



The Role of Sustainable Village Community Banks on Improving Standard of Living of Members in Kilimanjaro Region, Tanzania

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Abstract. The study examined the role of Sustainable Village Community Banks (VICOBA) in enhancing the living standards of members in the Kilimanjaro Region, Tanzania. A cross-sectional research design incorporating both qualitative and quantitative approaches was employed. The study targeted a population of 8,700 members, from which a sample of 330 was selected using Cochran's sample size formula at a 95% confidence level, a 5% margin of error, and a population proportion of 20%. Data were collected through a questionnaire and an interview guide and analyzed using a paired sample t-test. The findings showed a statistically significant relationship ($p\text{-value} < 0.05$) for VICOBA members in six (net income, plots of land, house values, cost of health, business values, and cost of education) out of eight assessed livelihood outcomes, which in turn improved their standard of living. Furthermore, key informants indicated that members were motivated to join VICOBA primarily due to access to low-interest loans, which they utilized to improve their living standards through various economic activities, including agriculture and businesses. Additionally, members benefited from covering expenses such as school fees and household needs, including acquiring and improving assets. It is recommended that VICOBA be well managed to leverage the advantages, especially in rural areas, to maximize its socio-economic impact.

Keywords: Sustainable VICOBA, standard of living, livelihood outcomes, Kilimanjaro.

1 Introduction

Poor communities worldwide have long been aware of formal credit and savings institutions in their areas. However, these groups have not been well served by commercial banks in the past and have been labeled as financially excluded populations [18,1]. This situation has begun to change recently, as cooperatives and development finance institutions have made it easier for low-income groups to get money [5]. There are now many different types of microfinance, and Village Community Banks (VICOBA) are now seen as bankable micro-financial institutions that can help poor people in both rural and urban areas, just like regular microfinance institutions [7, 13,12].

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Like in many other developing countries, many Microfinance Institutions (MFIs), such as VICOBA, have been set up in most African countries. Their presence has helped reduce poverty and improve the community's health [17]. For instance, [17] research in Tanzania indicated that smallholder farmers in Kiteto District were able to increase their farm sizes due to the small loans acquired from community banks. Beneficiaries said that getting credit through VICOBA was easy and available, which raised their income and, in the end, their standard of living. Similarly, research conducted in Kenya by [9] indicates that microfinance positively impacts household income and mitigates the susceptibility of rural impoverished families to poverty, while [22] says that VICOBA has changed the financial situation of women positively. Conversely, [20], [3] noted negative results due to weak leadership, delayed loan repayment, insufficient entrepreneurial skills, and poor financial management among members.

Moreover, [2] asserts that VICOBA operations are impeded by issues including delayed loan repayments, prevalent member defaults, insufficient financial literacy, misappropriation of funds, and unethical management practices. Even though the Government of Tanzania and other groups that work on development keep pushing VICOBA as a way to help people get money and improve their lives, the evidence we have so far is mixed and sometimes even contradictory. This underscores the necessity for additional research to ascertain the genuine impact of Village Community Banks on the quality of life of their members. This paper investigates the role of VICOBA in improving the living standards of its members in the Kilimanjaro region.

2 Literature Review

2.1 The Triangle Theory of Microfinance (TTM)

The study was based on [27] Triangle Theory of Microfinance (TTM), which outlines the three primary and often conflicting objectives of microfinance institutions: outreach, financial sustainability, and impact. Outreach focuses on giving a wide range of people access to financial services, especially those who are poor or on the fringes of society. Financial sustainability is about whether the institution can run on its own by paying for its own administrative and lending costs. Impact is the good and measurable changes in clients' well-being that happen because of the services provided. The framework shows that these goals are at odds with each other. For example, expanding services to the poorest may exacerbate sustainability issues, while prioritizing financial viability may hinder access for the most vulnerable groups. The theory is important to this study as it focuses on evaluating the sustainability and developmental efficacy of microfinance initiatives like VICOBA. This study examines VICOBA as a means by which microcredit can enhance the living standards of its members relative to their circumstances before enrollment. Using the Triangle Theory as a guide, the study looks at how Village Community Banks improve the welfare of the community by giving out low-interest loans, encouraging savings, providing business capital, and strengthening social support networks. In general, these services give members more chances to

improve their quality of life, which shows how VICOBA helps low-income families live better lives.

