

**THE ROLE OF SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN  
POVERTY REDUCTION: A CASE STUDY OF SELECTED DISTRICTS IN  
GREATER BUSHENYI, UGANDA**

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**19/BSU/PhD-DM/005**

**A RESEARCH DISSERTATION SUBMITTED TO THE FACULTY OF  
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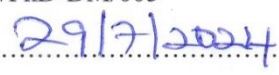
## DECLARATION

I hereby declare that this study titled “THE ROLE OF SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN POVERTY REDUCTION: A CASE STUDY OF SELECTED DISTRICTS IN GREATER BUSHENYI, UGANDA” is my original piece of work and has not been submitted to any other educational institution for any award. All the —sources I used or quoted in this research Thesis have been indicated and acknowledged by complete reference accordingly.

Signed.....

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Date.....

## APPROVAL

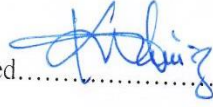
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Research Supervisor

### **DEDICATION**

This research is dedicated to my husband, Mr. Ambrose Centenary Mpekye, and our children, Actual Okwikiriza, Owakunda Assurance, Owomuhendo Assertion, Owatuhair Accurate, and Owomugisha Amicable, who have been supportive and encouraging in the course of my study. I also dedicate this research to two of my mentors, my research supervisors, Dr. Robert Mugabe and Dr. Noel Kansiime, who guided me through my research. I thank them very much for the wonderful time they gave me during my studies. May God bless you.

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I'm also grateful to the respondents for their time and openness in answering my questions. Above all, I want to thank God for allowing me to conduct this research and for his protection and providence.

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## **LIST OF ACRONYMS**

|         |                                                          |
|---------|----------------------------------------------------------|
| CA:     | Capability Approach                                      |
| CDO:    | Community Development Officer                            |
| FSDU:   | Financial Sector Deepening Uganda                        |
| GBDCDO: | Greater Bushenyi District Commercial Development Officer |
| GBDCDO: | Greater Bushenyi District Commercial Development Officer |
| GBDDR:  | Greater Bushenyi District Development Report             |
| GBNI:   | Global Business Network International                    |
| GDP:    | Growth Domestic Product                                  |
| I.M.F:  | International Monetary Fund                              |
| KYAPS': | Kyamuhunga People's SACCO                                |
| MDGs:   | Millennium Development Goals                             |
| MFP:    | Market Facilitation Program                              |
| MSC:    | Microfinance Support Centre                              |
| NBS:    | National Bureau of Standards                             |
| NGO'S:  | Non-Governmental Organizations                           |
| OECD:   | Organisation for Economic Cooperation and Development    |
| PEAP:   | Uganda's Poverty Eradication Action Plan                 |
| PFA:    | Prosperity for All                                       |
| PPA:    | Participatory Poverty assessment                         |
| PPPs:   | Purchasing Power Parties                                 |
| PRAS:   | Participatory Rural Appraisals                           |
| RFSP:   | Rural Financial Services Program                         |
| SAARC:  | South Asian Association for Regional Cooperation         |

|         |                                                                  |
|---------|------------------------------------------------------------------|
| SACCOs: | Savings and Credit Cooperative Societies                         |
| SDG:    | Sustainable Development Goals                                    |
| SHG:    | Self Help Group                                                  |
| UBOS:   | Uganda Bureau of Statistics                                      |
| UCA:    | Uganda Cooperative Alliance                                      |
| UNESCO: | United Nations Educational, Scientific and Cultural Organisation |
| VSLAS:  | Village Savings and Loans Associations                           |
| WHOs    | World Health Organizations                                       |

## DEFINITION OF KEY TERMS

United Nations (2014) defined poverty as a lack of productive resources and income necessary to ensure sustainable livelihoods; hunger and malnutrition; ill health; restricted or absent access to education and other basic services; an increase in illness and mortality from illness; homelessness and inadequate housing; unsafe environments; and social exclusion and discrimination.

The Organization for Economic Cooperation and Development-OECD (2018) defined absolute poverty as the absence of essentials for survival. It counts the number of persons who live in poverty and is not based on location or time. Contrarily, relative poverty is characterized by a person's income and manner of life being significantly lower than the national average. People are classified as poor by comparison with others in the population under consideration rather than with a predetermined poverty line.

Weiss *et al.*, (2015) defined poverty as an income or, more broadly, a welfare level below a socially acceptable minimum. Weiss *et al.*, (2015) go on to add that in order to comprehend poverty, a clear distinction can be made between individuals who experience poverty for an extended period of time, known as the "chronic poor," and those who experience it briefly due to unfavorable shocks, known as the "transitory poor." One might further divide the chronic poor into two groups: those who are physically or socially disadvantaged to the point where they will always be poor without welfare support (the "destitute"), and the larger group who are poor due to a lack of resources and opportunity. Additionally, one can classify households in the non-destitute category according to how much below the poverty line they are, with those that are severely below it being considered to be among the "core poor," who are also occasionally identified by the irregularity of their income.

Abigail Gosselin (2014) defined poverty as the state of being poor; however she notes that this term is still up for debate.

Pauw and Mncube (2012) defined for poverty as consisting of different components, comprising household income and consumption, capabilities as well as access to public services and the ability to own assets.



As a result, this study used the absolute poverty criteria provided by the Organization for Economic Cooperation and Development (OECD 2018). This study defined poverty as absolute poverty and counted the number of SACCO members living in Mitooma, Bushenyi and Sheema below the poverty line by primarily focusing on SACCO members who lack the necessities for survival.

Kyamulesire (1988) defined a SACCO as self-owned, administered, and managed businesses that provide both non-financial and financial services to their members (Kyamulesire, 1988). These participants agree to pool their savings with the SACCO and lend money to one another at reasonable interest rates. The interest added to loans is intended to offset the cost of administration and saving. The owners are the members, and they determine how their funds will be used to benefit one another (Kyamulesire).

Mpiira (2014) defined a SACCO is a fully autonomous group of individuals who come together voluntarily to achieve their needs, whether they be social, economic, cultural, or other objectives. This is accomplished through affiliation with a business that is democratically run. SACCOs can foster cooperation among members and the group's social welfare by providing low-cost loans to meet short-term financial requirements. They can also foster a sense of initiative.

Ministry of Cooperative Development and Marketing (2007) defined a SACCO as an autonomous group of individuals that get together voluntarily to work toward the same economic, cultural, and aspirational goals through a jointly owned and democratically run business. The main principles of a Cooperative Society are to pool the limited resources, cut out the middlemen, and pursue a shared objective or interest

Debrehlor (2011) defined the term "Savings and Credit Cooperatives" as "a cooperative financial organization owned and operated by and for its members adhering to democratic principles for the purpose of encouraging savings, using pooled funds to extend loans to members at reasonable rates of interest, and providing retail financial services to enable members to improve their economic and social well-being, particularly by fostering the growth of members' entrepreneurial spirit."

Ishfaq and Jamil (2015) defined poverty as having a lack of food, shelter, education, good health, a lack of strength, and social inclusion.

As a result, this study used Kyamulesire's definition of SACCO (1988). In order to combat poverty among SACCO members, this study constructed SACCOs as savings and credit cooperative organizations that provide deposit and loan services as well as other non-financial activities.

Baron (1986) defined a moderating variable as a variable that explain the relationship between independent and dependent variable According to Baron (1986) a moderating variable can affect the relationship between an independent and dependent variable by either strengthening or weakening the relationship between two variables.

Holmbeck (2002) defined a moderating variable as a variable that affects the relationship between a predictor variable (X) and an outcome variable (Y). Moderator variables commonly affect the strength of the relationship between X and Y

Therefore, this study used Baron's definition of moderating variable. This study conceptualized a moderating variable as a variable that explain the relationship between independent and dependent variable According to Baron (1986) a moderating variable can affect the relationship between an independent and dependent variable by either strengthening or weakening the relationship between two variables.

United Nations Development Programme (2011) defined poverty reduction as lessening the severity of the impact of poverty on the lives of poor people (UNDP, 2011)

Khazan (2013) defined poverty reduction as poverty relief, or poverty alleviation is a set of measures, both economic and humanitarian, that are intended to permanently lift people out of poverty.

As a result, this study used United Nations Development Programme (2011) definition of poverty reduction. In order to combat poverty, this study constructed poverty reduction as lessening the severity of the impact of poverty on the lives of poor people.

## Abstract

The study examined the role of SACCOs in poverty reduction. The aim of the study was categorically to; establish the contribution of SACCO financial Services to poverty reduction, examine the contribution of SACCO non financial services to poverty reduction and to establish the moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts of Greater Bushenyi, Uganda. A cross-sectional design was used, where both quantitative and qualitative research approaches were used. Quantitative data were obtained from the SACCO members whereas the Key informants were selected from SACCOs management and leadership resource persons who provided the qualitative data. Simple random sampling technique was used to select 397 from 61634 SACCO members and purposive sampling was used to select the 19 Key Informants from 250 SACCOs management and leadership. A self-administered questionnaire and a key informant interview guide were used to obtain the data from the SACCO members and the Key Informants respectively. The findings revealed that for each additional increase in overall rigour of financial services (credit services and saving services), poverty reduction among the SACCO members in Mitooma, Sheema and Bushenyi got an average increase of 0.683 units in their poverty reduction ( $\beta = 0.683$ ,  $p = <0.000$ ); overall increase in rigour of non-financial services leads to poverty reduction among the SACCO members in Mitooma, Sheema and Bushenyi districts. P-value of 0.81 at 95% confidence indicates that the contribution of non-financial services on poverty reduction is not significant [ $\beta = 0.594$ ,  $p = 0.081$ ). The finding also revealed that specific indirect effect of SACCO services through moderation of Fiscal Policy on Poverty Reduction ( $\beta = -1.285$ ,  $p = 0.034$ ); and total indirect effect of SACCO Services on Poverty Reduction ( $\beta = 0.241$ ,  $p = 0.661$ ) are not significant at 95% confidence interval. However, direct effect of SACCO Services on Poverty Reduction ( $\beta = 7.149$ ,  $p = 0.000$ ) and ( $\beta = 7.389$ ,  $p = 0.000$ ) are significant. Therefore, SACCO financial and non-financial services positively contribute to poverty reduction among the SACCO members in Mitooma, Sheema and Bushenyi while government policy (fiscal policy) has a negative contribution. Thus, this study recommends that SACCO financial and non-financial services to their members be enhanced and government revisits the fiscal policy providing enabling environment in which SACCOs operate.

**Key words:** *SACCOs, Poverty reduction, financial services and non-financial services*

## **CHAPTER ONE:**

### **INTRODUCTION**

#### **1.1 Background to the study**

With a gross domestic product annual growth rate of 6.5% on average over the previous three decades, Uganda's economic growth is deemed to have improved. (The World Bank Group, 2021). Due to this, the nation has gradually recovered from the economic downturn endured between the 1970s and the 1980s as a result of political unrest and poor administration (Mbeki, 2005). Uganda's people's living conditions have significantly increased, and the locked economy is on the road to recovery (The World Bank, 2021). Action Aid Uganda has seen an increase in the number of SACCOs during the past ten years, with the bulk of the population living in rural areas (Action Aid Uganda, 2013; Dieter & Gloria, 2019; Emmanuel, 2018). This has significantly improved the quality of life for Uganda's rural residents. However, there is conflicting empirical evidence about SACCOs ability to reduce poverty (Wichterich, 2017; Nuwagaba, 2012; Kizza & Ssekibaamu, 2019) due to their continued vulnerability to shocks, as shown by the increase in poverty in 2016–2017 (Uganda Bureau of Statistics 2017; Waeyenberge & Bargawi, 2018). This chapter focuses on background to the study, problem statement, purpose of the study, study objectives, research questions and hypotheses, justification of the study, the study significance and scope.

##### **1.1.1 Historical Background**

The working class in Europe during the Renaissance was the first to place a high value on cooperation in the modern era, which sparked the development of several industries and trades. Following the 18th century, nations like France and Britain—at the time the leading lights of the industrial era—looked for models that could propel their economies. The labor cooperative and the consumer cooperative were these models (Bateman, 2003). These cooperatives' primary goal was to unite working-class families around shared interests at a period when industrial development had begun to bring about a variety of disasters, most notably social ones. In the latter 19th century, still in Europe, the second generation of proponents of cooperatives emerged (Abramo, Cecchini & Morales (2019). After watching the strong influences of the labor and

consumer groups, primarily in France but also in Britain, these enthusiastic cooperatives developed the patterns utilized primarily in Agricultural Cooperatives and Savings and Credit Cooperatives (Cook ML (1995). These Cooperatives' main goal was distinct from that of labor unions because it was built on local traditions of communal cohesion with an eye toward shared prosperity and economic success. Instead of relying on traders, who were frequently business-oriented and prone to selling fakes and subpar inputs, cooperatives focused on agricultural output, helped farmers increase their output level and put procedures in place for procuring inexpensive and easily available agricultural inputs (Karen Ellis, 2010). They also set money aside and ceased depending on money lenders, who were frequently cunning and scrupulous businessmen who would take advantage of the rural farmers, after realizing that the outcomes were positive and fruitful. As a result, agriculture was considerably improved and mechanized (Bateman, 2003).

Around the end of the 1950s, a priest of the Roman Catholic Church based in Jirapa, Ghana, introduced the concept to Africa (Mashigo & Kabir (2016). Another Irish priest had traveled and studied abroad, particularly in America and Canada, where he became acquainted with and intrigued by cooperative associations dedicated to educating interest groups on the use of cooperatives. Over 50 persons were initially taught by Father John McNulty to become the first SACCO in Africa. Jirapa Savings and Credit Co-operative was the name of the SACCO (Obeng, 2011). As word of the achievement spread throughout Ghana, it served as an inspiration for other emerging SACCOs. In essence, numerous villages banded together to establish Africa's first Credit Union (Aniodoh, 2018).

The Uganda Cooperative Alliance (UCA) brought SACCOs to Uganda (Ministry of Trade, Industry and Cooperatives- Uganda (2017). The SACCOs principal goal was to offer financial services based on self-reliance, or the ability to mobilize and manage their financial activities. This actually came in reaction to the government's initiative to make financial services accessible to the poor in rural areas (Ministry of Trade, Industry and Cooperatives- Uganda (2017). UCA came into existence in 1961 at the height of the Cooperative movement (Emmanuel, 2018). UCA is tasked with resource sourcing, advocacy, education of members and spokesman ship for the SACCOs. However, in the 1990s, government reduced its participation in the Cooperative

movement. The withdrawal of government left a huge vacuum with many challenges. UCA re-organised itself to meet challenges arising from the government policy (Ministry of Trade, Industry and Cooperatives- Uganda (2017)). This led to the formation of SACCOs which were to work as conduits for agricultural credit. As a result, many SACCOs were formed to access that money (Ministry of Trade, Industry and Cooperatives- Uganda (2017)).

The year 2005 was declared the International Year of Microcredit by the UN Assembly (Mpiira *et al.*, 2014). As a result, the assembly set the goal of developing inclusive financial services (Mpiira *et al.*, 2014). In a large number of Countries around the world, the UN microcredit initiatives are successful in helping rural populations escape poverty. Mr. Kofi Annan, the then-Secretary General of the UN, stated that it was critical to address the issues that prevent communities from participating in the financial sector in the launch of UN Microcredit in 2005. He also emphasized that sustained access to microcredit contributes to poverty reduction by generating income and employment (Malinga, 2009; UN, 2003). The deliberate effort to raise household earnings is the government's main concern in Uganda. One strategy to raise household incomes is to create an atmosphere where members of our communities can easily obtain credit at a low cost through microfinance. Microfinance has been acknowledged by the Government of Uganda (GoU) as a strategy for reducing poverty and boosting economic growth in its economic policy initiatives. The GoU created and introduced "Bonna Bagaggawale" the Prosperity for All Program (PFA), in which the government's attitude toward SACCOs has been strengthened, to help the decrease of poverty (Emmanuel, 2018). According to the PFA, all Ugandans and their households will be able to earn an income sufficient to cover their fundamental needs for day-to-day living. The program aims to address the lack of access to financial services, among other measures. The PFA aims to establish a SACCO in each subcounty so that its members can receive loans for agriculture and business at extremely cheap interest rates (Emmanuel, 2018).

According to Lubwama (1995), there were three main reasons for the creation of SACCOs in Uganda. The Campbells, the Church, and the influences of the government are three examples of these influences. The 1946 Cooperative Ordinance in Uganda, along with its corresponding bylaws and regulations, was written by Campbell. Campbell held a position as the Cooperative Registrar in Asia. He applied his knowledge when he arrived in Uganda to create SACCOs.

Campbell was responsible for the establishment of the first Cooperative in Uganda (Batarinyebwa, 1995). According to (Eton & Mwosi (2019b), the Cooperative was formally named as the African Civil Servants Co-operatives Thrift and Loan Society Limited of Kampala. In the early 1960s, SACCOs rapidly increased in size, and it was widely assumed that this was because of the efforts of the clergy. The clergy frequently exhorted its adherents to take part in such development initiatives (Eton & Mwosi (2019b)

Both third world countries and the majority of industrialized nations exhibit signs of poverty (U.S Census Bureau, 2020). It is noted that in 2020, approximately 11.4% of Americans were living in poverty composed of payday loan centers, pawnshops, credit card companies and microfinance (SACCOs) providers who make business from the poorer parts of the populace (Development Initiatives, 2020; Census Bureau, 2020). According to reports, the coronavirus outbreak contributed to a significant portion of 2020's economic slowdown, which raised the number of people living in poverty (Census Bureau, 2020).

Furthermore, a large number of Canadians continue to live in poverty. It has been reported that 62.2% of Canadians were food insecure in 2014 (Clark, 2021). In a similar vein, 14% of Canadian households are said to be precariously housed (i.e., in unaffordable, subpar, or overcrowded housing conditions) (Clark, 2021). Information for February (2021) according to the Canada Report, which is based on 2019 income tax filings, 6.4% of Canadians were considered to be living in poverty (Clark, 2021). Additionally, two-thirds of the population in India is subsistence-level. It has been noted that 68.8% of Indians make less than \$2 a day (World Bank, 2021; Struresh, 2021). 6.2% of Indians, according to the MDG program of the United Nations, lived on less than \$1.25 per day in the years 2018–2019. (Tendulkar, 2021).

More specifically, one in two people in Africa live on less than US \$1.25 a day, and nearly 70% of them reside in rural areas (World Bank Group, 2018). Sub-Saharan Africa (SSA) has been identified as the world's poorest continent (World Bank, 2014). According to this, 300 million people in SSA, or about half of the region's population, live on less than \$1 per day, and 32 of the 48 poorest nations are found in SSA (Sachs, 2007; Statistics South Africa, 2014b; Stewart *et al.*, 2010; Bengajo, 2018)

In addition, East Africa faces a significant problem from poverty. Poverty is still an issue in

Kenya. Makueni County is among the poorest counties in Kenya, according to information from the Kenya Integrated Household Budget Survey 2005/2006 released by (former) Planning and National Development. The county's projected poverty levels are 64.1% higher than the national average of 45.9%. It should be mentioned that 81% of the population in Tanzania is impoverished, even in the rural areas where there are 60% SACCOs (Aman, 2005; Hauri, 2012; Finscope, 2017; Ndiege *et al.*, 2013; URT, 2018).

Similar to this, a significant portion of the population in Uganda continues to live below the poverty line, making it one of Africa's poorest nations (UNPS, 2017). According to Anguyo (2013), 39% of people in Greater Bushenyi live in poverty, and over 65% of Ugandans live in extreme poverty or are at risk of doing so (Angunyo, 2018). The Ministry of Finance, Planning, and Economic Development (2014) reported that although the number of Ugandans living below the national poverty line declined from 9.8 million in 2002/03 to 6.7 million in 2012/13, it rose to 10 million between 2012/13 and 2016/17 (Uganda Bureau of Statistics 2017; Waeyenberge & Bargawi, 2018). A large number of Ugandans continue to be at risk for illness and poor health, illiteracy and limited access to education, horrendous living circumstances, a lack of economic opportunity and disempowerment, underemployment, violence vulnerability, and exposure to dangerous environmental conditions (Emmanuel, 2018).

This led to the creation of many measures for reducing poverty, including the Highly Indebted Poor Country (HIPC) project and the Structural Adjustment Program (SAP). The Millennium Development Goal, which aims to reduce severe poverty worldwide by 2015, was first announced in 2010. (The World Bank, 2015b). The World Bank later set a target to reduce extreme poverty in the world's population to below 3% by the year 2030 after this aim was presented and failed to accomplish the intended objective of fighting poverty. The World Bank, the African Development Bank Group (AfDB), the African Union (AU), the United Nations Development Programme (UNDP), and the International Monetary Fund (IMF) have all chosen varied strategies in the fight against endemic poverty, which has led to the expansion of SACCOs (World Bank, 2015b; Hossen *et al.*, 2019). One of the main entry gates for donor organizations has been reducing poverty, particularly in Sub-Saharan Africa. This is true because communities and families in developing nations continue to live in abject poverty despite the generous resource allocation. The Poverty Eradication Action Plan (PEAP, 1997), the UN's



Millennium Development Goals (MDGs), 2000), and the SDG1, SDG8, SDG 9, SDG 10, UNESCO, 2017, FSDU were all implemented in Uganda as one of the first nations to fully implement a Poverty Reduction Strategy Paper (PRSP). In addition, the Ugandan government created and implemented "Bonna Bagaggawale," Prosperity for All Program (PFA) that strengthened the government's stance on SACCOs (State House, 2007). All the above offer a framework for direct societal action to reduce poverty.

One of the initiatives to reduce poverty was the structural adjustment program. In order to qualify for a loan, a country must meet certain budgetary criteria set by the International Monetary Fund and/or the World Bank (Halton *et al.*, 2021; Thomson *et al.*, 2017). The majority of the time, structural adjustments consist of a set of economic policies, such as cutting government spending, allowing free trade, imposing political conditions, devaluing the currency, privatizing publicly traded enterprises, etc. Following the early 1980s debt crisis and concluding with the switch to a poverty-reduction policy, structural adjustment policies characterized an era of development in the Global South (Bracking, 2018). Technically speaking, they were created to help Countries balance their external payments by luring in foreign direct investment and boosting export competitiveness and growth.

A lot of structural adjustments have been made. These featured a noticeable increase in growth performance, attributable to enhanced macroeconomic and structural policies, in implementing nations between the early 1980s and the mid-1990s, as measured by real per capita growth (IMF, 1999). Over the short term, stabilization was preferred by the IMF over poverty alleviation.

In addition to contributing to deindustrialization, structural adjustment's policy packages had widespread negative consequences on employment and well-being in many of the participating countries. Additionally, they had broader social, political, and cultural repercussions that led to structural and ideological shifts in favor of neoliberalism and marketization (Bracking, 2018; Thomson *et al.*, 2017). The development programs of the countries were negatively impacted by structural adjustment programs in a number of ways, including by limiting access to good, inexpensive healthcare, income and food availability, and other factors, including the advantages of social capital. The structural modifications forced on developing countries by international financial institutions made it clear that a fundamental rethinking was necessary. Neither did they

produce the projected economic development nor get developing nations closer to being globally competitive (Bracking, 2018).

There is now no doubt in anyone's mind that budget deficits and rising inflation are detrimental to long-term prosperity and the eradication of poverty. Nobody would profit from the instability such policies would bring about, least of all the poor, because inflationary measures do not build wealth (IMF, 1999). Under structural adjustment schemes, poverty worsens (Thomas *et al.*, 2017).

The main goals of the government's structural adjustment in Uganda are to maintain rapid and broad-based economic growth and make sure that the underprivileged may participate in and gain from this progress (IMF Uganda, 1997). Maintaining macroeconomic stability was the overarching goal, along with increased economic liberalization to support varied private sector export-oriented growth and institutional and structural reforms to further remove growth barriers. The structural adjustment programs included enacting legislative and judicial reforms that supported private sector investment and economic activity, improving physical infrastructure (with an early emphasis on roads, schools, and health facilities), increasing social expenditures with a view to building human capital, primarily through improved access to education and health services, pursuing good governance, and increasing public spending on the environment. The government's Poverty Eradication Action Plan (PEAP), which emphasizes decreasing poverty through economic growth and the development of people and natural resources, included these policies as important tenets. The adjustment program has involved a variety of initiatives, from reworking the incentive system to restructuring the public service. The outcomes of the adjustment effort have been comparatively scant due to the severity of the ongoing external disturbances and the depth of the preceding crisis.

Farmers in selected districts of Greater Bushenyi, which are mostly farming communities like a lot of rural places, react to changes in market circumstances. To increase the flow of benefits resulting from adjustment policies to the farming community, appropriate policy actions should have been done. Because these measures weren't in place, PEAP's efforts were ineffective (Kayizzi-Mugerwa & Bigsten, 2011).

Uganda also ratified the Millennium Development Goals (MDGs). The eight international development goals known as the Millennium Development Goals (MDGs) were intended to be accomplished by 2015. Reducing infant mortality, enhancing maternal health, battling HIV/AIDS, malaria, and other illnesses, ensuring environmental sustainability, and forming a global development partnership were among them (Lomazzi *et al.*, 2014). The academics point out that by the MDGs' conclusion year of 2015, several targets had at least partially been met, including the reduction of hunger, the halving of poverty, the improvement of living conditions for 200 million people living in poverty, the decline in maternal and child mortality, the reduction of communicable diseases, and the advancement of education. According to Lomazzi (2014) environmental sustainability and the creation of a global partnership received less attention than mother and child health and communicable diseases in the majority of MDG activities conducted around the world.

WHO's (2018) MDG's facts sheet says that globally, the number of deaths of children under 5 years of age fell from 12.7 million in 1990 to 6.3 million in 2013. In developing countries, the percentage of underweight children under 5 years old dropped from 28% in 1990 to 17% in 2013. Globally, new HIV infections declined by 38% between 2001 and 2013. Existing cases of tuberculosis are declining, along with deaths among HIV-negative tuberculosis cases. WHO says that in 2010, the world met the United Nations Millennium Development Goals target on access to safe drinking-water, as measured by the proxy indicator of access to improved drinking-water sources, but more needs to be done to achieve the sanitation target.

Many objectives, particularly in the poorest areas, were not achieved. This was brought on by a variety of difficulties, including the lack of overlap between the objectives, the economic crisis, etc. Since 1990, more than 1 billion people have been lifted out of extreme poverty, according to the United Nations (2015a). Nevertheless, the UN acknowledges that despite advancements, nearly half of all working individuals worldwide continue to do so under precarious circumstances. The MDGs' failure to consistently reduce poverty and, in some circumstances, increase poverty over time became increasingly apparent.

The United Nations (2015c) noted that while development has not been consistent across all targets, Uganda's overall MDG outcomes were remarkable. The United Nations asserted that Uganda was required to accomplish the remaining six MDGs, omitting those that are the

responsibility of the entire international community and those for which there is insufficient data to make an evaluation. The nature of the nation and the standard of living of its people have allegedly improved since the MDGs were adopted in September 2001 and the MDG framework subsequently integrated into Uganda's development plan.

According to the United Nations (2015c) assessment, Uganda has undeniably high household incomes and living standards, a considerably diversified economy, and a high degree of budgetary autonomy. The study acknowledges the role that the MDGs development framework played in supporting these accomplishments. This shows that modern Ugandans have better living conditions and more options in life. The Greater Bushenyi area received a larger MDGs allocation because it was regarded as the nation's model district (UN, 2015c).

However, Ndaguba *et al.*, (2015) claimed that the MDGs, which were praised in Uganda, were ineffective and helpless to elevate people and groups to a comfortable position. They point out that a 2012 survey by the Directorate of Social Protection found that 67% of Ugandans are either extremely vulnerable to falling into poverty or already living in poverty.

To combat poverty, the Sustainable Development Goals (SDGs) were also adopted. At the conclusion of the Millennium Development Goals in 2015, the United Nations Member States accepted the 2030 Agenda for Sustainable Development (SDGs), which serve as a road map for peace and prosperity for people and the planet both now and in the future (United Nations, 2022a). The SDGs address issues including poverty, inequality, climate change, environmental degradation, peace, and justice as well as other global problems we confront. The 17 Sustainable Development Goals (SDGs), an urgent call for action by all nations—developed and developing—in a global partnership, are at the center of it. They understand that combating poverty and other forms of deprivation requires policies that enhance health and education, lessen inequality, promote economic growth, combat climate change, and fight to protect our oceans and forests.

The 2030 Agenda for Sustainable Development and the existence of humanity are both in severe danger, according to the Sustainable Development Goals Report 2022, as a result of cascading and connected catastrophes (United Nations, 2022b). The report outlines several significant

obstacles that must be overcome before the SDGs can be achieved, including the COVID-19, climate change, political unrest, and crises related to food and nutrition, health, education, and the environment. The paper describes how years of gains in eradicating hunger and poverty, enhancing health and education, delivering essential services, and much more have been reversed.

Through national planning, budgeting, and implementation frameworks and processes, Uganda began putting the SDGs into practice. The administration understood the importance of careful planning for the appropriate institutions and policies to achieve the goals the nation had set for itself. This policy and institutional gap analysis offer a thorough study focused on two areas: the alignment of particular policies with the SDGs and institutional capability to carry them out.

However, the National Planning Authority of Uganda (2020) identified gaps in the integration of issues pertaining to poverty reduction in terms of sustainable consumption and production, which are strongly interconnected with other goals such as water and sanitation (SDG6), clean energy (SDG7), sustainable cities and communities (SDG11), and life on land (SDG15) (15). According to the report, efforts to reduce poverty have made little progress and inequities have grown. It emphasizes how important it is to accurately identify Uganda's most vulnerable citizens and incorporate their needs into our budgets, programs, and policies.

In addition, initiatives like the Multilateral Debt Relief Initiative (MDRI) and the Heavily Indebted Poor Countries (HIPC) Initiative were employed to combat poverty. 36 post-completion point countries now have a fresh start and renewed access to development financing thanks to the HIPC initiative and the MDRI, which helped them lower their excessive debt loads (IMF, 2021). 36 of the 39 nations that are currently or potentially eligible for HIPC Initiative support are now completely debt-free with the IMF and other creditors. Sudan has made tremendous strides toward building the solid policy foundation necessary to reach this milestone and eventually receive debt relief.

Following intensive lobbying by NGOs and other organizations, the International Monetary Fund and the World Bank launched the HIPC Initiative in 1996. It offers debt relief and low-interest loans to cancel or lower repayments on external debt to levels that are manageable, enabling future timely repayment of debts (Reuters, 2021). Assistance is contingent upon the national

governments of these nations achieving a number of economic management and performance goals as well as carrying out economic and social reforms, the main goal of which is reducing poverty (World Bank, 2018). In comparison to debt service payments (1.9 percent of GDP), spending on reducing poverty in 2017 was 7.3% of GDP (World Bank, 2019).

Debt relief is a small piece of a much bigger endeavor to address the development requirements of low-income nations and ensure that debt sustainability is maintained over time, which also involves aid flows (IMF, 2021). The increased funds must be used for initiatives that assist the poor if debt reduction is to have a real impact on poverty. According to the World Bank Group (2004), Uganda was the first nation to be certified eligible for and to receive benefits from the HIPC Initiative (in April 1998), securing around US\$700 million (in nominal terms) in debt relief, of which roughly 50% came from the World Bank (The World Bank Group, 2004). Additionally, Uganda was one of the first nations to be designated as eligible for debt relief under the efficiency of Uganda's poverty reduction strategy up to this point, the consultation process that included civil society in the creation of the poverty reduction strategy, and the government's ongoing dedication to macroeconomic stability.

More so, financial sector deepening Uganda was adopted to fight poverty. Financial Sector Deepening (FSD) Uganda is the country's leading 'think and do tank' on financial inclusion and inclusive financial market development (Financial Sector Deepening Uganda, 2022). Financial Sector Deepening Uganda (FSDU) is an independent not-for-profit company committed to promoting greater access to financial services in Uganda. FSD Uganda seeks to develop a more inclusive financial sector with a focus on low-income individuals. Financial Sector Deepening Uganda (2020) stated that poverty and inequality has increased and economic growth remains depressed. This was linked to the hard times for the service sector and the difficulties facing farmers in producing and locating markets. This has been caused in part by limited liquidity, which has led banks to reduce lending and sluggish the recovery. Inequality and poverty have continued or failed to improve. Smallholder farmers and informal businesses do not receive many relief and stimulus programs (FSDU, 2020). Smaller banks' lending is severely restricted, and they are not protected against failing.

Uganda has put together a significant stimulus package worth UGX 5.26 trillion, or almost 4% of GDP (Financial Sector Deepening Uganda, 2022). However, the analysis identifies a financial deficit of \$3.2 trillion and emphasizes that the GoU is in a precarious fiscal position to deliver the entirety of it. The agriculture industry and import substitution are the main beneficiaries of the stimulus. FSD Uganda aims to create a more diverse financial industry with an emphasis on low-income people, especially women, and micro, small, and medium-sized businesses (MSMEs). They promote and enhance policies, laws, and regulations that form Uganda's financial sector, which would be helpful for Sheema, Mittooma and Bushenyi's reasonably established commercial farming, which is the foundation of the region's economy. They also stimulate innovation.

The researcher was inspired to perform a new inquiry on the role of SACCOs in poverty reduction because, despite all these policies and efforts, poverty has remained the biggest issue in both developed and developing countries-Uganda inclusive and Bushenyi, Mittooma, Sheema in particular.

### **1.1.2 Theoretical Background**

#### **Theories of poverty**

This study was guided by Political theory of poverty (Brady, 2009) and the Financial Theory of Intermediation (Gurley, 1960).

#### **Political theory**

The political theory of poverty was developed by Brady in 2009. According to Political theory governance and governmental policies are to blame for poverty. This viewpoint contends that institutions and power both exacerbate poverty. It also contends that political outcomes like poverty are the result of power dynamics and group decisions about resource allocation (Brady, 2009). Its foundation is the notion that group political actors assemble the less fortunate classes in support of their own individual goals. It emphasizes the importance of a country's institutional rules, regulations, and policies and the fact that, if they are ineffectual, they may be a factor in some national regions' poverty.

The political theory also raises the idea that weak government policies undermine plans for potentially stronger countries, like SACCOs, by creating inefficient and unproductive economies through economic instability. Since all societies that support change require people and families to have equitable access to economic resources that may be used to produce goods and services, this is relevant to the study of SACCOs and poverty reduction. Ineffective and unproductive government policies are the main contributors to poverty among individuals, households, and economies. There is a system of ineffective laws, rules, and regulations. It's crucial to note that the precise function of productive initiatives like SACCOs in a nation is not expressly described by the political theory of poverty. Additionally, neither the political theory of poverty as a whole provide insight for increasing a nation's productive initiatives, such as SACCOs, making it challenging to interpret the feedback from poverty in a constructive way (Han & Max, 2019; Ghaliba, 2014). As a result, the theory of financial intermediation was used to fill in the gaps left by the constraints of political theory in order to explain SACCOs poverty reduction.

### **1.1.3 The Theory of Financial Intermediation (Gurley 1960)**

The financial intermediation theory was propounded by Gurley (1960). Gurley (1960) asserted that during economic expansion, a country's financial system grows more swiftly than its total wealth. The fundamental tenet of financial theory of intermediation is that the financial system mediates and facilitates the movement of funds from savings to people and organizations wishing to invest in capital goods as well as those looking to finance investment projects. Financial intermediation is required for the distribution of funds for investments, liquidity, and consumption. Financial intermediation contributes to economic growth and improved public welfare. According to financial theory of intermediation, owners of savings provide borrowers money, who then invest it in the most profitable economic activities

The four functions of the theory that this study determines to be its strongest aspects are the bridging pool of financial resources, reduction of transaction costs, the decrease of liquidity risk, the accessibility of information, and debt renegotiation. Even while this isn't always required to promote the nation's economic development, a nation's financial system should be set up as a web that encourages interactions between financial institutions, financial markets, and financial products. The two theories, the political theory and the theory of financial intermediation



reinforced one another and aided in overcoming any shortcomings that might arise from relying just on one of them. This theory is relevant to the investigation of SACCOs and poverty reduction in this study because of the bridging pool of financial resources, the reduction of transaction costs, the reduction of liquidity risk, and the provision of information. This theory was in addition used because it explained very well the needed details for reducing poverty.

#### **1.1.4 Conceptual Background**

##### **Poverty**

The two key constituents of this study are SACCOs and poverty. Understanding poverty establishes the criteria by which we judge whether the incomes and living circumstances of the most vulnerable members of society are acceptable or not. Understanding poverty is crucial because it shapes how solutions and strategies to combat it are developed. Despite this, the meaning of "poor" is ambiguous, leading to a variety of definitions that are affected by various disciplinary perspectives, world views, and ideologies (Handley *et al.*, 2009).

According to Chambers (1997), there are four categories of poverty: poverty in terms of income or a popular substitute, such as consumption; material scarcity or hunger, primarily characterized by basic and security needs according to Abraham Maslow's hierarchy of needs; capability deprivation is multidimensional deprivation, with material lack or want as only one of several mutually reinforcing dimensions, and refers to what people can or cannot do, or what they can or cannot be, going well beyond material lack to include human capabilities, such as skills and physical abilities, as well as self-respect in society.

In addition, poverty is multifaceted and has many different manifestations, according to the United Nations (2014). These manifestations include: a lack of productive resources and income necessary to ensure sustainable livelihoods; hunger and malnutrition; ill health; restricted or absent access to education and other basic services; an increase in illness and mortality from illness; homelessness and inadequate housing; unsafe environments; and social exclusion and discrimination. It is also distinguished by a lack of involvement in political, social, and cultural life. This definition incorporates ideas of absolute and relative poverty and emphasizes the need to distinguish between different types of poor individuals based on factors including gender, age, occupation, place of origin, and ethnicity.

More importantly, Weiss *et al.*, (2015) formalized poverty by defining it as an income or, more broadly, a welfare level below a socially acceptable minimum, and microfinance was listed as one of a number of cutting-edge financial arrangements made to entice the poor as savers or borrowers. Weiss *et al.*, (2015) go on to add that in order to comprehend poverty, a clear distinction can be made between individuals who experience poverty for an extended period of time, known as the "chronic poor," and those who experience it briefly due to unfavorable shocks, known as the "transitory poor." One might further divide the chronic poor into two groups: those who are physically or socially disadvantaged to the point where they will always be poor without welfare support (the "destitute"), and the larger group who are poor due to a lack of resources and opportunity. Additionally, one can classify households in the non-destitute category according to how much below the poverty line they are, with those that are severely below it being considered to be among the "core poor," who are also occasionally identified by the irregularity of their income.

Furthermore, poverty has been described by Abigail Gosselin (2014) as the state of being poor, however she notes that this term is still up for debate. It should be clear that the state of being poor does not effectively describe the concept of poverty because, if defined as such, poverty might be challenging to measure. We cannot recommend a suitable treatment for something that cannot be measured.

Again, others like Pauw and Mncube (2012) have provided a more comprehensive definition for poverty as consisting of different components, comprising household income and consumption, capabilities as well as access to public services and the ability to own assets.

The OECD (2018) defines absolute poverty as the absence of essentials for survival. It counts the number of persons who live in poverty and is not based on location or time. Contrarily, relative poverty is characterized by a person's income and manner of life being significantly lower than the national average. People are classified as poor by comparison with others in the population under consideration rather than with a predetermined poverty line.

As a result, this study used the absolute poverty criteria provided by the OECD in 2018. This study defined poverty as absolute poverty and counted the number of SACCO members living in

Mitooma, Bushenyi and Sheema below the poverty line by primarily focusing on SACCO members who lack the necessities for survival.

## **SACCOs**

The term "SACCO" refers to Savings and Credit Cooperative. It is equivalent to a credit union (Kyamulesire, 1988). A SACCO is a self-help cooperative society that is independently governed by its unique membership. It is owned, administered, and operated by its members, who share a sense of responsibility for serving their community's needs while also feeling a part of its social and economic community. Anyone who belongs to the group is eligible to join a SACCO, regardless of their gender, job status, color, or creed.

Kyamulesire (1988) asserted that SACCOs offer their clients a huge variety of services. Business accounts, fixed accounts, and savings accounts are the typical deposit services offered. SACCOs are self-owned, administered, and managed businesses that provide both non-financial and financial services to their members (Kyamulesire, 1988). These participants agree to pool their savings with the SACCO and lend money to one another at reasonable interest rates. The interest added to loans is intended to offset the cost of administration and saving. The owners are the members, and they determine how their funds will be used to benefit one another (Kyamulesire).

A SACCO is also a fully autonomous group of individuals who come together voluntarily to achieve their needs, whether they be social, economic, cultural, or other objectives. This is accomplished through affiliation with a business that is democratically run. SACCOs can foster cooperation among members and the group's social welfare by providing low-cost loans to meet short-term financial requirements. They can also foster a sense of initiative (Mpiira *et al.*, 2014).

A Sacco is also an autonomous group of individuals that get together voluntarily to work toward the same economic, cultural, and aspirational goals through a jointly owned and democratically run business. The main principles of a cooperative society are to pool the limited resources, cut out the middlemen, and pursue a shared objective or interest (Ministry of Cooperative Development and Marketing, 2007).

The term "savings and credit cooperatives" is further defined by Debrehlor (2011) as "a cooperative financial organization owned and operated by and for its members adhering to

democratic principles for the purpose of encouraging savings, using pooled funds to extend loans to members at reasonable rates of interest, and providing retail financial services to enable members to improve their economic and social well-being, particularly by fostering the growth of members' entrepreneurial spirit." Ishfaq and Jamil (2015) define poverty as having a lack of food, shelter, education, good health, a lack of strength, and social inclusion.

This study used Kyamulesire's definition of SACCO (1988). In order to combat poverty among SACCO members, this study constructed SACCOs as savings and credit cooperative organizations that provide deposit and loan services as well as other non-financial activities.

