meetings ($\chi^2 = 12.809, p < 0.05$) were found to statistically significantly influence repayment of funds by youth groups in Mbarara District. Symmetric measures indicate that there is a worrisomely strong influence (Phi = .405) between frequency of group meetings and repayment status of YLP funds. Findings are in agreement with Feigenberg, *et al.*, (2014) who found that more frequent group meetings - weekly meetings vs. monthly meetings – were associated with improvements in informal risk-sharing, reductions

in default rates and increased economic cooperation among clients (Feigenberg *et al.*, 2009, 2010, 2013). Furthermore, it was observed that social capital gains continued to accumulate across multiple lending cycles consistent with Guttman, J. M. (2007), and were higher for clients who started with relatively low levels of empowerment.

CONCLUSION

Group characteristics as described by Million, S. H., Nyikal, R., & Wangia, S. (2012) that significantly influence repayment status of YLP funds in Mbarara District include social ties, level of education of group members, marital status, period of existence of the youth group, and frequency of meetings. The other group characteristics (group leadership, group size, group gender composition, age group, involvement of group members in decision making and management of the group, level satisfaction with group leadership) do not significantly influence repayment status of YLP funds.

This study recommends that the Ministry of Gender, Labour and Social Development; the Youth Livelihood project implementers should put more emphasis on social ties, level of education, period of existence of the youth group, marital status, and frequency of meetings since they are found to be significantly influencing the repayment status of YLP funds in Mbarara district.

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