2.2 Empirical Literature Review

Research in developing countries indicates that VICOBA is instrumental in enhancing the living conditions of low-income populations. [15] investigated the impact of VICOBA on enhancing the livelihoods of low-income individuals in the Arusha District, Tanzania, and identified that participants gained from improved entrepreneurial skills, financial literacy, insurance services, access to raw materials, and increased financial capital. In a comparable study, [21] examined microfinance interventions in rural Kenya, demonstrating that these services substantially elevated household income and diminished susceptibility to poverty. [21] also stressed the need for new microfinance models that help clients build assets, save money, and get cheap financial services as a key part of rural development.

[8] also found that community-based banking systems provide a wide range of services, such as soft loans, savings platforms, management training, and socio-economic support. These interventions have changed the lives of people with low incomes, allowing them to go from running a simple business to having more stable finances. [17] examined the role of VICOBA in enhancing the economic welfare of Tanzanian women and discovered that nearly half of the participants initially joined to obtain business financing, with savings emerging as a secondary incentive. Many people said repeatedly that they wanted to join VICOBA so they could improve their lives and have more financial options.

[3] examined the impact of VICOBA initiatives on poverty alleviation in Morogoro, Tanzania, discovering that women-centric micro lending groups enhanced household livelihoods, especially in health and children's education sectors. Also, [6] found that microfinance programs greatly improved the welfare of households. He said that farmers protected food security by growing small plots while taking part in these programs. On the other hand, the VICOBA experience has been good. [4], recorded the dissolution of multiple groups attributable to factors including chronic income poverty, repayment delays, elevated loan default rates, insufficient business and entrepreneurial skills among members, ineffective leadership, flawed group formation processes, distrust, inadequate financial management, and complications stemming from individuals engaging in multiple groups while neglecting repayment responsibilities. Also, [26] noted that some VICOBA schemes do not provide long-term support for livelihoods because they do not properly prepare members for financial problems or help them get back on their feet after an economic shock. Research works indicate that embezzlement and financial mismanagement [2], along with operational failures and group fragmentation [4], diminish member trust and jeopardize capital accumulation and long-term sustainability.

3 Methodology

The study was carried out in the Kilimanjaro Region, Tanzania. The area has a unique mix of high VICOBA penetration, a wide range of ways to make a living, and ongoing social and economic weaknesses. Kilimanjaro has a long history of community-based savings and credit programs, which makes it a great place to study how VICOBA affects income generation, asset accumulation, education costs, and household resilience. Many households still have problems, though, like declining agricultural productivity, youth unemployment, and rising living costs [3]. This makes it important to see if VICOBA participation leads to real improvements in people's lives using livelihood outcome indicators. The study adopted a cross-sectional research design with a mixed approach. Data were collected at a single point in time for VICOBA members in the Kilimanjaro Region. The study targeted a population of 8,700 VICOBA from which a sample of 330 was obtained. A simple random sampling technique was employed, ensuring that VICOBA members had an equal chance of being selected for the study. Three key informants included the community development officers of three districts (Moshi Rural, Siha, and Rombo). Afterwards, Kurtosis and Skewness Tests were conducted to detect whether the sample drawn from the population was normally distributed. Since it is unlikely to achieve perfect symmetry, the values of Skewness and Kurtosis approximately range between -1 and +1. A descriptive analysis revealed that the data related to all six variables tested in this study had an approximately normal distribution, as shown in Table 1.