### **Contextual Background**

The Cooperative Societies Act of 1991 encourages the establishment, expansion, and growth of SACCOs as organizations dedicated to reducing poverty (Ahmadi, 2016). SACCOs were developed as organisations to help the underprivileged thanks to the Cooperative Societies Act of 1991. Mitooma, Bushenyi and Sheema districts now contains 96 SACCOs, according to preliminary examinations of questions from the District Commercial Officers of these districts. Although some are inactive, there would be more. Similar to Kyamuhunga People's SACCO, several of the 96 SACCOs have success stories. However, many SACCOs struggle with both corporate governance issues and their businesses (Greater Bushenyi District Community Development Report, 2018). But what is far more worrying is how important these SACCOs have been in reducing poverty in these selected districts. SACCOs in Mitooma, Bushenyi and Sheema districts are subjected to extortion, dishonesty, and fraud due to a lack of corporate control, despite their significant roles in connecting the poor to financial services (Byabashaija *et al.*, 2017)

This has complicated the SACCOs efforts to reduce local poverty. Because of this, poverty has persisted in Mitooma, Sheema and Bushenyi districts despite the presence of numerous SACCOs. Poverty is characterized by low individual and household incomes, making it difficult for locals to meet their basic needs, including easy access to clean water, complete housing facilities, food security, education, healthcare, and access to land and property (GBDSR, 2020 Greater Bushenyi District Commercial Report, 2020; UNHS, 2019/2020; Bushenyi District Abstact, 2020; UNHS, 2016/2017).

The foregoing condition of fraud by management staff, high degrees of dishonesty, and a lack of cooperative transparency does not stimulate development despite the substantial values linked to SACCOs to enable disadvantaged citizens to obtain financial services conveniently (Greater Bushenyi district SACCO Report, 2020). It is also imperative to note that Mitooma, Bushenyi and Sheema, which have 96 SACCOs with 61634 members have 40% of SACCO members living in poverty, which is higher than the 32% national average (UNHS, 2016-2017; UBOS, 2018; GBDSR, 2020; UBOS, 2020; UNHS, 2019/2020).

It is against this background that the researcher carried out a study to examine the role of SACCOs in poverty reduction among the SACCO members in selected districts of Greater Bushenyi, Uganda.

## **1.2 Statement of the Problem**

SACCOs does provide access to services, which are utilized to reduce poverty among their members (Kyamulesire, 1988; Financial Sector Deepening Uganda, 2022). The general consensus is that by offering these services, members may grow their own microbusinesses, save money, raise their income, control their consumption, take calculated risks, and ultimately lessen their poverty (Kyamulesire, 1988; Uganda Investment Authority, 2014).

Bushenyi, Mitooma, and Sheema are well known for having the majority of well-developed SACCOs (80%) in Uganda (UBOS, 2018; Ministry of Finance, Planning, and Economic Development, 2021; UBOS, 2020). Nevertheless, a sizable portion of SACCO members from these districts have remained susceptible to disease and poor health, illiteracy, a lack of proper housing, water, clothing, and food, restricted access to education, and appalling living conditions (UBOS, 2018; Musiita *et al.*, 2023; GBDSR, 2020; UBOS 2020; UNHS, 2019/2020; Greater Bushenyi District Community Development Report, 2018). In addition, 40% of SACCO members live in poverty, which is higher than the 32% national average (Bushenyi District SACCO Report, 2020; UNHS, 2019/2020). Despite its significance, no conclusive connection has been made between the reduction of poverty among SACCO members in Mitooma, Bushenyi, Sheema and the financial or non-financial services provided by SACCOs (Mitooma District SACCO Report, 2020; Byabashaija *et al.*, 2017; Bushenyi District Abstact, 2019; Sheema District Abstact, 2020; UNHS, 2019/2020).

More so, according to the literature accessible little is known on the role of SACCOs in poverty reduction among SACCO members in Mitooma, Bushenyi and Sheema districts (Greater Bushenyi District Commercial Development Officer Report, 2021; Greater Bushenyi District SACCO Report, 2020). Even the few studies that have been conducted in Uganda have been conducted in areas far from Sheema, Mitooma, Bushenyi and have contradictory results. For instance, studies by Emmanuel (2018), Benon (2020) and Mwosi (2020) found out that SACCOs did not reduce member's poverty and instead created long-term indebtedness, while Mpubani (2019) and Kizza (2019) found a somewhat positive role of SACCOs in reducing poverty. The information above indicates that there is ongoing disagreement on whether SACCOs genuinely assists its members in Bushenyi, Mitooma, Sheema and throughout Uganda in reducing poverty.

In order to fill the gaps described above and provide pertinent advice for reducing poverty among SACCO members, the researcher undertook a study to examine the role of SACCOs in poverty reduction: A case study of selected districts in Greater Bushenyi, Uganda.

### **1.3 Main objective of the study**

To examine the role of SACCOs in poverty reduction among the SACCO members in selected districts of Greater Bushenyi, Uganda.

### **1.4 Specific objectives of the study**

1. To establish the contribution of financial services to poverty reduction among the SACCO members in selected districts in Greater Bushenyi
2. To examine the contribution of non-financial services to poverty reduction among the SACCOMembers in selected districts in Greater Bushenyi.
3. To establish the moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi.

### **1.5 Research Questions of the study**

1. What is the contribution of financial services to poverty reduction among the SACCO members in the selected districts in Greater Bushenyi?
2. What is the contribution of non-financial services to poverty reduction among the SACCO members in selected districts of Greater Bushenyi?
3. What is the moderating contribution of government policy in the relationship between SACCO services “and poverty reduction among the SACCO members in selected districts in Greater Bushenyi?

### **1.6 Hypotheses of the study**

1. **H<sub>0</sub>**: There is no significant contribution of financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi

**H<sub>1</sub>**: There is significant contribution of financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi.

2. **H<sub>0</sub>**: There is no significant contribution of non-financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi.

**H<sub>1</sub>**: There is significant contribution of non-financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi

3. **H<sub>0</sub>**: The moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi is negative and insignificant.

**H<sub>1</sub>**: The moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi is positive and significant.

## **1.7 Justification**

SACCOs have become a buzz word in the commercial sector with a number of registered SACCOs in the rural area of Uganda. This has prompted the creation of the National Cooperative Fund (NCF) to boost investments in cooperatives on assumption that SACCOs have immense advantages to their members. However, there is limited evidence to that, SACCO members still live in deplorable state (Mwelukilwe, 2001; Mwosi, 2020; Benon, 2020). If this wasn't straightened out, colossal sums of SACCO members and government money would still be lost to misguided investment in these SACCOs.

Secondly, literature on the role of SACCOs in developing countries is suboptimal. A number of studies have been carried out in Asia and Nigeria (Kumar *et al.*, 2015a; Mazunder & Wencong 2013; Elem EO, 2019; Shamim, 2019; Noah, 2016; Akonyi & Ilemona, 2013; Han & Ma, 2019). Whereas Emmanuel (2018) focuses on the role of financial access, Fabian (2020) concentrated on saving culture on poverty reduction while Nuwagaba studied only on SACCOs as a source of financing agriculture. The contribution of SACCOs hasn't been empirically exhausted. Therefore, the study examined the role of SACCOs in poverty reduction and proposed recommendations to reduce poverty among SACCO members in Uganda.

## **1.8 Significance**

### **To the existing literature**

For the benefit of scholars, policymakers, SACCO Members, Board members, and SACCO employees, the study supplemented the body of existing literature. The study contributes to the body of knowledge and data on SACCOs and poverty reduction among academics and other scholars. The study will also be used as a source of information for academic debates and the development of new research topics. Additionally, this study will provide actual proof of the role that microfinance (SACCO) services play in lowering poverty levels overall and in selected districts of Greater Bushenyi.



### **To the Researchers**

Future academics and other research users who want to assess SACCOs and reduce poverty may use the study as a starting point for their work. Future research studies on the effects of SACCOs on poverty reduction in various SACCOs will benefit from the findings provided by this study. It has expanded the body of knowledge on SACCOs contribution to the battle against poverty and served as a knowledge base for upcoming scholars. Additionally, the study has assisted the researcher in completing one of the prerequisites for a PhD in Development management.

### **To the Practitioners**

SACCO Board members will benefit from this study since it has given them information on the variables affecting the success of different SACCOs across the nation. Because it has demonstrated how well SACCOs services work to reduce poverty, the study will also be very important to SACCOs Administrators and Managers. The study could offer advice and help SACCO executives grasp the significance of offering suitable, accessible, and necessary services as forces behind poverty reduction. Through the expansion and development of commercial farming while decreasing subsistence farming, the creation of on- and off-farm employment, an increase in individual and household incomes, and the development of economic, social, and psychological capital among SACCO beneficiaries, this study will also help to consolidate and increase SACCOs contribution to poverty reduction. It will educate and counsel SACCOs on how to improve the speed and accuracy of their service delivery. SACCO managers will use the study's findings to create effective ways to enhance the services they provide. The study will make it easier for SACCOs to grow and develop responsibly in order to build for the future.

### **To the Policy makers**

The study could have an impact on the enhancement of service delivery in the SACCO sector in nations with similar contexts by providing information to policy makers for input in the policy formulation process. SACCOs will find it easier to evaluate the services they provide. The study will assist decision-makers in evaluating the impact of poverty reduction on SACCO strengthening generally. The research could be useful to SACCOs in their efforts to combat poverty by offering basic services to SACCO members. The purpose of this study was to

ascertain how SACCOs reduces poverty. It will provide policymakers with information to counsel SACCOs on how to improve the effectiveness and efficiency of their service delivery.

## **1.9 Scope of the Study**

This is described under the following subthemes.

### **1.9.1 Content scope**

The study focused on the role of Savings and Credit Cooperative Societies in poverty reduction: A case study of selected districts in Greater Bushenyi (Mitooma, Bushenyi, Sheema, Uganda. Specifically, financial services such as credit services and savings services, non-financial services inform of entrepreneurial and skill development and financial literacy training, moderated by government policy intems fiscal policy. These dimensions aimed at poverty reduction measured in terms of member's ability to save and invest, increased income, availability of basic needs and job and wealth creation.

### **1.9.2 Geographical scope**

The research was carried out in Greater Bushenyi .Greater Bushenyi was created in 1974, curved out of Ankole district, and in 1993, Ntungamo district was created, which took away Rushenyi and Kajara counties. It was the cradle of the UPC party (Uganda People's Congress) in western Uganda during the Obotte II regime. In 2009, it was split into five districts, that is, Buhweju, Mitooma, Sheema, Bushenyi, and Rubirizi districts, due to decentralization and the need to bring services closer to the people (Dickens, 2019). The majority of the people living in these districts are Banyankole, although there are other tribes like Baganda, Bakiga, Bakonjo, and a few Nigerians (employees and students at KIU), Somalis, and Ethiopians, among others.

However, for this study, three districts were purposively chosen, i.e., Sheema, Mitooma, and Bushenyi Districts. These districts were chosen because of the continued existence of poverty among the SACCO members despite being well known for having the majority of well-developed SACCOs (80%) in Uganda, as evidenced by 40% of SACCO members living below the poverty line (UBOS, 2018; MFPED, 2014). Additionally, Bushenyi, Sheema, and Mitooma were selected because their developed SACCOs made it easier for the researcher to gather the data needed to understand how SACCOs help reduce poverty among their members. In addition

to being deemed large enough to yield adequate data, these three districts also have a significant number of SACCOs, which made it possible to obtain enough information to address the study's questions, research objectives, and hypotheses (Saed, 2018).

### 1.9.3 Time scope

The study was conducted for 3 years and data collected in January 2023. This is because of the University guidelines, and was when the Research Ethics Committee and the Graduate School allowed the researcher to go into the field for data collection.

## 1.10 Conceptual framework on SACCO services and poverty reduction

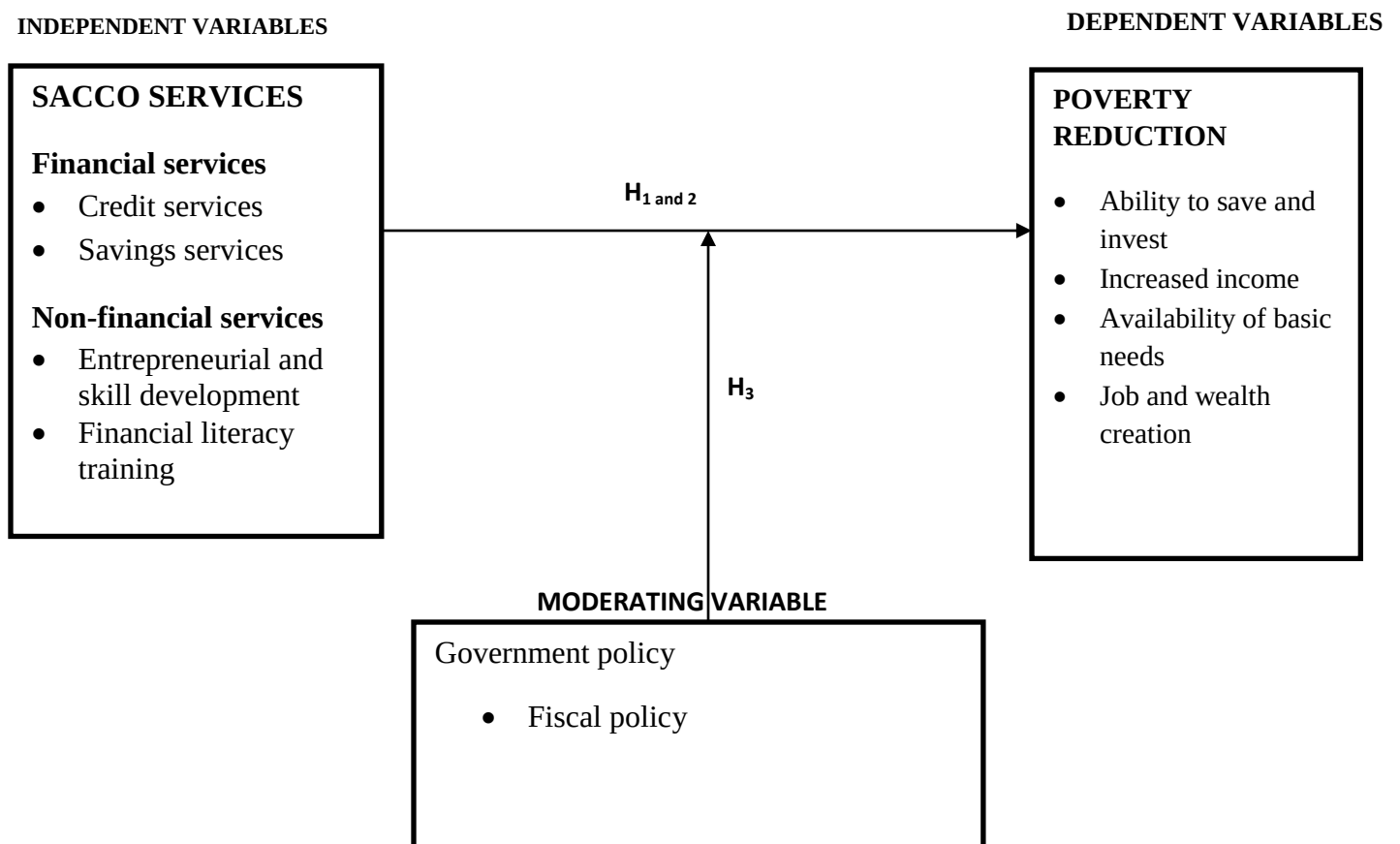


**Figure 1.1: Conceptual frame work**

*Source: Adapted from Hendricks, L, and Chidiac, S (2011) and Modified by the Researcher.*

## **Description of the model**

The conceptual frame work above illustrates the relationship between, SACCO financial services, SACCO non-financial services and poverty reduction. In this conceptualization, it is assumed that SACCO financial services and SACCO non-financial services have the capacity to affect poverty reduction, while taking government policy (fiscal policy) as a moderator of this relationship. The above model illustrates the independent variable that is SACCO financial services in form of savings services which is measured in terms of members' deposits and interest on savings; and credit services which is measured in terms of credit size, interest rates and credit period and non-financial services which is measured in terms of financial literacy training and entrepreneurial skill development and their impact on dependent variable that is poverty reduction measured in terms of increase in ability to save and invest, increased income, availability of basic needs, job and wealth creation in conjunction with the moderating variable government policy (fiscal policy).

Saving is the part of revenue which is not consumed by the business operating activities that predicts the magnitude of the business to subscribe to the saving services. Members are advised to make saving deposits to earn interest to boost their businesses. Credit services are the attributes of accessing credit from SACCOs after appraisal of credit needs for the business. Credit is measured in terms of credit size, period, interest rate and collateral. Credit and saving services affect the performance of the SACCO member's activities amidst moderating variable conceptualized as government policy (fiscal policy). The moderating variable is not influenced by management decisions and instead, it is very fundamental towards poverty reduction.

The moderating variable explains the relationship between independent and dependent variable. For example, despite improvements in SACCO financial and non-financial services, government policy (fiscal policy) may derail the lending capacity of the SACCOs. This may later have an effect on poverty reduction among the SACCO members. In the conceptual framework, the most important element is the independent variable as it is infringed upon by the dependent variable. The nature of government policy (fiscal policy) in which the business operates has direct impact on both SACCO activities and poverty reduction of their members. Accordingly, poverty reduction is viewed as the favorable and conducive government policy (fiscal policy) to induce SACCO operations on poverty reduction.

The model is supported by the financial intermediation theory which encompasses the idea that small SACCO members achieve poverty reduction through access to financial resources to facilitate their operations. Efficient and effective reduction of poverty among the SACCO Members is achieved through access to financial and non-financial resources which SACCOs provide

For SACCO members to achieve poverty reduction, they need strict observation of government policy in order to realize poverty reduction more so after accessing SACCO financial services. Failure by members to abide with moderating variable, financial and non-financial services are rendered inefficient to foster poverty reduction

It is also supported by Farooq, 2012 who noted that offering members with saving services induces them to save their own money on the SACCO accounts which enables them to develop confidence and gain capacity to tap any opportunity identified positively to induce growth of their enterprises and hence poverty reduction. Saving enables the SACCO members to accumulate money for themselves which is bank interest free if the owner wants to invest it and even eases access to an overdraft for investment which leads to poverty reduction. In Uganda's perspective, SACCO saving financial services offer accelerated funds mobilization and also avail members with their own funds to facilitate their activities operations to achieve poverty reduction and in addition SACCO non-financial services like financial literacy training helps the SACCO members to invest the acquired finances into productive ventures that eventually also contributes to poverty reduction. The inter- relationship between the benefit attached to savings and poverty reduction needs investigation. This implies that to achieve poverty reduction, opening and operating savings accounts should be at the forefront.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0. Introduction**

This chapter covers a review of empirical literature on the relationships between the study variables.

#### **2.1 Theoretical Review**

This study was guided by Political theory of poverty (Brady, 2009) and the financial theory of Intermediation (Gurley, 1960)

##### **2.1.1 Political Theory**

The political theory of poverty was developed by Brady in 2009. According to Political theory governance and governmental policies are to blame for poverty. This viewpoint contends that institutions and power both exacerbate poverty. It also contends that political outcomes like poverty are the result of power dynamics and group decisions about resource allocation (Brady, 2009). It emphasizes the importance of a country's institutional rules, regulations, and policies and the fact that, if they are ineffectual, they may be a factor in some national regions' poverty.

Political theory holds that there are complicated relationships among governmental acts, political governance, and poverty reduction. Without the involvement of the state, it is impossible to eradicate poverty in all of its manifestations and foster shared prosperity. The inception, progression, and end of programs to reduce poverty can frequently be decisively shaped by political governance and governmental activities. Another example: The central government can create a comprehensive package of policies, transfers, programs, and assistance to combat poverty and promote development, but bureaucracies at the bottom of the political ladder frequently lack the skills necessary to carry out top-down policies (Brady, 2009).

In order to investigate poverty reduction, it is necessary to draw on the viewpoints of other social science fields, particularly political science. This is due to the fact that managing poverty is a complex process including the use of political power, the assertion of political legitimacy, the exercise of political authority, and the mobilization of political resources. Governmental acts,

political governance, and poverty reduction are intricately intertwined. Initiations to end poverty may be politically motivated, for instance, and the formulation of poverty reduction programs as well as the effectiveness of pro-poor policy implementation are greatly influenced by a number of factors of political governance and governmental policies. (Brady, 2009)

According to political theory, the political circumstances that shape the policy-making process have a significant impact on how poverty reduction measures evolve. In turn, the effects of bad governance will have significant political repercussions. Political governance and government policies are crucial independent variables in the fight against poverty. In order to reduce poverty, the state must be capable, responsive, and accountable, which calls for having the government work for the underprivileged

The political theory raises the idea that weak government policies undermine plans for potentially stronger countries, like SACCOs, by creating inefficient and unproductive economies through economic instability. Since all societies that support change require people and families to have equitable access to economic resources that may be used to produce goods and services, this is relevant to the study of SACCOs and poverty reduction. Ineffective and unproductive government policies are the main contributors to poverty among individuals, households, and economies. There is a system of ineffective laws, rules, and regulations. It's crucial to note that the precise function of productive initiatives like SACCOs in a nation is not expressly described by the political theory of poverty. This theory was applicable to the study of SACCOs and poverty reduction in the light of the following: All societies that foster change require individuals and household to have equitable access to productive economic resource, Counterproductive regulations, policies and laws form an impoverishing framework.

Furthermore, it is difficult to interpret the feedback from poverty in a way that is constructive because neither the SACCOs nor the political theory of poverty as a whole offer insight for boosting a country's creative endeavors (Han & Max, 2019; Ghaliba, 2014). Therefore, in order to explain SACCOs poverty reduction, the theory of financial intermediation was employed to fill in the gaps left by the limitations of political theory. Political theory has been used in a number of empirical investigations (Grindle, 2004; Brian Warby, 2014; Bitler, 2015; Biegert,

2017; Bhattacharyya, 2016; Brady *et al.*, 2016; Karen, 2010; Sachs, 2006; Breslin, 2020) to explain a variety of events.

**Table 2.1: Political Theoretical Matrix**

|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| THEORY TITLE:                                 | Political Theory of Poverty.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| MAIN AUTHORS                                  | (Brady, 2009)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| SUMMARY OF THE THEORY (Theoretical Emphasis): | Political theory of poverty postulates that bad political governance and government policies cause poverty.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| THE MAIN ASSUMPTIONS ARE:                     | <ul style="list-style-type: none"> <li>• One of the assumptions suggest that collective political actors mobilize less advantaged classes for their vested interests. The mobilization of less advantaged groups is pivotal because the default distribution of political power favors few elites.</li> <li>• Another assumption is that institutions' regulations, laws and policies that govern a country matter a great deal that if they are counter productive; they cause poverty in sections of the society.</li> <li>• One another assumption is that civil strife, conflicts and wars cause poverty in nations.</li> </ul> |
| STRENGTH                                      | <ul style="list-style-type: none"> <li>• Power resources theory explains mobilization of less advantaged groups in the society for the elites' vested interests causing high levels of inequality.</li> <li>• Bad regulations, laws and policies governing the distribution of productive economic resources cause poverty</li> </ul>                                                                                                                                                                                                                                                                                               |
| WEAKNESSES                                    | <ul style="list-style-type: none"> <li>• The political theory of poverty do not explicitly explain</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |



|                                   |                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                   |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
|                                   | <p>specific contribution of a nation's productive programmes, like SACCOs.</p> <ul style="list-style-type: none"> <li>• The political theory of poverty does not explain internal dynamics of a nation's productive programmes, like SACCOs.</li> <li>• Nor do political theory of poverty provide insights for strengthening the nation's productive programmes, like SACCOs.</li> </ul> |                                                                                                                   |
| MAIN VARIABLES                    | Independent Variable                                                                                                                                                                                                                                                                                                                                                                      | Power<br>Resource distribution<br>Institutional rules, regulations, and policies<br>Impoverishing legal framework |
|                                   | Dependent Variable                                                                                                                                                                                                                                                                                                                                                                        | Wide spread Poverty                                                                                               |
| APPLICATION TO THE PROPOSED STUDY | <p>This theory was applicable to the study of SACCOs and poverty reduction in the light that:</p> <ul style="list-style-type: none"> <li>• Counterproductive regulations, policies and laws form an impoverishing framework.</li> </ul>                                                                                                                                                   |                                                                                                                   |

Table 2.1 above showed the political theoretical matrix which included the theory title, main variables, and summary of the theory, the main assumptions, strength, weaknesses, main variables and application of the theory to the proposed study.

### **2.1.2 The Theory of Financial Intermediation (Gurley, 1960)**

Gurley (1960) assessed the financial system and economic expansion of the 1960s. According to Gurley (1960), a Nation's financial system expands more quickly than its overall wealth during economic growth. According to Gurley, how different economic organizations distribute the

duties of saving and investing will ultimately determine the relative size of a country's financial system. The central thesis of financial theory of intermediation is that the financial system mediates and facilitates the flow of money from savings to individuals and institutions intending to invest in capital goods as well as those seeking to finance investment projects. The allocation of funds for investments, liquidity, and consumption requires financial intermediation. Financial intermediation enhances public welfare and helps the economy grow. Owners of savings loan money to borrowers, who use it to invest in the most lucrative sectors of the economy

This theory was relevant to the investigation of SACCOs and poverty reduction in this study because of the bridging pool of financial resources, the reduction of transaction costs, the reduction of liquidity precision, and the provision of information. These are explained as below;

### **Bridging pool of financial resources**

Financial system mediates and facilitates the flow of money from savings to individuals and institutions intending to invest in capital goods as well as those seeking to finance investment projects. The allocation of funds for investments, liquidity, and consumption requires financial intermediation. This helps to enhance public welfare and helps the economy grow.

### **Reduction of transaction costs**

Financial intermediaries convert the deposit portfolio that lenders want from the credit portfolio that borrowers demand. This change has two components:

(i) First, financial intermediaries transform terms: businesses choose long-term lending to fund their initiatives, whereas households favor short-term deposits due to liquidity concerns. This transformation is carried out by financial intermediaries; however non-financial entities may also issue instruments such as demand deposits or short-term savings contracts. However, it would be expensive for small creditors to draft debt contracts with businesses (these are intricate agreements with limitations on business operations). Additionally, small creditors frequently prefer to diversify their risks, which call for more contracts and, thus, more expensive transaction fees. Writing and enforcing debt agreements with businesses enables an intermediary to take advantage of economies of scale considerations.

(ii) Second, by using the payment system, financial intermediaries' lower transaction costs. The cost of unnecessary double-checking is avoided by centralizing this process at the level of financial intermediaries. Although important, the vision of banking activities in terms of reducing transaction costs is only partially comprehensive, as noted by Gurley (1960), which has sparked the growth of other viewpoints regarding bank function. For instance, Gurley (1960) demonstrates how the presence of banks helps to prevent the duplication of audit costs on the part of all creditors in his well-known concept of banks as delegated monitors. Although connected to transaction costs, the decline in monitoring expenses highlights the role that banks play in information supply.

The aforementioned examples demonstrate how depositors and creditors can reduce transaction costs. The example of a financial instrument like a loan commitment shows how the reduction in transaction costs might be observed from the perspective of borrowers or businesses. The ability for a borrower to get a loan subject to predefined terms is provided by a loan commitment, which may or may not be exercised. Loan commitments may lower borrowing costs and get rid of the borrower's side moral hazard issues. As a result, there may be an opportunity to lower transaction costs due to the loan commitments. Loan commitments are an example of a lending relationship, and they serve as a foundation for debt renegotiation.

### **Liquidity provision**

Depositors, who serve as creditors in their dealings with financial intermediaries, are exposed to the risk of running out of liquid assets. They are compelled to hold their wealth (at least in part) in the form of bank deposits due to the trade-off between liquidity and return. As a result, bank liabilities rather than bank assets are given more attention in models of banks as liquidity providers.

In light of this, banks are faced with a difficult choice: either invest in short-term (liquid) assets and neglect their term transformation role, or invest (at least partially) in long-term assets and risk bank runs. An insured deposit contract, which assures depositors of receiving their money back, is a solution to this issue. This deters bank robberies and indicates a better resource allocation than the one made without insurance. The requirement for deposit insurance also serves to highlight the need for regulatory action.

**Information provision.**

A company seeking debt financing often has the option of borrowing money from either the general public or financial intermediaries. Since each lender must determine a company's solvency, or at the very least, regularly update rating information provided by specialist agencies, the public debt is inefficient. Due to free-riding, this either raises the cost of monitoring or causes monitoring to be below average. According to Gurley (1960), debt attracts significantly less informed creditors because it is a less information-intensive asset than equity. Given the natural monopoly nature of information distribution, it stands to reason that bank debt would be preferred by these creditors above public debt. Since a borrower's bank account transactions may allow the bank to learn information about that borrower, a natural monopoly element develops here due to both economies of scale in information provision as well as economies of scope.

The depositors have risk-free debt contracts as a result, and they are therefore not needed to monitor the bank (at least not continuously) if the bank has a fully diversified portfolio of assets.

**Debt renegotiation**

Because there was no friction in the financial markets, solvent businesses could always raise financing for fresh investment opportunities. According to the microeconomics of asymmetric information, there are some reasonable theories for why market friction, such as moral hazard, adverse selection, and/or agency costs, causes barriers for the flow of capital to companies with viable investment prospects. The above-discussed function of financial intermediaries as information providers offers a remedy for this issue. Credit agreements between banks and businesses should resemble debt agreements in the market without financial intermediaries if capital may move from creditors (depositors) to borrowers (firms) through the system of financial intermediation.

The financial theory of intermediation was also used in addition to its preceding significance since it clearly explains the specifics required to reduce poverty.

The fact that the current state of financial intermediation theory does not acknowledge the role of lenders in managing risk in the banking relationship is one of its main criticisms (Allen and Santomero, 1997; Scholtens and Wensveen, 2000). Furthermore, a country's financial system should be designed as a network that promotes interconnections between financial institutions, financial markets, and financial goods, even though this isn't necessarily necessary to advance the country's economic progress. In order to overcome any drawbacks that can result from relying just on one of the two theories, the political theory and the theory of financial intermediation strengthened one another.

The financial theory of intermediation has been used in a number of empirical investigations to explain a variety of events (Arp, F. 2017; Kadagi *et al.*, 2015; Eluwatomi Owolabi, 2015; Odedokun, 1998; Bab Letisha, 2018). The two theories, the political theory and the theory of financial intermediation reinforced one another and aided in overcoming any shortcomings that might arise from relying just on one of them.

**Table 2.2: Financial Intermediation Theoretical Matrix**

|                                               |                                                                                                                                                                                                                          |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| THEORY TITLE:                                 | Theory of Financial Intermediation                                                                                                                                                                                       |
| MAIN AUTHORS                                  | (Gurley, 1960).                                                                                                                                                                                                          |
| SUMMARY OF THE THEORY (Theoretical Emphasis): | Financial intermediaries transform the credit portfolio demanded by borrowers into a deposit portfolio desired by lenders.                                                                                               |
| THE MAIN ASSUMPTIONS ARE:                     | The financial system mediates and facilitates the movement of funds from savings to those who wish to undertake investment in capital goods and also companies or individuals that wish to finance investments projects. |
| STRENGTH                                      | The strengths are the theory's functions: <ul style="list-style-type: none"> <li>• Bridging pool of financial resources</li> </ul>                                                                                       |

|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                         |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
|                                         | <ul style="list-style-type: none"> <li>• The reduction of transaction costs;</li> <li>• The reduction of liquidity risk/ liquidity provision;</li> <li>• The information provision; and</li> <li>• The debt renegotiation.</li> </ul>                                                                                                                                                                                                                                                                                                     |                                         |
| WEAKNESSES                              | <ul style="list-style-type: none"> <li>• The structure of financial system of a country should be a web that make inter-relationship, between financial institution, financial market and financial instrument easier so as to foster the economic development of the country, which is not always what meets the eyes.</li> <li>• It does not recognize the risk management role of lenders in the banking relationship</li> </ul>                                                                                                       |                                         |
| MAIN VARIABLES                          | Independent Variable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Intermediation                          |
|                                         | Dependent Variable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Bridging credit portfolio and borrowers |
| APPLICATION<br>TO THE PROPOSED<br>STUDY | <p>This theory was applicable to the study of SACCOs and poverty reduction in the light of the following:</p> <ul style="list-style-type: none"> <li>• Bridging pooled of financial resources.</li> <li>• The reduction of transaction costs;</li> <li>• The reduction of liquidity risk;</li> <li>• The information provision.</li> <li>• The debt renegotiation.</li> <li>• The financial theory of intermediation will also be applicable to this study since it clearly explains the specifics required to reduce poverty.</li> </ul> |                                         |

Table 2.2 above showed Financial Intermediation theoretical matrix which included the theory title, main variables, and summary of the theory, the main assumptions, strength, weaknesses, main variables and application of the theory to the proposed study.

## **2.2 Poverty Reduction**

The term "poverty reduction" refers to programs and tactics that lessen the number of people living in poverty, the severity of its effects on their life, or both (Pateloh, 2013). According to Pateloh (2013), it is evident that the ability of the poor to utilize the resources provided by microfinance (SACCOs) determines what SACCOs (MFIs) can accomplish for them. According to Pateloh (2013), microfinance (SACCOs) offers the poor a window of opportunity to utilize a borrowing and saving facility.

Additionally, a combination of economic and humanitarian initiatives referred to as poverty reduction, poverty relief, or poverty alleviation aim to permanently raise people out of poverty (OM Barder, 2009). Lifting the majority of people out of poor situations of life is another definition of reducing poverty (Weiss *et al.*, 2015).

The term "poverty reduction" was used in this study in the sense given by Pateloh, 2013, which defines it as "policies or tactics that lessen the severity of the adverse effects of poverty on the lives of poor people or the percentage of people living in poverty."

One of the main points of entry for donor organizations has been the reduction of poverty in Uganda. This is true because families and communities in Uganda continue to live in abject poverty despite the generous resource allocation. The Poverty Eradication Action Plan (PEAP, 1997), the UN's Millenium Development Goals (MDGs), 2000), and the SDG1, SDG8, SDG 9, SDG 10, UNESCO, 2017, FSDU were all implemented in Uganda as one of the first nations to fully implement a Poverty Reduction Strategy Paper (PRSP). In addition, the Ugandan government created and implemented "Bonna Bagaggawale," Prosperity for All Program (PFA) that strengthened the government's stance against SACCOs (Pateloh, 2013). Everything comes down to creating a framework for collective action to end poverty.

One of the initiatives to combat poverty was the structural adjustment program. In order to qualify for a loan, a country must meet certain budgetary criteria set by the International Monetary Fund and/or the World Bank (Halton *et al.*, 2021; Thomson *et al.*, 2017). The majority

of the time, structural adjustments consist of a set of economic policies, such as cutting government spending, allowing free trade, imposing political conditions, devaluing the currency, privatizing publicly traded enterprises, etc. Following the early 1980s debt crisis and concluding with the switch to a poverty-reduction policy, structural adjustment policies characterized an era of development in the Global South (Bracking, 2018). Technically speaking, they were created to help countries balance their external payments by luring in foreign direct investment and boosting export competitiveness and growth

A lot of structural adjustments have been made. These featured a noticeable increase in growth performance, attributable to enhanced macroeconomic and structural policies, in implementing nations between the early 1980s and the mid-1990s, as measured by real per capita growth (IMF, 1999). Over the short term, stabilization was preferred by the IMF over poverty alleviation.

In addition to contributing to deindustrialization, structural adjustment's policy packages had widespread negative consequences on employment and well-being in many of the participating countries. Additionally, they had broader social, political, and cultural repercussions that led to structural and ideological shifts in favor of neoliberalism and marketization (Bracking, 2018; Thomson *et al.*, 2017). The development programs of the countries were negatively impacted by structural adjustment programs in a number of ways, including by limiting access to good, inexpensive healthcare, income and food availability, and other factors, including the advantages of social capital. The structural modifications forced on developing countries by international financial institutions made it clear that a fundamental rethinking was necessary. Neither did they produce the projected economic development nor get developing nations closer to being globally competitive.

There is now no doubt in anyone's mind that budget deficits and rising inflation are detrimental to long-term prosperity and the eradication of poverty. Nobody would profit from the instability such policies would bring about, least of all the poor, because inflationary measures do not build wealth (IMF, 1999). Under structural adjustment schemes, poverty worsens.

The main goals of the government's structural adjustment in Uganda are to maintain rapid and broad-based economic growth and make sure that the underprivileged may participate in and gain from this progress (IMF Uganda, 1997). Maintaining macroeconomic stability was the



overarching goal, along with increased economic liberalization to support varied private sector export-oriented growth and institutional and structural reforms to further remove growth barriers. The structural adjustment programs included enacting legislative and judicial reforms that supported private sector investment and economic activity, improving physical infrastructure (with an early emphasis on roads, schools, and health facilities), increasing social expenditures with a view to building human capital, primarily through improved access to education and health services, pursuing good governance, and increasing public spending on the environment (IMF Uganda, 1997). The government's Poverty Eradication Action Plan (PEAP), which emphasizes decreasing poverty through economic growth and the development of people and natural resources, included these policies as important tenets. The adjustment program has involved a variety of initiatives, from reworking the incentive system to restructuring the public service. The outcomes of the adjustment effort have been comparatively scant due to the severity of the ongoing external disturbances and the depth of the preceding crisis.

Farmers in Sheema, Bushenyi and Mitooma, which are mostly farming communities like a lot of rural places, react to changes in market circumstances. To increase the flow of benefits resulting from adjustment policies to the farming communities, appropriate policy actions should have been done. Because these measures weren't in place, PEAP's efforts were ineffective (Kayizzi-Mugerwa & Bigsten, 2011).

Uganda also ratified the Millennium Development Goals (MDGs). The Eight International Development Goals known as the Millennium Development Goals (MDGs) were intended to be accomplished by 2015 (Lomazzi *et al.*, 2014). Reducing infant mortality, enhancing maternal health, battling HIV/AIDS, malaria, and other illnesses, ensuring environmental sustainability, and forming a global development partnership were among them (Lomazzi *et al.*, 2014). The academics point out that by the SDGs' conclusion year of 2015, several targets had at least partially been met, including the reduction of hunger, the halving of poverty, the improvement of living conditions for 200 million people living in poverty, the decline in maternal and child mortality, the reduction of communicable diseases, and the advancement of education. According to Lomazzi *et al.*, 2014 environmental sustainability and the creation of a global partnership received less attention than mother and child health and communicable diseases in the majority of MDG activities conducted around the world.

WHO's (2018) SDGs facts sheet says that globally, the number of deaths of children under 5 years of age fell from 12.7 million in 1990 to 6.3 million in 2013. In developing countries, the percentage of underweight children under 5 years old dropped from 28% in 1990 to 17% in 2013. Globally, new HIV infections declined by 38% between 2001 and 2013. Existing cases of tuberculosis are declining, along with deaths among HIV-negative tuberculosis cases. WHO says that in 2010, the world met the United Nations Millennium Development Goals target on access to safe drinking-water, as measured by the proxy indicator of access to improved drinking-water sources, but more needs to be done to achieve the sanitation target.

Many objectives, particularly in the poorest areas, were not achieved. This was brought on by a variety of difficulties, including the lack of overlap between the objectives, the economic crisis, etc. Since 1990, more than 1 billion people have been lifted out of extreme poverty, according to the United Nations (2015a). Nevertheless, the UN acknowledges that despite advancements, nearly half of all working individuals worldwide continue to do so under precarious circumstances. The SDGs' failure to consistently reduce poverty and, in some circumstances, increase poverty over time became increasingly apparent.

The United Nations (2015c) noted that while development has not been consistent across all targets, Uganda's overall MDG outcomes were remarkable. The United Nations asserted that Uganda was required to accomplish the remaining six SDGs, omitting those that are the responsibility of the entire international community and those for which there is insufficient data to make an evaluation. The nature of the nation and the standard of living of its people have allegedly improved since the MDGs were adopted in September 2001 and the MDG framework subsequently integrated into Uganda's development plan.

According to the United Nations (2015c) assessment, Uganda has undeniably high household incomes and living standards, a considerably diversified economy, and a high degree of budgetary autonomy. The study acknowledges the role that the MDGs development framework played in supporting these accomplishments. This shows that modern Ugandans have better living conditions and more options in life. The Greater Bushenyi area received a larger SGD allocation because it was regarded as the nation's model district.

However, Ndaguba *et al.*, (2015) claimed that the SDGs, which were praised in Uganda, were ineffective and helpless to elevate people and groups to a comfortable position. They point out that a 2012 survey by the Directorate of Social Protection found that 67% of Ugandans are either extremely vulnerable to falling into poverty or already living in poverty.

To combat poverty, the Sustainable Development Goals (SDGs) were also adopted. At the conclusion of the Millennium Development Goals in 2015, the United Nations Member States accepted the 2030 Agenda for Sustainable Development (SDGs), which serve as a road map for peace and prosperity for people and the planet both now and in the future (United Nations, 2022a). The SDGs address issues including poverty, inequality, climate change, environmental degradation, peace, and justice as well as other Global problems we confront. The 17 Sustainable Development Goals (SDGs), an urgent call for action by all Nations—developed and developing—in a global partnership, are at the center of it. They understand that combating poverty and other forms of deprivation requires policies that enhance health and education, lessen inequality, promote economic growth, combat climate change, and fight to protect our oceans and forests.

The 2030 Agenda for Sustainable Development and the existence of humanity are both in severe danger, according to the Sustainable Development Goals Report 2022, as a result of cascading and connected catastrophes (United Nations, 2022b). The report outlines several significant obstacles that must be overcome before the SDGs can be achieved, including the COVID-19, climate change, political unrest, and crises related to food and nutrition, health, education, and the environment. The paper describes how years of gains in eradicating hunger and poverty, enhancing health and education, delivering essential services, and much more have been reversed.

Through national planning, budgeting, and implementation frameworks and processes, Uganda began putting the SDGs into practice. The administration understood the importance of careful planning for the appropriate institutions and policies to achieve the goals the nation had set for itself. This policy and institutional gap analysis offer a thorough study focused on two areas: the alignment of particular policies with the SDGs and institutional capability to carry them out.

However, the National Planning Authority of Uganda (2020) identified gaps in the integration of issues pertaining to poverty reduction in terms of sustainable consumption and production, which are strongly interconnected with other goals such as water and sanitation (SDG6), clean energy (SDG7), sustainable cities and communities (SDG11), and life on land (SDG6) (15). According to the report, efforts to reduce poverty have made little progress and inequities have grown. It emphasizes how important it is to accurately identify Uganda's most vulnerable citizens and incorporate their needs into our budgets, programs, and policies.

