

**FINANCIAL INSTITUTIONS AND POVERTY ALLEVIATION: A CASE STUDY OF
PEOPLES BANK OF ZANZIBAR (PBZ) IN WESTERN DISTRICT OF ZANZIBAR.**

BY

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ABSTRACT

The study was about the contribution of Financial Institutions on poverty alleviation. A case study of People's Bank of Zanzibar in Western District Zanzibar basing on the following objectives; to investigate contribution Peoples Bank in poverty alleviation in Western District Zanzibar, to determine factors affecting Peoples Bank in poverty alleviation in Western District Zanzibar, to identify people's perceptions on Peoples Bank toward poverty alleviation in Western District Zanzibar. The study design comprised of a combination of both descriptive and cross sectional research designs and both qualitative and quantitative data were employed. A population size of 103 respondents were considered from the target population of 140 respondents, primary data was collected by the use of questionnaires which focused on the research questions. Secondary data were got from journal reports and internet which were in relation to the study objectives. Data entered into excel was presented by the use of frequency tables. Findings were based on the financial institution services that provided their members with loans, savings promotion of cooperation, spiritual transformation, training of the members, outreach services/sensitization. Findings revealed that the respondents who participated in training and support programs had benefited them. The majority of the respondents felt that they had attained a real change in their lives as compared to themselves before they joined the bank and accessing training services. Many felt that they acquired several skills and can educate their children, pay medical bills and afford to feed their households as a result of training and support services received. Majority of the respondents were of the view that members were poor before because of lack of accessibility to bank loans, low savings among others. But after accessing loans, there was a marked improvement in their capital and poverty levels have reduced. Recommendation on poverty reduction level among the rural poor was that people should be encouraged to borrow from the bank and develop the spirit of savings and entrepreneurship.