Table 1. Skewness and Kurtosis test statistics

Factors	Std. Deviation	Skewness		Kurtosis	
		Statistic	Std. Error	Statistic	Std. Error
Age of respondent	0.478	0.776	0.322	0.799	0.692
Level of income	0.441	0.697	0.397	0.871	0.499
Household size	0.298	0.812	0.318	0.743	0.617
Land ownership	0.322	-0.732	0.470	-0.888	0.648
Gender of respondent	0.401	0.715	0.411	0.817	0.601
Education level	0.476	0.886	0.392	0.723	0.689

Contextual Analysis was used to analyze qualitative data, where themes related to the subject matter were developed, followed by a discussion that was enhanced by the literature and theory used to inform the study. The livelihood status of VICOBA members before and after joining VICOBA was examined using a sample paired t-test analysis technique. This technique was preferred because the questionnaire was designed to measure the same members' status before and after they became involved in VICOBA.

4 Findings and Discussion

4.1 Socio-Demographic Characteristics of Respondents

The socio-demographic characteristics of the respondents were analyzed using the variables: gender, age, marital status, level of education, household size, and economic activities. Results are presented in Table 2.

Table 2. Demographic Characteristics of Respondents (n = 330)

Demographic Characteristic		Frequency	Percentage
Gender	Male	61	18.5
	Female	269	81.5
		330	100
Age	18 – 27 Years	19	5.7
	28 – 37 Years	33	10
	38 – 47 Years	147	44.5
	48 – 57 Years	101	30.6
	59 and above	30	9.1
		330	100
Marital status	Single	86	26.1
	Married	162	49.1
	Divorced	29	8.8
	Separated	53	16.1
		330	100
Education level	Never attended	42	12.6
	Adult education	41	12.4
	Primary education	51	15.5
	Secondary education	127	38.5
	College education	69	21
		330	100
Household Size	1 – 5	78	23.6
	6 – 10	131	39.7
	11 -15	62	19
	Above 15	59	17.8
		330	100
Economic activities	Farming	65	17
	Livestock	33	10
	Small business	102	30.9
	Civil servant	91	27.6
	Others	39	11.8
		330	100

Source: Field Survey, 2025

4.2 One -Way ANOVA

A one-way ANOVA was conducted, particularly to determine whether demographic characteristics systematically affect livelihood outcomes like income variation, savings

rates, or asset accumulation. Significant differences among demographic groups substantiate the necessity for subgroup-specific policy or program interventions like VICOBA, whereas non-significant results indicate that the intervention's effects are comparatively consistent across demographic categories. Results are presented in Table 3.

Table 3. ANOVA Results for Demographic Characteristics (N = 330)

Demographic Variable	Variation between Groups	Variation between groups	F -statistics	Sig.(p-value)	Interpretation
Gender	High	Low	$F > F_{crit}$	$p < 0.05$	Significant difference between male and female proportions; females dominate the sample.
Age Groups	High	Moderate	$F > F_{crit}$	$p < 0.05$	Significant variation across age categories, with middle-aged groups dominating.
Marital Status	Moderate	Low	$F > F_{crit}$	$p < 0.05$	Married respondents are significantly more represented than other marital categories.
Education Level	High	Moderate	$F > F_{crit}$	$p < 0.05$	Education levels differ significantly, with secondary and college education dominating.
Household Size	Moderate	Moderate	$F > F_{crit}$	$p < 0.05$	Household sizes differ significantly, with 6–10-member households most common.
Economic Activity	Moderate	Moderate	$F > F_{crit}$	$p < 0.05$	Economic activities vary significantly, with small businesses and civil service dominant.

The results of the one-way ANOVA in Table 3 show that there are statistically significant differences ($p < 0.05$) between all demographic groups. This shows that the sample is not evenly spread out, but rather heterogeneous, with a clear focus on certain groups, such as women, middle-aged adults, married people, people with secondary education, medium-to-large households, and people who run small businesses or work in formal jobs. These substantial variations indicate that involvement in the study (and, by extension, in VICOBA or analogous programs) is intricately linked to specific socio-demographic characteristics, which must be considered when interpreting findings pertaining to livelihood outcome and economic results.