In addition, initiatives like the Multilateral Debt Relief Initiative (MDRI) and the Heavily Indebted Poor Countries (HIPC) Initiative were employed to combat poverty. 36 post-completion point countries now have a fresh start and renewed access to development financing thanks to the HIPC initiative and the MDRI, which helped them lower their excessive debt loads (IMF, 2021). 36 of the 39 nations that are currently or potentially eligible for HIPC Initiative support are now completely debt-free with the IMF and other creditors. Sudan has made tremendous strides toward building the solid policy foundation necessary to reach this milestone and eventually receive debt relief.

Following intensive lobbying by NGOs and other organizations, the International Monetary Fund and the World Bank launched the HIPC Initiative in 1996. It offers debt relief and low-interest loans to cancel or lower repayments on external debt to levels that are manageable, enabling future timely repayment of debts (Reuters, 2021). Assistance is contingent upon the national governments of these nations achieving a number of economic management and performance goals as well as carrying out economic and social reforms, the main goal of which is reducing poverty (World Bank, 2018). In comparison to debt service payments (1.9 percent of GDP), spending on reducing poverty in 2017 was 7.3% of GDP (World Bank, 2019).

Debt relief is a small piece of a much bigger endeavor to address the development requirements of low-income nations and ensure that debt sustainability is maintained over time, which also involves aid flows (IMF, 2021). The increased funds must be used for initiatives that assist the poor if debt reduction is to have a real impact on poverty. According to the World Bank Group (2004), Uganda was the first nation to be certified eligible for and to receive benefits from the HIPC Initiative (in April 1998), securing around US\$700 million (in nominal terms) in debt relief, of which roughly 50% came from the World Bank (The World Bank Group, 2004).

Additionally, Uganda was one of the first nations to be designated as eligible for debt relief under the efficiency of Uganda's poverty reduction strategy up to this point, the consultation process that included civil society in the creation of the poverty reduction strategy, and the government's ongoing dedication to macroeconomic stability.

More so, financial sector deepening Uganda was adopted to fight poverty. Financial Sector Deepening (FSD) Uganda is the country's leading 'think and do tank' on financial inclusion and inclusive financial market development (Financial Sector Deepening Uganda, 2022). Financial Sector Deepening Uganda (FSDU) is an independent not-for-profit company committed to promoting greater access to financial services in Uganda. FSD Uganda seeks to develop a more inclusive financial sector with a focus on low-income individuals. Financial Sector Deepening Uganda (2020) stated that poverty and inequality has increased and economic growth remains depressed. This was linked to the hard times for the service sector and the difficulties facing farmers in producing and locating markets. This has been caused in part by limited liquidity, which has led banks to reduce lending and sluggish the recovery. Inequality and poverty have continued or failed to improve. Smallholder farmers and informal businesses do not receive many relief and stimulus programs. Smaller banks' lending is severely restricted, and they are not protected against failing.

Uganda has put together a significant stimulus package worth UGX 5.26 trillion, or almost 4% of GDP (Financial Sector Deepening Uganda, 2022). However, the analysis identifies a financial deficit of \$3.2 trillion and emphasizes that the GoU is in a precarious fiscal position to deliver the entirety of it. The agriculture industry and import substitution are the main beneficiaries of the stimulus. FSD Uganda aims to create a more diverse financial industry with an emphasis on low-income people, especially women, and micro, small, and medium-sized businesses (MSMEs). They promote and enhance policies, laws, and regulations that form Uganda's financial sector, which would be helpful for Bushenyi, Sheema, and Mitooma's reasonably established commercial farming, which is the foundation of the region's economy. They also stimulate innovation.

The researcher was inspired to perform a new inquiry on the role of SACCOs in poverty reduction because, despite all these policies and efforts, poverty has remained the biggest issue in

both developed and developing countries—in Mitooma, Bushenyi, Sheema in particular and Uganda as a whole.

## **2.3 Empirical literature on the study relationships**

### **2.3.1 SACCO financial services contribution to poverty reduction.**

#### **Credit services and poverty reduction**

Izah (2014) conducted a study utilizing regression analysis to assess the efficacy and output of Cambodian microfinance institutions' (SACCOs) lending services from 2008 to 2011. He determined that SACCOs credit services were 92 percent successful between 2008 and 2011, which indicates an input abuse of 8 percent. The responses also indicated that the productivity growth for the SACCOs (MFIs) credit services in Cambodia during 2008 and 2009 was 1.7%. It was highlighted that the effective application of policy for microfinance lending services can be partly blamed for the success of SACCOs (MFIs) in Cambodia.

In complete agreement with the findings of Izah's study, Boss (2014) pointed out that there is a recognized microfinance association in Cambodia that is in charge of providing assistance to members by providing training, disseminating SACCO information, and standing in for members during negotiation meetings. These findings suggest that SACCOs lending services are efficient and productive in altering the economy to promote growth and reduce poverty.

Further more, a study by Mazunder and Wencong (2013) using a regression model in Bangladesh demonstrates that SACCO's loans have a positive coefficient equal to 0.055, proving that SACCO's loans made by SACCOs have a hopeful or advantageous impact on reducing poverty (Ghaliba, 2014; Bateman, 2017; Mahmood, 2011). But according to a study by Bateman (2017), people who take out numerous loans from both formal and informal sources to pay off their existing or previous debt become severely indebted or reach over-indebtedness. Study findings from Bangladesh cannot be used to generalize the findings on SACCO members in selected districts of Greater Bushenyi, South Western Uganda; hence, there is a geographical gap that this study intends to fill.

Additionally, Perera & Wijekoon (2019) conducted research to assess the impact of the Berendina microfinance program on Sri Lankan poverty reduction. The study was finished at the same time as the Berendina program started using a credit plus approach to microfinance to help

its clients, which empowered socioeconomically through the formation and growth of small enterprises in a range of industries and produced job possibilities.

Chandradasa (2019) conducted a study to determine how SACCOs credit services affected the improvement of borrowers' shelter situations in the southern province of United States of America. It was determined that SACCOs credit services had helped the borrowing households improve their shelter situations in terms of all the indicators of shelter standards. The study findings from the United States and Sri Lanka cannot be used for generalization of the findings on SACCO members in selected districts of Greater Bushenyi, South Western Uganda; hence, there is a geographical gap that this study intends to fill.

According to a study conducted by Kumari & Khalidah (2019) in Sri Lanka, the effects of SACCOs (MFI's) credit services on low-income households are varied, They demonstrated how SACCOs credit services have helped very poor households improve their consumption expenditures while also increasing the assets and income levels of middle-class households. According to the study's findings, the Samurdhi microfinance program significantly influenced the poor's rising consumption, income, and level of education in order to achieve household wellbeing.

More specifically, Herath (2015) investigated how microfinance credit services affected poverty, women's socioeconomic vulnerability, and people's capacity to build social capital through group-based microloans. Herath (2015) examined four factors—access, decision-making, the development of private resources, and socioeconomic activities—to determine how microfinance affects poverty. After taking out loans from microfinance organizations, disaggregated and overall women's empowerment indices (WEIs) clearly show significant progress, according to the analysis of the research (MFIs). Additionally, a few scholars highlighted a few flaws in the microfinance program's approach to Sri Lankan poverty.

More still, a study by Hossen and Ruhi (2019) revealed that SACCO credit services have developed into a very well-liked and acknowledged tool used to combat poverty in developing nations like Bangladesh. Hossen and Ruhi (2019) note that the public currently views SACCOs credit services in many respects as a tool for eradicating poverty. He expressed caution, however, by stating that not all parties and individuals concur that SACCOs credit services have

significantly impacted the reduction of poverty. Ishfaq & Jamil (2015) also looked at the relationship between SACCO credit services and poverty reduction, and they noted that the Malaysian SACCO experience showed that credit services had a positive impact on household income of women borrowers who had participated in SACCOs for at least three years. This is in line with the findings of Herath, 2015; Patel *et al.*, 2018; and Sinha *et al.*, 2019, who discovered that the credit services provided by SACCOs improved the income of women and the welfare of their families as a whole. Similar studies showed that in Bangladesh, borrowers' income increase always exceeds that of the control group (Mia, 2017; Boateng *et al.*, 2017; Grameen Foundation 2012; Hassan & Saleem, 2017; Malinga, 2009; Omonona *et al.*, 2010; Railien & Sineviien, 2015; UNDP Thailand, 2012).

Stewart *et al.*, (2012) conducted a methodical or systematic review of the effects of micro-credit, micro-savings, and micro-leasing on client engagement with economic opportunities or chances and the subsequent outcome on clients' savings, income, and accumulation of non-financial assets and spending. Starting with approximately 14000 citations, research was prohibited or omitted based on certain inclusion criteria, including not being based on savings, credit, or leases, having no focus on outcomes related to the economy, and lacking a comparison group, among others. Additionally, the inclusion criteria were met by all 17 studies with sufficient quality. Similarly, because microleasing's effects have not been thoroughly demonstrated, their studies have focused on credit and savings. They discovered that micro-savings have no effect on customers' participation in economic opportunities, but they have a mixed effect on the other four economic outcomes. Additionally, it was discovered that micro-credit had a mixed effect on all economic outcomes examined; this was true even when combined with micro-savings. They came to the conclusion that: "it is crucial to assess if there is potential for harm in delivering either of these services, or indeed in not doing so. Micro-savings may represent a safer intervention." While the lack of financial services may limit the capability of the poor to endure shocks or to increase their wealth, Microcredit also exposes borrowers to the danger of rising debt levels and collateral loss (Stewart *et al.*, 2012). The conflicting results indicate that the conclusions of the aforementioned scholar cannot be extended to the study findings in various parts of Greater Bushenyi in South Western Uganda. This study will help determine whether SACCO services have a positive or negative impact.



According to Suri (2012), a sound financial and monetary system is a requirement for modern economic progress. According to Suri (2012), access to finance is a crucial component of the conventional wisdom on economic development based on a country's plan. Furthermore, Omoro and Omwange (2013) note that using SACCOs loans raises household spending, improves standard of life, generates additional revenue, and lowers unemployment. In addition, Alio *et al.*, (2017) note that the government should invest more in SACCOs since they serve up to enhance the wellbeing of people especially rural households and better their income. This is in an agreement with Yunus, 2001; Owolabi, 2015; Gomina & Ngari, 2015; Alshami *et al.*, 2014; Kasali *et al.*, 2015 who out found that, accessibility of credit from SACCOs prevented some borrowers from having to sell their produce at below market rates to the merchants and land owners so as to get an advance in the lean season thus rising their incomes

Additionally, the impact of having access to microloans from Pakistan's first and largest microfinance institution, the Khushhali Bank, was also assessed by Montgomery and Weiss in 2011. The study included a sample of 3000 borrower and non-borrower households, and the results showed that food spending and several social variables were positively impacted in rural areas. Furthermore, Mahmood (2011) found that in Pakistan, 62% of women utilized loans to start new businesses, while the remaining 38% were used for non-productive activities, despite the fact that savings and loans help reduce poverty by raising income. Mahmood (2011) ascribed this to a lack of education regarding the benefits of borrowing, which results in the use of borrowed money for non-productive purposes, decreasing the possibility of poverty reduction. This is in line with Yunus's (2001) observation that MFIs (SACCOs) play a key role in empowering the poor, particularly women, through the provision of microloans, savings opportunities, insurance products, money transfer services, and skill-training programs. The study findings from Pakistan, Nepal, Sri Lanka, India, and Bangladesh cannot be used for generalization on SACCO members in selected districts of Greater Bushenyi in South Western Uganda, hence the geographical gap.

The influence of microfinance (SACCO) on outcome variables, such as revenues, consumption, asset acquisition, employment, business profits and revenues, and empowerment, was assessed by Banerjee *et al.* in his 2009 study. 15–18 months after the baseline, data for the end line survey was collected. While microcredit "succeeds in influencing family spending and creating and

growing enterprises, it seems to have no evident short-term effect on health, women's empowerment, or education," he found (p30). Thus, the analysis draws the conclusion that SACCOs MFIs might not be the "miracle" that is commonly asserted. The endline survey for Zinman & Karlan (2009) was conducted 22 months following the baseline. 1601 loan applicants made up the sample, 1272 of whom were randomly assigned to the treatment group and 329 to the control. They discovered that the group receiving treatment did borrow more. The study found that male borrowers frequently undergo business downsizing with amplified or enhanced profit, decrease employment outside the home, and increase informal credit utilization in order to "absorb shocks." No evidence of further welfare rises was discovered, but ZInman & Karlan (2009) did find evidence of "a modest fall in self-reported well-being" (p18).

Adekola & Chidinma (2017) also discussed how SACCOs operating in Nigeria were doing in terms of reducing poverty by offering credit services to their members. A stratified random sampling strategy was used with a sample size of 1,103, or 50% of the SACCO population. They discovered that SACCOs in the study area had empowered its members through their efforts to combat poverty and that the SACCOs had assisted in increasing members' incomes by offering credit facilities. However, research by Adebisi *et al.*, (2020) in Nigeria indicates that SACCO credit services have not significantly reduced poverty, and as a result, the poverty status is concerning. In addition, Adebisi *et al.*, 2020 assert that despite the SACCOs provision of credit facilities, poverty remains ubiquitous, high, and common in Nigeria, affecting a substantial section of the nation's enormous population. Even more Kumaha and Boachieb (2016) conducted a critical assessment of the discussion surrounding the efficiency and effectiveness of SACCOs credit services in Ghana as a general tool for reducing poverty. They found that SACCOs credit services increase income levels of their members by allowing them to use credit to buy basic necessities like tools, materials, and equipment, which creates jobs and raises their standard of living.

In addition, Gomina & Ngari (2015) examined Nigerian farmers' participation in SACCOs and found that poverty was worse among the non-beneficiaries. He continued by stating that SACCOs are crucial for providing low- and middle-income people with financial services and that they are a major factor in income growth and financial inclusion (Elem EO. 2019; The World Bank Group, 2018). Despite SACCOs apparent recognition or popularity and success with

their credit services, there is no conclusive proof of the benefits of credit services on reducing poverty through raising income. Furthermore, Bateman *et al.*, 2012; Harper, 2011; Arunachalam, 2011; Duvendack *et al.*, 2011; Klas, 2011); Stewart *et al.*, 2010; and Sinclair, 2012 noted that SACCO's credit services in Nigeria were characterized by rapidly rising member defaults, and studies revealed that SACCOs credit services left their members with astronomical debts and significantly decreased incomes. In conclusion, Stewart *et al.*, 2010 and Duvendack *et al.*, 2011 found no conclusive evidence linking SACCO credit services with decreased poverty in terms of higher income.

According to Chowa (2012), SACCOs improved Sub-Saharan African farmer productivity. He proved that credit enabled farmers to purchase inputs and boost their output. The study showed that microcredit encouraged and enhanced agricultural yield with more equity or exposed farmers to the small-enterprise sector. The study also revealed a rapid increase in rice farmers, with increases in different communities ranging from 50% to 200%. In addition, Stewart *et al.* (2010:6) reviewed 35 studies that compared the effects of having micro-savings or microcredit with not having either in a systematic review of the experiential or empirical evidence on the impact of SACCOs (micro-credit and micro-savings) on the poor in sub-Saharan Africa. 15 of these studies—4 RCTs, 2 non-RCTs, and 9 case-control studies—were deemed to be of high quality and included in the in-depth review. These 15 studies included 4 RCTs, 2 non-RCTs, and 9 case-control studies. Two of the 11 treatments examined focused on micro savings, while the other two combined credit and savings. These researches proved that SACCOs credit services had a beneficial effect on members' incomes. Although both micro savings and microcredit have the potential to increase the incomes of the poor, the research shows that there is also conflicting evidence that "microcredit, in particular, also has the potential for damage or harm." They claimed that this was especially true for microcredit users who spend their credit cards on things like unnecessary purchases, long-term investments, or ventures that don't make enough money to pay their interest rates.

Mcebo (2016) also investigated the function of SACCOs in facilitating SACCO members' access to financial services, notably credit services, in Swaziland. Face-to-face interviews with survey participants and information from the cooperative data analysis system were used to collect the data from a survey of 38 SACCOs in Swaziland (CODAS). The SPSS version 22 data analysis

tool was employed for this investigation. With an average membership of 631 members, 46% of whom are women, and one physical accessible point, SACCOs in Swaziland have a high level of coverage, the study's findings show. In addition, they were able to accumulate assets of E17 333051, mobilize E13 501341, and issue E11 154433 in loans in 2014. These encouraging results are consistent with a study by Bengajo (2018) on the impact of Savings and Credit Cooperatives on enhancing rural microfinance in the Bench Maji, Kaffa, and Shaka Zones. The study was undertaken in Swaziland and was qualitative in nature. This study adopted both qualitative and quantitative approaches, hence the methodological gap that this study intends to fill.

A study on the SACCOs services terms and members' economic progress in Rwanda was conducted by Tumwine *et al.*, (2015). Savings facility terms and loan service periods were the self-governing or independent factors examined. Loan service conditions were viewed in terms of credit time, loan amount, and interest on credit, whereas savings facility terms were well-defined in terms of opening and operating interest and accounts on investments and saves. The dependent variable, which was described in terms of beginning a new business, raising household income, and growing current firms, was recorded as members' or clients' economic progress. Savings culture, member sensitization, member participation, and macroeconomic effects were found to be the mediating variables. The study found that increasing farm output, particularly in terms of labor and land, requires finance. Credit enables people in poverty to overcome their cash-flow constraints, raise their family's income, and make some investments, particularly in better farm inputs and technology that boost agricultural productivity.

Additionally, Okibo and Makanga (2014) studied the impact of SACCOs on reducing poverty in Kenya using PAWDEP in the Kiambu district as a case study. Its primary goal was to discuss the SACCOs credit services and members' perceptions of income improvement and/or poverty reduction. A descriptive survey design was employed. The target group consisted of 9 employees and 46 PAWDEP clients. The employees and members from the chosen SACCOs were chosen for the study using a stratified sampling technique. Methods for analyzing both quantitative and qualitative data were employed. The study discovered that SACCOs is a tool for reducing poverty and a means by which credit can reach the underprivileged. A study on the effect of SACCOs lending facilities on reducing poverty was also undertaken by Obwanga (2012). The results demonstrated that SACCOs credit services had a beneficial effect on reducing poverty in

Kisumu County since 95% of the clients spend more than Ksh 100 per day and are not considered to be in poverty.

As well, Kihwele and Gwahula (2015) conducted a study on the effects of SACCOs credit services on Tanzanian poverty reduction. Poverty reduction was the dependent variable in the study, whereas entrepreneurship abilities and microfinance services were the independent factors. 40 SACCO beneficiaries were selected as a sample by Kihwele and Gwahula (2015). Their findings demonstrated that, as long as loans were used to fund income-generating activities (IGAs) or productive activities, SACCOs credit services helped to reduce poverty by 50%. Additionally, they found that SACCO recipients enjoyed higher earnings, superior social services, and self-employment. More still, they discovered that SACCOs offered entrepreneurial skills, however at a low rate because the majority of the training provided by SACCOs is intended to raise members' awareness of the terms and conditions of loans and savings accounts rather than to develop business abilities.

Additionally, Mbagga (2013) conducted research on the contribution of SACCOs to the fight against poverty. 200 participants in a cross-sectional study from the same district provide evidence that the SACCOs credit services enhanced member productivity. A study by Obadia (2014), however, refutes the relationship's positive nature. In Mbozi and Ukerewe, Obadia (2014) interviewed 222 farmers participating in agricultural development programs. The study found that the majority of borrowers were hampered by the interest rates levied. Poor performance was caused by the overly bureaucratic processes that were employed to obtain loans. In addition, Obadia (2014) demonstrated that people in rural locations incur significant operating costs as a result of the need to travel to urban areas in order to use SACCOs credit services. This study found that SACCOs underperformed and fell short of their goal of raising farmers' living standards through offering credit facilities.

Furthermore, Churk (2015) studied how SACCOs loan services helped to improve rural livelihoods in Tanzania's Makungu ward of Iringa. A 100-household survey, four group talks, and 20 key informant interviews were used in the study's mixed method approach. According to Churk (2015), SACCOs loan services have done very little to advance rural livelihoods. As a result of their heavy reliance on weather-dependent agriculture, many SACCO members failed to repay their loans. Additionally, some of the informants claimed that their financial situation had

gotten worse since joining the SACCOs because they frequently needed to borrow money from other sources in order to repay the loans; they had taken from the SACCO in order to prevent the freezing of their assets.

Omona (2021) carried a research on the role and difficulties of Savings and Credit Cooperatives (SACCOs) in Uganda in the fight against poverty and the creation of wealth. According to the survey, cooperatives have a significant influence on the healthcare and education industries in addition to financial services. In addition to advantageous insurance plans and health camps guaranteeing accessible and reasonably priced healthcare for communities, members have easy access to loans for educational reasons.

Emmanuel Ahurira (2018) carried out a study on Savings and Credit Cooperative Societies and members poverty reduction. The study used a correlational descriptive design and employed both quantitative and qualitative methods for data gathering and analysis. According to the report, there is a direct link between financial access and the decline in poverty. Additionally, Emmanuel Ahurira (2018) pointed out that the members of SACCOs were able to take advantage of their credit services in order to meet their basic, medical, and other social needs. This, however, conflicts with some academics who said that SACCOs credit services did not enhance the revenues of its members instead increased their long-term debt, rendering them helpless (William Nyanja, 2017; Makoba & Wakoko-Studstill, 2016; Dieter & Gloria, 2019). In addition, Nuwagaba (2012) findings through his study on SACCOs as a source of financing agriculture show that SACCO's credit services do not increase productivity in Agriculture because the SACCOs are more unwilling to offer credit services to agricultural activities.

### **Savings services and poverty reduction**

According to Karen Ellis (2010), SACCO savings accounts provide interest based on the account balance, which motivates members to save and gives them peace of mind regarding their financial stability. Karen Ellis (2010) asserts that accounts accrue compound interest, which quickens the growth of the balance remaining in the account and raises the marginal tendency to save rather than spend. This ultimately leads to significant investment, which boosts business. Varghese (2012), who contends that elevated or high marginal rates of savings lead to higher investments, which in turn foretell enterprise economic progress and development, supports this position. Varghese (2012) also pointed out that integrating SACCO saving services into the

operations of members' entities instills financial order or discipline and ensures access to finances, facilitating continuous availability and accessibility of working capital to meet business operational needs, ultimately resulting in the expansion of members' businesses. The study findings from London cannot be used for generalization of the findings of the selected districts of Greater Bushenyi in south-western Uganda, hence the geographical gap.

Additionally, SACCOs have implemented strict procedures to facilitate the mobilization and growth of members' funds, including providing low-income microbusiness owners (entrepreneurs) with loans at low market interest rates to help them accelerate the growth of their businesses (Wrethlon, 2013). Many low-income families have plans to create their own jobs by opening small enterprises, but few have access to the resources needed to get started. Being impoverished prevents them from receiving financial assistance from profitable or commercial banks since they lack the necessary collateral or credit ratings, which SACCOs do provide to members to encourage the expansion of their businesses. Small loans actually spur small business productivity to achieve expansion (Whethrel, 2014).

Pande *et al.*, (2012) explored in a systematic review of studies the effect of formal banking services (credit, savings, and transfers) on the earnings or incomes of the poor in low- and middle-income countries. The impact on assets, household income and spending, small and microenterprise investment, income and output, and other poverty indicators are the main areas of focus for Pande (2012). Four quasi-experimental studies, three RCTs, and five observational studies were among the 12 papers examined that examined the effect of formal finance or financial technology on low-income people's income. Pande (2012) provided convincing proof that access to formal banking can help the poor elevate or increase their income. The mechanisms by which this occurs include: new savings products that raise savings and permit asset accumulation; and new savings products that break down traditional obstacles and address behavioral and physical constraints.

According to Nyarondia (2017), SACCOs have given the poor a financial safety net by enabling them to save and borrow money to finance the expansion of their businesses. According to Nyarondia (2017), many businesses have seasonal sales cycles, and some industries—like manufacturing and agriculture—experience sharp swings in demand between high and low seasons. He continued by saying that the more frequent and significant the downtimes, the more

savings the company should have, and that even for businesses that experience minimal or no downtime, it is still a good idea to prepare for unforeseen circumstances by making savings that ensure the companies of SACCO members will have access to sufficient crisis funds to cover working capital requirements. Additionally, SACCOs have increased incentives for investors to engage in hazardous or dangerous investments under the implicit assumption that SACCOs will share part of the losses with investment account holders (Farook, Hassan, and Clinch, 2012). The SACCOs financial services are impacted by the way risk is distributed among its clients, which also helps members' businesses expand.

Similarly, Hamza & Saadaoui (2013) contend that conserving services has a favorable effect on the development and growth of the members' businesses. The growth of members' businesses is thought to be favourably impacted by SACCO saving programs. Savings interest increases the deposit balances in the savings account, ensuring funding of business expansion strategies for members' companies. Furthermore, SACCOs provide a variety of ways for businesses to quickly access their assets when a need occurs that goes beyond their regular savings (Hamza & Saadaoui, 2013). Certificates of deposit (CDs), for instance, might provide the possibility to earn higher interest on money that can be locked up for extended periods of time thanks to the establishment of credit. Different maturity dates, on the other hand, allow the funds become more liquid while generating greater interest revenue. Another option to mechanically or automatically moving money from low-interest accounts to those that can earn higher rates is to use investment sweeps.

Additionally, Farooq (2012) says that offering members savings services on purpose encourages them to save their own money in SACCO accounts, which gives them the confidence and ability to take advantage of any opportunity that favorably affects the expansion and development of their enterprises. Additionally, he said that saving makes it easier for a business to accumulate cash for itself, earning bank interest for free if the owner chooses to invest it, and even making it simpler for the business to acquire an overdraft, which promotes expansion. Babatz (2013) goes on to say that clients can build up or amass funds to make major purchases because saving in SACCOs attracts interest. This claim is supported by the premise that giving members access to Sacco's low-interest credit encourages them to grow their businesses or other operations. Businesses of members are able to save money aside or save for a major or key purchase, such



acquiring equipment, by making quick and simple cash payment that has no additional interest costs. This can sometimes lead to quick reimbursements or discounts that encourage business growth (Aker, 2013). The ability of the company to meet additional short-term obligations like loan payments or salaries is negatively impacted by cost savings. Aker (2013) said that the balanced savings plan to replace assets, which is essential for the long-term growth of the company, is favourably impacted by this financial sanity.

As well, Owolobi (2015) pointed out that the mandatory saving approach strengthens and expands the savings culture, which is essential in raising funds for low-cost lending. However, it requires teaching members about the terms and benefits of saving, saving for retirement, awarding prizes to the top savers, making saving mandatory, insurance, and the payment of interest above the rate of price increases.

Adekola (2019) asserts that encouraging customers to save with SACCOs has a positive impact on the expansion of customers' businesses. However, when provided with adaptable and welcoming saving amenities, the ability and willingness of the poor to save can lead to the mobilization of significant amounts of resources. Greater net savings per member or customer per year (and consequently more resources for SACCOs) can be generated through voluntary, open-access savings plans than by being coerced into such plans.

As Cook and McKay (2015) highlighted, interest on savings stimulates SACCO clients to save because it has a favorable relationship with the expansion of members' enterprises, it is important to understand that interest on savings induces the members' desire to save. Savings come from high profits from good performance, demonstrating expansion and growth because a limited firm is unable to save much money. Due to the alluring savings interest, encouraging businesses to save ultimately inspires customers to put in extra effort, which leads to the growth of their firms. This concurs with Kumah & Boachie's (2016) analysis into the effect of SACCOs on poverty reduction in less developed nations, namely a case study of Ghana, which found a positive correlation between SACCOs and poverty reduction.

Ssengendo (2016) focused on the impact of SACCOs services on customers' saving habits in the Wakiso neighborhood. The goals of the study were to define the services provided by SACCOs, identify the difficulties members encounter when saving with SACCOs, determine how SACCOs

affect their clients' saving habits, and identify the methods SACCOs employ to help clients develop better saving habits. The results of the study showed that SAACOs had a noticeable impact on clients' saving habits in terms of financial mobilization, business management, improved standard of living, business skills, and advising services. SACCOs used information sharing, loan committees, credit history examination, and frequent visits as ways to encourage clients to save more money. According to the report, it is important to prioritize client mobilization and sensitization. Given the inclusive debate on the relationship between SACCO financial services and poverty reduction, it is hypothesized that;

***1.  $H_0$ : There is no significant contribution of financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi***

***$H_1$ : There is significant contribution of financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi.***

### **2.3.2 SACCO non-financial services contribution to poverty reduction**

#### **Entrepreneurial and skill development and poverty reduction**

Firstly, there seems to be a growing consensus that entrepreneurship is necessary for wealth accumulation or building in order to reduce poverty (Nguyen, Swain, and VO, 2009). While non-productive loans just encourage consumers to consume more, loans to microentrepreneurs help them accumulate assets (Bruton, Ketchen, and Ireland, 2013; Usman *et al.*, 2015; Banerjee *et al.*, 2015). We choose this agenda since research frequently focuses on micro-entrepreneurs (Khavul, Bruton & Chavez, 2011). Additionally, both official and informal microfinance are essential for microbusiness owners in underdeveloped areas (Banerjee *et al.*, 2015). For instance, more than 67% of farming households in China (Turvey & Kong, 2010) borrow from family and friends since they may contact them "at no cost" (Gine, 2011) other than maintaining a social network (Banerjee *et al.*, 2015). Trade credit, moneylenders, and rotating credit and savings associations (ROSCAs) are further forms of informal credit (Tsai, 2004). For instance, ROSCAs are thought to increase business chances, especially for women, even in less impoverished areas like urban Malaysia (Ghazali, 2012).

Additionally, according to Bwana and Mwakujonga (2013) SACCOS contribute to the GDPS leaving the majority of people to depend on cooperative movements for their means of

subsistence. An improved strategy would be the establishment of SACCOs focused on economic development and growth programs aimed at reducing poverty by enabling low-income earners, microentrepreneurs, and poor citizens who cannot access similar services from formal banking institutions to access financial services (Edeme & Nkalu, 2019).

Furthermore, Urassa and Kwai (2015) shown that SACCOS had a significant impact in reducing poverty. Microfinance (SACCO) programs can efficiently or successfully address material poverty, the physical deprivation of services and goods, and the income to achieve them (Urassa & Kwai, 2015; Micro Finance Africa, 2018). Microfinance, also referred to as microcredit with a low interest rate, is a possible tool for promoting both current and future business prospects, which can subsequently produce more income, employment, and personal monthly income for all people, not just the poor (Townsend & Kaboski, 2012). Additionally, the poor requires accessibility to a variety of fiscal services such as credit, and microfinance and payment/transfer accounts and deposits accounts. It is noted that these products or services can give households with consumption smoothing and avert income fluctuation (Akpandjar *et al.*, 2013). Most notably SACCO borrowers often take enterprise loans and use it for other reasons but not limited to school fees, burial expenses, medical cost, Land purchase, burial and others, which makes them venerable (Chan & Lin, 2013).

Akonyi and Ilemona (2013) also conducted a study to evaluate the effect of entrepreneurship skill development on poverty in Nigeria's Kogi State. Akonyi & Ilemona (2013) used primary data that was acquired via a well-structured questionnaire that was given to recipients of entrepreneurship acquisition skills who were chosen at random from six local government areas in the state. The method of descriptive analysis was employed. According to the study's findings, 65% of the participants agreed that young people's lack of entrepreneurial abilities is to blame for Nigeria's high percentage of poverty.

Additionally, Boitumilo (1995) demonstrated how important entrepreneurial skills are for increased productivity and, ultimately, poverty reduction. According to Boitumilo (1995) borrowers who possess these talents may be able to use the loans for more profitable investments than those who do not. This is inline with Akonyi & Ilemona (2013) who noted that at least 60% of those who benefited from the skill development program are now able to take care of their basic needs. These studies however were conducted in Nigeria and were quantitative in nature;

this study adopted both qualitative and quantitative approaches, hence the geographical and methodological gap that this study intends to fill.

According to Zott & Amit (2013) SACCOs are more reachable and accessible than profitable or commercial banks. This is because most SACCOs are established in rural areas where banks cannot, bringing financial services closer to the public and fostering the expansion of members' businesses. Additionally, according to Rheload (2011), SACCOs are less complicated because they are created by the members themselves and are more flexible because they employ passbooks to manage cash deposits and withdrawals that are combined in the computer system. Additionally, SACCO members establish more lenient byelaws to accommodate everyone, particularly the extremely poor and economically marginalized who lack an enterprise plan or a thorough justification of their businesses and are still unable to access loans despite being given guidance and direction. Additionally, this boosts the confidence and motivation of entrepreneurs, which encourages the expansion of firms.

More so, Ali (2013) investigated the connection between enterprise growth and poverty reduction in the Somalian province of Benadir. 80 participants from micro and small companies in the Benadir region were included in Ali's (2013) correlation research design. The study found out that the P-value, or level of significance, was low enough to indicate that there is only a tenuous positive association between the growth of entrepreneurship and the reduction of poverty. The results go against the conclusions of a study by Akonyi and Ilemona (2013), who found that having entrepreneurial abilities helps to reduce poverty. Additionally, Ogundele *et al.* (2012) found that youth social welfare services and empowerment were significantly correlated with entrepreneurial education and training using a simple linear regression model. It was proposed that in order for entrepreneurial skills to help reduce poverty, members must be empowered to develop their financial literacy and concentrate on investment objectives. The above study used a correlational research design, while this study adopted a cross-sectional research design, resulting in a methodological gap.

According to a study by Noah (2016), both urban and rural communities' official banking institutions have failed to support MSEs. Information asymmetry, poor financial management, and bank loan rationing all contribute to the financial issues that most MSEs face (Noah 2016).

Kebede (2019) also made the point that banks are not required to lend to MSEs because the loans sought are too modest or small, and those banks find it more expensive to grant such loans.

Additionally, SACCOs ensure that the distribution of microfinance services expands to include a large number of clients and are required to provide business training to all members in order to effectively reduce poverty (Momanyi and Njiru, 2016). Additionally, SACCOs offer a wide range of financial services and goods to the populace, including loans, credit facilities, welfare funds, and risk management funds (Momanyi, Njiru & Mo, 2016). According to World Bank survey (2013), people are aware of the availability and accessibility of the many financial services and products provided by numerous financial institutions to satisfy consumer needs. Additionally, according to Pearlman (2012), extra income or sources produced by microcredit programs can be used for spending, saving, and educating people to reduce their financial susceptibility.

In a similar vein, Kihwele & Gwahula (2015) investigated how SACCOs affect the reduction of poverty in Tanzania. The dependent variable of the study was poverty reduction, whereas the independent variables were entrepreneurship skills and microfinance services. 40 SACCO beneficiaries were utilized as a sample by Kihwele and Gwahula. According to their findings, SACCO services helped to reduce poverty by 50% as long as credits are capitalized or spent in profitable or productive endeavors. Furthermore, SACCO beneficiaries reported better social services, income, and self-employment (Kihwele & Gwahula, 2015). They highlighted that SACCOs were also found to give entrepreneurship training, but at a low rate, as the majority of the training is focused on increasing members' awareness of saving/loan conditions and terms rather than building entrepreneurial abilities.

### **Financial literacy training and poverty reduction**

Han (2019) & World Bank Group (2020) claim that microfinance institutions (SACCOs) have shown the ability to provide dependable facilities or services to underprivileged consumers, which ultimately helps to reduce poverty. However, Mia, 2017; Railien & Sineviien, 2015 showed that Bangladesh now has the largest microfinance operations in the entire world. It has been noted that SACCOs have helped people in Bangladesh develop not only their material resources but also their human resources by ensuring improved access to education, health care,

system, and general awareness among the people about their skill acquisition, rights, and responsibilities, health services, education, social capital, management, and financial education, all of which are argued to be crucial components of microfinance (World Bank Group, 2020; Mia, 2017).

According to Alicia (2013) study on SACCOs and poverty alleviation, SACCOs did not make a significant impact on the fight against poverty. The findings showed that 12% of members attended entrepreneurial training, 28% attended training on managing loans and savings, and 60% of members did not attend any training sessions. This demonstrates that the majority of members did not attend any training sessions; as a result, the members spent their credits in unsuccessful projects because they lacked the skills and knowledge necessary for effective loan management and project initiation.

Pimhidzai (2019) asserts that training can lower the high unemployment rate by giving participants the abilities and information required to successfully launch and operate small companies. However, training helps members develop entrepreneurial or problem-solving abilities they may employ to address business issues, so it's not just about pursuing financial goals. In addition to assisting in overcoming desperation and reliance, training that proactively prepares participants for an unpredictable world can also encourage the creation of an enterprising ethos that values independence, adaptability, self-efficacy, inventiveness, and self-sufficiency (Pimhidzai, 2019). Pimhidzahi (2019) emphasizes that training must be relevant on many levels, including to advance the culture and mission, improve client relationship management, foster innovative thinking, impart communication skills, guide employees in using technology, and develop future leaders.

Additionally, members perform better when training is consistent because it provides them control over their work and enables them to take advantage of possibilities (Kim, 2018). Kebede (2019) further said that training participants frequently develop their professional abilities and have a deeper comprehension of how businesses function. Kim & Kebede (2019) contend that it takes years for members to develop through education and training. According to Kim and Kebede (2019), ongoing training is necessary to equip members with the abilities they need to adapt to changes in the workplace. Regular corporate training fosters employee competence and confidence, according to Kim & Kebede (2019).

More so, the SAACOs provide their members with training in financial management as one of their services (Adebisi, 2020). This is consistent with the cooperative movement's fifth norm or principle, which emphasizes the need for cooperatives to provide their members with training, education, and training (Adebisi, 2020). Due to the fact that the defaulting danger tends to increase when the number of borrowers and bosses with poor educational levels rise, SACCOS must keep track of their members' past-due loans in order to control the defaulting risk (Magali, 2013). In addition, Obadia (2014) lends his voice to the call for SACCO members to receive business skills training so they may use the gained credits they receive from SACCOS. Churk (2015) emphasizes the need for advising services and notes that the effect of financial services on welfare depends on the accessibility of complementary inputs including market services, irrigation, and education. Additionally, it is claimed by Bendig *et al.*, (2009); Patel, 2018; Sinha, 2019) that a lack of education, isolation from time-consuming banking procedures, and low-income levels make it difficult for people to access formal financial services. Financial education programs can help SACCO members make better borrowing, saving, and financial decisions (Owolobi, 2015; Msuya, 2018; Elem, 2018).

As well, Urassa & Kwai (2015) investigated the role of SACCOS in the reduction of income poverty in Tanzania. Urassa & Kwai (2015) used multiple linear regression and the descriptive method to get their conclusions. The study used the multiple regression technique to compare family income as the dependent variable to independent variables like the habit of saving, education level, family size, and whether or not clients had any business training. The findings indicated that SACCOS had a significant impact on reducing income poverty, indicating that SACCOS is instrumental in reducing income poverty. Any extra training to members, the more they acquire skills of operating projects resourcefully. Whereas the studies that were carried out by Kwai & Urassa (2015) and Kihwele & Gwahula (2015) in Mbozi and Dodoma districts correspondingly concluded that SACCOS had constructive impact on family income, those that were carried out by Goey (2012) and Churk (2015) in Dares Salaam and Iringa respectively show that SACCO services had no impact on household income. A study by Judy (2016) on the role of SACCOS in the eradication of poverty among farmers in Muranga county in Kenya pointed out that SACCOS assisted in increasing farmers' incomes.

Magali (2013) evaluated the viability of rural SACCOs in Tanzania using a sample of 37 SACCOs from the Morogoro, Dodoma, and Kilimanjaro areas using multivariate regression analysis. The study found that huge quantities of non-performing credits rendered 46% of rural Tanzanian SACCOs, notably those in the Central and Eastern Zones, unmaintainable or unsustainable. Additionally, it was determined that SACCOs positive sustainability refers to their capacity to continue generating financial flow for their members in an effort to combat poverty. While Singh *et al.*, (2013) used input and output orientation, Kipesha (2013) used an input-oriented approach. These studies were carried out, respectively, in Tanzanian and Indian MFIs. According to Kipesha (2013), Tanzanian SACCOs are more efficient at allocating input capital to the production of products than they are at acting as middlemen. The study refuted earlier research that shown ineptitude in manufacturing and intermediation methods and discovered that non-banks possess less competency than commercial banks and pure MFIs.

In his study on the Impact of Microfinance Institutions on Growth and Development of SMEs in Machakos County, Kyale (2013) sought to determine the real-world application of purported solutions provided by microfinance organizations and how this impacts the expansion of small enterprises. To examine the information gathered, SPSS was employed. According to the study's findings and the responses of 36.4% of the participants, small-scale enterprise credits are the primary service offered by microfinance firms. According to the survey, MFIs should schedule workshops and seminars to teach small businesses about financial literacy, management techniques, and ICT usage. Arising from the above, it is hypothesized that;

***2. H<sub>0</sub>: There is no significant contribution of non-financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi.***

***H<sub>1</sub>: There is significant contribution of non-financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi***

### **2.3.3 Moderating contribution of government policy in the relationship between SACCO services and poverty reduction**

#### **Fiscal policy contribution in the relationship between SACCOs services and poverty reduction**



According to Slimane (2012), well-constructed fiscal policies used to uphold government integrity have a beneficial effect on poverty reduction by increasing production while improperly constructed regulations have a negative effect on poverty reduction. Similar findings were made by Boateng & Agyei (2013 and Akhter (2018). To evaluate fiscal policy, they utilized the regulatory variable as a proxy for systemic corruption of governmental institutions and decision-making, including bribery, extortion, nepotism, cronyism, favoritism, embezzlement, and graft. The findings suggest that good government fiscal policies will lead to better transparency and freedom from corruption, which in turn will increase SACCOs effectiveness.

Additionally in a study published in 2016, Chortareas investigated how the size of the government—as determined by its expenditure and tax burden—affected the effectiveness of US state banks and making it difficult for the to fight poverty. The findings indicated a negative and significant correlation between bank efficiency and government size. According to Chortareas (2016), increased government spending would lead to inefficiencies. As a result, effective government expenditure could increase the SACCOs effectiveness because the SACCOs can receive substantial financial allocations and subsidies which will help in reducing poverty.

