Determinants of Investment at the Individual Level: Evidence from SACCOS in Mbeya District, Tanzania

Momole Kasambala
Department of Public Sector Accounting and Finance,
Marketing and Public Relations
Tanzania Institute of Accountancy (TIA) – Mbeya,
Tanzania.
irenekasambala@yahoo.com

***Abstract*- Investment is the corner stone for economic growth and development. Poor countries experience a scant growth of their economy simply because of minute investment at the individual to national level. In these less developed economiesinvestment has been hampered by insufficient capital to support a viable business enterprise. External financing is required to reverse this trend. Experience shows that the provision of credit is the preeminent way to increase capital for investment. There have been several credit providers in developing countries namely, the formal, semiformal, and informal sources. While the formal and semiformal sources dominate in urban areas, the informal ones seem to dominate in rural areas. Many of the formal sources require credit to be secured by tangible assets. Unlike other credit lines like banks, credit from saving and credit cooperative (SACCOS) are issued without delay because credit worthiness can be established easily. These SACCOS normally operate within the premises of members and are well positioned to serve poor people both in urban and rural areas.This study was conducted to assess the determinants of investment at the individual level. Multistage and simple random sampling techniques were used to select the study area and respondents. The sample includes 239 SACCOS members and 241 non members. Data analysis employed both descriptive statistics and Ordinary least square regression methods. The study examines achievement differences in terms of the investment level achieved by SACCOS and non SACCOS members in order to determine the attributed factors to their success. The study provides sufficient evidence to support the proposition that acquisition of credit is important for investment at an individual level at P<0.001.**

Key Words: **Determinants, Investment, SACCOS, Credit, Tanzania.**

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