4.3 Livelihood Outcomes of Members Before and After Joining VICOBA

Results in Table 4 indicate that the overall mean increased before and after the members joined VICOBA. The increase in the mean value could be attributed to the diversification of economic activities. However, this means that an increase cannot guarantee whether such an improvement in livelihood outcomes was due to their membership in VICOBA. Further analysis was required to examine the effect of income (eta squared) on each variable and confirm the indication of improvement in members' livelihoods as a result of joining VICOBA. Results of the paired sample statistics of the assessed

livelihood outcomes for the VICOBA members. The study found that the mean net income of VICOBA members was higher than their mean net income before joining VICOBA. The mean income was 1.80 with a standard deviation of 0.771 before joining VICOBA, and 1.02 with a standard deviation of 0.723 after joining, respectively. The increased net income of VICOBA members can be attributed to several key factors. Access to affordable and timely credit enables members to invest in small businesses, agriculture, and income-generating activities, leading to higher returns. Furthermore, the regular savings and financial discipline instilled by VICOBA operations help members accumulate capital and manage their finances more effectively as noted by [20]

Table 4. Paired Sample Statistics (n=330)

	Before, After	Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Net Income	1.02	330	0.771	.431
	Net Income	1.80	330	0.723	.365
Pair 2	TV Set	.87	330	.378	.012
	TV Set	.92	330	.319	.030
Pair 3	Plots of Land	.70	330	.362	.026
	Plots of Land	.80	330	.463	.029
Pair 4	House Value	.87	330	.376	.020
	House Value	.98	330	.342	.026
Pair 5	Cost of Health Services	.63	330	.397	.022
	Cost of Health Services	.84	330	.389	.026
Pair 6	Business Value	.41	330	.401	.027
	Business Value	.82	330	.399	.023
Pair 7	Furniture	.62	330	.423	.019
	Furniture	.69	330	.429	.032
Pair 8	Cost of Education	1.17	330	1.004	.057
	Cost of Education	2.03	330	1.231	.078

Source: VICOBA Survey, (2025); *=significant at $P \geq 0.01$ and** significant at $P \geq 0.05$

The social support and accountability within the group also encourage responsible borrowing and investment, further contributing to improved income levels. These findings were also supported by the key informants, one of them said that; *'VICOBA has taught members a lesson that they need to save, and whenever they get a loan from the group, their investment level improves, they feel responsible for repayment, so that other members can also borrow while at the same time saving each month to increase members' incomes. (Interview 1, interview conducted on 2nd February, 2025).* This narrative supports the quantitative results where the mean score for the net income has improved from 1.02 to 1.80, more than before members joined VICOBA.

Regarding the ownership of TV sets, the findings indicated that the mean before was 0.87 with a standard deviation of 0.378, while after the mean was 0.97 with a standard deviation of 0.319. This indicates an improvement in the quality of ownership of TV sets, which may be attributed to the improved purchasing power of VICOBA members. The other reason is attributed to a change in technology, which allows members to

access high-quality brands. On the other hand, ownership of land had a mean score of 0.70 with a standard deviation of 0.362 before and a mean score of 0.80 with a standard deviation of 0.463. According to the mean score, land ownership is improving, as indicated by the standard deviation, which suggests that there is greater dispersion in land ownership among members after they join VICOBA. This is attributed to a broader range of reasons for the use of the funds obtained from VICOBA. Some members would like to invest much more in businesses rather than purchasing plots of land. Figure 1 presents the mean improvement in pairs of livelihood outcomes.