More so, Crafts (2015) stated that fiscal regulation may cause resources to be spent on ensuring compliance rather than producing useful output which can result into poverty. Second, laws may place restrictions on the selection of production methods (by, for example, prohibiting the usage of inputs) or result in an improper allocation of resources (e.g., by imposing certain activities). While the former effect will cause a decline in productivity as the output from factor inputs declines, the latter effect can actually slow the rate at which productivity will increase over the long term by slowing down technological advancement. Crafts (2015) emphasizes the detrimental effects brought on by fiscal policies that erect barriers to entry (he gives the examples of compliance costs or licensing). These obstacles can limit the level of competition and deter the establishment of SACCOs by making it more difficult for new SACCOs to enter current markets and compete with established businesses hence making the process of fighting poverty by these SACCOs very difficult. The conclusion from the United Kingdom cannot be used to generalize the findings in SACCOs in selected districts of Greater Bushenyi in South Western Uganda, hence the geographical gap that this study intends to fill.

In a similar vein, Panel and Carlo Milani (2011) studied how taxes affect bank earnings using data from EU banks. The impact of taxes on banking activities is examined in this essay. Given that value-added tax (VAT) is paid on some bank inputs, the study discovered that when a tax is imposed on a bank (such as corporate income tax), its incidence can fall on different parties: shareholders, customers, employees, providers of bank inputs other than labor, and the government itself. The resolution of the issues of who will pay taxes and how each party will respond can have significant welfare effects and be seen as influencing the more general subject of capital income and financial institution optimal taxation. The results of this study indicated that taxes have negative implications for the stability of the banking system and the poverty reduction goal in particular.

In addition, Governments have traditionally utilized credit programs as a means of allocating resources to particular target populations. Since most of these programs have such detrimental effects, many donors and experts have pushed for national governments to stop participating in them (Brenes, 2012S). This strategy has not always had the expected outcome because some government initiatives continue to harm microfinance (SACCO) markets making it hard for them to reduce poverty amongst the clients. However, it is becoming more evident that governments can help create financial institutions that benefit the poor (Avtorhanov, 2018). Instead of directly providing financial services, experienced donors can help governments concentrate on creating good policy frameworks and supporting dynamic and competitive microfinance (SACCO). How can governments encourage a diverse financial industry? Governments can provide a legislative and regulatory framework that promotes market entry and competition in microfinance (at both the national and local levels) (Harting (2019). In order to do this, finance ministries, central banks, and other governmental entities should acknowledge microfinance (SACCOs) as a legal financial activity within the financial system as opposed to a marginal sector or a tool for resource transfer Harting (2019)

Furthermore, Arabsheh, Qudah, Alwashah, and AlQudah (2021) conducted a study on the impact of tax increases on the earnings and long-term viability of Jordanian commercial banks. The results of the study showed that taxes on the banking industry in Jordan are viewed as a barrier to investment and a deterrent to both foreign and domestic capital. The law has one of the highest

tax rates in the world, raising commercial bank taxes by 35 percent; however, it does not achieve justice and equality for commercial banks with other economic sectors, and the increase in taxes has serious negative effects on the banking industry. As the members are significantly impacted by bearing the tax burden, raising the tax rate on banks by project is a significant tax burden that will have a significant negative impact on bank operations and their ability to lend, as well as other significant national economic efforts and poverty reduction.

Additionally, Schwellnus & Anorl (2008) carried out a study to investigate the impact of corporation taxation on financial institutions' investment and profitability in OECD economies between 1996 and 2004. Panel data analysis was employed. The research findings indicate that corporate income tax has a negative effect on businesses, with a more pronounced effect on smaller enterprises. It was concluded that corporate taxes raise the cost of capital and reduce investment. It has also been demonstrated that higher tax rates result in worse business profitability.

As well, Mohammed (2022) conducted a study on fiscal policy and poverty alleviation in Sub-Saharan Africa (SSA). The study looked at how taxes affect poverty. Regression analysis of panel data encompassing 29 selected SSA nations from 1990 to 2020 is the basis of this work. The results showed that, in only one of the six models, the effects of taxes were significant but negative.

Gatsi, Gadzo, and Kportorgbi (2013) examined the impact of taxes on manufacturing companies listed on Ghana's exchange markets using random concepts. The study, which examined the years 2005 to 2013, found that in the listed enterprises, return on assets and tax had an inverse connection. In Siaya County, Okongo (2018) investigated how taxes affected the operations of small and medium-sized enterprises. Regression analysis was used in the study to establish a significant and positive effect.

Smith & Gregory (2016) looked at the effect of fiscal policies on reducing poverty in Zambia. According to the study, when total net gain is expressed as a percentage of pre-fiscal income, the total net gain for wealthier households is greater than the total net gain for poorer households. Total net gain is defined as the sum of benefits received less taxes paid. As a result, inequality

decreases and the post-fiscal income distribution is compressed in comparison to the pre-fiscal income distribution. However, it was shown that all households' net gains from fiscal policy were still negative or nearly zero, which raised their degrees of poverty.

A study was conducted by Mlungusi & Adrino (2023) to examine the role of fiscal policy on poverty reduction. The study explored the result of fiscal policy, as proxied by government spending totals, on lessening poverty in South Africa. A quantitative correlation design was used. The results of this study from the ridge regression showed a positive relationship between fiscal policy and poverty reduction.

Daniel (2013) conducted a study to examine the economy-wide effects of fiscal policy changes on poverty reduction. The fiscal policies replicated were government consumption expenditures, domestic indirect taxes and government transfers to families. The findings of the study indicated that taxes had deteriorated the poverty state of families. The check of the net result exposed deteriorating poverty at the national level in overall and for rural families in particular. On the other hand, poverty tended to reduce among urban families. The main deduction is that the tax policy has leading hostile effect on poverty in the short-run. However, fiscal policies that were planned as pro-poor might in fact have no effect on poverty or occasionally even deteriorate the poverty state.

Similarly, Jellema & Nora (2016) carried out a study to examine the effect of fiscal policy on poverty reduction in twenty-nine low- and middle-income countries from around 2010. The fiscal policy tools included here are: direct transfers, payroll taxes and personal income and consumption taxes. The study found out that while fiscal policy explicitly lessens income inequality, this is not always true for poverty. The study showed that in Tanzania, Ethiopia, Nicaragua, Ghana, Guatemala and Uganda the extreme poverty headcount ratio is higher after taxes than before. Fiscal policy inform of higher taxes cause impoverishment.

In addition, Alexander (2019) conducted a study on the impact of taxes on Kenyan Microfinance Institutions' financial performance. Therefore, the purpose of this study was to determine how taxes affected MFBs' financial performance. The study specifically focused on how corporate taxes, tax laws, and tax compliance expenses affect MFBs' bottom lines. There was a descriptive design used in the investigation. Thirteen MFBs were chosen using purposeful sampling in accordance with the duration of their deposit-taking licenses. Both primary and secondary data

sources were used in the study. The data were analyzed using regression and descriptive analysis. The findings revealed that the financial performance of MFBs in Kenya is adversely affected by corporate income tax, tax policy, and tax compliance expenses.

More so, Aryachamu (2011) carried out research on Ugandan Microfinance (SACCO) institutions' taxation. The goal of the study was to evaluate how taxes affected Uganda's microfinance institutions' (SACCOs) performance. The study's design was a qualitative case study. The study's conclusions demonstrated that taxes are the primary cause of losses, which eventually cause capital degradation and impoverishment.

According to Matinaro (2019) underappreciated is the effect of macroeconomic stabilization on SACCOs long-term growth. It is important to remember that macroeconomic stability has indisputable benefits and that it is the government's duty to maintain a stable macroeconomic environment through supportive and encouraging macroeconomic fiscal policies (Krajnakova, 2018). Macroeconomic stability enhances the chance of future SACCO growth, lowers SACCO uncertainty, and makes the nation more appealing to investors (Brenes & Haar, 2012; Urbanowicz, 2018). Investments can be made more easily in an environment of macroeconomic stability, which raises SACCOs ability to compete in the market (Kekre 2016; Lyulyov, 2018). Macroeconomic stability appears to be beneficial to SACCOs sustainable growth. Low inflation, low unemployment, and robust economic activity boost corporate confidence, improve the business environment, and as a result, help enterprises make better growth and investment decisions in SACCO-compliant operations (Krajnakova *et al.*, 2018; Campbell 2007; Smith, 2010). Competition, consumer expectations, and laws governing environmental protection (both at the national and international levels) are examples of external influences that have an impact on SACCOs environmental development (Emas, 2015).

Conclusively, through the Co-operative Societies Act of 1991, the Ugandan government resolves problems regarding the registration and oversight of Cooperative Societies in Uganda, particularly Savings and Credit Cooperative Organizations (SACCOs) (as amended). This establishes the terms under which saving and credit financial services are provided to members, affecting the relationship between SACCOs and their members and significantly predicting the expansion of members' businesses because the cost of capital for businesses rises with the cost of credit transactions. Arising from the above, it is hypothesized that;

**3. *H<sub>0</sub>: The moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi is negative and insignificant.***

***H<sub>1</sub>: The moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi is positive and significant.***

## **2.4 Synthesis of the Review**

SACCOs are member-based cooperative financial organizations founded with two goals in mind: economic and social goals (Kleanthous, 2017). Being financially self-sufficient is part of an economic goal, but a social mission entail offering both financial and non-financial services to improve the social and economic circumstances of its constituents. SACCOs social mission often focuses on reducing member's poverty (Pateloh, 2013; Railien & Sineviiien, 2015). Researchers are deeply concerned about whether SACCOs and other Microfinance Institutions (MFIs) fulfill their social objective of reducing poverty for their clients or members based on the literature mentioned above (Adebisi *et al.*, 2020; Patel, 2018; Kleanthous, 2017; Wang & Ran, 2019; Khan *et al.*, 2017; Bateman, 2017; Kumari & Khalidah, 2019). The key question raised in the literature about the assessment of SACCOs social goal is whether they actually help their members escape or reduce poverty (Kleanthous, 2017; Wang & Ran, 2019; Khan *et al.*, 2017; Bateman, 2017; Kumari & Khalidah, 2019) The promotion of the SACCOs model, especially in Greater Bushenyi, where there are 80% of SACCOs and 40% of the population is considered to be poor, depends on the answer to this issue (URT, 2018; UBOS, 2018, Uganda Poverty Assessment Report, 2014).

The research in the aforementioned literature also shows conflicting outcomes regarding how SACCOs services contribute to poverty reduction. For instance, research by Mahmood (2011), Bateman (2017), Stewart *et al.*, (2012), Ghaliba (2014), Banerjee *et al.*, (2009), Adebisi *et al.*, 2020; Churk (2015); Makoba & Wakoko-Studstill (2016); Alicia Peter Mbagga (2013); and Patel (2018) all found that the services provided by SACCOs had no effect on reducing poverty among their members/clients. SACCOs, on the other hand, were found to have a beneficial effect on reducing poverty, according to studies conducted by Perera and Wijekoon in 2019 as well as Sinha *et al.*, in 2019, Kumaha and Boachie in 2016, Pimhidzai in 2019, Chowa in 2012, Mia in

2017, Pande *et al.*, in 2012, and Rathnayake *et al.*, in 2019. According to the examination of the aforementioned research, there is still debate over whether SACCOs actually do reduce poverty among their members. Furthermore, the majority were unsure of how these SACCO services would contribute to reducing poverty (Kumari & Khalidah, 2019; Hossen & Ruhi, 2019; Adekola & Chidinma, 2017; Duvendack *et al.*, 2011; Stewart *et al.*, 2010; Sinclair, 2012).

In addition, the literature mentioned above demonstrates that most research on SACCOs and poverty reduction has been done outside of Uganda. For instance, Mazunder & Wencong (2013) conducted research on the relationship between SACCOs and poverty reduction in Bangladesh using a regression model. In Kogi State, Nigeria, Akonyi & Ilemona (2013) conducted a study to evaluate the effect of SACCOs on reducing poverty. Co-operatives and the Eradication of Poverty and Hunger in Rural Communities in South Africa was the topic of a study conducted by Elem EO in 2019. A research on the potential benefits of housing cooperatives in solving the South African housing crisis was done by Jacobs (2011). Noah (2016) did research on how Ethiopian SACCOs affect the performance of small and medium-sized businesses. Shamim (2019) conducted research on the impact of Grameen Bank microcredit on Bangladeshi borrower households' welfare. A study on the effect of savings and credit cooperatives on teachers' welfare in Kenya was done by Marogocho (2012). Han, Wang, and Ma (2019) conducted research on how China's farmers' access to inclusive finance affects their susceptibility to poverty. Kihwele & Gwahula (2015) performed research on the effect of SACCOs on reducing poverty in Kenya. A study on the effects of Saving and Credit Cooperative Societies on poverty alleviation was undertaken Kihwele and Gwahula (2015). Msuya (2020) did research on the effects of Savings and Credit Cooperative groups on eradicating poverty in rural Tanzania using the case of Zigama SACCO Ltd, Frank Tumwine (2015) studied the terms of Savings and Credit Cooperatives (SACCOs) services and the economic development of their members in Rwanda.

It is also important to highlight that research on SACCOs role in poverty reduction, both from outside studies and from a few local studies in Uganda, has yielded inconsistent results. Some studies suggest a positive role, while others point to a negative role (Stewart *et al.*, 2012; Izah, 2014; Bateman, 2017; Kumari & Khalidah, 2019; Sameretal, 2018; Gomina & Ngari, 2015; Emmanuel Ahurira, 2018; Makoba, 2016; Nuwagaba, 2012).

Additionally, the majority of studies in the literature focused solely on financial services and neglected to take non-financial services (such as entrepreneurship, skill development, and financial literacy training) into account. For these reasons, this study is crucial for establishing the contribution of SACCO non-financial services to poverty reduction. It is also crucial to re-examine the role of SACCOs in poverty reduction among SACCO members because nearly all of the research in the prior literature omitted government policy (fiscal policy) as a moderating variable, which the current study does.

In conclusion, the study aims to close the research gap by establishing that no known studies have been conducted in Mitooma, Sheema, and Bushenyi on the role of SACCOs in poverty reduction among SACCO members (BDCDR, 2020).



## **CHAPTER THREE:**

### **METHODOLOGY**

#### **3.0 Introduction**

This chapter presents the research philosophy, research design, study area, study population, sample size determination and sampling technique procedures. The chapter goes on to present inclusion and exclusion criteria, data collection methods and tools, data quality control, research procedure, data analysis, limitations of the study and ethical considerations.

#### **3.1 Philosophical foundations**

##### **3.1.1 Overview of Research Paradigm for this Study**

I approached this study from the post-positivism paradigm. Post-positivism's ontological stance holds that there is only one ultimate reality that can be known, albeit to a limited degree, while its epistemological stance holds that there is an objective reality that exists but is mediated by perceptions and interpretations. In terms of methodology, post-positivism emphasizes the use of hybrid designs that combine quantitative and qualitative approaches. This is because hybrid design research advocates for the use of mixed methods of data collection, where the primary source is the source of data, and aims to investigate both internal and external phenomena as well as objective and subjective aspects.

Post-positivism was considered the most appropriate research paradigm as the nature of the study, objectives, approach, and techniques aligned with the key principles of post-positivism, and the choice of this paradigm allowed the use of approaches and techniques that facilitated the achievement of the research objectives: SACCO financial services, SACCO non-financial services, government policy (fiscal policy), and poverty reduction among the SACCO members in Mitooma, Sheema, and Bushenyi (Cohen et al., 2007; Blaikie, 2000).

Another advantage of why this paradigm was used in this study was that post-positivism emphasizes the importance of multiple measures and observations, each of which may possess different types of error, and the need to use triangulation across these multiple error-full sources to try to get a better bead on what's happening in reality (Kivunja & Kuyini, 2017).

The method's lack of ontological dogmatism alone helped in the sketching of a new world. More benefits were offered by internalizing the new truths of the issue under inquiry. The critical realism philosophical viewpoint was used in this investigation. As stated in the introduction, this study looked into ways to reduce poverty. Poverty reduction is an organized, observable reality that can be quantified scientifically.

The objective of this study was to understand the many constructions and meanings that respondents assign to their experiences rather than just gathering data to measure correlations. The subjective approach was also used to advance conceptual validity because poverty reduction also depends on the perceptions, experiences, and opinions of those who actually live it. In other words, a quantitative-qualitative technique was used, in which quantitative and qualitative data were collected simultaneously. This strategy was chosen in an effort to comprehend the topic under research more fully. Previous scholars who argue that both approaches should be employed as complimentary rather than as opposite extremes to prevent an epistemological crisis were referenced to support this decision (Kivunja & Kuyini, 2017; Mingers, 2001; Lee, 1991; Sarantakos, 2003).

In addition to allowing the employment of mixed techniques recommended, it helped in resolving the methodological crisis that was likely to arise from utilizing only one methodology (Creswell, 2014; Teddlie & Tashakkori, 2009; Mugenda, 1999). This was important for this study for two reasons: first, the researcher agreed with objectivism's assertion that there is an independent external reality that can be verified through hypothesis testing, such as that there is a positive correlation between SACCOs financial services and the reduction of poverty among SACCO members; second, this could be problematic because it is impossible to conclude that one explanation of reality is superior to all others. This backs up Creswell's (2014) claim that triangulating the quantitative and qualitative results of these two methods can provide a more comprehensive picture of a research topic ("THE ROLE OF SACCOS IN POVERTY REDUCTION: A CASE STUDY OF SELECTED DISTRICTS IN GREATER BUSHENYI") that could address a range of research questions and, by doing so, could provide a more complete knowledge that could enhance theory development and practice, and in this case, the cooperative alliance (Teddlie & Tashakkori, 2010). Post-positivism was more advantageous for internalizing

the new realities of the topic being studied (“THE ROLE OF SACCOS IN POVERTY REDUCTION: A CASE STUDY OF SELECTED DISTRICTS IN GREATER BUSHENYI”

### **3.2 Research Design**

A research design aims to offer a suitable framework for gathering and interpreting data for the study that is being conducted (Babbie and Mouton, 2010; Kumar, 2005). For this investigation, a cross-sectional design was used where the researcher employed both quantitative and qualitative approaches. Both quantitative and qualitative data was gathered for this study in one period. The primary goal of the concurrent method was to gain a deeper knowledge of the phenomenon being studied (Tashakkori & Teddlie, 2010; Amin, 2005). Similar target populations were used for the data collection. This made it easier to gather diverse but useful data that validated the final findings. The majority of the data gathered for this study was quantitative. Cross-sectional design, according to Polit & Hungler (1999), entails gathering data all at once. Cross-sectional studies are particularly suitable for characterizing the status of phenomena or for describing correlations between phenomena at a defined point in time, according to Polit and Hungler (1999).

In this study, the phenomena under inquiry were recorded as they emerged throughout the course of one data collection session. An overall picture of the traits, regularity, or occurrence of the targeted data point within the population group under study was made possible with the aid of a cross-sectional design. Additionally, it enabled the researcher to examine multiple outcomes and exposures at once, allowed access to multiple variables, and made it possible to assess the burden of the population when they come into contact with the targeted data point under study, all of which improved the accuracy of the assessment of the burden of a data point within a particular population group. Since the cross-sectional approach examines the entire population at one particular time point and is far less expensive to carry out, it allowed the researcher to maximize the completeness of the important data points. This was so that it might be examined since only that particular time reference was to be taken into account when the data was gathered from the full study group (Creswell, 2007, 2017; Tashakkori & Teddlie, 2014; Crain-Dorough, 2009; Brryman, 2009; Polit & Hungler, 1999). Similarly, Onwuegbuzie, *et al.*, (2017) suggested that a quantitative design is suitable for the construction of structural models through multivariate analysis that explains the study variables. However, the incorporation of perceptions for purposes

of yielding comparable data was done to generate the qualitative views by interviewing selected respondents and then the data was used to describe and analyze the phenomenological findings on the occurrence of poverty (Mingers, 2001). In so doing, the researcher was able to gain a better understanding of poverty reduction phenomena. The findings of both quantitative and qualitative approaches were discussed jointly. The aim of triangulating of the two sources of data and the respective findings enhanced the robustness of the empirical findings.

The complete study's variables covered by a questionnaire was also utilized to record each answering entity's perceptions. It was decided that a survey was the best approach for gathering data. Converse, 1986 and Saunders *et al.*, (2011) both confirm the validity and reliability of the self-reported measures. The instrument was improved by conducting a pilot study to pre-test it with the goal of identifying the constructs that could be researched.

### 3.3 Study population

The study population consisted of Board Members, SACCO Managers, Credit Officers, and SACCO Members from 19 SACCOs in selected districts of Greater Bushenyi (Mitooma, Sheema and Bushenyi). The aforementioned was taken into consideration because no one else would have the knowledge that would be regarded crucial for this particular investigation.

#### 3.3.1 Sample size Determination

Quantitatively, the researcher based on Yamane's (1967) formula to choose a representative sample from the population in order to generalize findings. Basing on Yamane's (1967) formula, a sample size of 397 SACCO members was selected from a total of 61634 SACCO members for quantitative data.

$$\begin{aligned}
 n &= \frac{N}{1 + Ne^2} \\
 &= \frac{61634}{1 + 61634(0.05)^2} \\
 &= \frac{61634}{1 + 61634(0.0025)}
 \end{aligned}$$

$$= \frac{61634}{1+154} = \frac{61634}{155} = 397$$

The technique was preferred since it agrees with other renowned researchers like Krejcie and Morgan (1970) and it produces a sample size that is fairly representative.

The SACCO members were chosen for this study because SACCO members are the owners of these SACCOs and they decide how their money will be used for the benefit of each other, They are also the ones that elect a board that in turn employs staff to carry out the day-to-day activities of the SACCOs and they were also considered because the SACCO members are the source of SACCOs income and extremely important in determining the SACCOs continuity (Ahurira, 2018)

Qualitatively, out of 250, a total of 19 respondents participated in the qualitative interviews. Specifically, these were Board Members, SACCO Managers, and Credit Officers. In this study the sample size qualitatively was determined purposively. This was majorly on key informants. These were purposively chosen. Board Members were chosen because they are the ones that establish appropriate policies for the SACCO, ensure that adequate and effective internal control systems in the SACCO are put in place and complied with by all and also supervise management in the execution of approved plans. SACCO Managers were chosen because they help in implementing and enforcing new policies, propose new policies and amendments to the executive committee, prepare business plans and annual budgets and enforce their implementation and also represent the SACCOs in business transactions delegated. Credit Officers were chosen because they are the ones that review applications for loans and make decisions upon such application, organize and conduct pre-disbursement and post-disbursement trainings to members to ensure proper loan management by the borrowers and also carry out loan appraisals, loan monitoring and loan recovery (UNSCSCS Ltd Governance Policy Manual, 2021). Therefore the Board of Directors, the SACCO Managers and the Credit officers were chosen purposively due to their unique knowledge of SACCOs on poverty reduction in Bushenyi, Sheema and Mitooma districts. Therefore, total number of 416 respondents was considered for this study, both quantitative and qualitative as indicated in table 3.4 below

**Table 3.3: Showing a Matrix for determining Sample Size**

| <b>Population Category</b> | <b>Target Population</b> | <b>Sample Size</b> | <b>Sampling Technique</b> |
|----------------------------|--------------------------|--------------------|---------------------------|
| SACCO Members              | 61634                    | 397                | Simple random sampling    |
| Board Members              | 179                      | 8                  | Purposive sampling        |
| SACCO Managers             | 19                       | 5                  | Purposive sampling        |
| Credit Officers            | 52                       | 6                  | Purposive sampling        |
| <b>Total</b>               | <b>61884</b>             | <b>416</b>         |                           |

**Source: GBDCO'S and GBSM'S, 2021**

Table 3.4 above showed the Population Category, Target Population; Sample Size and Sampling Techniques for this study (see attached Appendix 7).

### **3.4 Sampling Method**

#### **3.4.1 Systematic Sampling**

Systematic sampling is a statistical method involving the selection of elements from an ordered sampling frame (Tashakkori & Teddlie, 2010). In total, there are 96 SACCOs. Therefore, 19 SACCOs were sampled using systematic sampling out of the total 96 SACCOs. All 96 SACCOs were sorted alphabetically in increasing order to enable systematic sampling. Systematic sampling was used because with systematic sampling, each participant is a fixed distance from the next. This means that samples are clearly separated and helps minimize the chance for bias.

#### **3.4.2 Proportionate Sampling**

Proportionate Sampling is a sampling of a population in which the probability of finding an element is proportional to some common shared attribute or property of all the elements in the population. From a total of 61634 SACCO members from the 19 SACCOs, 397 SACCO members were chosen for this study using proportionate sampling. This study employed proportionate sampling because use of proportionate sampling helped to ensure that the sample

represented all groups of interest and also helped in obtaining a good estimate for the overall population.

### **3.4.3 Simple Random sampling**

Simple random sampling is a sampling technique in which each member of a population has an equal chance of being chosen through the use of an unbiased selection method. Each subject in the sample is given a number, and then the sample is chosen by a random method (Mugenda & Mugenda, 2003; Kagaari, 2010). Simple random sampling was used for the selection of SACCO members. Only active SACCO members and those members who had spent three years or more in the SACCO by the time of conducting the study were considered for this study. To get the number of samples in every SACCO using a simple random method, a list of SACCO members in every SACCO was got from the SACCO Managers. Then the required number of SACCO members was selected randomly from the list by writing the names of every SACCO member on a piece of paper, folding them, and picking the required number at random. The SACCO member's names chosen randomly from the list were the ones that were considered for the study.

The list of SACCO member's names was then created in order to obtain their contact information and email addresses from the Managers of each SACCO. The researcher then got in touch with the SACCO members by phone or email to get their approval on the method of approach, such as delivering a hard copy questionnaire to them in person or sending it to them electronically. According to Ogden and Golding (2002), randomization increases the external validity of the study results by ensuring that each SACCO member has an equal chance of being included in the study sample. Simple random technique was also chosen because the category of SACCO members had a large population size and as such warranted simple random sampling to minimize sampling bias (Kothari, 2004)

### **3.4.4 Purposive sampling**

Purposive sampling also known as judgmental, selective, or subjective sampling is a form of non-probability sampling in which researchers rely on their own judgment when choosing members of the population to participate in their surveys (Sekaran, 2003). Finding and choosing persons who have a lot of expertise or understanding about the phenomenon interest in was known as "purposeful sampling" (Kagaari, 2010). Board Members, SACCO Managers, and

Credit Officers provided the first-hand information concerning the role of SACCO to poverty reduction in Mitooma, Bushenyi and Sheema for the qualitative study. A purposive sample strategy was used to choose each one of these because the aforementioned groups possessed information that was deemed essential for this particular study and no one else would, this technique was taken into consideration for them. While selecting these participants, the principle of saturation point was applied. According to Dumay (2011), a saturation point is reached when there is enough information to replicate the study, when the ability to obtain additional new information has been attained, and when further data gathering is no longer feasible (Tuli, 2020). These were interviewed in order to tap into that wealthy of knowledge in order to inform the study.

### **3.5 Data sources**

Because of how the study is conceptualized, information was acquired from primary sources. Primary data was gathered using a questionnaire and interview guide. This made it possible for the researcher to gather data and evaluate the results in a relevant or meaningful way

#### **3.5.1 Data collection methods**

##### **3.5.1.1 Survey Questionnaire method**

For this study a survey questionnaire was developed based on the guidelines by previous scholars (Venkatesh & Davis 2000; Churchill & Iacobucci, 2004), to collect data on demographics and the study variables. (See appendix 2). The choice was used because it provides an efficient and economical means of gathering information from large samples. Besides, the postal services are not so popular among the SACCO members and SACCOs. The questionnaire comprised mainly closed-ended questions. This instrument was developed using item measures and scales developed and tested by previous scholars (see operationalization and measurement of variables in table 3.5 below). A pre-test of the instrument was undertaken to establish its reliability and validity before the main survey. Table 3.5 summarizes the steps that were undertaken in questionnaire development and testing.

**Table 3.4: Questionnaire Development Process**

| <b>Procedure</b> | <b>Target</b> | <b>Justification for use</b> |
|------------------|---------------|------------------------------|
|------------------|---------------|------------------------------|



|                     |                                                                                                                                       |                                                                                                                                                                                                                                                                            |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Panel of experts    | Ten experts<br><br>-Academicians-human resource (2),<br>management (2),<br>Psychology (1),<br>-Practitioners (3)<br>Policy makers (2) | -To assess the relevance of the conceptualization of poverty<br><br>-To appraise the suitability of the terminology to SACCOs context<br><br>-To make further suggestions, criticism and comments on the questionnaire and its facts<br><br>-To validate the questionnaire |
| Personal interviews | -Five personal interviews with academicians                                                                                           | -To get comments and identify any problems relating to the questionnaire.<br><br>The results obtained will be used to refine survey instrument further                                                                                                                     |
| Pretest survey      | -100 copies of the questionnaire were administered to SACCO members in Mbarara district                                               | -To modify and refute the survey instrument in order to develop the final instrument for the main survey<br><br>-To statistically test the instrument for reliability and validity                                                                                         |

From table 3.5 above, the independent variables and dependent variables were considered as continuous variables. In this study, the questionnaire items for the continuous variables were anchored on a 6-point Likert scale. i.e., Strongly Disagree (SD), Disagree (D), Some What Disagree (SWD), Some What Agree (SWA), Agree (A) and Strongly Agree (SA). The "neutral" option gave survey takers an easy out, creating a temptation to breeze through the question without much thought. An even number of categories, as in a six-point Likert scale forced respondents to come down broadly “for” or “against” a statement. The 6-point scale is meant to provide more options for respondents. Additionally, a six-point Likert scale was used to

eliminate the middle points of “neither agree nor disagree” and to reduce the deviation arising from respondents’ indecision since respondents’ perceptions are rarely neutral, and the six-point scale helps account for this reality (Chomeya, 2010).

### **3.5.1.2 Interviewing method**

For this study face-to-face interactions between the researcher and respondents (Board Members, SACCO Managers, and Credit Officers) were done. This approach was used because it can effectively capture the realities of SACCO members and double-check data. Additionally, interviewing was used since it can produce descriptions that are founded in truth (Saunders, 2011). This is based on the notion that using a face-to-face interviewing approach strengthens the confidentiality or privacy clause by treating the interview as a pipeline for obtaining and passing data or information from the interviewee to the interviewer (De Vos, 2001).

## **3.6 Data collection instruments**

This particular section details the process of how data was gathered by using both quantitative and qualitative data collection instruments, which correspond with the above data collection methods. They included the following:

### **3.6.1 Questionnaire**

Based on the recommendations made by earlier researchers (Venkatesh & Davis, 2000; Churchill & Iacobucci, 2004), the researcher created a structured closed-ended questionnaire to gather information on demographics and the study variables (See appendix 2) that was presented to the primary respondents (SACCO Members) with a six-likert scale option ranging from strongly disagree to strongly agree. The study gathered current information on reducing poverty and how SACCOs, in their opinion, do so. This tool captured structured quantitative data where respondents ticked the most applicable on a six-point Likert Scale ranging from Strongly Disagree (SD), Disagree (D), Some What Disagree (SWD), Some What Agree (SWA), Agree (A) and Strongly Agree (SA). The six-point Likert scale helped to reduce the deviation arising from respondents’ indecision since respondents’ perceptions are rarely neutral, and the six-point scale helps account for this reality (Chomeya, 2010). This method of the questionnaire was also used because its coverage is wide and many respondents can be reached at the same time (Amin, 2005).

### 3.6.2 Interview Guide

Semi-structured interviews were used to get qualitative information. A semi-structured interview, according to (Qu & Dumay, 2011; Sekaran, 2003; Saunders, 2011), "involves questioning guided by defined themes in a consistent and systematic manner interleaved with probes to elicit more comprehensive responses." This strategy was used since it can produce descriptions based on reality (Saunders, 2011). After a thorough analysis of the research on the study variables, the interview guide was created. The information gathered used each person's unique perspective to supplement the quantitative findings. Each interview ran between 40 and an hour, and with the respondents' consent, all interviews were audio recorded.

### 3.7 Operationalization and measurement of variables.

The independent variables for this study are SACCO financial (Credit and Saving services and SACCO non financial services (entrepreneurial and skill development and financial literacy training), moderating variable is Government policy (fiscal policy) and the dependent variable is poverty reduction, as explained in the theoretical and conceptual frameworks. These characteristics were assessed using item scales created by earlier researchers and taken from the body of existing research. Where appropriate, adjustments were made to fit the context of the study as indicated in table 3.6 below.

**Table 3.5: Operationalization of the Variables**

| <b>Variable</b>                     | <b>Operational definition<br/>(Conceptualization)</b>               | <b>No of<br/>items</b> | <b>Dimensions</b>                                                 | <b>Scholars (Source)</b>                                                            |
|-------------------------------------|---------------------------------------------------------------------|------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <b>SACCO financial services</b>     | Economic services provided by SACCOs which deals with money issues. | 23                     | Credit services and savings services                              | Adugna, 2000;<br>Banarjee & Duflo, 2009;<br>Karlan & Zinman, 2009                   |
| <b>SACCO non financial services</b> | Services that don't deal with money issues                          | 21                     | Entrepreneurial skill development and financial literacy training | Chinguta, 2002;<br>Lempert & Nguyen, 2011; Rutherford, 2011;<br>Collins et al, 2009 |

|                                                    |                                                                                                                           |    |                                                                                                     |                                                                                                                    |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|----|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <b>Moderating variable i.e., Government policy</b> | Moderating variable conceptualized as a variable that explain the relationship between independent and dependent variable | 9  | Fiscal policy                                                                                       | Acemogulu, 2008; Thomas, 2010<br><br>Stiglitz, 2013; Norris, 2008; Dick, 2009; Duve, 2017; Baron & Kenny (1986)    |
| <b>Poverty reduction</b>                           | Lessening the severity of the impact of poverty on the lives of poor people.                                              | 22 | Ability to save and invest, increased income, availability of basic needs, jobs and wealth creation | Pateloh, 2013; Lipton, 1997; Streeten, 1981; Lempert & Nguyen, 2011; UNDP, 2011; Seth & Alkire, 2013; Walker, 2019 |

Table 3.6 above provides specifics. Four variables make up the study; their operationalization, measurement as explained below.

**SACCO financial services** are conceptualized to include the dimensions of credit services and saving services. The items to measure this construct were adapted from Adugna, 2000; Banarjee & Duflo, 2009; Karlan and Zinman, 2009. The questions were anchored on a 6-point Likert scale, ranging from 1-Strongly Disagree without any doubt to 6-Strongly Agree without any doubt. The respondents were asked to report their responses to an item such as: "The SACCO offers saving services daily."

**SACCOs non-financial services** were unpacked to include: entrepreneurial and skill development, and financial literacy training. The measurements for this construct were modified from the scales developed by Chingunta, 2002; Lempert & Nguyen, 2011; Rutherford, 2011 and Collins *et al.*, 2009 and are anchored on a 6-point Likert scale ranging from 1-Strongly Disagree to 6-Strongly Agree. The respondents were asked to report their responses to an item such as: "The SACCO organizes financial literacy training for its members."

**Moderating Variable** This has the dimension of the government policy (fiscal policy). The items used to measure this variable are adapted from Thomas, 2010; Stiglitz, 2013; Norris, 2008;

Dick, 2009; Duve, 2017 & Coccia, 2021. They were anchored on a 6-point Likert scale, ranging from 1-Strongly Disagree to 6-Strongly Agree. The respondents were asked to report their responses to an item such as: "fiscal policy in Mitooma Sheema and Bushenyi districts does not adversely affect SACCOs operations."

**Poverty reduction** includes the ability to save and invest, increased income, the availability of basic needs, and the creation of jobs and wealth. Poverty reduction was measured using the 23-item scale developed by Pateloh, 2013; Lipton, 1997; Streeten, 1981; UNDP, 2011; Seth & Alkire, 2013; Walker, 2019. This measure asked respondents to indicate on a six-point Likert scale, ranging from strongly disagree to strongly agree, how satisfied they were with an aspect of poverty reduction. The respondents were asked to report their responses on an item such as: "The SACCO services have improved on my household income".

### **3.8 Data Collection Procedure.**

The primary source of data was the responses of respondents. In contrast to a longitudinal study, which examines the same sample units of population across time, data was gathered at a single point in time. However, a two-phase method to data collecting was used. Stage 1: gathering pre-test data (January, 2023). In order to assess the validity and reliability of the created instrument, both quantitative and qualitative data was gathered at this step. Stage 2: gathering data for the primary survey (February, 2023). Meaningful discussions and conclusions for this study have been made using the data that has been gathered up to this point.

The process for gathering data was as follows: A researcher approached Bishop Stuart University Research Ethics Committee (REC), which provided a letter that was presented to SACCO Managers, Administrators, and Local Government Officers to request permission for data collection, a letter of introduction was obtained from the Directorate of Graduate Studies, Research and Innovations of BSU and District Commercial Officer of the selected districts in Greater Bushenyi. Permission was also sought from the managers of the selected SACCOs. After permission was given to the researcher, informed consent followed to set meetings with the selected respondents. Following that, the researcher distributed the questionnaires and interviewing instructions to various respondents, who were obliged to respond truthfully while seeking clarification when necessary. There was no right or wrong answers in this study; instead,

participants expressed their own views on the subject at hand. The collected data's confidentiality was strictly upheld. The study's collection of personal information and individual statements was treated in complete confidence. A confidentiality agreement had to be signed by all research assistants (RAS) who were given access to participants' personal information.

### **3.9 Data Processing**

For the quantitative data analysis, STATA version 13 was utilized to carryout linear analysis, SPSS – for generating demographic and regression analysis while AMOS version 23 was used to do construct analysis. For the qualitative data, content analysis was done using Atlas.ti version7 (Bazeley, 2007).

#### **3.9.1 Data cleaning**

For this study data cleaning was done by checking: whether the questionnaire responses were correctly entered; and missing values, exist and how to handle them and to identify and deal with outliers. The data cleaning process demands careful consideration as it significantly affects the final statistical results.

#### **3.9.2 Outlier Identification and Treatment**

An outlier is a data point that is an extreme distance from other similar points (Black, 2010) Outliers can be mild or extreme. A data point beyond an inner fence on either side is considered a mild outlier, and a point beyond an outer fence is an extreme outlier. Outliers may occur as a result of variability in the measurement or may indicate experimental errors. For this study, an outlier check was conducted using minimum and maximum frequency counts and means.

#### **3.9.3 Missing Value Analysis**

Missing value analysis aids in addressing a number of issues brought on by insufficient data (Andy, 2010). If cases with missing values consistently differ from cases without missing values, the results may be deceptive. Additionally, because there is less information available than anticipated, missing data may decrease the precision of statistics that have been generated (Field, 2005). To determine how much data is missing, a missing value analysis using SPSS was carried out in this study. The study findings are presented in table 3.7.

**Table 3.6: Missing value analysis**

| Item | N   | Missing |         |
|------|-----|---------|---------|
|      |     | Count   | Percent |
| .... |     |         |         |
| cs05 | 392 | 0       | .0      |
| cs06 | 392 | 0       | .0      |
| fl06 | 391 | 1       | .3      |
| fl07 | 392 | 0       | .0      |
| fl08 | 392 | 0       | .0      |
| fl09 | 391 | 1       | .3      |

....

Table 3.7 above shows, for instance, that item fl06 (Training has led to better usage of my credit) had a missing value. That means that respondent number 391 did not answer this question.

The problem of missing values was attended by replacing the missing values by the series mean.

Another concern is that the assumptions behind many statistical procedures are based on complete cases, and missing values can complicate the theory required (Field, 2005). The researcher made effort to collect completed questionnaires even when the respondent was not in a position to call back. An arrangement was made to finish the questionnaire at that particular time and this made it possible to have minor cases of missing values and they did not change the content of the constructs as they were conceptualized.

#### 3.9.4 Diagnostic Tests

The conceptualization of this study and the generated testable hypotheses dwelled on Structure Equation Modeling (SEM) tests. To determine whether the data meets the criteria for SEM tests, however, a number of tests had first to be run. Field's methodologies were applied in this study to ensure data conforms to the presumptions for SEM analysis. In particular, the investigation assessed if the data have a normal distribution, homogenous variance, linearity, and minimising

multi-collinearity. The assumptions of the data's normal distribution, homogeneity of variance, linearity, and multi-collinearity were verified using Field's technique (Field, 2005).

### 3.9.5 Normality test

A common rule of thumb test for normality is to check the skewness (symmetrical) and kurtosis (peakedness) of each measured variable (Field, 2005). While skewness and kurtosis indicate deviations from normality, they only address one aspect of no-normality (Field, 2003). Also, they work well with large samples. The interest in the current study was to determine whether the distribution as a whole deviate from a comparable normal distribution. This was done both statistically and graphically.

Different normality tests are used depending on convenience of the technique, the tests include: the Shapiro-Wilk (SW) test, the Kolmogoro-Smirnov (KS) test, the Anderson-Darling (AD) test and Lilliefors (LF) test (Razali & War, 2011) Among the mentioned tests for normality Shapiro-Wilk test has better power property and produces better results compared to other tests (Keya & Rahmatullar, 2016) and therefore it was employed. According to Field (2005), the Shapiro-Wilk test compares the scores in the sample to a normally distributed set of scores with the same mean and standard deviation. If the sig. value of Shapiro-Wilk test is greater than .05, then the data is normal. If it is less than .05 then the data significantly deviates from a normal distribution. The test results were presented in table 3.8.

