

**GENDER AND CREDIT FOR DAIRY FARMERS IN
UGANDA: THE CASE OF THE UGANDA
COMMERCIAL BANK RURAL FARMERS SCHEME**

A Dissertation Submitted in Partial Fulfilment of the Requirements of the Degree of
Master of Economics of the University of New England

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1995

Dedication

I dedicate this work to my beloved parents Dr Ephraim H. K. Nsubuga and Mrs Christine J. Nsubuga, who gave me the gift of education.

Abstract

The objectives of this research were to assess the influence of gender and other socioeconomic factors on the sizes of loan allocated to dairy farmers in two districts in Uganda, and on the loan repayment performance of those farmers, in order to suggest some recommendations to improve the allocation to and use of credit by dairy farmers of the Uganda Commercial Bank Rural Farmers Scheme (UCB RFS). The relationship between the size of loans allocated to borrowers and the various socioeconomic variables was estimated using ordinary least squares. Tobit analysis was used to estimate the relationship between the same variables and repayment rate.

Gender was found to be an important determinant of loan size: women received larger loans than men. Collateral, herd size and land area were significant determinants of loan size. Borrowers with collateral received larger loans than those without. Loan size increased with increases in herd size and household size. It decreased with increases in land area for men borrowers, but increased with increases in land area for women.

Gender was found to be important in the repayment performance of the borrowers, in that women repaid worse than men. Also, marital status, other occupation, experience and household size were important determinants of repayment performance. The results indicate that repayment rate increased with increase in experience of borrowers. The rate also increased with increases in household size for women borrowers, but decreased with increases in the household size of men borrowers. Single borrowers and those with other occupations were found to have repaid better than married borrowers and those with no other occupation, respectively.

Based on these results, it is suggested that the UCB RFS, the Government of Uganda and donors should adopt measures to improve the sustainability of the UCB RFS. It is recommended that the scheme employs closer supervision and better screening procedures. Further, the UCB RFS and other financial institutions, the Government of Uganda and donors should aim to improve the repayment performance of women borrowers by incorporating gender issues in their policies. The institutions should adopt procedures that reduce the gender-related burdens of women borrowers, enhance women's skills in dairy husbandry, and provide other less demanding occupation opportunities for the women.

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Acknowledgments

I would like to express my sincere gratitude and deep appreciation to my supervisors, Professor Brian Hardaker and Dr Duangkamon Chotikapanich, for their tireless and patient guidance, kindness and understanding throughout this study. Thanks to Professor Hardaker for his expertise in the issues of development economics, gender and rural credit, and for his encouragement, thoroughness, sympathy and constant support throughout the study. I am very grateful to Dr Chotikapanich for her help and patient supervision in the analytical methods used in the study. Also, I am grateful to Dr Bala Shanmugam for his invaluable and expert advice on the aspects of banking and finance.

I express my gratitude to Associate Professor Roley Piggott (Head of Department of Agriculture and Resource Economics), Dr Vic Wright, Mr Ian Oxenford, Mr Dennis Jones, Miss Kate Owen, Miss Sharon Till and Mrs Diane Mitchell for their support in various ways during the period of this study.

Special thanks to my father, Dr Ephraim Nsubuga and my mother Mrs Christine Nsubuga for their friendship, motivation, love and support. Special thanks to my mother for collecting and sending the data and literature from Uganda, and to the Uganda Commercial Bank Rural Farmers Scheme for providing me with the data. I thank my sister Dorah Nsubuga for her help in obtaining the data and literature.

I would like to thank my dearest husband, Solomon Nyabongo, and our daughters Linda, Diana and Phiona. This study could not have been possible without their enduring prayers, patient love and support. Thanks to Solomon for coding the data, photocopying all the necessary materials and proof reading the drafts. Thanks to my sister Mrs Grace Miller and my brother Dr. Peter Nsubuga for their support.

Special thanks to members of the Shalom band, who endured my absence for such a long time. I wish to thank Becky Walker, Agnes Anokbonggo, Merrilyn Pearson, Selaiah and Charmaine Kanagratnum and William and Claudenea Wong for their friendship and prayers. Special thanks to John Omiti for his advice and Stephen Njuguna for his help, especially in the early stages of analysing the data. I am indebted to Doreen Sengaati whose kind advice contributed to my motivation for this study.

I wish to extend my sincere appreciation to AusAID for funding my studies in Australia. Above all, I wish to declare my deepest gratitude to Almighty God, *Jehovah Yahweh* who has enabled me, in all ways, to accomplish this work.