Comparison of Mean Livelihood Outcomes Before and After VICOBA Participation

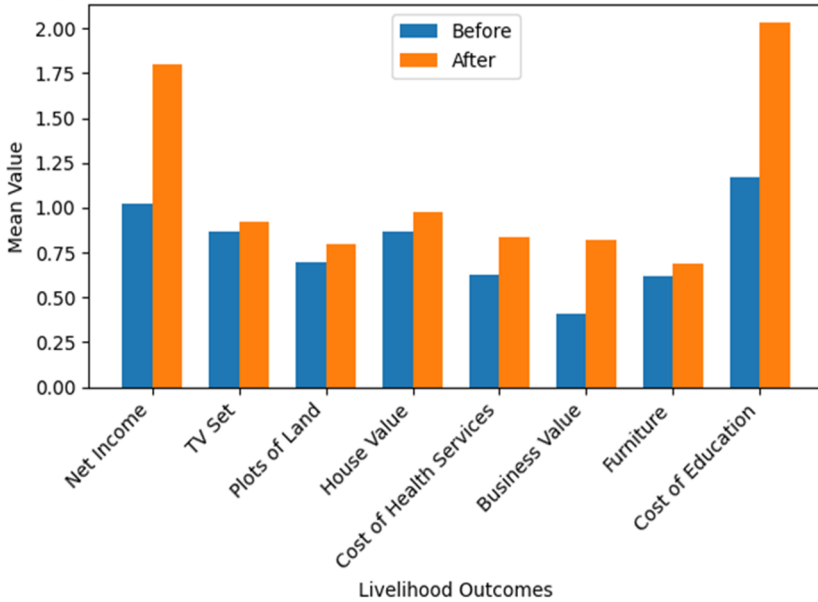


Figure 1: Comparison of Mean Livelihood Outcomes Before and After Joining VICOBA

The mean house values increased from 0.87 to 0.98, respectively, while the standard deviations in the two sets decreased. The increase in the mean value is an indication that either members have acquired improved houses or have moved to better rented houses. The decrease in standard deviations indicates that the difference in house values among VICOBA members is continuing to narrow. The findings align with those of [10], who found that in the Morogoro region of Tanzania, VICOBA has improved the housing status of its members. One of the key informants, when asked about house values, said; *VICOBA has helped members to renovate their houses and improve the house values. Some members have constructed new houses, and some have even moved from lower-level houses to better ones that they rent. (Interview 2- interview conducted on 6th February, 2025)*. The narrative from the members about the house values confirms that VICOBA has improved the housing status of its members. Thus, this explanation also agrees with the quantitative findings, where the mean score has improved

from 0.87 to 0.98. This is attributed to access to funds from their memberships for the construction of new houses or renting better houses.

The mean for the cost of health services increased from 0.63 to 0.84, with a decrease in standard deviation from 0.397 to 0.389 before and after joining VICOBA, respectively. The mean increase indicates that the costs of health services were rising, which may suggest that members can now afford better health services by paying cash or purchasing insurance coverage for themselves and their family members. The decrease in the standard deviation indicates that the differences between members in terms of the cost of services are decreasing the dispersion from the mean. Likewise, results from Table 4 show that the mean for business value doubled from 0.41 to 0.82 before and after joining VICOBA. This indicates that members have improved their business levels or have established new businesses. The standard deviation, which decreases from 0.397 to 0.389, indicates that the dispersion from the mean is also decreasing. Results also indicate that the mean value of furniture has increased from 0.62 to 0.69, with a standard deviation of 0.423 and 0.429 before and after joining VICOBA, respectively. The mean value suggests that members have either improved their furniture or purchased new furniture. However, the standard deviation has increased, indicating that the dispersion from the mean in terms of furniture values has also increased. This may be attributed to the broader range of choices for furniture values. One of the key informants, when asked about furniture values, said; *'It is through VICOBA that members have been able to change furniture in their houses. Currently, many have new sofa sets, a new bed, and a cupboard. Their families are now comfortable with the arrangement of furniture in the house. (Interview 3 - conducted on 12th March, 2025)*. Even though the increase in the mean value is small, from 0.62 to 0.68, the quantitative results agree with the qualitative information provided by the key informants. This narrative confirms that VICOBA members' perception of the value of their furniture in their homes has changed as a result of their membership in VICOBA.

Furthermore, the mean value of education cost has increased from 1.17 to 2.03, and the standard deviation has also increased from 1.004 to 2.03 before and after joining VICOBA. This suggests that members are enrolling their children in more expensive schools, which may charge higher fees than their previous schools. The increase in the standard deviation indicates that the dispersion of the cost of education from the mean is also increasing. This may be attributed to the fact that some members may still leave their children at schools they attended before joining VICOBA, while others are sending their children to more expensive schools, as found by [11] for VICOBA household beneficiaries in Tanzania.