**Table 3.7: Test of normality with Tests of Shapiro-Wilk test**

|                                      | <b>Statistic</b> | <b>Df</b> | <b>Sig.</b> |
|--------------------------------------|------------------|-----------|-------------|
| Credit services                      | .975             | 112       | .033        |
| Saving services                      | .990             | 112       | .561        |
| Financial services                   | .983             | 112       | .152        |
| Entrepreneurship. Skills development | .985             | 112       | .261        |
| Financial literacy training          | .979             | 112       | .082        |
| Non financial services               | .985             | 112       | .224        |

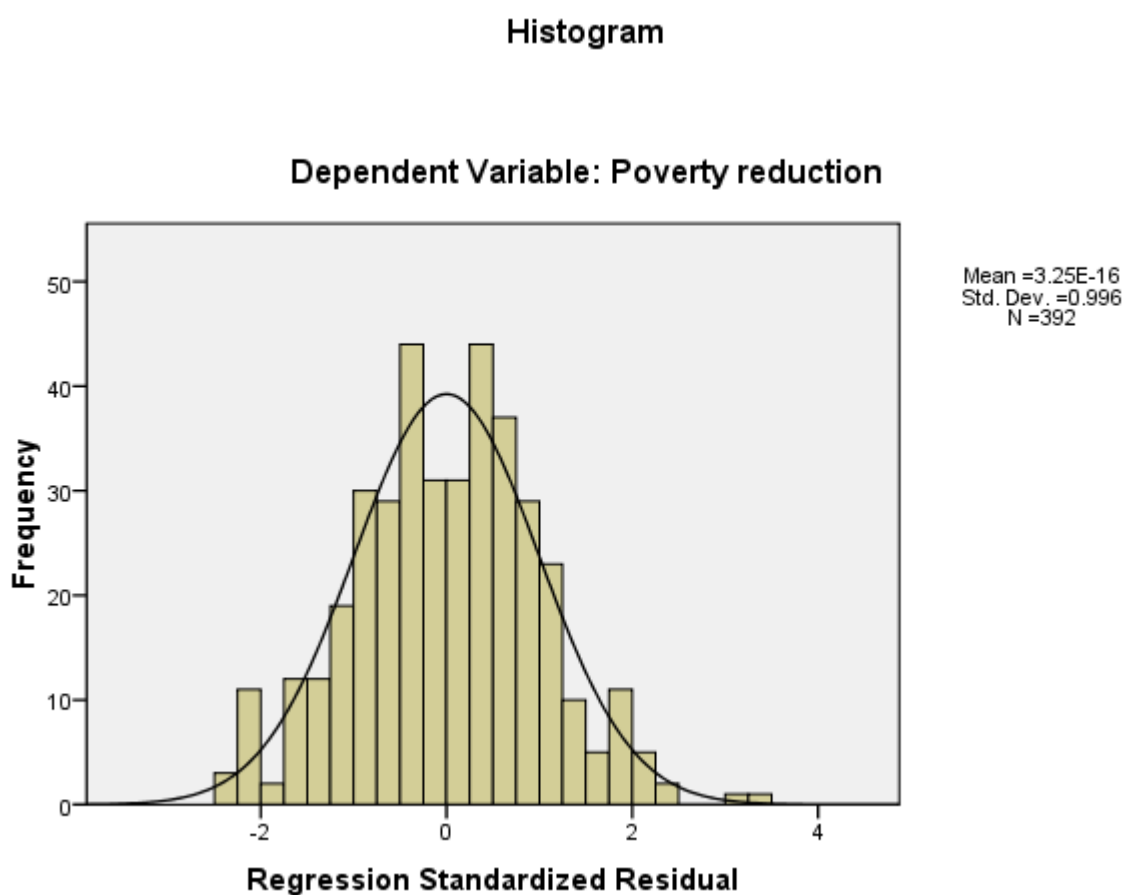


|                   |      |     |      |
|-------------------|------|-----|------|
| Poverty reduction | .978 | 112 | .063 |
| Fiscal policy     | .982 | 112 | .124 |

---

Table 3.8 shows normality test with Shapiro–Wilk test. The data was tested to establish whether it was normally distributed at the level of significance 0.05 with 95% level of confidence. The rule of acceptance or rejection was if p- value is less than 0.05 meaning it is significant and when its greater than 0.05 meaning that it is not significant. Table 5 shows p- values (Sig.) of variables are all greater than 0.05. From the analysis, all the variables met the normality assumption and therefore were analysed using parametric tests as there was no need for data transformation.

Graphically, normality was confirmed using histogram with a bell-shaped curve superimposed shown in Figure 3. 2



Source: Primary Data, 2023

### Figure 3.2: Histogram showing the test for Normality of study variables –

Figure 3.2 above shows histogram of variables with a bell-shaped curve simplimposed. Considering the histogram above, the results in this study reveal a fairly bell-shaped histogram. One can conclude that financial services, non financial services, government policy and poverty reduction approximately follow a normal distribution, thus upholding the normality assumption. A bell-shaped histogram indicates that data is normally distributed. The results presented in table 3.2 again show that the data met the normality test and therefore there was no need for data transformation.

#### b) Homogeneity test

To further ensure the suitability of the data for parametric tests, homogeneity test was performed. According to Field (2005), homogeneity assumes that the variance of one variable should be stable at all levels of other variables. Levene's test is one of the commonly used test for homogeneity. Field (2005) states that if the Levene statistic is non-significant ( $p > .05$ ), then the data is homogeneous (the differences between the variance is close to zero) and vice versa. The the Levene test for this study is indicated in table 3.9.

**Table 3.8: Test of Homogeneity of variances**

|                                          | Levene<br>Statistic | df1 | df2 | Sig. |
|------------------------------------------|---------------------|-----|-----|------|
| Credit services (cs)                     | .628                | 1   | 389 | .429 |
| Saving services (ss)                     | 1.131               | 1   | 389 | .288 |
| Finance services (fin)                   | .924                | 1   | 389 | .337 |
| Entrepreneurship skills development (sd) | .247                | 1   | 389 | .620 |
| Financial literacy training(fl)          | 2.266               | 1   | 389 | .133 |
| Non-financial services (non_fin)         | 2.147               | 1   | 389 | .144 |
| Poverty reduction (pr)                   | .393                | 1   | 389 | .531 |
| Fiscal policy (fp)                       | .332                | 1   | 389 | .565 |

Table 3.9 shows Levene statistic of the variables credit services, saving services, financial services, entrepreneurship skills development, financial literacy training, non-financial services,

poverty reduction and fiscal policy are non-significant ( $p > .05$ ). The results show that the assumption of homogeneity of variances was upheld.

The assumption of homogeneity of variances was also presented graphically using a scatter plot in Figure 3.3 below. This was done by plotting the regression residuals against the dependent variable.

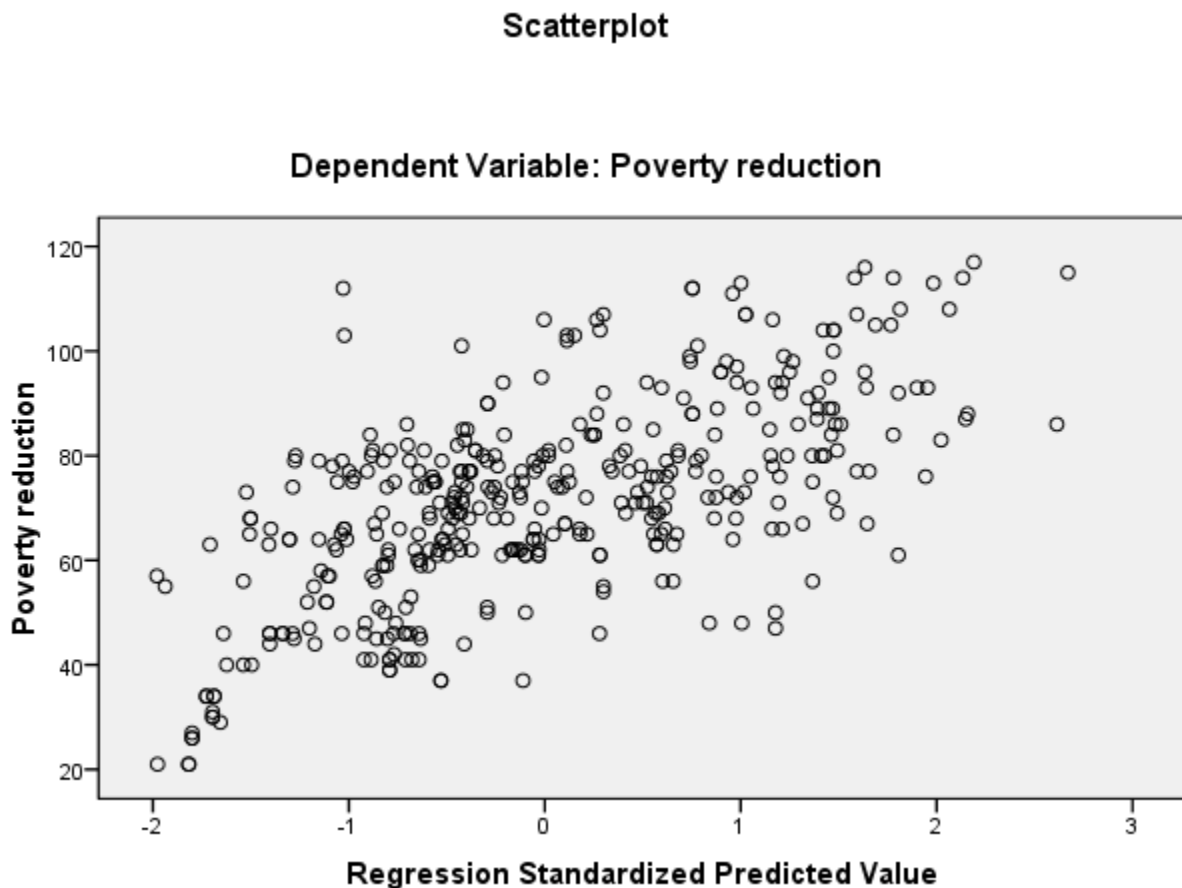


**Figure 3.3: Scatter Plot – Homogeneity Test**

Figure 3.3 shows the scatter plot for testing homogeneity. The result of the scatter in figure 3 shows that the points are evenly dispersed around zero, thus providing evidence that the homogeneity assumption was met.

### 3.9.6 Linearity Test

Linearity means there is a straight-line relationship between the independent variables. This assumption is important because regression analysis only tests for a linear relationship between the independent variables (IVs) and the dependent variables (DVs). Linear data is where scores are seen to be in a fairly straight line, not a curve. In this study, a normal probability plot (normal Q-Q plot) was used to plot the residuals against the predicted scores presented in figure 3.4.

**Normal P-P Plot of Regression Standardized Residual**

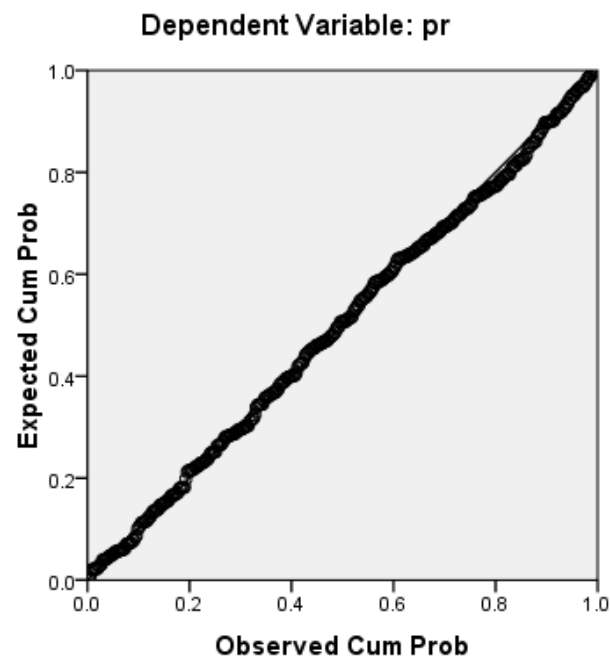


**Figure 3.4: Normal Q-Q plot linear**

Figure 3.4 shows the Normal Q-Q plot of the independent variables. The linearity between the the independent variables is depicted by a straight-line relationship between them. Thus, signifying that the data passed the linear assumption test.

### 3.9.7 Multi-collinearity Test

Multi-collinearity exists if the predictor variables correlate highly when regressed against each other. For this study, a collinearity diagnostic test was carried out to determine whether each of the predictors—SACCO financial services, SACCOs non-financial services, entrepreneurship and skill development, and financial literacy training—have a linear relationship with each other.

Under this procedure, two values are given: the tolerance and the variance inflation factor (VIF). The tolerance value is a sign or indicator of how much of the variability of the specified independent variable is not explained by the other independent variables in the model. The Multi-collinearity test for this study was done and the findings are shown in table 3.10

**Table 3.9: Multi-collinearity Test**

|                             | Collinearity Statistics |       |
|-----------------------------|-------------------------|-------|
|                             | Tolerance               | VIF   |
| Credit services             | .730                    | 1.370 |
| Saving services             | .734                    | 1.362 |
| Entrepr. Skills development | .500                    | 2.001 |
| Financial literacy training | .583                    | 1.717 |
| Fiscal policy               | .525                    | 1.904 |

According to Menard (2004), if the tolerance values are below 0.2, that shows the existence of multi-collinearity, while VIF values above 10 indicate serious concern (Bowerman & O'Connell, 1990). Based on Menard (2004), the results in Table 3.10 shows that the two values, tolerance and VIF, show that there is no serious concern about multi-collinearity.

### **3.10 Data Quality Control**

#### **3.10.1 Validity test for Quantitative Approach**

Validity is one of the principles used to assess how well a research-based solution is supplied (Patril (2011)). It describes the capacity to provide outcomes that are consistent with theoretical and conceptual assumptions—to measure what should be measured and to generate accurate and exact results. A few changes were made, even though the questionnaire was built using measurements that have already been examined for validity and reliability. Additionally, the majority of the earlier research were conducted in wealthy nations, thus it was clear that additional reliability and validity testing in the setting of Uganda were necessary. The findings of tests for content and construct validity were performed and the results are discussed next.

### 3.10.2 Content Validity

In this case, SACCO financial services (credit services, saving services), SACCO non-financial services (entrepreneurial and skill development, financial literacy training), government policy (fiscal policy), and poverty reduction were all examined to determine how well the instrument's contents tap the concept (constructs) under study (Nunnally, 1978). Similar to this, Creswell (2009) hinted at the existence of a non-statistical type of validity known as content analysis, which entails "the systematic assessment of the test content to evaluate whether it covers a representative sample of the behavior area to be measured."

In the current study, the content validity test was performed by administering ten draft questionnaires to experts for validation, and later computing the Content Validity Index (CVI). The CVI was computed by taking the proportion of items declared valid divided by the total number of items x 100 (Amin, 2005). The study findings are presented in Table 3.11 (a) and (b).

#### Results of Content validity of the study instruments

**Table 3.10: (a) Questionnaire**

| Variable                    | CVIs  | Items |
|-----------------------------|-------|-------|
| Credit services             | 0.883 | 11    |
| Saving services             | 0.855 | 8     |
| Entrepr. Skills development | 0.894 | 7     |
| Financial literacy training | 0.875 | 10    |
| Poverty reduction           | 0.863 | 21    |
| Fiscal policy               | 0.845 | 8     |

#### Source: Primary data

Table 3.11 (a) shows the CVI of the results of the questionnaire study variables. The responses from experts indicated that the instrument was valid given that a CVI greater than the recommended threshold of .070 was obtained as recommended by Amin (Amin, 2005). This implied that the content of the questionnaire was clear, relevant, and adequate for measuring the respective study constructs and was appropriate for studying poverty reduction among SACCO members in selected districts of Greater Bushenyi, South Western Uganda.

**Table 3.11 (b) Interview Guide**

| <b>Research instruments</b> | <b>Total number of items</b> | <b>Number of items rated as valid</b> | <b>Content valid index</b> |
|-----------------------------|------------------------------|---------------------------------------|----------------------------|
| Questionnaire               | 75                           | 75                                    | 1.00                       |
| Interview guide             | 6                            | 6                                     | 1.00                       |

**Source: Primary data**

Table 3.11 (b) shows the CVI of the interview guide constructs. The CVI of the study instruments (1.00) indicates that instruments were appropriate for studying poverty reduction in the SACCOs of Mitooma, Bushenyi and Sheema in South Western Uganda.

### **3.10.3 Construct Validity**

Construct validity refers to the extent to which a construct's operationalization actually measures what the theory says it does. It addresses the question: if the measure is valid, do the various indicators operate in the same manner? It requires a definition with clearly specified conceptual boundaries. Three steps should be followed to understand whether a piece of research has construct validity. Firstly, the theoretical relationships must be examined. Secondly, the empirical relationships between the measures of the concepts must be examined. Thirdly, the empirical evidence must be interpreted in terms of how it clarifies the construct validity of the particular measure being tested (Hair *et al.*, 2010). This clearly indicates that the evidence of construct validity includes statistical analyses of the internal structure of the test, including relationships between responses to different items. It also includes relationships between the test and measures of other constructs. In developing the survey instrument for this research, the study variables were operationalized in several dimensions and used several questions to exhaust these dimensions. Hence it was deemed fit to conduct a construct validity test. A confirmatory factor analysis using AMOS software was employed to unearth the factor in the current data. This step involved specifying separate measurement models for SACCO financial services, SACCO non financial services, government policy and poverty reduction. Construct validity was examined through convergent and discriminant validity tests, where convergent validity shows item homogeneity within the same construct, while discriminant validity indicates heterogeneity between different variables.

### 3.11 Testing for construct Validity

#### Factor Analysis

Exploratory factor analysis was used to test the construct validity, both convergent validity i.e., the degree to which the construct measures are associated and discriminant validity: the degree to which the construct measures are disassociated were ascertained. In ascertaining the construct validity, the researcher was guided by exploratory factor analysis assumptions: (1) sample size has to be 150+, (2) the correlations should be equal or greater than .5, (3) Kaiser-Meyer-Olkin (KMO) should be .6 or above and with a significant ( $P < .05$ ) Bartlett's test of sphericity (Tabachnick and Fidell, 2001). The study was able to discover patterns in variables and establish linear relationships among items and components through principle component analysis (Bennett, 2011). Varimax rotation approach was used in principal components extraction process, simply because according to Podsakoff *et al.*, (2012), Varimax rotation has the ability to maximize the dispersion of loadings within factors where it loads a smaller number of variables onto each factor. Kaiser criterion, guided this process where only elements with Eigenvalues (variances extracted by the factors) greater than one and items with loadings higher than 0.5 were retained. Kaiser, (1960), the proponent of Eigenvalues as a criterion for retaining measures, assumes that eigenvalues represent the amount of variation explained by a factor and that an eigenvalue of greater than 1 represents a substantial amount of variation, which is the major reason among other why it was preferred.

It is apparent in this study that the exploratory factor analysis assumptions were met since the study sample size was 512 which is far above 150, considered only items with loadings above 0.5 from the rotated solution, as indicated in (Table 3.12-3.16). More still, KMO were above .6, and Bartlett's test of sphericity was highly significant ( $p < .001$ ) for all constructs, as indicated in (Table 3.12-3.16) which depicts a good model fit to the data (Podsakoff *et al.*, 2012 and Bennet, 2011).



### **Factor structure of financial services**

Exploratory factor analysis (EFA) of the items of financial services was carried out to determine the financial services' underlying factor structure, showing construct validity test, both convergent validity and discriminant validity. The study findings are presented in Table 3. 12.

**Table 3.11: Factor analysis for financial services**

|                                                                           | Loan facilities | Withdraw procedures | Loan interest |
|---------------------------------------------------------------------------|-----------------|---------------------|---------------|
| The SACCO offers saving services daily                                    | .729            |                     |               |
| SACCO financial credit has a short loan payback period                    | .722            |                     |               |
| Amount borrowed is adequate to enable me undertake reasonable investments | .710            |                     |               |
| The SACCO charges low management fees on savings account                  | .710            |                     |               |
| It is easy to withdrawal my savings                                       |                 | .894                |               |
| The SACCO offers low financial credit amount to us                        |                 | .829                |               |
| The SACCO charges low interest rate on the financial credit               |                 |                     | .864          |
| Growth in SACCO loans facilitate my wealth creation                       |                 |                     | .838          |

|                         |        |        |        |
|-------------------------|--------|--------|--------|
| Variance (%)            | 36.354 | 16.528 | 13.922 |
| Cumulative variance (5) | 36.354 | 52.882 | 66.804 |
| Eigen values            | 2.908  | 1.322  | 1.114  |

|                                                  |                    |         |
|--------------------------------------------------|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. |                    | .653    |
| Bartlett's Test of Sphericity                    | Approx. Chi-Square | 817.715 |
|                                                  | Df                 | 28      |
|                                                  | Sig                | .000    |

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser Normalization.

Table 3.12 shows EFA results of financial services, which generated three factors, namely: Loan facilities, Withdraw procedures and Loan interest. The sample size is 392, which is larger than the minimum 152, correlations equal or greater than 0.5 were considered, Kaiser-Meyer-Olkin

(KMO) is 0.653, which is greater than the threshold 0.6, and significant is less than 0.05. As such, the results passed construct validity test, both convergent validity and discriminant validity. The results show the factor structure for financial services, which include loan facilities, withdraw procedures, and loan interest, explaining 36.354%, 16.528% and 13.922% respectively—totaling 66.804% of the total variance. Factors with ratings above 0.5 were retained.

#### **Factor structure of non-financial services**

Exploratory factor analysis (EFA) of the items of non-financial services was carried out to determine the non-financial services' underlying factor structure, showing construct validity test, both convergent validity and discriminant validity. The study findings are presented in Table 3.13.

**Table 3.12: Factor analysis for non-financial services**

|                                                                                                         | Training | Advisory | Skills | Growth |
|---------------------------------------------------------------------------------------------------------|----------|----------|--------|--------|
| The SACCO Provides investment advisory services to the SACCO members                                    | .790     |          |        |        |
| The SACCO organizes training on how to reduce poverty                                                   | .773     |          |        |        |
| The SACCO provides members with regular trainings before accessing the loans                            | .767     |          |        |        |
| Training has led to better usage of my credit                                                           | .761     |          |        |        |
| The SACCO trained me how to manage my business /activities                                              | .692     |          |        |        |
| SACCO organize financial literacy trainings for its members                                             | .673     |          |        |        |
| The SACCO trains members in business management                                                         | .641     |          |        |        |
| The SACCO organize trainings after every two months                                                     | .517     |          |        |        |
| The SACCO train members in marketing skills                                                             |          |          |        |        |
| Use of appropriate financial literacy training methods increases effectiveness of SACCO members         |          | .877     |        |        |
| Training SACCO members frequently gives them a masterly over their work leading to improved performance |          | .816     |        |        |
| When properly used, financial literacy training methods increases efficiency of SACCO members           |          | .711     |        |        |
| The SACCO has enabled me to acquire skills to start my own business                                     |          |          | .907   |        |
| My knowledge of my activity has improved in the past two years                                          |          |          | .905   |        |
| Training SACCO members frequently helps them to advance their entrepreneurial skills                    |          |          |        |        |
| I have been able to expand my businesses in the last five years                                         |          |          |        | .711   |
| Frequent training of SACCO members is necessary to equip them with the skills to encounter the changes  |          |          |        | .612   |

|                         |        |        |        |        |
|-------------------------|--------|--------|--------|--------|
| Variance (%)            | 29.523 | 13.963 | 8.282  | 6.745  |
| Cumulative variance (5) | 29.523 | 43.486 | 51.768 | 58.513 |
| Eigen values            | 5.019  | 2.374  | 1.408  | 1.147  |

|                                                  |                    |          |
|--------------------------------------------------|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. |                    | .800     |
| Bartlett's Test of Sphericity                    | Approx. Chi-Square | 2486.439 |
|                                                  | Df                 | 136      |
|                                                  | Sig                | .000     |

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser Normalization.

Table 3.13 shows EFA results of the underlying factor structure of non financial services, which generated four factors, namely: Training; Advisory; Skills; and Growth. The sample size was 392, which large is than the minimum 152, correlations equal or greater than 0.5 were considered, Kaiser-Meyer-Olkin (KMO) is 0.800 - greather then 0.6 and a significant is less than 0.05. As such, the results passed construct validity test, both convergent validity and discriminant validity. The results indicates that the four factors, including: training, advisory, skills and growth, explained 29.523%,13.963%, 8.282% and 6.745% respectively—totaling 58.513% of the total variance. Factors with ratings above 0.5 were retained.

### **Factor structure of poverty reduction**

Exploratory factor analysis (EFA) of the items of poverty reduction services was carried out to determine the underlying factor structure of poverty reduction, showing construct validity test, both convergent validity and discriminant validity. The study findings are indicated in Table 3.14.

**Table 3.13: Factor analysis for poverty reduction**

|                                                                              |        |        | Household income<br>increase | Increase in self-<br>esteem | Startup<br>businesses | Meeting<br>household needs |
|------------------------------------------------------------------------------|--------|--------|------------------------------|-----------------------------|-----------------------|----------------------------|
| I can now pay school fees for my children because of increased Incomes       |        |        | .877                         |                             |                       |                            |
| My savings have increased as a result of my increased income                 |        |        | .797                         |                             |                       |                            |
| SACCO training and credit access has empowered women                         |        |        | .643                         |                             |                       |                            |
| The SACCO loans have tremendously improved my income in the last five years. |        |        | .614                         |                             |                       |                            |
| snl have acquired new domestic properties because of my increased Income     |        |        | .597                         |                             |                       |                            |
| The SACCO services have improved on my household income                      |        |        | .515                         |                             |                       |                            |
| The amount of savings made has enabled me to improve my lifestyle.           |        |        |                              |                             |                       |                            |
| Access of credit facilities has improved my living standard                  |        |        |                              |                             |                       |                            |
| Dividends from SACCO savings have enhanced my family livelihoods             |        |        |                              |                             |                       |                            |
| I feel a sense of ownership and belonging to the organization                |        |        |                              | .835                        |                       |                            |
| The SACCO has strengthened my ability to influence strategic life choices    |        |        |                              | .812                        |                       |                            |
| I have been able to sustain myself through credit acquisition                |        |        |                              | .707                        |                       |                            |
| I have been able to get involved in decision making                          |        |        |                              | .634                        |                       |                            |
| The SACCO has increased my consumption                                       |        |        |                              | .596                        |                       |                            |
| I have been able to startup businesses in the last five years                |        |        |                              |                             | .850                  |                            |
| I have been able to diversify my businesses                                  |        |        |                              |                             | .848                  |                            |
| I have had successful businesses                                             |        |        |                              |                             | .694                  |                            |
| I have been able to expand my businesses in the last five years              |        |        |                              |                             | .599                  |                            |
| The SACCO enabled me to have access to basic needs with ease                 |        |        |                              |                             |                       | .788                       |
| I now Own cars and other tangible assets                                     |        |        |                              |                             |                       | -.555                      |
| I can now adequately cater for my domestic needs.                            |        |        |                              |                             |                       | .532                       |
| Variance (%)                                                                 | 39.287 | 9.116  | 5.658                        |                             | 5.353                 |                            |
| Cumulative variance (5)                                                      | 39.287 | 48.404 | 54.062                       |                             | 59.415                |                            |
| Eigen values                                                                 | 8.250  | 1.914  | 1.188                        |                             | 1.124                 |                            |

|                                                  |                    |          |
|--------------------------------------------------|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. |                    | .910     |
| Bartlett's Test of Sphericity                    | Approx. Chi-Square | 3961.287 |
|                                                  | Df                 | 210      |
|                                                  | Sig                | .000     |

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser Normalization.

Table 3.14 shows EFA results of the underlying factor structure of financial services, which generated four factors, namely: Household income increase; Increase in self-esteem; Startup businesses; and Meeting household needs. The sample size was 392, which is large than the minimum 152, correlations equal or greater than 0.5 were considered, Kaiser-Meyer-Olkin (KMO) is 0.910 - greather than 0.6 and a significant is less than 0.05. As such, the results passed construct validity test, both convergent validity and discriminant validity. The results indicate that the four factors, including household income increase, increase in self-esteem, startup businesses and meeting household needs, explained 39.287%, 9.116%, 5.658% and 5.353% respectively—totaling 59.415% of the total variance. Factors with ratings above 0.5 were retained.

### **Factor structure of fiscal policy**

Exploratory factor analysis (EFA) of the items of fiscal policy was carried out to determine the underlying factor structure, showing construct validity test, both convergent validity and discriminant validity. The study findings are shown in Table 3.15.

**Table 3.14: Factor analysis for fiscal policy**

|                                                                                                        | <b>Government<br/>Support</b> | <b>Enabling<br/>Environment</b> | <b>Facilitation</b> |
|--------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------|---------------------|
| Government spending facilitates efficiency of SACCOs                                                   | .919                          |                                 |                     |
| SACCOs and SACCO members don't bear heavy tax burden                                                   | .903                          |                                 |                     |
| Fiscal policy in Greater Bushenyi does not adversely affect SACCOs operations                          | .899                          |                                 |                     |
| The government regulatory policy favors the growth of SACCOs                                           |                               | .795                            |                     |
| The government charges affordable licenses fees on the operation of enterprises                        |                               | .745                            |                     |
| The relationship between fiscal policy effectiveness and poverty reduction is positive and significant |                               | .674                            |                     |
| There is an enabling tax policy in Greater Bushenyi that can facilitate poverty reduction              |                               | .530                            |                     |
| Fiscal policies in Greater Bushenyi facilitate the process of poverty reduction                        |                               |                                 | .862                |

|                         |        |        |        |
|-------------------------|--------|--------|--------|
| Variance (%)            | 38.836 | 18.955 | 13.138 |
| Cumulative variance (5) | 38.836 | 57.791 | 70.928 |
| Eigen values            | 3.107  | 1.516  | 1.051  |

|                                                  |                    |          |
|--------------------------------------------------|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. |                    | .759     |
| Bartlett's Test of Sphericity                    | Approx. Chi-Square | 1112.676 |
|                                                  | Df                 | 28       |
|                                                  | Sig                | .000     |

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser Normalization.

Table 3.15 shows EFA results of the underlying factor structure of fiscal policy, which generated three factors, namely: Government support; Enabling environment; and Facilitation. The sample size 392 is large than the minimum 152, correlations equal or greater than 0.5 were considered, Kaiser-Meyer-Olkin (KMO) is 0.759 - greater than 0.6 and a significant is less than 0.05. As



such, the results passed construct validity test, both convergent validity and discriminant validity. The results indicate that the four factors, including government support, enabling environment, and facilitation, explained 18.955%, 18.955% and 13.138% respectively—totaling 70.928% of the total variance. Factors with ratings above 0.5 were retained.

### **3.12 Results on Confirmatory Factor Analysis**

Confirmatory factor analysis was performed using AMOS 23 to assess construct validity. Construct validity refers to the extent to which operationalization of a construct does actually measure what theory purports (Churchill, 1995, Sarantakos, 2005). This step involved specifying separate measurement models for Construct validity and it was examined through convergent and discriminant validity tests, where convergent validity shows item homogeneity within the same construct, while discriminant validity indicates heterogeneity between different constructs.

#### **3.12.1. Convergent validity**

Following Hair *et al.*, (2010)'s guidelines, three aspects were examined to test convergent validity. First, the final items should be statistically significant, with a factor loading of .50 or greater and highly loaded on one factor. Secondly, the average variance extracted (AVE) of a latent construct should be a value of .50 or above suggesting adequate convergence. Thirdly, construct reliability should be .70 or above, although reliability between .60 and .70 is acceptable if other indicators in a model's construct validity are good. Path analysis was used to determine Convergent validity by generating Standardized estimates for the constructs. Modifications were made for cases where the guideline requirements were not met by checking the factor loadings and then inspecting the normalized residual (standardized residual) and modification indices. The convergent validity results are presented as follows.

#### **3.12.2 Standardized estimates of financial services and poverty reduction**

Path analysis was used to examine the relationship between SACCO financial services i.e., Credit services and Saving services and poverty reduction interms of ability to save and invest, increased income, availability of basic needs and job and wealth creation among the SACCO members in Mitooma, Sheema and Bushenyi Districts. The study findings are presented in figure 3. 5.

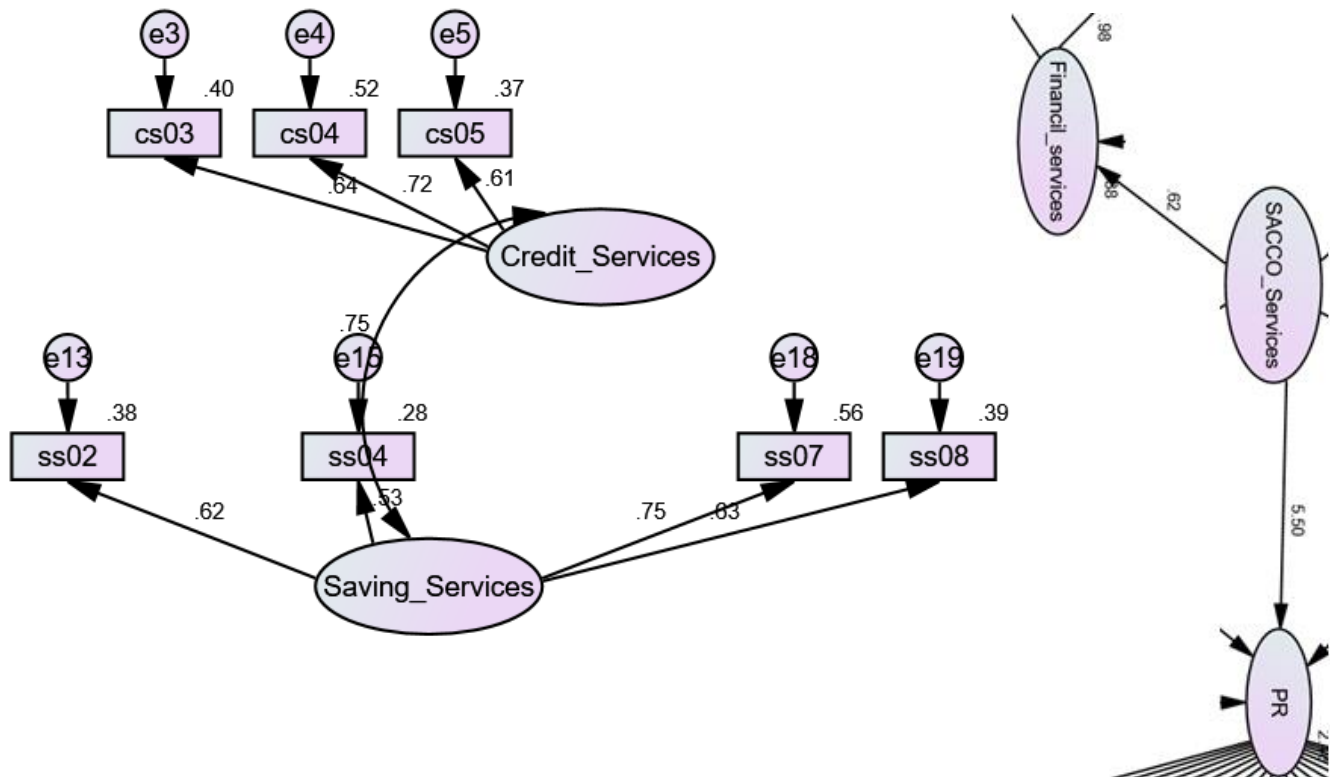


**Figure 3.5: Standardised estimates of financial services and poverty reduction**

Figure 3.5 shows the path analysis with regression estimates of the relationship between financial services and poverty reduction. It is a model fit of the contribution of financial services (credit services and saving services) after items that had low factor loadings were removed. Financial services construct had two dimensions, namely: credit services, with 11 items; and saving services, with seven items. Seven (7) items of credit services (cs01, cs02, cs06, cs07, cs08, cs10, cs11) and four (4) items of saving services with poor loadings (ss01, ss03, ss05 and ss06) were deleted. The number of deleted items did not change the content of the construct as it was conceptualized as indicated in the figure 3.5.

### 3.12.3. Standardized estimates of non-financial services and poverty reduction

Path analysis was used to examine the relationship between non-SACCO financial services and poverty reduction among the SACCO members in Sheema, Mitooma and Bushenyi districts. The study findings are presented in figure 3.6.

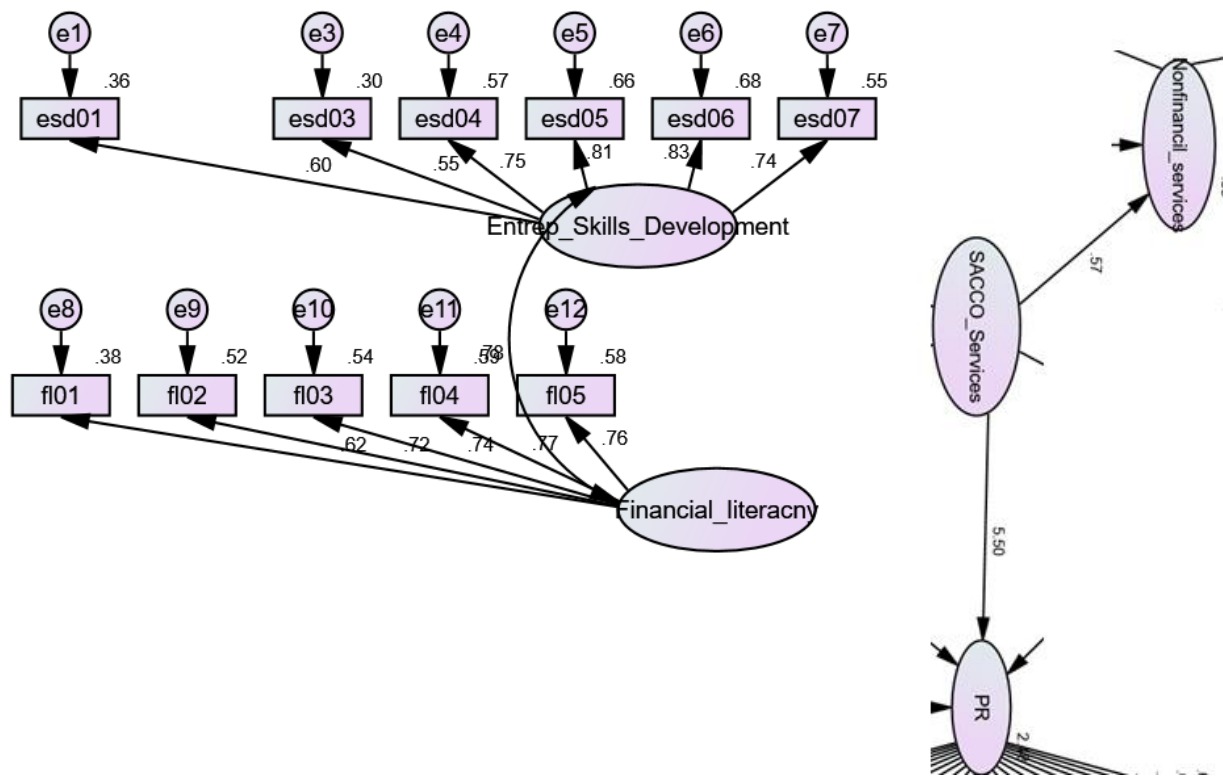


**Figure 3.6: Standardised estimates for non-financial services and poverty reduction**

Figure 3.6 shows the path analysis with regression estimates of the relationship between non-financial services and poverty reduction. It is the model fit of the contribution of non-financial services (entrepreneurship skills development and financial literacy training) after items that had low factor loadings were removed. Non-financial services construct had two dimensions, namely: entrepreneurship skills development, with seven items; and financial literacy training, with 10 items. One item of entrepreneurship skills development (esd02) and five (5) items of financial literacy training (fl06, fl07, fl08, fl09 and fl10) with poor loadings were deleted. The number of deleted items did not change the content of the construct as it was conceptualized as indicated in the figure 3.6.

#### 3.12.4. Model for second order constructs

The second order construct, namely: financial services, from credit and saving services; and non-financial services from entrepreneurship skills development and financial literacy training was

analysed which indicated a model fit of the contribution of observable items and constructs and the findings are presented in figures 3.7 and 3.8 and Tables 3.16 and 3.17.

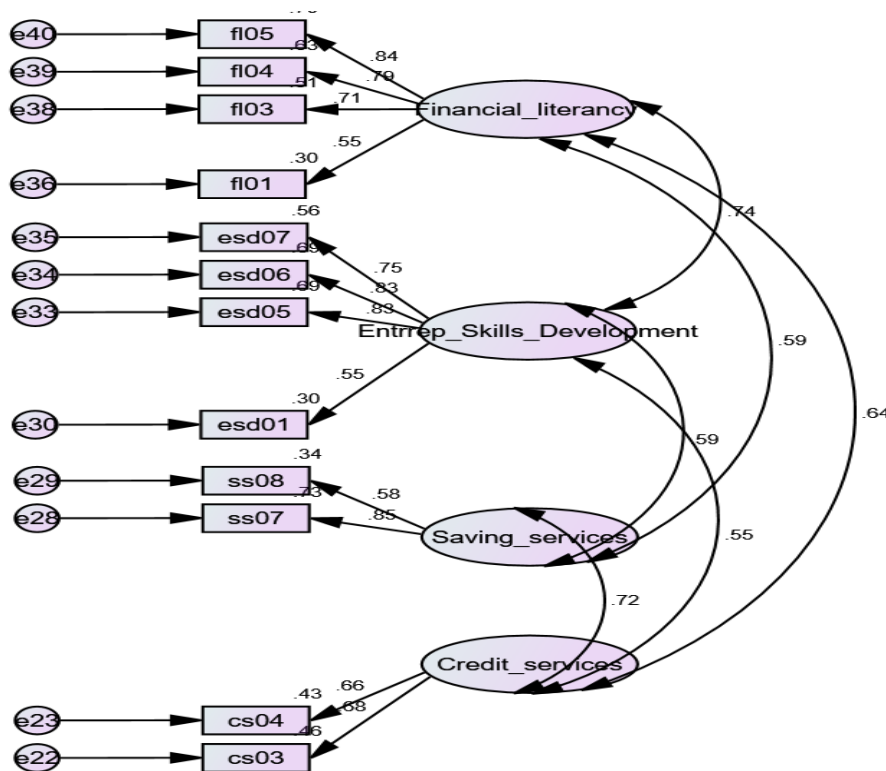


**Figure 3.7: Testing for possible of seconder factor**

Figure 3.7 shows the path analysis of development of second order factors- a model fit of the contribution of observable items and constructs. It shows correlations between the observable items and constructs are higher, which imply that they related. The correlations between the constructs are moderate suggesting that might be second order factor to account for some of those associations. The removal of weak correlated items didn't change the content of the construct as it was conceptualized. The standardized weights of the items for financial and non-financial services that remained after deleting the non-significant ones are shown in Table 3.16.