Results of the paired sample t-test in Table 5 indicated that six out of eight livelihood outcomes were significant at p -value > 0.05 . Findings indicated that the net income of VICOBA members showed a statistically significant increase in mean before joining ($M = 0.48$, $SD = 0.542$) and after joining ($M = 0.05$, $SD = 0.0421$, $t(328) = 7.802$, $p < 0.05$). The mean increase score was 0.047 at a 95% confidence interval, ranging from 0.421 to 0.047. The eta squared effect was 0.198, indicating a moderate effect on net

income possession before and after joining VICOBA. Generally, most members had their sources of income even before joining VICOBA. Therefore, this may imply that VICOBA has slightly improved its net income due to increased membership gains.

Table 5. Paired Sample Test (n=330)

		Paired Differences					T	η ²	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference					
					Lower	Upper				
Pair 1	Net Income	.311	.542	.062	.421	.047	7.801	0.198	328	.000*
Pair 2	TV Set	.297	.518	.048	.222	.278	6.232	0.166	328	.031
Pair 3	Plots of Land	.303	.602	.049	.125	.301	4.122	0.107	328	.052
Pair 4	House Values	.599	.616	.046	.461	.567	12.306	0.341	328	.000*
Pair 5	Cost of Health	.457	.497	.029	.420	.542	13.789	0.355	328	.000*
Pair 6	Business Value	.412	.576	.032	.235	.345	6.523	0.163	328	.000*
Pair 7	Furniture	.189	.606	.041	.020	.161	1.986	0.033	328	.016*
Pair 8	Cost of Education	.207	.378	.026	.226	.161	1.543		328	.000*

Source: VICOBA Survey, (2025); *=significant at P ≥ 0.01 and** significant at P ≥ 0.05

House values showed a statistically significant increase in mean score before joining VICOBA (M = 0.599, SD = 0.616) and after becoming members (M = 0.46, SD = 0.461; t (328) = 12.306, p < 0.05). The mean increase was 0.106, with a 95% confidence interval ranging from 0.461 to 0.567. The eta squared effect was 0.341, indicating a strong effect on house values for VICOBA members. The findings align with a study conducted by scientists from the Ifakara Health Institute, which revealed that VICOBA, which empowers local communities economically, can also drive housing improvements and, consequently, help eliminate diseases. The Village Community Banks (VICOBA) have great potential to improve housing conditions and thereby help to combat malaria sustainably and other mosquito-borne diseases in rural Tanzania [16].

Similarly, findings of the study revealed that there was a statistically significant mean increase of cost of health before joining VICOBA (M=0.29, SD=0.46) and after joining (M=0.60, SD=0.459, t (328) =13.789, p<0.05). The mean increase was 0.500, with a 95% confidence interval ranging from 0.420 to 0.542. The eta squared effect was 0.341, indicating a strong effect on the cost of health for VICOBA members. The study also aligns with that of [14], which suggests that microfinance has improved the way VICOBA members allocate their spending on health. This is achieved by setting aside contributions, excluding shares, to cover education, health, and social support for every member every month.

Regarding business values, the results indicated a statistically significant increase in mean before joining VICOBA ($M = 0.32$, $SD = 0.576$) and after joining VICOBA ($M = 0.41$, $SD = 0.497$), with a standard deviation of 0.497, $t(328)$, $p < 0.05$. The mean increase was 0.110 with a 95% confidence interval ranging from 0.235 to 0.345. The eta effect was 0.163, indicating a strong impact on business values resulting from joining VICOBA. The study by [4] on the effect of VICOBA services on the performance of SMEs in Kinondoni District, Tanzania, also found that VICOBA promoted access to business opportunities for clients in the Dar es Salaam region.