**Table 3.15: Standardized weights for financial and non-financial services for testing of possibility of second order factors**

|                                    |                |                             | Estimate   | C.R.       |            |            |
|------------------------------------|----------------|-----------------------------|------------|------------|------------|------------|
| cs03                               | <---           | Credit services             | .675       |            |            |            |
| cs04                               | <---           | Credit services             | .659       | 8.958      |            |            |
| ss07                               | <---           | Saving services             | .854       | 8.768      |            |            |
| ss08                               | <---           | Saving services             | .580       |            |            |            |
| esd01                              | <---           | Entrep_Skills_Development   | .545       |            |            |            |
| esd05                              | <---           | Entrep_Skills_Development   | .829       | 10.830     |            |            |
| esd06                              | <---           | Entrep_Skills_Development   | .834       | 10.853     |            |            |
| esd07                              | <---           | Entrep_Skills_Development   | .752       | 10.326     |            |            |
| fl01                               | <---           | Financial_literacy training | .551       |            |            |            |
| fl03                               | <---           | Financial_literacy training | .712       | 10.055     |            |            |
| fl04                               | <---           | Financial_literacy training | .793       | 10.651     |            |            |
| fl05                               | <---           | Financial_literacy training | .836       | 10.897     |            |            |
| <b><u>Achieved Fit Indices</u></b> |                |                             |            |            |            |            |
|                                    | <b>CMIN/DF</b> | <b>RMSEA</b>                | <b>IFI</b> | <b>CFI</b> | <b>TLI</b> | <b>NFI</b> |
|                                    | .085           |                             |            |            |            |            |
|                                    | (182.697/48)   | .131                        | .931       | .931       | .905       | .909       |

Table 3.16 shows the standardized parameter estimates that were statistically significant ( $p < .005$ ) and loaded on the factor. In addition, the results confirm the validity of the model with adequate model fit statistics for this construct measure. So further, a second order model was incorporated in figure 3.8.

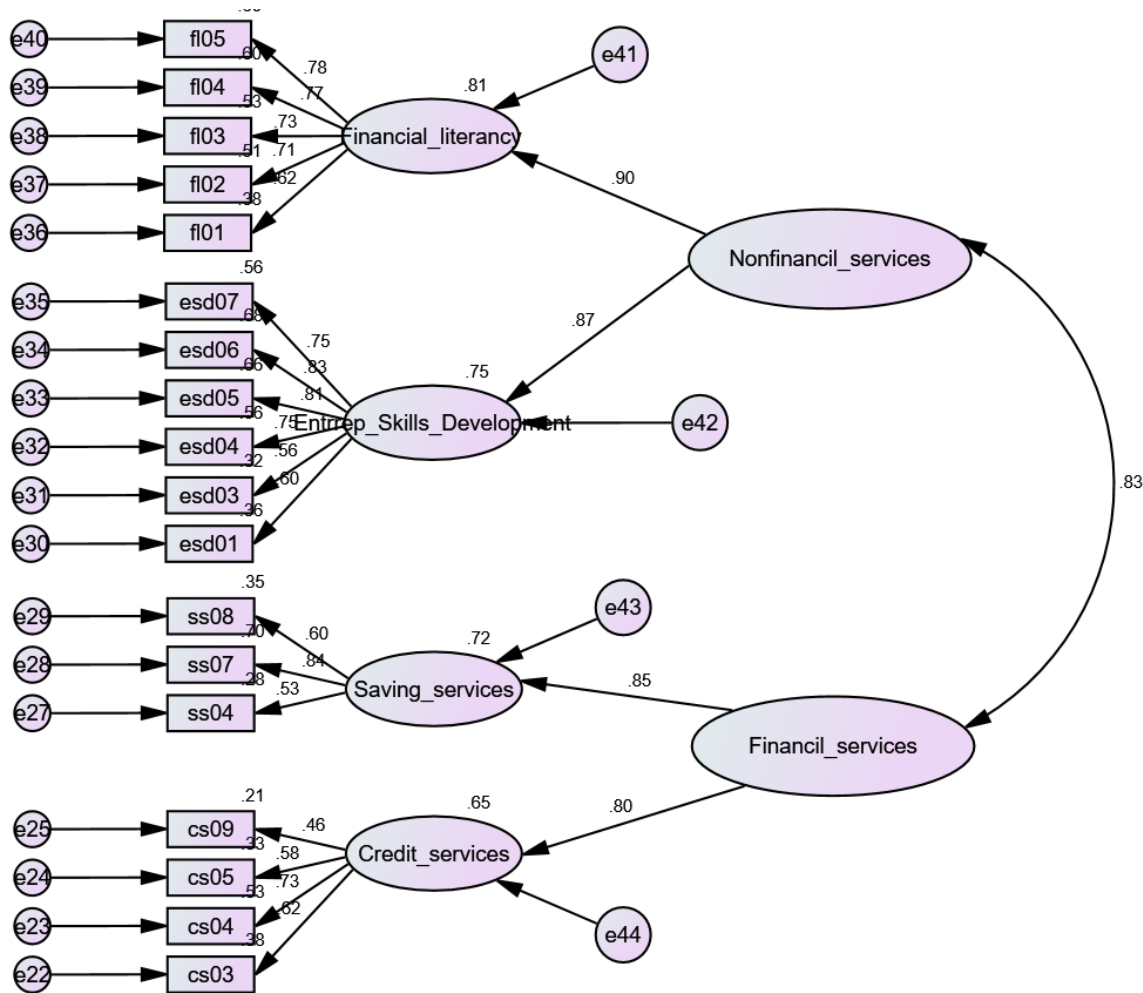


**Figure 3.8: Testing second order fit of the constructs**

Figure 3.8 shows the final second order model for predicting poverty reduction from SACCO services. Coming from the model in Figure 7, one item of entrepreneurship skills development (esd02) and five (5) items of financial literacy training (fl06, fl07, fl08, fl09 and fl10) with poor loadings were deleted. The standardized weights of the items for financial and non-financial services that remained after deleting the non-significant ones are shown in Table 3.17.

**Table 3.16: Standardized weights for second order constructs**

|                           |      |                             | Estimate | C.R.   |
|---------------------------|------|-----------------------------|----------|--------|
| Financial_literacy        | <--- | Non financial_services      | .899     |        |
| Entrep_Skills_Development | <--- | Non financial_services      | .867     | 8.326  |
| Saving services           | <--- | Financial_services          | .846     |        |
| Credit_services           | <--- | Financial_services          | .804     | 7.073  |
| cs03                      | <--- | Credit_services             | .615     |        |
| cs04                      | <--- | Credit_services             | .731     | 9.880  |
| cs05                      | <--- | Credit_services             | .578     | 8.648  |
| cs09                      | <--- | Credit_services             | .456     | 7.204  |
| ss04                      | <--- | Saving services             | .534     | 8.321  |
| ss07                      | <--- | Saving services             | .837     | 10.255 |
| ss08                      | <--- | Saving services             | .595     |        |
| esd01                     | <--- | Entrep_Skills_Development   | .598     |        |
| esd03                     | <--- | Entrep_Skills_Development   | .563     | 9.370  |
| esd04                     | <--- | Entrep_Skills_Development   | .746     | 11.520 |
| esd05                     | <--- | Entrep_Skills_Development   | .811     | 12.154 |
| esd06                     | <--- | Entrep_Skills_Development   | .826     | 12.296 |
| esd07                     | <--- | Entrep_Skills_Development   | .746     | 11.525 |
| fl01                      | <--- | Financial_literacy training | .616     |        |
| fl02                      | <--- | Financial_literacy training | .713     | 11.309 |
| fl03                      | <--- | Financial_literacy training | .726     | 11.457 |
| fl04                      | <--- | Financial_literacy training | .773     | 11.957 |
| fl05                      | <--- | Financial_literacy training | .778     | 12.008 |

**Achieved Fit Indices**

|                |              |            |             |
|----------------|--------------|------------|-------------|
| <b>CMIN/DF</b> | <b>RMSEA</b> | <b>CFI</b> | <b>.784</b> |
| 5.624          |              |            |             |
| (731.149/130)  | .109         | .817       | .782        |

Table 3.17 shows the standardised weights for the second order constructs. The first order factor model imposes some constraint to the second order model factor, and the expectation is that the first order factor model is better than the second order factor model. The Chi-square value of the second factor model is higher than the first order factor model. So, the second order model is statistically different from the first order factor model.

The imposition of a second-order factor model results is tested in a significant decrease in fit relative to the first-order model using the chi-square difference test given the first-order model is nested within the second-order model (Brown, 2006) [the chi-square value for the first model is only slightly smaller than the second model. The degree of freedom (df) for the first model is smaller than for the second because one less parameter is estimated in the second model.] Chi-square test value and df is computed for the chi-square difference test in the following way:

$$\chi^2_{\text{diff}} = \chi^2_{\text{second-order}} - \chi^2_{\text{first-order}} \quad \text{df}_{\text{diff}} = \text{df}_{\text{second-order}} - \text{df}_{\text{first-order}}$$

$$\chi^2_{\text{diff}} = 731.149 - 731.02 = 0.129 \quad \text{df}_{\text{diff}} = 30 - 29 = 1$$

Thus, according to the Chi-Square distribution table, the critical value of the test is 3.841. Since the test statistic is smaller than the critical value, we fail to reject the null hypothesis. This means we do not have sufficient evidence to say that the first- and second-order model give different results. As such, we take the second-order model because it more parsimonious than the first-order model. The second-order model was used in the model for the role of SACCO services in poverty reduction.



### 3.12.5 CFA measurement model for poverty reduction and its predictors, SACCO services

Poverty reduction is predicted by SACCO services and the moderating variable, namely: fiscal policy. Path analysis was used to examine the moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in *Mitooma, Sheema and Bushenyi districts. The study findings are presented in figure 3.9.*

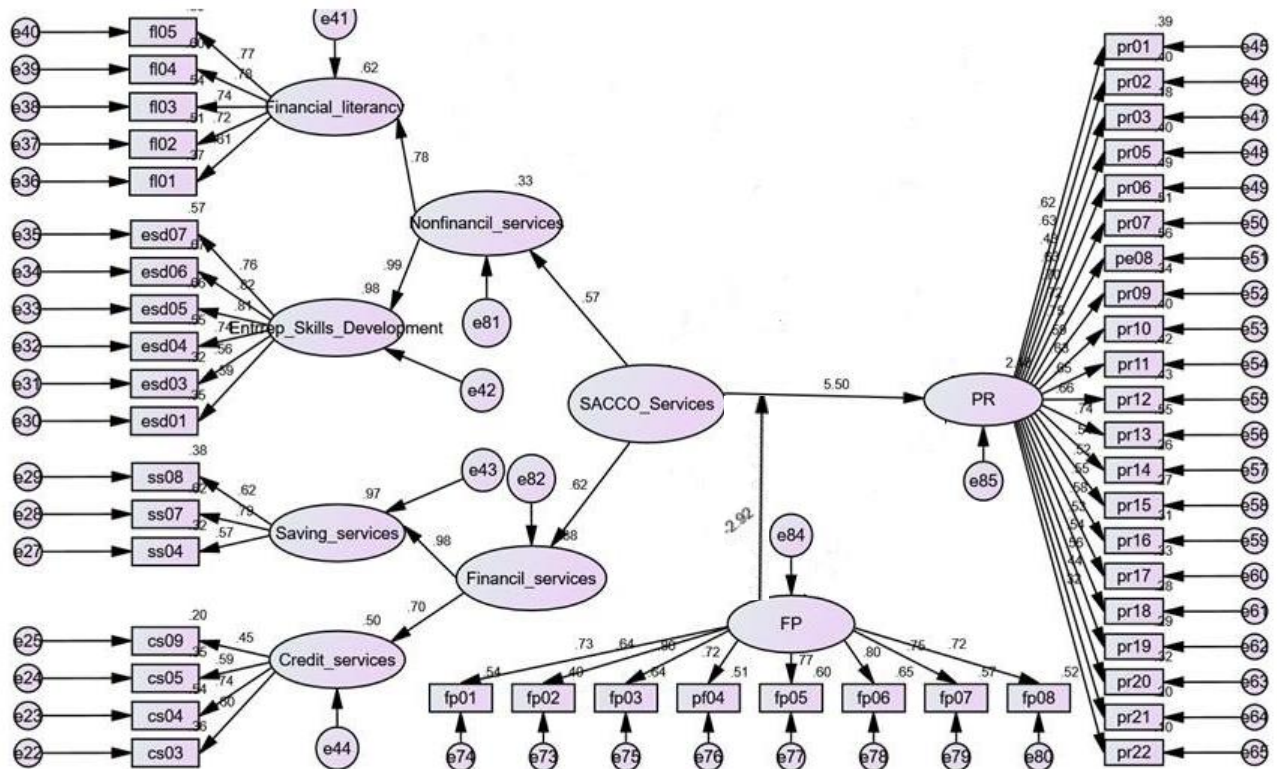


**Figure 3.9: Path analysis of SACCO services, moderating variable and poverty reduction.**

Figure 3.9 shows the final model fit of the control of the moderating variable fiscal policy in the relationship between SACCO services and poverty reduction, whose standardized weights are presented in Table 3.18

**Table 3.17: Standardized weights for poverty reduction and its predictors**

**(a) Standardized regression weights**

|                             |      |                        | Estimate | C.R.   | P    | Label    |
|-----------------------------|------|------------------------|----------|--------|------|----------|
| Financial_literacy training | <--- | Non financial_services | .784     |        |      |          |
| Entrep skills development   | <--- | Non financial_services | .992     | 7.687  | ***  |          |
| Saving services             | <--- | Financial_services     | .985     | 6.477  | ***  |          |
| Credit_services             | <--- | Financial_services     | .704     |        |      |          |
| Non financial_services      | <--- | SACCO                  | .573     |        |      |          |
| Financial_services          | <--- | SACCO                  | .618     | 5.270  | ***  |          |
| Fiscal policy (FP)          | <--- | SACCO                  | .944     | 6.763  | ***  | SACCO_FP |
| Poverty reduction (PR)      | <--- | FP                     | -2.918   | -1.899 | .058 | FP_PR    |
| PR                          | <--- | SACCO                  | 5.497    | 3.191  | .001 | SACCO_PR |

**Table 3.18: AMOS's SEM regression output of moderating contribution of government policy in the relationship between SACCO services and poverty reduction**

**b) Regression Weights**

|    |      |       | Unstandardized estimate | S.E.  | C.R.   | P    | Label    |
|----|------|-------|-------------------------|-------|--------|------|----------|
| FP | <--- | SACCO | 2.250                   | .333  | 6.763  | ***  | SACCO_FP |
| PR | <--- | FP    | -2.902                  | 1.528 | -1.899 | .058 | FP_PR    |
| PR | <--- | SACCO | 13.036                  | 4.085 | 3.191  | .001 | SACCO_PR |

### (b) Moderation

#### User-defined estimands: (Group number 1 - Default model)

| Parameter   | Estimate | Lower   | Upper  | P    |
|-------------|----------|---------|--------|------|
| SACCO_FP_PR | -6.530   | -23.943 | -1.463 | .004 |
| Indirect    | -10.946  | -28.383 | -2.866 | .002 |
| Direct      | 13.036   | 4.304   | 31.330 | .002 |
| Total       | 2.090    | 1.431   | 3.388  | .001 |

Table 3.19 (a) shows the path analysis of the moderating contribution of government policy (fiscal policy) in the relationship between SACCO services and poverty reduction. The Table shows that the paths SACCO-Fiscal policy (SACCO\_FP), and SACCO-Poverty reduction (SACCO\_PR) are significant, while the path of Fiscal Policy-Poverty reduction (FP-PR) is not significant ( $p=0.058$ ). However, Table 3.19 (b) shows that overall specific path SACCO-Fiscal Policy-Poverty reduction (SACCO\_FP\_PR) [ $p=0.004$ ], the total indirect [ $p=.002$ ], direct ( $p=.002$ ) and Total (Indirect + Direct) [ $p=.001$ ], are all significant.

#### Validity test for the Qualitative Approach.

Validity tests were conducted to give assurance that the intended phenomenon or attributes was captured. This was based on the premise that the primary focus of qualitative research is to capture authentically the live experiences of people and to represent them in a convincing text that demonstrates that the researcher fully understands the case Hirschman, 1986. Several authors suggest the following validity tests: confirmability, credibility, and transferability (Bryman and Bell, 2011; Ali & Yusof, 2012). These validity tests were conducted for this study.

**Confirmability** corresponds to construct validity in quantitative methods Bentahar, 2015; Barret, 2002). This test determines whether conclusions about the data have been reached logically and objectively (Barret, 2002). For this study, a conformability audit was carried out during the data collecting and analysis stages to guarantee that the conclusions drawn from the data are the most logical ones. To guarantee logical inferences and the accuracy of the findings for this study, reviewing the field notes and the recorded interviews was done.

**Credibility** corresponds to internal validity, and thus the test demonstrates that the inquiry is carried out in a way that ensures trustworthiness (Neuman, 2014; Creswell & Creswell, 2018).

This was achieved by employing two carefully trained research assistants to assist the researcher in data collection. In addition, researcher self-monitoring was guaranteed through carrying out the research in such a way to ensure integrity.

**Transferability** is analogous to the function of external validity or generalizability in positivism. The researcher achieved transferability by the cautious use of specific procedures in coding and analysis as recommended by Lincoln & Guba, 1985; Eyisi, 2016; Creswell, 2007).

### **3.12.6 Reliability Tests**

#### **3.12.6.1 Quantitative Approach**

An instrument's reliability is its capacity to deliver repeatable results (consistency). If a procedure consistently yields the same outcomes, it is considered trustworthy. The reliability test evaluates an instrument's level of objectivity and accuracy, which provides consistent measurement throughout time and among its many elements. There are several ways to evaluate an instrument's dependability. The internal consistency approach, specifically the Cronbach's alpha, was used in the current investigation. Since it is based on the average correlation of all test items, it was deemed suitable. Additionally, it has become widely employed in social science research. For the purposes of this study, a cut-off value of 0.70 and higher is deemed suitable for evaluating reliability. (Nunnally, 1978; Cronbach, 1951) as indicated in table 3.20.

**Table 3.19: Reliability test for quantitative approach**

| <b>Indicator Variable</b>          | <b>Number of items</b> | <b>Cronbach's Alpha</b> |
|------------------------------------|------------------------|-------------------------|
| Credit services                    | 5                      | 0.712                   |
| Saving services                    | 3                      | 0.725                   |
| Entrepreneurship skill development | 7                      | 0.795                   |
| Financial literacy training        | 10                     | 0.772                   |
| Poverty reduction                  | 21                     | 0.919                   |
| Fiscal policy                      | 8                      | 0.741                   |
| All Variables                      | 61                     | 0.715                   |

Table 3.20 above shows the reliability test for the quantitative approach. The Cronbach's alpha for the study's indicator variable as well as for all the items together is higher than the cut-off value of 0.70, and as such, the instrument's reliability is credible. Meaning that the number of deleted items did not change the content of the construct as it was conceptualized.

#### **3.12.6.2. Qualitative approach**

Dependability, which is related to reliability in quantitative research, evaluates the signs of consistency and stability in the research process. This was accomplished by carrying out a dependability audit, which entails an unbiased assessment of the interview procedure. The researcher used an interview protocol and two reliable research assistants/coders to provide a complete account of ideas for each phase as well as a record of observations and actions that are as concrete as possible, in accordance with Neuman's (2014), Bryman and Bell's (2011), and Hetler's (2012) recommendations. This careful documentation process allowed the auditor to assess how data was collected, produced and interpreted.

### Structural Equation Modeling (SEM)

SEM was employed to explore statistical relationships among the items of each factor and between the independent variables SACCOs (SACCO financial services, SACCO non-financial services), the moderating variable (government policy), and the dependent (poverty reduction) variables. A two-stage SEM with other variables (Kline, 2005). Through the process of estimation, fit statistics were evaluated to establish whether the proposed model fit the data or not and whether any modification was required to increase the fit. This considered the following model fit indices in the evaluation of the specified model: the goodness-of-fit index (GFI), the root mean square error of approximation (RMSEA), the comparative fit index (CFI), the Tucker Lewis index (TLI), the incremental fit index (IFI), and the normed chi-square index (CMIN/DF). Table 3.21 summarizes the selected fit indices and the cutoff points for evaluating model fit in this study.

**Table 3.20: Summary of fit indices used in this study**

| Name of index | Adequate fit      | Index value | Status      |
|---------------|-------------------|-------------|-------------|
| CMIN/Df       | Less than 5       | 4.163       | Perfect fit |
| GFI           | Greater than 0.90 | 0.95        | Perfect fit |
| AGFI          | Greater than 0.90 | 0.95        | Perfect fit |
| RMSEA         | Less than 0.10    | 0.090       | Perfect fit |
| NFI           | Greater than 0.90 | 0.95        | Perfect fit |
| CFI           | Greater than 0.90 | 0.95.       | Perfect fit |
| IFI           | Greater than 0.90 | 0.96        | Perfect fit |
| PGFI          | Greater than 0.50 | .575        | Perfect fit |

Table 3.21 shows that there was an overall good model fit of CMIN/Df, GFI, AGFI, RMSEA, NFI, CFI, IFI and PGFI

### **3.13 Data Analysis**

#### **3.13.1 Quantitative Data Analysis**

The quantitative data was cleaned and captured into SPSS 16, cleaned further, from where AMOS 23 retrieved it for analysis with SEM. It was also exported to MS Excel and STATA version 13. Both descriptive and inferential statistics were generated for analysis. To determine the impact of SACCO financial services (credit and saving services) and non-financial services (enterprise and skill development and financial literacy training) on poverty reduction, multi-linear regression was done. To meet the research goals, the study hypotheses were examined with a 95% take-up level (Sig Value = 0.05).

#### **Moderating variable**

Government policy (fiscal policy) is a moderating variable that supported the conclusions from the dependent and independent variables. In order to support the model fit results, moderating variable show how well independent factors predict the dependent variable. Consequently, a supportive and conducive government policy were used to explain the success of poverty reduction (good fiscal policy). Other techniques for assessing model fit, such as the Comparative Fit Index (CFI), Gamma hat, Root Mean Square Error of Approximation (RMSEA), or chi-square, were carried out as advised by Hussey and Eagan (2006), Obeng (2012), and Robinson (2012). SEM regression estimates were used to determine cause and effect relationship between independent and dependent variables.

#### **3.13.2 Qualitative Data Analysis.**

Qualitative data on the role of SACCOs in poverty reduction was analyzed using ATLAS.ti version 7. ATLAS.ti is particularly useful to researchers who want to conduct content analysis. The audio data from interviews were transcribed verbatim and analyzed using content analysis technique and each interview was assigned a number or code. Content analysis is defined as a data analysis method that adopts a systematic approach to examine textual, visual, or verbal communication data. Quantifying words, concepts, themes, phrases, characters, or sentences within a dataset helps draw meaningful conclusions from the information. This approach

uncovers how often certain information appears, giving insights into the context and content of communication. Tools in ATLAS.ti like Word Frequencies can help researchers conduct content analysis. Atlas ti visualizes the relationships between codes generated from data analysis. The tools in qualitative data analysis software like ATLAS.ti helped to re-organize reorganize data for a content analysis and patterns and themes within qualitative data were identified. Content analysis technique was preferred because it offers a less intrusive way of understanding a subject matter or phenomenon than more interpretive approaches (Frieze, 2012) while Atlas ti was preferred because it ATLAS.ti has been rightly acknowledged as an essential tool that facilitates researchers' ability to undertake well-organized, systematic, effective and efficient data analysis in many studies (Frieze, 2012; Rambaree & Faxelid, 2013).

### 3.14 Ethical Consideration

This study considered various research ethical issues and how they would be addressed. These are summarized in Table 3.22.

**Table 3.21: Summary of Research Ethical issues and how they will be addressed**

| <b>Where in the process of Research the Ethical issues occurs</b> | <b>Type of Ethical issue</b>                                                                                                                                                                                                                                                                                                            | <b>How it was addressed</b>                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Prior to conducting the study                                     | <ul style="list-style-type: none"> <li>▪ Seek college/University approval on campus</li> <li>▪ Examine professional association standards</li> <li>▪ Gain local permission from site and participants</li> <li>▪ Select a site without a vested interest in outcome of study</li> <li>▪ Negotiate authorship for publication</li> </ul> | <ul style="list-style-type: none"> <li>▪ Sought a letter from Graduate school for Research and Innovations for data collection.</li> <li>▪ Submitted for Institutional Review Board Approval (Research Ethics Committee at Bishop Stuart University</li> <li>▪ Consulted on Uganda National Council for Science and Technology for ethical standards that are needed in this commercial field.</li> <li>▪ Identified and went through local</li> </ul> |



|                                |                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                |                                                                                                                                                                                                                                                                                                               | <p>approvals; District Commercial Officers and SACCO Managers and Administrators.</p> <ul style="list-style-type: none"> <li>▪ Selected the site that did not raise power issues with researchers</li> <li>▪ Gave credit for work done on project; and decided on author order of contributions</li> </ul>                                                                                                                                                                                                      |
| Beginning to conduct the study | <ul style="list-style-type: none"> <li>▪ Disclose purpose of the study</li> <li>▪ Do not pressure participants into signing consent forms</li> <li>▪ Respect norms and charters of indigenous societies</li> <li>▪ Be sensitive to needs of vulnerable populations (the lame, the blind, children)</li> </ul> | <ul style="list-style-type: none"> <li>▪ Contacted participants and informed them of general purpose of study (Board Members, SACCO SACCO Managers, Credit Officers and SACCO Members)</li> <li>▪ Asked participants that they do not have to sign form</li> <li>▪ Found out about cultural, religious, gender, and other differences that may need to be respected in this study</li> <li>▪ Obtained appropriate consent (e.g., From SACCO Members, Board Members, Credit Officers, SACCO Managers)</li> </ul> |
| Collecting data                | <ul style="list-style-type: none"> <li>▪ Respect the site and disrupt as little as possible</li> <li>▪ Avoid deceiving participants</li> <li>▪ Respect potential power imbalances and exploitation of</li> </ul>                                                                                              | <ul style="list-style-type: none"> <li>▪ Build trust and conveyed extent of anticipated disruption in gaining access</li> <li>▪ Discussed the purpose of the study and how data was to be used and disseminated.</li> <li>▪ Avoided leading questions; withheld sharing personal impressions; avoided disclosing sensitive information</li> </ul>                                                                                                                                                               |

|  |                                                                                                                                                                        |                                                                                                                                                                                              |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | participants (e.g., interviewing) <ul style="list-style-type: none"> <li>▪ Do not “use” participants by gathering data and leaving site without giving back</li> </ul> | <ul style="list-style-type: none"> <li>▪ Appreciated participants for participating in study like “Thank you,” since the study did not have no budget for rewarding participants.</li> </ul> |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**Source: Adopted from (Creswell, 2018)**

Table 3.22 show the Summary of Research Ethical issues concerning this study that is the the process of research where ethical issue occurred, the type of the issue and how it would be addressed.

## CHAPTER FOUR

### PRESENTATION AND INTERPRETATION OF RESULTS

#### 4.0 Introduction

This chapter presents the study findings according to objectives. It commences with presenting the response rate, socio-demographic characteristics of the study respondents. Socio-demographic characteristics were considered essential in this study and were reported because SACCO services and poverty reduction have social aspects.

These variables being in a social context are variably affected by social or economic phenomena. In this particular study, gender, age, responsibility and years of service were included.

#### 4.1 Response Rate

Questionnaires were distributed to 397 SACCO members, while 19 key informants were purposed to be interviewed. Response rates are presented as percentages in Table 4.23.

**Table 4.22: Response rate**

| Category        | Expected<br>sample size | Actual<br>Sample size | Response Rate<br>(%) |
|-----------------|-------------------------|-----------------------|----------------------|
| SACCO Members   | 397                     | 392                   | 99%                  |
| Board Members   | 8                       | 7                     | 89%                  |
| SACCO Managers  | 5                       | 4                     | 88%                  |
| Credit Officers | 6                       | 6                     | 100%                 |
| <b>Total</b>    | <b>416</b>              | <b>409</b>            | <b>98%</b>           |

Table 4.23 shows that data was collected from 392 SACCO Members and 17 Key Informants interview and the overall response rate 98%. This was a perfect response rate, higher than the minimum of 60% as recommended by Fincham (2008).

## 4.2 Socio-demographic Characteristics of Study Respondents

**Table 4.23: Socio-demographic Characteristics of Study respondents**

**(a) SACCO members (N=392)**

|                                       |                    | Frequency | Percent |
|---------------------------------------|--------------------|-----------|---------|
| How long have you been a Sacco member | below 5 years      | 112       | 29%     |
|                                       | 6- 10 years        | 242       | 61%     |
|                                       | above 10 years     | 38        | 10%     |
| Age group                             | Less than 30 years | 89        | 23%     |
|                                       | 31-50 years        | 279       | 71%     |
|                                       | above 51 years     | 23        | 6%      |
| Sex                                   | Male               | 141       | 36%     |
|                                       | Female             | 250       | 64%     |
| Highest level of education?           | Certificate        | 81        | 21%     |
|                                       | Diploma            | 140       | 36%     |
|                                       | Bachelors          | 152       | 39%     |
|                                       | Masters            | 18        | 5%      |

**Source: Field data (2023)**

The demographic of respondents in terms of years spent as a SACCO member was analyzed. The intention was to find out whether the sample for this study, in terms of years spent in the SACCO, was fairly selected from the population and also to find out whether the generalizability of the sample could be used to generalize for the whole population where the study was conducted. The findings are indicated in Table 4.24(a). The findings showed that of the 392 SACCO members who participated in the study, the majority of them had been SACCO members for six to 10 years (61%). They were followed by those who have been SACCO members for less than five years (29%) and lastly, those above 10 years (10%). It can be concluded that the majority of the respondents were under the age of 6–10 years.

The demographics of respondents in terms of age were analyzed. The intention was to find out whether the selected sample for this study in terms of age was fairly selected from the population and also to find out whether generalizability from the sample could be used to generalize for the whole population where the study was conducted. The findings are indicated in Table 4.24 (a) above. The respondents' divide by age group showed that the majority (71%) were 31–50 years old, followed by less than 30 years (23%), while 52 years and above were 6%. It can be concluded that, as much as there were some discrepancies in their age distribution, the sample was fairly selected since age and all other categories found in the population were also captured in the sample. Therefore, the results for the sample were used to generalize to the entire population.

The demographics of respondents in terms of sex were analyzed. The intention was to find out whether the selected sample for this study in terms of sex was fairly selected from the population and also to find out whether generalizability from the sample could be used to generalize for the whole population where the study was conducted. The findings are indicated in Table 4.24 (a) above. The distribution by sex found out that the majority of the respondents (64%) were females, while males were 36%. It can be concluded that, as much as there were some discrepancies in their sex distribution, the sample was fairly selected since sex with all categories found in the population was also captured in the sample. Therefore, the results for the sample were used to generalize to the entire population.

The demographics of respondents in terms of education were analyzed. The intention was to find out whether the selected sample for this study in terms of education was fairly selected from the population and also to find out whether generalizability from the sample could be used to generalize for the whole population where the study was conducted. The findings are indicated in Table 4.24 (a) above. By education level, the majority (39%) were Bachelor's Degree holders. They were followed by Diploma holders (36%). Certificate holders were 21%, and Master's Degree holders were 5%. It can be concluded that, as much as there were some discrepancies in their education distribution, the sample was fairly selected since education and all other categories found in the population were also captured in the sample. Therefore, the results for the sample were used to generalize to the entire population.

**(b) Key informants (17)**

|           |                    | <b>Frequency</b> | <b>Percent</b> |
|-----------|--------------------|------------------|----------------|
| Age group | Up to 30 years     | 2                | 12%            |
|           | 31-50 years        | 14               | 82%            |
|           | 51 years and above | 1                | 6%             |
| Sex       | Female             | 5                | 29%            |
|           | Male               | 12               | 71%            |
| Education | Diploma            | 7                | 41%            |
|           | Bachelors          | 9                | 53%            |
|           | Masters            | 1                | 6%             |

The demographics of key respondents/informants in terms of age were analyzed. The intention was to find out whether the selected sample for this study in terms of age was fairly selected from the population and also to find out whether generalizability from the sample could be used to generalize for the whole population where the study was conducted. The findings are indicated in table 4.24(b) above. The findings showed that of the 17 key informants who were interviewed, the majority of them were in the age group of 31–50 years old (82%). These were followed by those who were in the age group of 31 to 50 years old (12%), and lastly, those who were 51 years old and above (6%). It can be concluded that the majority of the respondents were under the age of 31–50 years.

The demographics of key respondents/informants in terms of sex were analyzed. The intention was to find out whether the selected sample for this study in terms of sex was fairly selected from the population and also to find out whether generalizability from the sample could be used to generalize for the whole population where the study was conducted. The findings are indicated in table 4.24(b) above. The distribution by sex found out that the majority of the key informants (71%) were males, while females were 29%. It can be concluded that, as much as there were some discrepancies in their sex distribution, the sample was fairly selected since sex with all

categories found in the population was also captured in the sample. Therefore, the results for the sample were used to generalize to the entire population.

The demographics of key respondents/informants in terms of education were analyzed. The intention was to find out whether the selected sample for this study in terms of education was fairly selected from the population and also to find out whether generalizability from the sample could be used to generalize for the whole population where the study was conducted. The findings are indicated in Table 4.24 (b) above. By education level, the majority of the key informants (53%) were Bachelor's Degree holders. They were followed by Diploma holders (41%), and lastly, Master's Degree holders (6%). It can be concluded that, as much as there were some discrepancies in their education distribution, the sample was fairly selected since education and all other categories found in the population were also captured in the sample. Therefore, the results for the sample were used to generalize to the entire population.

#### **4.3. The contribution of SACCO financial services to poverty reduction**

The first objective was to establish the contribution of financial services to poverty reduction among the SACCO members in selected districts in Greater Bushenyi. In view of this objective, the following hypotheses were generated: “ **$H_0$** : *There is no significant contribution of financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi,*” and “ **$H_1$** : *There is significant contribution of financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi,*”. Multi-linear regression was conducted to test the hypothesis. The results are presented as indicated in Table 4.25.

**Table 4.24: SACCO financial services and poverty reduction**

| Statistics     |       |        |        |       |       |
|----------------|-------|--------|--------|-------|-------|
|                |       | pr     | Fin    | cs    | Ss    |
| N              | Valid | 392    | 392    | 392   | 392   |
| Mean           |       | 71.55  | 68.69  | 38.18 | 30.52 |
| Median         |       | 72.00  | 69.00  | 38.00 | 30.00 |
| Std. Deviation |       | 19.285 | 11.009 | 6.709 | 6.006 |

Where:

Pr – poverty reduction

fin – Sacco financial services

cs – Sacco credit services

ss – Sacco saving services

The study shows that mean and median of SACCO financial services is 68.69 and 69.00 higher than others (SACCO credit and SACCO savings services) hence SACCO financial services contributes to poverty reduction in Sheema, Mitooma and Bushenyi districts more than any variable. Consequently, the first null hypothesis of this study, stating: “*There is no significant contribution of financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi,*” was rejected. The alternative hypothesis, stating: “*There is significant contribution of financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi,*” was accepted.

#### **Qualitative Analysis for SACCO financial services contribution to poverty reduction among the SACCO members in selected districts of Greater Bushenyi**

From in-depth interviews, the sub- themes emerged and these include;

##### **Sub Theme 1: Credit/ loans Services offered**

##### **Sub Theme 2: Savings Services offered**



### Sub Theme 3: Importance of SACCO financial services towards member's poverty reduction

For deeper insights, key informants were asked what financial services are offered to SACCO members by SACCOs. The responses together with their resulting effects to poverty reduction are shown in Figure 4.10.

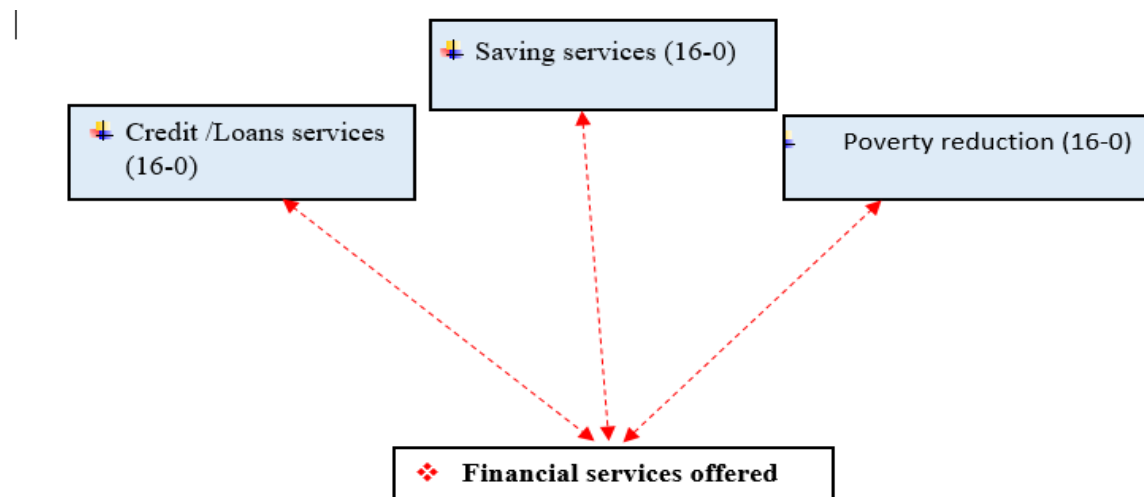


**Figure 4.10: Network diagram of financial services towards member's poverty reduction**

**Source: Field data, 2023**

**The sub-themes are explained as below;**

#### **Credit /Loans services offered**

The natures of SACCOs are that member's pull resources from which their members can then benefit through borrowing as well as earn interest on their stakes in the SACCO. It is from the pull that then SACCO gives loan facilities to members. The majority key informants pointed out that SACCOs give credit and loans to their members at an affordable rate of 2.5%-3% monthly. These were reflected in the sub-sequence verbatims.

The study revealed that SACCOs give credit services at an affordable rate and mostly savings as reflected in the following verbatims.

*"They give credit services to their members,... they give the credit depending on the level of savings and income. They provide savings services to their members at a very low charge and some don't charge"* **(Key Informant 2, Male aged 43).**

According to **Key Informant 3, Female aged 37** had this to say;

*“They offer loans to their members for business, bodaboda, school fees, and home improvement loans, among others. ... They offer savings services to their members”.*

Similarly; **Key Informant 12, Female aged 27** noted that

*“For financial services, they offer loans to their members of different types, like business loans, agriculture loans, school fees loans, and bodaboda loans, among others. ... they also offer savings services. They keep money for their members, get it when they want it, and sometimes put in some profits for them”.*

This implies that SACCOs helps them to grow their business by providing financial support to members with the view of reducing poverty. The veracious financial services such as loans and money transfer, insurance are very crucial in reducing poverty.

### **Saving services offered**

Another reason for existence of SACCOs is savings, where SACCOs give saving opportunities to it members. Indeed, that members pulled resources are savings. Another response that Key Informants gave regarding the SACCOs services to their members was that they provide saving services as evidenced by the following excerpts.

**Basing on Key Informant 12, Male aged 56 asserted that;**

*“SACCOs have various services that they provide to their members but primarily, the services they provide are financial services such as savings where members keep money, beginning from childrens’ accounts to adult accounts”.*

It should be noted that **Key Informant 16, Male aged 44** propounded that;

*“Members open fixed accounts where they keep on saving their cash and are able to get some profits at the end. They give them loans of different types, such as agricultural loans, school fees loans, business loans, and rural mix loans to women”.*

**Key Informant 5, Male aged 51** note that;

*“They offer savings, where they receive money from the members, keep it, and pick it up when they want. SACCOs provides the members with credit facilities where they give*

*loans to their members”*

By implication, most respondents pointed out that credit services and savings services offered by SACCOs help to reduce poverty amongst these SACCO members.

### **Importance of SACCOs financial services towards member’s poverty reduction**

SACCOs have thrived on premise of fighting poverty among the poor sections of the society. They are considered by members and the society as well as the government as poverty reduction vehicles. The participants were asked as to what they thought were the importance of SACCOs financial services towards poverty reduction. The following are the themes that emerged from the views that Key Informants gave.

***SACCOs giving credit services have contributed to poverty reduction a great deal*** (16 responses)

*“SACCOs provide credit services, and when these members get the money, they pay fees for their children, start businesses, build good homes, buy food, put up good water facilities and improve their incomes, which helps reduce their poverty level” – (Key Informant 11, Male aged 62).*

*“SACCOs offer credit facilities that help reduce poverty among their members” – (Key Informant 11, Male aged 62).*

*"SACCOs offer credit services (loans) to enable them to develop. If the acquired finances are used effectively and productively, the acquired finances will help members start up some businesses, acquire basic needs (food, shelter, clothes), pay fees for their children, inform of school fees and loans, empower them, especially women, and help them get out of poverty” – (Key Informant 3, Female aged 37).*

*“SACCOs helps members acquire assets. A member may want to buy land, start a business, or develop himself or herself in one way or another but do not have the money needed at that particular time. This person is given a loan, is able to do what he or she wants to do, and will be paying in bits depending on his earnings, which will help such a person get out of poverty” – (Key Informant 12, Male aged 56).*

*“When people are given loans, they use the loans to reduce their poverty. When he/she is given*

*one million in the first cycle, in the second cycle they can be given three million, and the profits that person can make when well utilized can make a bigger difference than when the person took one million. Members are able to build good houses through home improvement loans, and the respondent also mentioned that it brings about societal enlightenment through the school finance loans that they give to their members, hence poverty reduction” – (Key Informant 5, Male aged 51).*

*“When you give a loan to a business person who has only 1 million in his business, this gives that person enough capital to enable him or her to expand his or her business. These SACCOs provide financial literacy to their members, which helps them use their acquired finances productively, for example, by paying school fees for children, buying land, or starting a business, among other things that can end up reducing poverty. The SACCOs provide entrepreneurship and skill development services, which help the members tap into and start their own businesses, which also helps them reduce poverty” – (Key Informant 6, Female aged 38).*

*“The SACCO teaches their members things to do with agriculture, business, and giving loans to their members that assist them in developing themselves, which all help them get out of poverty. SACCOs provide credit facilities to their members, and when a member is, for example, given a business loan, it helps the person to increase the capital of the business, facilitating business expansion, and the profits they get also help to improve the member's income and hence poverty reduction” – (Key Informant 7, male aged 39).*

*“The credit acquired can help one start a business, for example, a grocery business, which can, at the end of it, give the member profits. The member can acquire assets such as land that can be sold at a future date with improved value, thereby reducing poverty. Rural mix loans have helped empower women in their families and societies” – (Key Informant 8, male aged 46).*

*“SACCOs offer credit services (loans) to their members, and when these loans are used productively, for example, for agriculture, business, paying fees for their children, or buying assets like land, they help the members get out of poverty” – (Key Informant 9, male aged 55).*

*“SACCOs provide financial services such as savings and credit services, and that through these services, members have been able to reduce their poverty. Most of the time, it is very hard to find a person who has enough money to do what he or she wants to do. The member may want to pay*

*fees but not have money, but he or she can easily go to the SACCO and get school fees loans and pay fees. in case the member wants to buy land, he or she can go to the SACCO to get money and buy land, and he or she is able to pay in affordable amounts, hence reducing poverty” – (Key Informant 13, Female aged 38).*

*“The loans offered by the SACCO, for example, have the power to lift the members and the whole economy out of poverty” – (Key Informant 14, Female aged 32).*

*“One of the ways in which SACCOs can reduce poverty among the members is that when they give loans, for example, to an agriculturalist to add manure to his or her plantation, it means his productivity will improve, and when they give a business loan, it will help the member have enough capital to expand his or her business. Money helps members pay school fees for their children through school fees loans, and they later come back and assist these families to get out of poverty” – (Key Informant 14, Male aged 41).*

*“SACCOs provides credit facilities. The members get school fees loans to educate their children, and these children in the end help to reduce poverty by improving their parents' homes, buying assets for them, and accumulating wealth, among other things. It is very hard to get a whole sum of money to buy an asset like land, but the respondent said that through the credit services provided by these SACCOs members, they can easily do productive activities. For instance, when a member wants to buy an asset like land, he or she will come to the SACCO, get all the money, buy the land, and keep on buying it slowly in affordable amounts. In addition, a member went a head to say that SACCOs help them to acquire goods such as book for their children that are going to schools, shops, cars, handbags, beds, chairs, computers, clothes, blenders, houses, food products, bodabodas,, furniture, electronics like TV's, radios that have improved the well-being of the members thereby helping to reduce poverty” (Key Informant 16, Male aged 44).*

*“SACCOs offer credit services to their members and inform of loans that help the members start businesses, and at the end they are able to make profits, thereby helping members manage to access basic needs, have good accommodation, pay fees for their children, and hence get out of poverty” - (Key Informant 2, male aged 43).*

*“SACCO offers loans to their members to start businesses and also offers savings services to help the members pull their resources together to be able to participate in some developments” -*

**(Key Informant 2, male aged 43).**

As such, drawing the above voices of the Key Informants, the SACCOs members appreciate and relate to SACCOs as vehicles of poverty reduction. They are consciously aware that SACCOs giving credit services have contributed to poverty reduction a great deal.

***Increase in savings thanks to SACCOs financial services (7 responses)***

By and large, SACCOs serve the poor sections of societies that live from “hand to mouth” who barely have to spare for savings for development. In this regard, SACCOs have enlightened the poor section of the societies that one can save from merger earnings is sacrificial and has to be deliberate and accepted as a necessary pain. In this light, SACCO members have been quick to learn the SACCOs savings drive and appreciated saving from one merge earning a necessity as the following view of the Key informants elicited.

*“Savings services are very significant in helping the members raise finances to assist them in doing productive activities and eventually getting out of poverty” The respondent said that SACCOs have helped to provide members with funds and these funds have been used to set up some businesses, to improve on their agriculture, to fees for their children and this has helped to reduce on poverty” (Key Informant 11, Male aged 62).*

*“Most of the time it is very hard to sit down and save the money to be able to buy an asset like land. When someone needs money to buy an asset like land, they will get the money at once, buy the asset, and then pay that money back in affordable installments, which helps reduce poverty” – (Key Informant 12, Female aged 27).*

*“SACCO "offers savings services to their members. These savings facilities help these members get out of poverty. That the member can keep money with them and pick it up when needed. Members open fixed accounts where they keep on saving their cash and are able to get some profits at the end, and these profits are sometimes used to pay fees for their children, to start businesses, to buy assets like land, to access basic needs like food and shelter, and hence poverty reduction” – (Key Informant 12, Female aged 27).*

*“SACCOs offer savings services and these help members to be able to pull their funds, which can enable them to do some developmental work and get out of poverty” – (Key Informant 9, male*

aged 55).

From the above voices of the Key Informants, it can be deduced that SACCO members learn saving culture and relate its increase to SACCOs input. SACCO members attributed to growth and increase of savings to SACCOs services, and appreciate it as factoring greatly to poverty reduction. As such; the Key Informants' views supported the findings of SACCO Members' quantitative analysis of accepting the alternative hypothesis stating: *"There is significant contribution of financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi,"*

### **Regression analysis for SACCO financial services and poverty reduction**

This study's first objective was to establish the contribution of financial services to poverty reduction among the SACCO members in selected districts in Greater Bushenyi. The regression output of the contribution of financial services on poverty reductions is presented in Table 4.26.

**Table 4.25: SPSS regression output of financial services**

| Variable                   | Model  |                   |      |        |      |
|----------------------------|--------|-------------------|------|--------|------|
|                            | B      | SE                | B    | T      | Sig. |
| Constant                   | 34.784 | 3.281             |      | 10.603 | .000 |
| Credit services (CS)       | 1.301  | .216              | .304 | 6.018  | .000 |
| Saving services (SS)       | 1.385  | .246              | .284 | 5.626  | .000 |
| R                          |        | .509 <sup>a</sup> |      |        |      |
| R <sup>2</sup>             |        | .259              |      |        |      |
| AdjR <sup>2</sup>          |        | .255              |      |        |      |
| Std. Error of the Estimate |        | 16.644            |      |        |      |

\*\*. Correlation is significant at the 0.05 level (2-tailed).

N = 392

a. Dependent Variable: Poverty reduction

Table 4.26 shows that for each additional increase in overall rigor of SACCO financial services (credit services and saving services), poverty reduction among the SACCO members in selected districts of Greater Bushenyi was likely to get an average increase of 1.301units and 1.385 units ( $\beta = 1.301$ ,  $p = 0.000$ ;  $\beta = 1.385$ ,  $p = 0.000$ ) respectively. This implies that overall increase in the rigor of financial services contributes to poverty reduction and vice versa. The p-value is equaling to 0.000 indicates that contribution of SACCO services on poverty

reduction is significant. The SACCO financial services (credit services and saving services) explained 25.9% of the variance of poverty reduction ( $r=0.509$ ).

The regression models for testing the hypotheses were estimated in the form of:

$$Y_1 = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \dots + \beta_n X_{ni} + \varepsilon$$

Where:

$Y_1$  is the dependent variable

$X_i$  are the independent variables

$\beta_i$  are the regression coefficients

$\varepsilon$  is the random variable, error term, which is dropped in the predicted model.

The predicted model was  $PR = \beta_0 + \beta_1 CS + \beta_2 SS$

Where:

PR – is poverty reduction

CS- is SACCOs credit services

SS- is SACCOs saving services

$\beta_0$  - is the regression coefficient for the intercept

$\beta_1$  - is the regression coefficient for the credit services

$\beta_2$  - is the regression coefficient for the saving services

From Table 4.26, the prediction model is:

$$PR = 34.784 + 1.301CS + 1.385SS.$$

#### **4.4. The contribution of SACCO non financial services to poverty reduction**

The second objective of this study was to examine the contribution of non-financial services to poverty reduction among the SACCO members in selected districts in Greater Bushenyi. In view of this objective, the following hypotheses were generated: “ **$H_0$** : *There is no significant contribution of non-financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi,*” and “ **$H_1$** : *There is significant*



contribution of non-financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi,” Multi-linear regression was conducted to test the hypothesis. The results are presented in as indicated in table 4.27 below.

|                |       | pr     | <u>non_fin</u> | <u>esd</u> | <u>fl</u> |
|----------------|-------|--------|----------------|------------|-----------|
| N              | Valid | 392    | 392            | 392        | 392       |
| Mean           |       | 71.55  | 62.63          | 24.65      | 37.97     |
| Median         |       | 72.00  | 62.00          | 25.00      | 38.00     |
| Std. Deviation |       | 19.285 | 13.382         | 6.393      | 8.373     |

Where:

pr – poverty reduction

nonfin\_serv - non-financial services

esd – entrepreneurship skills development

fl - financial literacy.

The study shows that the mean and median of non financial services 62.63 and 62.00 higher than those of entrepreneurship skills development and financial literacy training. This implies that poverty is reduced by non financial services among SACCO members in Sheema, Mitooma and Bushenyi districts. Consequently, the second null hypothesis of this study, stating: “*There is no significant contribution of non-financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi,*” was rejected. The alternative hypothesis stating: “*There is significant contribution of non-financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi,*” was accepted.

### **Qualitative Analysis for SACCO non- financial services contribution to poverty reduction among the SACCO members in selected districts of Greater Bushenyi**

From in-depth interviews, the sub- themes emerged and these include;

### Sub Theme 1: Financial Literacy Training

### Sub Theme 2: Entrepreneurial and Skills Development

### Sub Theme 3: Provide Employment

### Sub Theme 4: Giving back to Community/Corporate Social Responsibility

### Sub Theme 5: Indicators of Poverty Reduction

Key Informants were asked as to what were non-financial services that SACCOs offered to members that aimed at poverty reduction. They are depicted in Table 4.11.

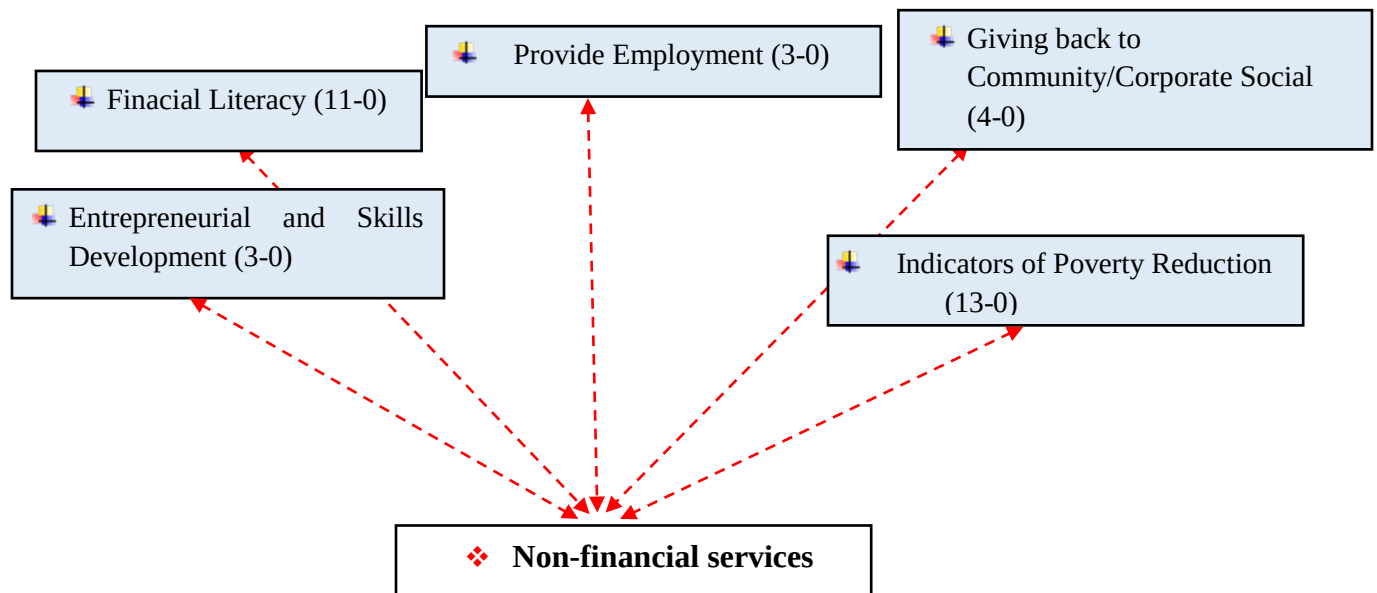


**Figure 4.11: Network view showing non-financial services that SACCOs offered to members aiming at poverty reduction**

**Source: Field data, 2023.**

#### Sub-theme 1: Financial Literacy training

From the views that Key Informants elicited regarding how SACCOs provide non-financial services to their members towards poverty reduction through financial literacy training as shown in the verbatims. Celebrating SACCO non financial services' success would have been remarkable by teaching its members financial literacy training. SACCOs train their members in handling finances so they can grow. They teach their members at least basic financial practices like recording and book keeping in the income generating activities. SACCOs teach their members to be aware of the cost of inputs into their income-generating activities so as get

profits. The majority of the Key Informants elicited financial literacy training (11 responses) as one of the non-financial services that SACCOs offered to their members towards poverty reduction. Some of views are here-below.

According to **Key Informant 11, Male aged 62** noted that;

*“SACCOs offer financial literacy trainings where they train their members on how to use acquired finances effectively, which helps reduce the use of the finances in unproductive activities and sometimes increases their productivity”*

Basing on **Key Informant 11 Male aged 62** noted that;

*“They offer financial literacy training services, and through this, members are taught how to use the finances acquired productively, which reduces poverty. They are taught how to save, and through this they are able to accumulate money that can be used for development programs, thereby reducing poverty”*

Basing on **Key Informant 17, Male aged 40** noted that;

*“Financial literacy training helps members have financial discipline that can help them do only productive activities and once done, it can also help in poverty reduction. The respondent said that financial literacy training offered by the SACCOs helps the SACCO members not to be extravagant and they use the funds fruitfully.*

**Key Informant 14, Female aged 32** noted that;

*SACCOs offer training to their members on the various services offered by the SACCOs and basically also give financial literacy training, which helps the members use the acquired funds productively and eventually reduce their poverty. Forexample to start businesses, buy bodabodas, pay fees for their children, buy assests like cars, land, buy manure to put in their gardens which in the end all help in reducing their poverty” .*

It was noted by **Key Informant 14, Male aged 41** noted that;

*“SACCOs assist in training their members both on how to start new businesses and financial literacy training, which is basically concerned with helping the members use the acquired funds productively, which in the end increases income and productivity and hence also reduces poverty”*

Basing on **Key Informant 17, Male aged 40**).

*“The financial literacy training offered helps the members utilize funds acquired in productive activities like improving on their agriculture, buying assests like land, paying fees for their children who later assist their families after completion of their studies, starting businesses among others that help them get out of poverty”*

**Key Informant 13, Female aged 38** propounded that;

*“SACCOs also provide financial literacy training to their members on how they can use the funds that they acquire to get themselves out of poverty. The respondent said that SACCOs advise them not to use money to marry many wives, to drink alcohol, to eat meat every day that may at the end of it cause the funds acquired un productive and even making them to fail to pay back”*

From the above quotations, it can be said that SACCO members appreciated the SACCOs as having been instrumental in reducing poverty in the light of financial literacy trainings that SACCOs offer. It can also be deduced that since SACCOs in Mitooma, Bushenyi and Sheema are populated by agricultural households, it can be said that its SACCOs financial literacy training that has commercialized agriculture among the area’s farmers.

## **Sub theme 2: Entrepreneurial and Skill Development**

To increase earnings of their members, SACCOs train their members and impart entrepreneurship skills among them. This deliberate effort of SACCO is geared towards reducing the chance of defaulting on the loan facilities that they advance to their members so as to increase saving with the SACCOs. As such, Key Informants were consciously aware of the SACCOs services of training and giving entrepreneurship skills to their member so that their income generating activity can be profitable. In this light, another response was that they equip SACCO members with skills to carry out income generating activities and businesses as evidenced in the following quotations;

According to Key Informant 16, Male aged 44 noted that;

*“SACCOs offer training services to their members, and because of these trainings, members have been able to start businesses, improve their agricultural activities, and*

*utilize funds productively, thereby reducing poverty”*

**Basing on Key Informant 6, Female aged 38**

*“They offer non financial services like financial literacy training and entrepreneurial skill development services that help members start businesses”*

With respect **Key Informant 13, Female aged 38** asserted that;

*“They offer non-financial services like keeping securities for their members, doing financial literacy trainings, and sometimes training people on how to acquire skills for starting a business”*

From the above voices of Key Informants, it can be deduced that SACCO members regard the SACCOs as have been actively contributed to poverty reduction through the entrepreneurship skills impartation that SACCOs offer to their members to carry on business and income generating activities. They appreciate the skills imparted to carry on their businesses and other income-generating activities as factoring a great deal in poverty reduction.

**Provide employment**

SACCOs employment provision and job creation is a resultant and derivative of their financial services (giving loan facilities and saving avenues) and non-financial services (financial literacy training and entrepreneurship skills impartation). As such, another Key Informants’ response was that they provide employment.

**Key Informant 17, Male aged 40** noted that;

*“SACCOs have helped to provide employment for their members. They provide people with boda bodas and information on boda boda loans, SACCOs have helped to provide employment to most people who would be redundant, hence improving their incomes and livelihoods. Many people have been employed by these SACCOs, reducing unemployment and poverty”.*

**Key Informant 12, Male aged 56** pointed that;

*“The level of unemployment has reduced because these SACCOs have provided jobs to their members”.*

With respect to Key Informant 8, male aged 46; it was noted that;

*“...youth unemployment has reduced due to boda boda loans, and even getting jobs to work in these very SACCOs, and also a lot of developments have been done at home, such as good shelter, setting up businesses, electricity facilities, clean water, good clothes, good food, and cars, among others”.*

From the above voices of the Key informants, it can be deduced that SACCOs are contributing to giving and creating employment opportunities to their members. SACCOs are regarded highly for contributing to employment creation as they give loan facilities, saving opportunities, financial literacy training and entrepreneurship skills development. SACCOs job creation and employment opportunities see SACCO members provide for their family that translated to meeting individual and household needs, that sees the SACCO members grow and develop, and thus uplifting SACCO members from one level of development to another level.

#### **Giving back to Community/ Corporate Social Responsibility**

Like a number of other organisations and business entities, in their deliberate efforts to serve their member for societal development, SACCOs reach out to individuals and households in one form or another. This is in the spirit of corporate social responsibility. In this regard, another response was that SACCOs give back to community **(4 responses)**.

According to **Key Informant 12, Male aged 56** narrated that;

*“They have services for giving back to the community, for example, by joining communities in celebrations and supporting them with funds during school construction and church construction, among others” -*

**It was found out by Key Informant 14, Male aged 41** that;

*“They give back to the societies; for example, if there is church construction, they also contribute, and the respondent also said that they offer bursaries to the children of members who are performing well but do not have the capacity to pay fees” -*

**Key Informant 6, Female aged 38** pointed out;

*“They have services for giving back to the community, for example, by joining communities in celebrations and supporting them with funds during school construction and church construction, among others” -*

**Key Informant 9, male aged 55** noted that;

*“They offer corporate social responsibility through bursaries that they give to the best performing students of their members who cannot manage to pay fees”*

This SACCOs corporate social responsibility as seen in reaching out to individuals and household has contributed to poverty reduction. For instance, a bright student who would have missed on studying might be supported directly by SACCO. This is also contribution to poverty reduction.

### **Indicators of Poverty Reduction**

The participants were asked as to what; in their own view are the indicators of poverty reduction. The following are the themes that emerged from the views that Key Informants gave. The majority of the participants cited assets acquisition and improvement in living conditions **(13 responses)**. **Some of the elicited views are:**

#### ***Households not struggling to provide basic needs for their families (6 responses)***

Households not struggling to provide for their families as result of SACCOs transforming individuals and households’ ability to save and invest is form of poverty reduction. The greatest majority of the section of poor targeted by SACCOs would be the types who will be struggling to meet even the basic needs, including shelter, clothing, feed, education and security. SACCOs have seen such sections of the poor in the society being able to meet basic needs as the Key Informants have elicited indicating that households of the SACCO members do not struggle to provide for their families **(6 responses)**.

*“Members businesses are fairly well off; they have good homes; their children are in school; they have access to clean water; and they have assets like land, among others” – (Key Informant 11, Male aged 62).*

*“Members of the village have good housing facilities, clean water, solar services, and have taken their children to school, which all indicate poverty reduction” – (Key Informant 6, Female aged 38).*

*“SACCO members have acquired education due to school fees loans, youth unemployment has reduced due to boda boda loans, and even getting jobs to work in these very SACCOs, and also a lot of developments have been done at home, such as good shelter, setting up businesses,*

*electricity facilities, clean water, good clothes, good food, and cars, among others. Children who have acquired education through school fees, loans, and bursaries provided by these SACCOs are now helping their parents, and most of them have improved the incomes and welfare of their families” – (Key Informant 8, male aged 46).*

*“The standard of living for members has improved; members have built good homes; members have educated their children; have clean water, lighting systems, have good food, they also have businesses; agricultural activities and products have increased; they have bought assets like cars and land, among others, which all indicate poverty reduction” – (Key Informant 13, Female aged 38).*

*“SACCOs have come to establish that those who did not divert their loans to non-productive activities have improved their lives; members have educated their children, and these children are doing great work in their homes, which has also brought about a change in mindset” – (Key Informant 14, Female aged 32).*

*“One of the examples that show that poverty is reducing is that many members have phones, cars, land, good homes, clean water, good lighting systems, have good clothes, their children are in school, their incomes have improved, and they can try to pay their loans regularly. Unemployment has also reduced, especially among the youth” – (Key Informant 16, Male aged 44).*

So, from the active voices of the Key Informants, it can be deduced that SACCOs are uplifting the poor needy, see them to stop being mere observers in the Country’s earning/ income, but participating in actively as well in Uganda’s development process. This is in the light of the would be poor needy being able to find employment in income generating activities, change of mind-set that they are not helpless poor, SACCO members building good houses for living in, setting up businesses with modern light systems of electricity, accessing clean water, wearing good clothes, eating good food, and moving by motorcycle and cars, among others.

#### ***Individuals and household property acquisition (Job and wealth creation) (5 responses)***

Individuals and households’ property acquisition and job and wealth creation form a circular flow. The poor, as a section of the society that SACCOs serve, would be struggling to meet basic needs. In this light, they would be having little entitlements to such property as land, homes,



vehicles, lighting in the home, to mention but a few. However, Key Informants' views proved evidence of SACCO member's property acquisition **(5 responses)**

**Key Informant 5, Male aged 51** noted that;

*“The rate at which people are buying vehicles, motorcycles, land, and building good homes, the increased capacity to access basic needs, and the rate at which people are starting some businesses are signs of poverty reduction due to the services provided by SACCOs”*

According to **Key Informant 7, male aged 39** assert that;

*“The number of members savings have increased, the number of people taking loans and being able to pay them back is increasing, members have good housing facilities, women have been empowered and are doing businesses and other productive works, the number of unemployed youth has reduced with bodaboda loans, members have been able to take their children to school, and they have assets like land, vehicles, and motorcycles, among others”*

Basing on **Key Informant 9, male aged 55** noted that;

*“Members have acquired wealth, have built good homes, their children are in school, they have clean water and good lighting facilities, and women have been empowered through rural mix loans and other credit services offered”*

It should be noted that **Key Informant 14, Male aged 41** assert that;

*“Members are able to take their children to school, they are able to pay medical bills in case of sickness, they have accessed assets like land, cars, housing for renting, motorcycles, businesses, jobs, good homes, clean water, and good lighting methods, and the respondent also said women are seen as being empowered in their families, for example through the acquisition of loans from these SACCOs”*

According to **Key Informant 17, Male aged 40** propounded that;

*“Through the monitoring that they do, they have found out that their members have acquired assets like land, cars, motorcycles, and bicycles; they have built good homes; the youth have employment; they have clean water; they have good lighting systems,*

*especially solar; women are now seriously involved in business and many other activities; they have taken their children to school, among others, which all indicate poverty reduction”*

On acquisition of property and their accumulation, SACCO members find and source opportunities to engage in income generating activities and business, providing them with employment from which they meet individual and household needs. This sees them on the path of growth and development, which precursor to poverty reduction.

#### 4.5 Regression analysis of SACCO non-financial services on poverty reduction

This study’s second objective was to examine the contribution of non-financial services to poverty reduction among the SACCO members in selected districts in Greater Bushenyi. The regression output of the contribution of non-financial services on poverty reductions is presented in table 4.28.

**Table 4.26: SPSS regression output for non financial services**

| Variable                                    | Model  |                   |      |        |      |
|---------------------------------------------|--------|-------------------|------|--------|------|
|                                             | B      | SE                | B    | T      | Sig. |
| Constant                                    | 38.436 | 3.104             |      | 12.384 | .000 |
| Entrepreneurial and skill development (ESD) | 1.587  | .166              | .563 | 9.570  | .000 |
| Financial literacy training (FL)            | .042   | .149              | .017 | .283   | .778 |
| R                                           |        | .575 <sup>a</sup> |      |        |      |
| R <sup>2</sup>                              |        | .331              |      |        |      |
| AdjR <sup>2</sup>                           |        | .327              |      |        |      |
| Std. Error of the Estimate                  |        | 15.819            |      |        |      |

\*\*. Correlation is significant at the 0.05 level (2-tailed).

N = 392

a. Dependent Variable: Poverty reduction

The results in Table 4.28, the model for predicting the influence of non-financial services (entrepreneurial and skill development and financial literacy training) on poverty reduction show that for each additional increase in overall rigor of non financial services, poverty reduction got an average increase of 1.587 units and .042 units ( $\beta = 1.587$ ,  $p = 0.000$ ;  $\beta = .042$ ,  $p = .778$ ) respectively. This implies that overall increase in rigor of non financial services contributed to poverty reduction among the SACCO members in Mitooma, Bushenyi and Sheema Districts. Non-financial services (Entrepreneurship skills development (ESD) and financial literacy

training (FL)) explained 33.1% of the total variance of poverty reduction ( $r=0.575$ ). The final model for predicting the contribution of non-financial services (Financial literacy training (FL) and Entrepreneurship skills development (ESD) on poverty reduction is:

The predicted model was  $PR = \beta_0 + \beta_1 ESD + \beta_2 FL$

Where:

PR – is Poverty reduction

FL – is Financial Literacy

ESD - is Entrepreneurship skills development

$\beta_0$  - is the regression coefficient for the intercept

$\beta_1$  - is the regression coefficient for the Entrepreneurship skills development

$\beta_2$  – is the regression coefficient for Financial Literacy training

From Table 4.28, the prediction model is:

$$PR = 38.436 + 1.587ESD + .042FL$$

#### **4.6. The moderating contribution of government policy in the relationship between SACCO services and poverty reduction**

The third objective of this study was to establish the moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi. In view of this objective, the following hypotheses were generated: “***H<sub>0</sub>***: The moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi is negative and insignificant,” and “***H<sub>1</sub>***: The moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi is positive and significant,”. Multi-linear regression was conducted to test the hypothesis. The results are presented in as indicated in table 4.29 and 4.30

The following concerns were considered before analysis was conducted.

Moderating variable can affect the relationship between an independent and dependent variable by either strengthening or weakening the relationship between two variables.

If X is an independent variable (sometimes called a “predictor” variable) and Y is a dependent variable (sometimes called a “response” variable), then we could write a regression equation to describe the relationship between the two variables as follows:

$$Y = \beta_0 + \beta_1 X$$

If we suspect that some other variable, Z, is a moderator variable, then we could fit the following regression model:

$$Y = \beta_0 + \beta_1 X + \beta_2 Z + \beta_3 XZ$$

In this equation, the term XZ is known as an interaction term.

If the p-value for the coefficient of XZ in the regression output is statistically significant, then this indicates that there is a significant interaction between X and Z and Z should be included in the regression model as a moderator variable

We would write the final model as:

$$Y = \beta_0 + \beta_1 X + \beta_2 Z + \beta_3 XZ$$

Basing from above the moderating equation of this study was:

$$PR = \beta_0 + \beta_1 \text{SACCO} + \beta_2 \text{FP} + \beta_3 \text{SACCOFP}$$
 as clearly indicated on page 157 and 158.

In this equation, SACCOFP is known as an interaction term.

These conditions were met for government policy (fiscal policy) to be considered as a moderating variable, whereby there was relationship between SACCO roles and poverty reduction. The p-value for the coefficient of SACCO roles and government policy in the regression output was statistically significant; moderating variable government policy (fiscal

policy) strengthened or weakened the relationship between SACCO roles and poverty reduction as per the following results on pages 151-158.

**Table 4.27: The moderating contribution of government policy in the relationship between SACCO services and poverty reduction**

| Coefficients <sup>a</sup> |            |                             |            |                           |       |      |
|---------------------------|------------|-----------------------------|------------|---------------------------|-------|------|
| Model                     |            | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|                           |            | B                           | Std. Error | Beta                      |       |      |
| 1                         | (Constant) | 22.060                      | 6.203      |                           | 3.556 | .000 |
|                           | Fin        | -.023                       | .079       | -.013                     | -.292 | .770 |
|                           | non fin    | .612                        | .067       | .425                      | 9.197 | .000 |
|                           | G          | -.070                       | .156       | -.026                     | -.450 | .653 |
|                           | Fp         | .566                        | .140       | .231                      | 4.030 | .000 |

a. Dependent Variable: pr

Where: pr – poverty reduction

g – Governance policies

fp – Fiscal policy.

Table 4.29 above shows that there was a significant positive relationship between fiscal policy and poverty reduction among the SACCO members in selected districts of Greater Bushenyi ( $p < 0.000$ ). This implies that overall increase in the rigour of fiscal policy would increase in a unit of poverty reduction among the SACCO members in selected districts of Greater Bushenyi by 0.140 units and vice versa. Consequently, the third null hypothesis of this study, stating: *“The moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi is negative and insignificant,”* was rejected and the alternative hypothesis stating: *“The moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi is positive and significant,”* was accepted..

## Qualitative Analysis for moderating contribution of government policy in the relationship between SACCO services and poverty reduction

From indepth interviews, the sub- themes emerged and these include:

**Sub Theme 1: Government policy do not favor the effective operation of SACCOs**

**Sub Theme 2: Government policy is fairly okay**

The Key Informants provided deeper insights concerning the effect of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts of Greater Bushenyi. They are depicted in Figure 4.12.

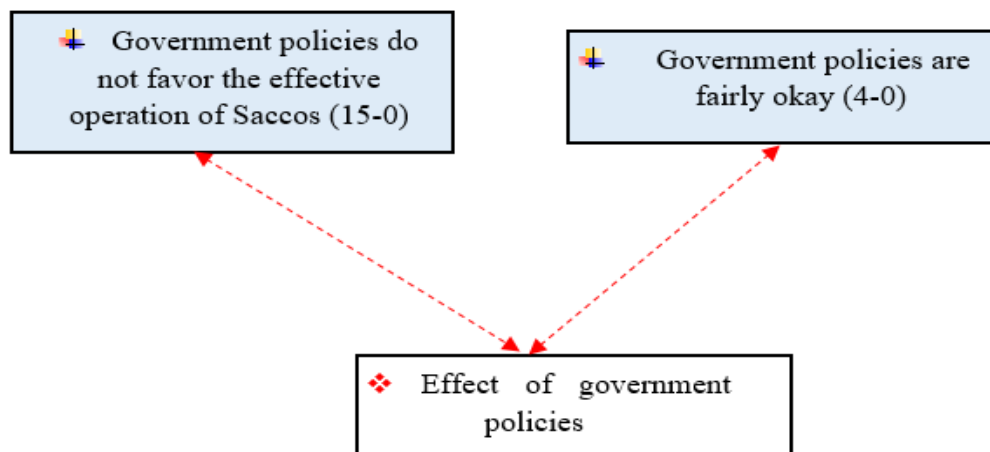


**Figure 4.12: Network View Showing the relationship between government policy and SACCO services and their effect on poverty reduction.**

**Source: Field data, 2023**

The Key Informants provided deeper insights concerning the effect of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in Bushenyi, Mitooma and Sheema districts. They were asked if government policy (fiscal policy) adversely affect SACCOs operations. **The themes that emerged from the views of the Key Informants are:**

**Yes (13 responses);**

**Yes and no (1 response);**

**Not very much (1 response);**

**Government policy is fair (1 response); and**

**Silence/opted not answer (1 response).**

The Key Informants were asked to substantiate their views given above, regarding the question: “Does the Government policy (fiscal policy) in selected districts of Greater Bushenyi adversely affect SACCOs operations?” **The themes that emerged from the views of the Key Informants:**

***Government policy does not favor the effective operation of Saccos (15 responses).***

While SACCOs may be doing their best in offering financial and non-financial services, government policy (fiscal policy) may derail the lending capacity of the SACCOs. This may later have an effect on poverty reduction among the SACCO members. The nature of government policy (fiscal policy) in which the business operates has direct impact on both SACCO activities and poverty reduction of their members. Accordingly, poverty reduction is viewed as the favorable and conducive government policy (fiscal policy) to induce SACCO operations on poverty reduction. The Key Informants elicited that Government policy do not favor the effective operation of SACCOs **(15 responses). Some of the responses are:**

*“Government policy does not favor the effective operation of SACCOs. For stance, the taxes charged, especially on dividends acquired from shares and the profits from the fixed accounts discourage the members from doing the saving with these SACCOs” – (Key Informant 11, Male aged 62).*

*“The taxes that are charged by the government on these SACCOs are not fair, which at the end of it all affects service delivery by these SACCOs by shifting the burdens of these taxes to their members” – (Key Informant 12, Female aged 27).*

*“Government policy disturb the operations and activities of SACCOs. The taxes that are charged by the government. The government charges taxes on money saved by members when they withdraw it, which ends up discouraging them from saving. Taxes are numerous. If taxes can be removed, then things will be okay. To some extent, government policy disturbs SACCOs*

*performance” – (Key Informant 3, Female aged 37).*

*“The taxes that are put on these SACCOs are very high, which ends up adversely affecting their operations. There is a need for the government to reduce these taxes or even remove them” – (Key Informant 12, Male aged 56).*

*“The government has not assisted SACCOs. There is Uganda Microfinance Regulatory Authority, the organization of Uganda. We have never seen this organization coming and visiting these SACCOs and may be conduct trainings to train members on the services provided by SACCOs. They have never seen come to train people on the purpose of SACCOs. It does not monitor to see how these SACCOs are treating and handling their members. There is a need for the government to work hand in hand with these SACCOs so that they can achieve their poverty reduction goal. There is a need for the government to reduce the taxes charged on SACCOs stance. SACCOs pay withholding tax, which affects the earnings of the members (15% of withholding), which ends up discouraging members from saving” – (Key Informant 5, Male aged 51).*

*“Government policy does not favor the operations of SACCOs effectively. The government does not give the SACCOs authority to do what they want on their own, especially when a person fails to pay. SACCOs are not allowed, like commercial banks, to sell the securities in case the members fail to pay, which has made people default on their payments, knowing that their properties cannot be touched by these SACCOs. The taxes charged by the government are not favorable. The SACCOs are charged higher taxes, which will eventually make the SACCO put the tax on the members, hence affecting negatively their standard of living” – (Key Informant 6, Female aged 38).*

*“The taxes charged by the government on the SACCOs are not favourable. The higher taxes charged hinder the effective operation of SACCOs because the SACCOs will end up shifting the burden of the tax to the members, which will discourage some of the members from transacting with these SACCOs” – (Key Informant 7, male aged 39).*

*“The government charges higher taxes on the SACCOs, which makes it hard for these SACCOs to operate normally as far as the process of poverty reduction is concerned, as they also have to shift the burden of the tax to the members. For example, when they put profits on the accounts of*



*members, the government cuts the withholding tax, which sometimes makes the members not understand because it reduces the total amount that they were expecting to take home, hence discouraging them from saving” – (Key Informant 8, male aged 46).*

*“Withholding tax that makes members fear fixing their finances because it reduces their profits. The taxes that are charged on the dividends of the members that also end up discouraging members from buying shares, hence hindering the effective operations of SACCO” – (Key Informant 9, male aged 55).*

*“Even though the government has tried to give the SACCOs a tax holiday on operational tax, this tax will soon be on in addition to very many other taxes that are charged by the government, which makes these SACCOs put them on their members and hence hinder the effective service delivery by these SACCOs. The government does not support these SACCOs claims of funding. SACCOs have to look for the means of getting the funds by themselves, which sometimes causes a shortage of funds to be availed to the members” – (Key Informant 9, male aged 55).*

*“Government policy is not, to a greater extent, bad. The government's policies are not very concerned about the performance of these SACCOs. There is a need for the government to be concerned with the performance of these SACCOs. The taxes are not that fair” – (Key Informant 14, Female aged 32).*

*“[Laughed and then said] Yes or no. On the one hand, he said yes because the policy of the government guide them on what they are supposed to do as SACCO members; on the other hand, the respondent said no because the respondent mentioned the higher taxes that they charge, for example, on fixed accounts, which ends up discouraging the SACCO members from opening fixed accounts because they are afraid of the tax that will be charged when the time for withdrawing their money comes” – (Key Informant 16, Male aged 44).*

*“Most of the time, government policy disturbs the activities and effective operation of SACCOs. The high taxes charged by the government on these SACCOs. The government charges higher taxes to SACCOs, which makes almost all profits made by SACCOs to be taken by these taxes, hence making these SACCOs unable to develop as well as they would” – (Key Informant 2, male aged 43).*

*“Government policy disturbs SACCOs performance. He, for example, went ahead to say that*

*SACCOs give loans to their members, and these members give securities like land, buildings, and others. It's very hard for SACCOs to sell the members property in case he or she fails to pay because the government laws do not allow them like how other commercial banks do, which makes many of the SACCOs members defaulters because they very well know that their properties cannot be sold just like that” – (Key Informant 1).*

**Government policy is fairly okay (4 responses).**

Not all the views of the Key Informants associated government policy to be depressing. Some of the Key Informants said that government policy is fair **(4 responses)**.

*“Government taxes are favourable to SACCOs. Government taxes do not favour the performance of SACCO and said they should be reduced. Whether they have members or not or whether members are paying their loans or not, the SACCOs must pay their taxes, which is unfair” – (Key Informant 1).*

*“Government policy is fairly okay” – (Key Informant 10, Male aged 39).*

*“The political environment is a bit fair” – (Key Informant 12, Female aged 27).*

*“Although the government has tried to give a tax holiday on operation tax for ten years, the respondent mentioned that other taxes are still high, which adversely affects SACCOs operations” – (Key Informant 9, male aged 55).*

It can be concluded that majority of the views of the Key Informants associated government policy as being detrimental to SACCO services. Few of the views appreciated them (the government policy). Consequently, the views of the key informants support the third null hypothesis of this study, stating: *“The moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi is negative and insignificant,”* differing from the findings of quantitative study which rejected the third null hypothesis and accepted the alternative hypothesis, stating: *“The moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi is positive and significant,”*.

## Regression analysis for SACCO services and the moderating contribution of government policy on poverty reduction

This study's third objective was to establish the moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi. Hierarchical regression analysis was conducted, and the output is presented in Table 4.30.

**Table 4.28: Hierarchical regression analysis<sup>a</sup>**

|                    | Model 1 |         | Model 2 |        |       | Model 3 |        |        |
|--------------------|---------|---------|---------|--------|-------|---------|--------|--------|
| Variable           | B       | SE      | B       | B      | SE    | B       | SE     | B      |
| Constant           | 25.941  | 3.334   |         | 24.046 | 3.469 |         | 25.420 | 3.381  |
| SACCO Service      |         |         |         |        |       |         |        |        |
| S                  | .601    | .043    | .581**  | .566** | .046  | .548**  | .503   | .047   |
| Fiscal policy (FP) |         |         |         |        |       |         | .604   | .122   |
| R                  |         | .581    |         |        | .586  |         |        | .618   |
| R <sup>2</sup>     |         | .337    |         |        | .343  |         |        | .382   |
| AdjR <sup>2</sup>  |         | .336    |         |        | .340  |         |        | .377   |
| R2-Change          |         | .337    |         |        | .006  |         |        | .039   |
| F-Change           |         | 198.432 |         |        | 3.627 |         |        | 24.413 |
| Sig. F-Change      |         | .000    |         |        | .058  |         |        | .000   |

\*\*, Correlation is significant at the 0.05 level (2-tailed).

N = 392

a. Dependent Variable: Poverty reduction

Table 4.30 shows the hierarchical regression's three models. Model 1 shows that SACCO Services are significant ( $r=.581$ ,  $p=0.000$ ), explaining 33.6% of the total variance ( $R^2=0.336$ ). Model 2 shows that Government Policy was ( $r=.343$ ,  $p=0.058$ ), explaining 34.3% of the total variance ( $R^2=0.343$ ), where the R2-Change was 0.006, which was not significant ( $r=0.586$ ,  $p=0.058$ ). Model 3 shows that the addition of Fiscal Policy increased total explained variance to 38.2% ( $R^2=0.382$ ), where the R2-Change was 0.039, which was significant ( $r=0.616$ ,  $p=0.000$ ).

The model for predicting poverty reduction from moderating effect of government policy (fiscal policy) in the relationship between SACCO services and poverty reduction:

The predicted model was  $PR = \beta_0 + \beta_1 \text{SACCO} + \beta_2 \text{FP} + \beta_3 \text{SACCOFP}$

Where:

PR – is poverty reduction

SACCO - is SACCO services

FP - Fiscal policy

$\beta_0$  - is the regression coefficient for the intercept

$\beta_1$  – is the regression coefficient for the SACCO roles

$\beta_2$  - is the regression coefficient for the Fiscal policy

$\beta_3$  – is the regression coefficient for the SACCO Fiscal Policy= Known as an interaction term.