Results have indicated that there was no statistically significant increase in the mean for furniture before joining VICOBA in the study area ($M = 0.41$, $SD = 0.606$) and after joining VICOBA ($M = 0.41$, $SD = 0.497$, $t(328) = 1.986$, $p < 0.05$). The mean increase was 0.141 with a 95% confidence interval ranging from 0.020 to 0.161. This is due to the fact that many households already have basic furniture before they join, so they don't need to spend more money or put it off. VICOBA funds are often used for things that make money, like food, education, health care, or housing, instead of things that don't, like furniture. Also, small loan amounts, short loan terms, gradual asset acquisition, and possible problems with measuring or valuing assets could all lead to changes that are too small to make a statistically significant difference in the mean value over the study period.

Regarding the cost of education, the findings show that there was statistically significant increase in the mean before ($M = 0.21$, $SD = 0.207$) and after joining VICOBA ($M = 0.21$, $SD = 0.378$, $t(328) = 0.00$, $p < 0.05$). The average cost of education may not change much after people join VICOBA because families often put off paying for things like tuition and school supplies, which are relatively fixed and may not go up even if they get more money. VICOBA funds are usually used for things like health care, basic household needs, or activities that will make money, not for things that will greatly increase the cost of education. Also, short loan cycles, small contributions, and the fact that kids may already be in school make it hard to see big changes, which is why the mean cost of education hasn't gone up statistically [23]

Several external factors may have influenced the livelihood outcomes in the study area. Inflation increases, for example, making it harder for people to buy things with their income and savings, especially for families with low incomes. As the prices of basic goods and services go up, many families have a hard time meeting their basic needs. [19] found this trend in Bangladesh. In addition, the availability of jobs and access to markets have a big impact on people's livelihoods because they affect how stable their income is and how much they can earn. Better job prospects lead to steady income, more financial security, and more confidence in saving, investing, and using credit responsibly from VICOBA programs [26].

The existence of complementary financial services and donor-supported initiatives in the community is pivotal in influencing livelihood outcomes, as they augment and strengthen the effects of interventions such as VICOBA [11]. Microinsurance, mobile

banking, savings products, business development support, and skills training all help families better manage risks, find new ways to make money, and make better investments. Also, social and cultural factors affect performance by affecting how people participate, make decisions, and spend money in their communities [23]. The levels of trust, social cohesion, and group solidarity among VICOBA members have a direct impact on their ability to work together, save money consistently, and manage loans as a group. This, in turn, affects the success of their livelihood outcomes.

5 Theoretical Implications

The TTM is usually thought of as a stable, balanced model where outreach, financial stability, and poverty impact all work together. However, evidence from Tanzania shows that these goals often compete with each other instead of working together, forcing institutions to put some goals ahead of others. When outreach is a priority, lending to low-income families with unstable incomes and little collateral is often necessary, especially in remote rural areas. This may make it easier for more people to get involved in the economy. Still, it also makes it less sustainable because it costs more to run (for example, for transportation and monitoring). There is a greater risk of defaults because of climate shocks, seasonal agriculture, and health-related disruptions [10]. On the other hand, focusing on sustainability by raising interest rates, making loan terms stricter, or targeting urban traders can help the bottom line, but it may leave out the poorest groups and make it harder to reduce poverty. In the same way, making products that have the biggest impact on poverty, like flexible repayment or grace periods, can make people less likely to pay back their loans on time, which can eventually hurt the capital base needed to keep reaching out.

6 Conclusion and Recommendations

The study concludes that membership in Village Community Banks (VICOBA) has a significant positive impact on members' livelihood outcomes. These improved outcomes contribute to raising the standard of living for members and serve as a key motivation for individuals to join VICOBA in the study area. Also, the findings reveal that VICOBA members have achieved improved livelihood outcomes and a higher standard of living compared to their pre-group conditions. In light of these findings, the study recommends that VICOBA leaders focus on providing high-quality services to members, as this is essential for attracting and maintaining active community participation. Furthermore, the study calls on Local Government Authorities (LGAs), non-governmental organizations (NGOs), and the Ministry responsible for community development to strengthen their support for VICOBA initiatives by developing and implementing policies that encourage community involvement.

Disclosure of Interests. The author declares that have no known financial or personal conflicts of interest that could have influenced the work reported in this paper.

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