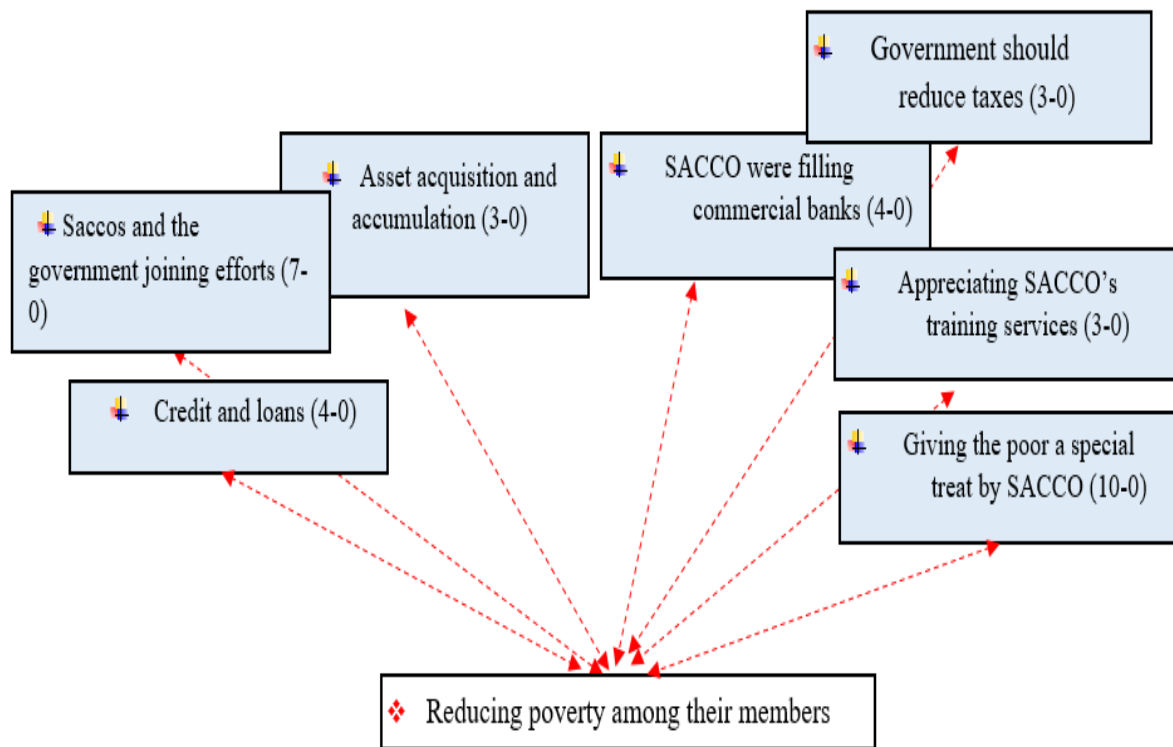
From Table 4.30, the prediction model is:

$$PR = 25.420 + 0.503SACCO + 0.604FP + - 6.53SACCOFP$$

The findings of quantitative analysis deviate from the views of the Key Informants, which indicated that government policy is not favourable to the operations of SACCOs. The findings from views of key informants indicated that government policy (fiscal policy) negatively contributed to poverty reduction among the SACCO Members in Bushenyi, Mitooma and Sheema districts. A good number of Key Informants pointed out that government policy (fiscal policy) was more of disabling than an enabling environment to SACCOs services towards poverty reduction to their members in Mitooma, Sheema and Bushenyi districts. The participants' views showed that the SACCO members detested government fiscal policy. They associated it with drawbacks in the SACCOs services delivery geared towards poverty reduction among members. The majority of the Key Informants said government policy (fiscal policy) does not favor the effective operation of SACCOs, and consequently, hampered the SACCOs services geared towards poverty reduction. The government policy dismays were expressed to be, firstly in form of high taxes charged, especially on dividends acquired from shares and the profits from the fixed accounts, which the Key Informant said that they discourage the members from doing the saving with the SACCOs. Secondly, taxes on SACCOs were said to be very high, which ends up adversely affecting their operations.

Participants were asked in if their own views whether they thought SACCOs were doing enough in as far as reducing poverty among their members is concerned. In the light of financial

services, the majority of the participants affirmed that SACCOs were doing enough in as far as reducing poverty among their members.



The themes that emerged from the views of the Key Informants:

**Credit and loans that are advanced to members have seen them grow and develop (4 responses)**

SACCO members appreciate the services of SACCOs as being transformative. Their financial services have served them where commercial banks excluded them as poor and lacking collateral property. With group loans SACCOs have been able to serve the poor section of the communities and societies. SACCO non-financial services have equipped the SACCO members with entrepreneurship skills that has seen members start and thrive in business doing and income-generating activities as well as training the members with financial management. In this regard, Key Informant elicited that credit and loans that are advanced to members have seen them grow and develop **(4 responses)**

*“SACCOs are trying to do their work of reducing poverty among their members. This is because members have started businesses, agricultural activities have increased and*

*improved, and the SACCOs have offered loans to its members, among others” – (Key Informant 7, male aged 39).*

*“SACCOs are trying to do their role of reducing poverty. Members have been given credit facilities, for example, and have paid them back; the SACCOs have tried to train members; and the general standard of living of members has improved” – (Key Informant 10, Male aged 39).*

*“SACCOs are doing their work well. A person who was taking one million in the last few years is now taking ten million, indicating that there is an improvement in income and a reduction in poverty” – (Key Informant 11, Male aged 62).*

*“SACCOs have helped common people take their children to school due to school fees loans” – (Key Informant 5, Male aged 51).*

*“SACCOs have tried to do their work of reducing poverty among the members through the provision of credit facilities to enable them to do the activities they want to do so as to get out of poverty” – (Key Informant 2, male aged 43).*

So, it may be concluded that from voices of the Key Informants, SACCOs financial services have seen members grow and develop.

### **Asset acquisition and accumulation by SACCO members (3 responses)**

From the loan facilities advanced to members, SACCOs have seen members prosper in business and income-generating activities. In this regard, the Key Informants elicited asset acquisition and accumulation by SACCO members as proof enough that SACCOs were doing enough in as far as reducing poverty among their members is concerned **(3 responses)**.

*“SACCOs are helping their members reduce poverty. Many members have developed because of SACCOs. When these people feel like wanting to buy land, start a business, or pay fees for their children, among others, and they find that they don’t have the large sum of money at the moment, they come to the SACCO, get money, and keep on paying in bits” - (Key Informant 3, Female aged 37).*

*“SACCOs have tried to do their work. SACCOs have helped the members save, and through that, they have been able to buy plots of land, pay fees for their children, acquire*

*basic needs, and start businesses, among other things that have helped reduce poverty” - (Key Informant 12, Male aged 56).*

*“SACCOs have played a great role in reducing poverty among their members. The respondent said that things that used not to be there are now available. Now people no longer use traditional lighting systems, that most of them now use solar, that almost all homes have houses roofed with iron sheets, and that their children are educated, among others” - (Key Informant 8, male aged 46).*

As such, it can be concluded that asset acquisition and accumulation by SACCO members is one of the proofs that SACCOs were doing enough in as far as reducing poverty among their members is concerned.

#### ***SACCOs were filling commercial banks gap (4 responses)***

SACCOs target the poor sections of our society. Most of these poor are excluded from banking services of traditional commercial bank loan facilities. Commercial banks find it difficult to cover the costs of providing rural financial services, thus exclude the unbanked poor. SACCOs have come in handy to fill the gap for which that Key Informants elicited that SACCOs were filling commercial banks gap **(4 responses)**.

*“SACCOs have tried to reduce poverty among their members ... commercial banks are business banks and that they are far removed from the very poor. SACCOs get time and go to villages to see how the members are faring, which is not done by commercial banks, and interestingly laughed and mentioned that maybe commercial banks go to villages when they are going to confiscate and sell the properties of their members in case they have failed to pay” – (Key Informant 5, Male aged 51).*

*“SACCOs are trying to reduce poverty among their members. SACCOs charge a fair interest rate to their members and other charges are fair compared to commercial banks” – (Key Informant 6, Female aged 38).*

*“SACCOs have assisted in reducing poverty among their members...it is easier to get a loan from the SACCOs within a short period of time than from commercial banks” – (Key Informant 7, male aged 39).*

*“SACCOs have helped the common man. This is because even the poor people who fear going to commercial banks can easily get their services from the SACCOs because they interact with them one-on-one and sometimes advise them on what they should do to reduce poverty amongst themselves” – (Key Informant 14, Male aged 41).*

With filling commercial banks’ gap of finding, it difficult to cover the costs of providing rural financial services and excluding the unbanked poor, SACCOs have positioned themselves as paramount to reducing poverty among SACCO members.

### **Appreciating SACCOs training services offered to their members (3 responses)**

SACCOs financial literacy and entrepreneurship skilling trainings have factored a great deal in appreciating them as doing enough in as far as reducing poverty among their members is concerned. Key Informants voiced this appreciating SACCOs training services offered to their members **(3 responses)**

*“SACCOs are trying to do their work despite the fact that there is still a need for SACCOs to do more training for their members” – (Key Informant 12, Female aged 27).*

*“SACCOs have helped train their members on how to use the acquired finances productively (financial literacy training), thereby reducing wastage on their part” – (Key Informant 12, Male aged 56).*

*“SACCOs train members on how to start their businesses and projects that can eventually help them get out of poverty, though the respondent mentioned that it is not seriously done by these SACCOs” – (Key Informant 6, Female aged 38).*

So, it can be concluded SACCOs are applauded as doing enough in as far as reducing poverty among their members is concerned drawing from financial literacy training and entrepreneurship skilling training services to their members. Key Informants voiced this appreciating SACCOs training services offered to their members **(3 responses)**



### **Strategies to further Reduce Poverty among the SACCO members.**

Participants were asked as to what should be done to further reduce poverty among the SACCO members. **For financial strategies, the themes that emerged from the views of the Key Informants:**

#### ***Giving the poor a special treat by SACCOs and government in the development agenda (10 responses).***

Just as government has special treatment to the marginalized sections of the society, the poor need kindred treatment. There special treatment government programmes for the youth, Kalamoj, refugees, to mention but few. In like manner, Key Informants have elicited the poor's special treatment, calling for giving the poor a special treat by SACCOs and government in the development agenda **(10 responses).**

#### **Some of the views are:**

*“There is a need for SACCOs to continue considering the poor and see how these people can be brought on board. There is a need for SACCOs to do enough training, sensitization, and financial literacy training for their members to encourage them to save and to make them love to embrace the services provided by SACCOs. They request the government to pass its programs through SACCOs, for example, especially the one of the parish development model, so that those programs can reach the very poor” – Key Informant 10, Male aged 39).*

*“There is a need to do enough mobilization so that those who have not yet understood the services offered by SACCOs can come to know them” – Key Informant 3, Female aged 37).*

*“SACCOs to be able to reach those very poor people on the ground” – Key Informant 12, Male aged 56).*

*“If there is a bank specifically for farmers, then it would mean that it will be available with rules that favor farmers because this cooperative will know that when you grow tomatoes, they will take three months to be harvested and therefore will not task you to pay before the harvest. The government needs to try to get a market for agricultural*

*products so as to reduce the wastage that is in rural areas and avoid agricultural products being sold at very low prices in periods of plenty” – Key Informant 5, Male aged 51).*

*“There is a need for SACCOs to carry out more trainings with their members for more enlightenment on SACCOs services and how people can be able to get themselves out of poverty” – Key Informant 6, Female aged 38).*

*“There is a need for SACCOs to carry out more sensitization of the members and to do more training of their members concerning the SACCO services offered. SACCO needs to give its members enough time for training. There are many people in the villages who don’t know about these services and how they can help them reduce poverty among themselves” – Key Informant 7, male aged 39).*

*“There is a need for the SACCOs to do more training for their members on how to use the acquired services productively, especially credit facilities that can eventually help them get out of poverty” – Key Informant 8, male aged 46).*

*“There is a need for people to get involved in financial organizations like SACCOs and also talked about the need for more sensitization and training of their members on how they can get themselves out of poverty through the various services offered by SACCOs” – Key Informant 9, male aged 55).*

*“They can add in that is lacking and can help in poverty reduction is training of members” – Key Informant 16, Male aged 44).*

*“SACCOs have not yet done much as far as training their members is concerned” Key Informant 17, Male aged 40).*

*“SACCOs should train their clients so that they can know the function of money and what they are supposed to do with it, not just use the credit acquired in non-productive ventures” – Key Informant 2, male aged 43).*

*“For them to be able to gear the process of poverty reduction among their members, they must give an affordable amount of credit to their members” – Key Informant 1).*

As such, giving the poor a special treat by SACCOs and government in the development agenda would give the poor, who are target of SACCOs, a development pathway. This in the end will benefit the government and SACCOs—for the SACCOs, it will increase their business in the banking financing service industry, while government, it would see those sections of the poor still living a substance life, transformed to start contributing to the government’s tax base and earning.

***SACCOs and the government joining efforts (7 responses)***

Profoundly transforming poor benefits the SACCOs need to increase their business share in the market as well as the government, in increasing the tax base. As such, government need to have vested interest in the business of SACCOs so as to join hands as the Key Informants elicited calling for SACCOs and the government join hands **(7 responses)**

*“SACCOs and the government to train people and members about SACCOs, the services they offer, and how they can help members get out of poverty. SACCO members strongly agreed that training SACCO members on the services offered and how they can be utilized productively can help the members reduce poverty” – (Key Informant 11, Male aged 62).*

*“There is a need for the government to support SACCOs in conducting training and also said that there is a need for the government to provide funding to these SACCOs” – (Key Informant 12, Female aged 27).*

*“There is a need for the government to improve the market” – (Key Informant 5, Male aged 51).*

*“There is a need for the government to give a hand to the SACCOs and, for example, do the subsidization so that the SACCOs can be able to offer credit services to the poor at an interest rate that is manageable. With government subsidization, the SACCOs that gives a loan at interest of 20% can reduce it to, say, 17 percent, and this can encourage the poor people to acquire loans to get themselves out of poverty” – (Key Informant 8, male aged 46).*

*“There is a need for the government to support the SACCOs stance by giving them funds*

*so that people can get access to credit facilities at an affordable and manageable interest rate. Sometimes funds available in these SACCOs are limited. Therefore, providing funds by the government to the SACCOs can help solve this problem” – (Key Informant 9, male aged 55).*

*“There is a need for the government to fund these SACCOs. If the government can fund or give funds to these SACCOs for free or on a subsidized interest rate, then this will make the SACCOs also offer credit to the members at a very low interest rate that can be afforded by poor people, hence helping them to get out of poverty” – (Key Informant 13, Female aged 38).*

*“There is a need for the government to get concerned with the performance of these SACCOs. There is a need for the government to pass their projects through these SACCOs, and for example, the respondent talked about the parish development model because SACCOs are the ones that reach the ground, it would be better for such programs to be implemented through SACCOs than commercial banks because if the program can pass through SACCOs, the SACCOs can easily identify the poor people as they have a wider coverage. It also comes back to the credit officers. The respondent said that credit officers need to create more loan awareness among the public to avoid waste” – (Key Informant 14, Female aged 32).*

*“There is a need for the government to support these SACCOs by implementing their programs through them. The Parish Development Model Program should be passed through the SACCOs, and by doing this, poverty can be reduced because these SACCOs are able to reach the real poor better than commercial banks” – (Key Informant 14, Male aged 41).*

It can be concluded that government’s taking vested interests in SACCOs growth and development; and their joining hands will profoundly transform poor, who are the target of the SACCOs services. The government needs to take keen interest in the business of SACCOs, and as such, fund them as well as ensuring that it provides conducive environment by enacting productive policies.

**Government should reduce taxes (3 responses)**

Good taxes can make a sector grow and develop. On the other hand, bad taxes can kill or stunt a sector. In this regard, following early on decry of high and discouraging taxes, Key Informants called on government to reduce taxes **(3 responses)**.

*“There is a need for the government to reduce the taxes that they charge on SACCOs in order to avoid transferring those taxes to their members. When taxes are low, the SACCOs will charge low interest, which will in the end encourage members to acquire loans to develop themselves, hence getting out of poverty” – (Key Informant 6, Female aged 38).*

*“There is a need for the government to reduce the taxes that are charged on these SACCOs” – (Key Informant 12, Female aged 27).*

*“There is also a need for the government to reduce the taxes charged on the SACCO and SACCO members, for example, the withholding tax” (Key informant 17 Male aged 40).*

Good taxes if levied on SACCOs will encourage growth and development of businesses and income-generating activities financed and supported by SACCOs. It could be strategic for government to reduce taxes on SACCO to encourage the growth and development of businesses and income-generating activities financed and supported by SACCOs from which they can have more wide tax base. In light, it makes economic sense for the government to reduce taxes on SACCOs. Moreover, SACCOs target the poor, who if profoundly transformed as to stop being spectators in the country’s earning, it will in advertently see the government’s tax base widen.

**For non-financial strategies, the themes that emerged from the views of the Key Informants:**

***Need for more concerted training (5 responses)***

As already alluded to that SACCOs and the government need to give special treatment to the poor, who targeted by SACCOs, in like manner, there is need for more concerted training of theses SACCOs customers. The training needs to be carried out by both SACCOs and government through extension officers. Key Informants have voiced this call for need for more concerted training **(5 responses)**

*“There is a need to provide the members with financial literacy training” – (Key*

**Informant 14, Female aged 32).**

*“There is a need for one-on-one training, not just gathering all of them together so that they can understand how they can be able to reduce their poverty through the services provided by SACCOs, but also to give them financial literacy training so that the acquired funds are utilized in productive activities” – (Key Informant 16, Male aged 44).*

*“Members should be trained on the services provided by SACCOs and on how they can use the acquired funds productively (financial literacy training) so that they can have financial discipline that can help them get out of poverty” – (Key Informant 17, Male aged 40).*

*“If they are well trained; they can get out of poverty” – (Key Informant 2, male aged 43).*

*“SACCOs and the government need to do serious training for the SACCO members” – (Key Informant 1).*

Individuals and households can be profoundly changed with concerted training tailored to poor. A leaf can be borrowed from hard and soft skills that are being imparted in the young people to fight youth unemployment.

## CHAPTER FIVE

### DISCUSSION OF THE STUDY FINDINGS

#### 5.0 Introduction

This chapter provides the discussion of the findings based on this study's three objectives, hypotheses and questions, in relation to the literature. It presents the discussion, conclusions and recommendations, limitations, contributions and areas of future research of the study. These sections were looked at based on the three objectives of the study which were: 1.To establish the contribution of financial services to poverty reduction among the SACCO members in the selected districts of Greater Bushenyi; 2. To examine the contribution of non-financial services to poverty reduction among the SACCO members in selected districts of Greater Bushenyi; 3.To establish the moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts of Greater Bushenyi.

#### 5.1. Discussion

##### 5.1.1 The contribution of SACCO financial services to poverty reduction

This section presents a discussion of the results of the first objective of this study, which sought to establish the contribution of financial services to poverty reduction among the SACCO members in the selected districts of Greater Bushenyi. The financial services constructs of the application of credit services and saving services were investigated. The results revealed that there was a significant positive contribution of SACCO financial services, including both credit and saving services, to poverty reduction among the SACCO members in the selected districts of Greater Bushenyi. These findings were depicted by regression analysis to generate a model for predicting satisfactory financial services that improve poverty reduction among SACCO members in Bushenyi, Mitooma and Sheema districts. Enhanced rigor of financial services led to an increase in poverty reduction among SACCO members in Bushenyi, Sheema and Mitooma districts. The the first null hypothesis of this study, stating: *“There is no significant contribution of financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi,”* was rejected. As such, the alternative hypothesis, stating: *“There is significant contribution of*

*financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi,”* was accepted. The findings of the quantitative analysis were supported by the views of the key informants.

The views of the key informants were supportive of the positive contribution of SACCO financial services to poverty reduction among SACCO members. Such findings are in agreement with arguments of other scholars who said that SACCOs financial services help reduce poverty amongst its members (Ghaliba, 2014; Bateman, 2017; Mahmood, 2011).

The findings are also in line with arguments that SACCOs endeavor to offer financial services by ensuring their development through services of credit and saving functions, thereby improving the provision of financial services. This is in agreement with Perera and Wijekoon's (2019), posting that SACCO credit services have been recognized as a crucial tool for eradicating poverty over the past ten years. Based on such findings, one would argue that financial services positively influence poverty reduction among SACCO members.

The study findings are in agreement with Suri (2012), who said that a sound financial and monetary system is a requirement for modern economic progress. According to Suri (2012), access to finance is a crucial component of the conventional wisdom on economic development based on a country's plan. Furthermore, the results are also in line with Omoro and Omwange (2013) who noted that using SACCOs loans raises household spending, improves standard of life, generates additional revenue, and lowers unemployment. The findings are also in an agreement with Yunus, 2001; Owolabi, 2015; Gomina & Ngari, 2015; Alshami *et al.*, 2014; Kasali *et al.*, 2015 who found that, accessibility of credit from SACCOs prevented some borrowers from having to sell their produce at below market rates to the merchants and land owners so as to get an advance in the lean season thus rising their incomes

The study findings concur with Samer *et al.*, (2015), who looked into three degrees of poverty characteristics throughout an eight-year period from 2005 to 2012. A board of six selected SAARC nations—Pakistan, Nepal, Sri Lanka, India, Bhutan, and Bangladesh—was chosen. The results showed that SACCO credit services lessen extreme poverty. The impact of having access to microloans from Pakistan's first and largest microfinance institution, the Khushhali Bank, was also assessed by Montgomery and Weiss in 2011. The study included a sample of 3000



borrowers and non-borrower households, and the results showed that food spending and several social variables were positively impacted in rural areas. Furthermore, Mahmood (2011) found that in Pakistan, 62% of women utilized loans to start new businesses

The study results are in agreement with Adekola & Chidinma (2017), who discussed how SACCOs operating in Nigeria were doing in terms of reducing poverty by offering credit services to their members. A stratified random sampling strategy was used by Adekola and Chidinma (2017) with a sample size of 1,103, or 50% of the SACCO population. They discovered that SACCOs in the study area had empowered its members through their efforts to combat poverty and that the SACCOs had assisted in increasing members' incomes by offering credit facilities

The findings were in line with Okibo and Makanga (2014), who studied the impact of SACCOs on reducing poverty in Kenya using PAWDEP in the Kiambu district as a case study. Its primary goal was to discuss the SACCOs credit services and members' perceptions of income improvement and/or poverty reduction. A descriptive survey design was employed. The target group consisted of 9 employees and 46 PAWDEP clients. The employees and members from the chosen SACCOs were chosen for the study using a stratified sampling technique. Methods for analyzing both quantitative and qualitative data were employed. The study discovered that SACCOs is a tool for reducing poverty and a means by which credit can reach the underprivileged. The study results were in agreement with Obwanga (2012) who carried out a study on the effect of SACCOs lending facilities on reducing poverty. The results demonstrated that SACCOs credit services had a beneficial effect on reducing poverty in Kisumu County since 95% of the clients spend more than Ksh 100 per day and are not considered to be in poverty.

The study findings are in agreement with Emmanuel Ahurira (2018), who carried out a study on Savings and Credit Cooperative Societies and member's poverty reduction. The study used a correlational descriptive design and employed both quantitative and qualitative methods for data gathering and analysis. Emmanuel Ahurira (2018) results indicated that there was a direct link between financial access and the decline in poverty. Additionally, Emmanuel Ahurira (2018) pointed out that the members of SACCOs were able to take advantage of their credit services in order to meet their basic, medical, and other social needs.

The study results concur with Farooq (2012), who said that offering members savings services on purpose encourages them to save their own money in SACCO accounts, which gives them the confidence and ability to take advantage of any opportunity that favorably affects the expansion and development of their enterprises. Additionally, he said that saving makes it easier for a business to accumulate cash for itself, earning bank interest for free if the owner chooses to invest it, and even making it simpler for the business to acquire an overdraft, which promotes expansion.

The findings are in addition in line with Babatz (2013), who went on to say that clients can build up or amass funds to make major purchases because saving in SACCOs attracts interest. This claim is supported by the premise that giving members access to SACCOs low-interest credit encourages them to grow their businesses or other operations. Businesses of members are able to save money aside or save for a major or key purchase, such acquiring equipment, by making quick and simple cash payment that has no additional interest costs.

The study results are in line with Ssengendo (2016), who focused on the impact of SACCOs services on customers' saving habits in the Wakiso neighborhood. The goals of the study were to define the services provided by SACCOs, identify the difficulties members encounter when saving with SACCOs, determine how SACCOs affect their clients' saving habits, and identify the methods SACCOs employ to help clients develop better saving habits. The results of the study showed that SACCOs had a noticeable impact on clients' saving habits in terms of financial mobilization, business management, improved standard of living, business skills, and advising services

The financial services identified by key informants were credit in terms of loans and saving services. These services enabled SACCO members to acquire assets, such as vigilant SACCO members buying motor bikes, popularly known as bodaboda, which have provided employment to a good number of people in the population and thus influenced poverty reduction. Other enablers of poverty reduction resulting from SACCO financial services cited by key informants included credit in the form of loans supporting them to pay school fees for their children. This is in line with Chandradasa, 2019, Rathnayake *et al.*, 2019, and Perera and Wijekoon, 2019, who observed that SACCO financial services help the poor improve their income, balance their

monthly family budgets, and empower them to handle financial matters, thus recognizing SACCO credit services as a crucial tool for eradicating poverty.

The key informants' views support the findings of the SACCO Member's quantitative analysis of the accepted alternative hypothesis stating: *"There is significant contribution of financial services on poverty reduction among the SACCO members in selected districts of Greater Bushenyi,"*

Findings in this section suggest that the offering of financial services by the SACCOs to its members has played a role in their poverty reduction. The views of the key informants about SACCOs savings and credit services helping the SACCO members reduce poverty are well pinned down by one of the theories on which this study has been anchored: the financial theory of intermediation (Gurley, 1960). SACCOs were applauded for their credit and savings services. They were said to provide their members with loans at low interest rates while also helping them to save, which at the end of it all helped them to be able to start up their own businesses and income-generating projects. This is explained by the theory of financial intermediation used in this study, whose tenet is that the financial system mediates and facilitates the movement of funds from savings to those who wish to undertake investment in capital goods and also to companies or individuals that wish to finance investment projects.

### **5.1.2 The contribution of SACCO non financial services to poverty reduction**

The second research question of this study sought to examine the contribution of non-financial services to poverty reduction among the SACCO members in selected districts of Greater Bushenyi. The non-financial services constructs of application of entrepreneurship skills development and financial literacy training were investigated. The results of the investigation of non-financial services indicated that there was a significant positive contribution of non-financial services (entrepreneurship skill development and financial literacy) to poverty reduction among the SACCO members in Bushenyi, Sheema and Mitooma districts. An increase in overall non-financial services caused a large increase in poverty reduction caused by SACCOs entrepreneurship skills development and financial literacy training services to the members. These findings were depicted by regression analysis to generate a model for predicting the contribution of non-financial services on poverty reduction among the SACCO members in selected districts of Greater Bushenyi.

Non-financial services were found to positively enhance poverty reduction among the SACCO members in selected districts of Greater Bushenyi. The second null hypothesis of this study, stating: “*There is no significant contribution of non-financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi,*” was rejected. The alternative hypothesis, stating: “*There is significant contribution of non-financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi,*” was accepted.

The views of the key informants were supportive of the positive contribution of SACCO non-financial services to poverty reduction among SACCO members. Such findings are in agreement with the arguments of other scholars who said that SACCOs non-financial services help reduce poverty among its members (Kim, 2019; Kihwele & Gwahula, 2015).

The study findings concur with Akonyi and Ilemona (2013), who conducted a study to evaluate the effect of entrepreneurship skill development on poverty reduction in Nigeria's Kogi State. Akonyi & Ilemona (2013) used primary data that was acquired via a well-structured questionnaire that was given to recipients of entrepreneurship acquisition skills who were chosen at random from six local government areas in the state. The method of descriptive analysis was employed. According to the study's findings, 65% of the participants agreed that young people's lack of entrepreneurial abilities is to blame for Nigeria's high percentage of poverty. Furthermore, according to Akonyi and Ilemona (2013), at least 60% of those who benefited from the skill development program are now able to take care of their basic needs

The study findings are also in line with Boitumilo (1995), who demonstrated how important entrepreneurial skills are very important for increased productivity and, ultimately, poverty reduction. Additionally, Boitumilo (1995) mentioned that borrowers who possess these talents may be able to use the loans for more profitable investments than those who do not.

The study results are in accordance with Kihwele and Gwahula (2015), who investigated how SACCOs affect the reduction of poverty in Tanzania. The dependent variable of the study was poverty reduction, whereas the independent variables were entrepreneurship skills and microfinance services. 40 SACCO beneficiaries were utilized as a sample by Kihwele and Gwahula. According to their findings, SACCO services helped to reduce poverty by 50% as long

as credits are capitalized or spent in profitable or productive endeavors. Furthermore, SACCO beneficiaries reported better social services, income, and self-employment (Kihwele & Gwahula, 2015). They highlighted that SACCOs were also found to give entrepreneurship training, but at a low rate, as the majority of the training is focused on increasing members' awareness of saving/loan conditions and terms rather than building entrepreneurial abilities.

The study findings are in agreement with Pimhidzai (2019), who asserted that training can lower the high unemployment rate by giving participants the abilities and information required to successfully launch and operate small companies. However, training helps members develop entrepreneurial or problem-solving abilities they may employ to address business issues, so it's not just about pursuing financial goals. In addition to assisting in overcoming desperation and reliance, training that proactively prepares participants for an unpredictable world can also encourage the creation of an enterprising ethos that values independence, adaptability, self-efficacy, inventiveness, and self-sufficiency.

The study findings are also in line with Kim (2019), who said that SACCO members perform better when training is consistent because it provides them control over their work and enables them to take advantage of possibilities. Kebede (2019) further said that training participants frequently develop their professional abilities and have a deeper comprehension of how businesses function.

The study results are in agreement with Kyale (2013), who sought to determine the real-world application of purported solutions provided by microfinance organizations and how this impacts the expansion of small enterprises. To examine the information gathered, SPSS was employed. According to the study's findings and the responses of 36.4% of the participants, small-scale enterprise credits are the primary service offered by microfinance firms. According to the survey, MFIs should schedule workshops and seminars to teach small businesses about financial literacy, management techniques, and ICT usage.

The findings concur with those of Ogundele *et al.*, (2012), who found out that youth social welfare services and empowerment were significantly correlated with entrepreneurial education and training using a simple linear regression model. It was proposed that in order for entrepreneurial skills to help reduce poverty, members must be empowered to develop their financial literacy and concentrate on investment objectives.

The findings also concur with Kihwele & Gwahula (2015), who observed that SACCOs offered entrepreneurial skills, but at a low rate because the majority of the training provided by SACCOs is intended to raise members' awareness of the terms and conditions of loans and savings accounts rather than to develop business abilities. The findings from the views of key informants indicated that the majority of the participants agreed that SACCO non-financial services positively influence poverty reduction among SACCO members in Greater Bushenyi. They overwhelmingly point out that SACCOs offer non-financial services, including financial literacy and entrepreneurial skill development services that help members start businesses. SACCOs train their members to use the finances acquired productively, which the key informant said is crucial in reducing poverty among the members and has improved their standard of living. This is in line with Mia (2017), Railien & Sineviiien (2015), and the World Bank Group (2020), who posited that SACCOs have helped people to develop not only their material resources but also their human resources by ensuring improved access to education, health care, systems, and general awareness among the people about their skill acquisition, rights, and responsibilities, health services, education, social capital, management, and financial education, all of which are argued to be crucial components of microfinance.

The key informants indicated that SACCOs non-financial services included giving back to the community. SACCOs were applauded for their social responsibility in their services. They were said to identify with social causes like the construction of schools, contributing to the support of needy children in schools, and the like. This is explained by the theory of financial intermediation used to pin this study, whose tenet is that facilitating the movement of funds from savings to people and organizations builds social capital.

### **5.1.3 The moderating contribution of government policy in the relationship between SACCO services and poverty reduction**

This section presents a discussion of results on the third objective of this study, which sought to establish the moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts of Greater Bushenyi. The government policy construct of fiscal policy was investigated. The results revealed that while the specific indirect effects of SACCO Services through the moderation of fiscal policy on poverty reduction, and the total indirect

effect of SACCO Services on poverty reduction turned out not to be significant at the 95% confidence interval, the direct effect of SACCO Services on poverty reduction was significant. Consequently, the third null hypothesis of this study, stating that: “*The moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi is negative and insignificant,*” was accepted.

The findings from the views of key informants indicated that the majority of the participants expressed the opinion that government policy negatively contributed to poverty reduction among the SACCO members in Mitooma, Bushenyi and Sheema districts. A good number of key informants pointed out that government policy was more of a disabling than an enabling environment for SACCOs services towards poverty reduction for their members in Mitooma, Busheyi and Sheema districts. The participants’ views showed that the SACCO members detested government policy, fiscal policy. They associated it with drawbacks in the SACCOs service delivery geared towards poverty reduction among members. The majority of the key informants said that government policy does not favor the effective operation of SACCOs and consequently hinder their services geared towards poverty reduction. The government policy dismays were expressed, firstly, in the form of high taxes charged, especially on dividends acquired from shares and the profits from the fixed accounts, which the key informant said discouraged the members from saving with the SACCOs. Secondly, taxes on SACCOs were said to be very high, which ended up adversely affecting their operations.

Another display expressed voiced out by the study participant was, with dismaying regime on SACCO by government policy in the light of high taxes, the Key Informants expressed displeasure that Uganda Microfinance Regulatory Authority (UMRA), the Country’s umbrella organization supervising SACCOs has only looked on and not helped in correcting the situation. The study participant said that they have never seen Uganda Microfinance Regulatory Authority (UMRA) come to train people on the purpose of and obligation of SACCOs. Uganda Microfinance Regulatory Authority (UMRA) has not come to the SACCOs aid. It does not monitor to see how these SACCOs are treating and handling their members. SACCOs don’t see themselves in the desired private partnership with the government, to work hand in hand with these SACCOs so that they can achieve their poverty reduction goal. The government is as keen

on the performance of SACCOs as it is on getting revenue from the SACCOs, as one participant voiced out, saying that the government's policy is not very concerned about the performance of these SACCOs, yet there is a need for the government to be concerned with the performance of these SACCOs.

The views of the key informants about government policy not being favorable to the operations of SACCOs are well pinned down by one of the theories on which this study has been anchored, the political theory of poverty (Brady 2009). The theory posits that political governance and governmental policies are to blame for poverty, which contends that institutions and power both exacerbate poverty and assemble the less fortunate classes in support of their own individual goals, with regulations and policies being ineffective, factoring into causing poverty.

The findings are in agreement with Alexander (2019), who conducted a study on the impact of taxes on Kenyan Microfinance Institutions' financial performance. The study specifically focused on how corporate taxes, tax laws, and tax compliance expenses affect MFBs' bottom lines. There was a descriptive design used in the investigation. Thirteen MFBs were chosen using purposeful sampling in accordance with the duration of their deposit-taking licenses. Both primary and secondary data sources were used in the study. The findings revealed that the financial performance of MFBs (SACCOs) in Kenya is adversely affected by corporate income tax, tax policy, and tax compliance expenses.

The findings also concur with Aryachamu (2011), who carried out research on Ugandan Microfinance (SACCO) institutions' taxation. The goal of the study was to evaluate how taxes affected Uganda's microfinance institutions' (SACCOs) performance. The study's design was a qualitative case study. The study's conclusions demonstrated that taxes are the primary cause of losses, which eventually cause capital degradation and impoverishment.

The findings agree with Brenes (2012), who observed that governments have traditionally utilized credit programs as a means of allocating resources to particular target populations. However, since most of these programs have such detrimental effects and many donors and experts have been pushing for national governments to stop participating in them, this strategy has not always had the expected outcome because some government initiatives continue to harm Microfinance (SACCO) markets.



The findings of government policy being unfavorable for the operations of SACCOs are in agreement with Francis and Jackson (2016), whose study found out that 76% of the participants strongly agreed that bad governance characterized by poor employment laws, tax laws, trade restrictions, and tariffs had a detrimental influence on SACCOs fight against poverty reduction. The findings are also in line with Slimane's (2012) statement that well-constructed laws used to uphold government integrity have a beneficial effect on production, while improperly constructed regulations have the opposite effect.

The findings are in also in agreement with Smith & Gregory (2016), who looked at the effect of fiscal policies on reducing poverty in Zambia. According to the study, when total net gain is expressed as a percentage of pre-fiscal income, the total net gain for wealthier households is greater than the total net gain for poorer households. Total net gain is defined as the sum of benefits received less taxes paid. As a result, inequality decreases and the post-fiscal income distribution is compressed in comparison to the pre-fiscal income distribution. However, it was shown that all households' net gains from fiscal policy were still negative or nearly zero, which raised their degrees of poverty.

Additionally, the findings concur with Schwellnus & Anorld (2008), who carried out a study to investigate the impact of corporation taxation on financial institutions' investment and profitability in OECD economies between 1996 and 2004. Panel data analysis was employed. The research findings indicate that corporate income tax has a negative effect on businesses, with a more pronounced effect on smaller enterprises. It was concluded that corporate taxes raise the cost of capital and reduce investment. It has also been demonstrated that higher tax rates result in worse business profitability.

The findings are consistent with Crafts (2015), who stated that regulation may cause resources to be spent on ensuring compliance rather than producing useful output. Second, laws may place restrictions on the selection of production methods or result in an improper allocation of resources, and while the former effect will cause a decline in productivity as the output from factor inputs declines, the latter effect can actually slow the rate at which productivity will increase over the long term by slowing down technological advancement.

The study results are further in agreement with Ibeto (2011), who said that governance environment consists of elements brought about by modifications to governmental policies and initiatives that affect the capacity of economic entities like small-scale businesses to experience growth. In Uganda, entrepreneurs for SSEs work in an economically unstable environment that is rife with dangers like multiple taxes, currency depreciation, inflation, repatriation, expropriation, and confiscation. There are also risks like anti-foreign-goods campaigns, laws requiring workers to receive labor benefits, kidnapping, terrorism, and civil wars. Governmental initiatives, such as changes to the regulatory, legal, and political framework, may have a negative impact on business income and serve as obstacles to local investment and entrepreneurship.

Additionally, the results are in line with Jellema & Nora (2016), who carried out a study to examine the effect of fiscal policy on poverty reduction in twenty-nine low- and middle-income countries from around 2010. The fiscal policy tools included here are: direct transfers, payroll taxes and personal income and consumption taxes. The study found out that while fiscal policy explicitly lessens income inequality, this is not always true for poverty. The study showed that in Tanzania, Ethiopia, Nicaragua, Ghana, Guatemala and Uganda the extreme poverty headcount ratio is higher after taxes than before. Fiscal policy inform of higher taxes cause impoverishment.

The findings concur with Panel & Carlo Milani (2011), who studied how taxes affect bank earnings using data from EU banks. The impact of taxes on banking activities is examined in this essay. Given that value-added tax (VAT) is paid on some bank inputs, the study discovered that when a tax is imposed on a bank (such as corporate income tax), its incidence can fall on different parties: shareholders, customers, employees, providers of bank inputs other than labor, and the government itself. The resolution of the issues of who will pay taxes and how each party will respond can have significant welfare effects and be seen as influencing the more general subject of capital income and financial institution optimal taxation. The results of this study indicated that taxes have negative implications for the stability of the banking system and the poverty reduction goal in particular.

## **5.2 Conclusions**

Based on the study findings, the following conclusions were drawn based on the study objectives.

### **5.2.1 The contribution of SACCO financial services to poverty reduction**

Objective one sought to establish the contribution of financial services to poverty reduction among the SACCO members in the selected districts of Greater Bushenyi. From the results of this objective, SACCO financial services had a high positive contribution to poverty reduction among the SACCO members in Mitooma, Bushenyi and Sheema, which included credit and saving services. This implies that SACCO financial services play a pivotal role as an aspect of SACCO services in contributing to poverty reduction among the SACCO members in Mitooma, Sheema and Bushenyi districts.

### **5.2.2 The contribution of SACCO non financial services to poverty reduction**

Objective two sought to examine the contribution of non-financial services to poverty reduction among the SACCO members in selected districts of Greater Bushenyi. Based on the findings, it was concluded that SACCO non-financial services had a positive contribution to poverty reduction among the SACCO members in Sheema, Bushenyi and Mitooma, which included entrepreneurship skills development and financial literacy training. Non-financial services result in increased poverty reduction.

### **5.2.3 The moderating contribution of government policy in the relationship between SACCO services and poverty reduction**

Objective three sought to establish the moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts of Greater Bushenyi. Based on the findings, it was concluded that specific indirect effects of SACCO services through the moderation of fiscal policy on poverty reduction were low. However, the direct effect of SACCO services on poverty reduction was high.

### **5.3 Recommendations**

In this study, it was demonstrated that SACCO services to their members geared towards poverty reduction mainly faced “uphill task,” including financial (credit and saving services) and non-financial (entrepreneurship skills development and financial literacy training). Thus, the following recommendations were made according to stakeholders. Recommendations were made based on the study findings in relation to the study objectives and key SACCO services’ stakeholders.

#### **5.3.1 The contribution of SACCO financial services to poverty reduction**

The SACCO members are encouraged to continue coming together and pooling resources through savings, and seeking loan facilities to start businesses and improve the existing ones as well as engaging in agricultural income activities since the backbone of the economy is agricultural. This is what will see the SACCO members making great strides in their poverty reduction endeavours.

The SACCOs are equally encouraged to continue engaging in furthering of the offering of their financial services to their members to start more businesses and improve the existing ones as well as agricultural income activities since the backbone of the economy is agricultural. Their services will contribute a great deal to poverty reduction.

The Government of Uganda, as voiced by the Key Informants, to are encouraged to consider SACCOs as partners in progress in fight against poverty and be open to fund SACCOs; reduce taxes on SACCOs, take interest in their higher performance; Uganda Microfinance Regulatory Authority (UMRA) to train and empower SACCOs; and in general, the government policy (fiscal policy) to provide an enabling rather than voiced out disabling environment.

### **5.3.2 The contribution of SACCO non financial services to poverty reduction**

The SACCOs are encouraged to continue and increase offering the non-financial services and financial literacy training, to the members. This would strengthen chance of reaping higher profits from the loan facilities that SACCO members seek and get from SACCOs - that has seen SACCO members construct good dwellings for their households, acquire solar lighting - encouraging for green economy and accumulate individual and house assets and properties, be able to send their children to school, and like, which all factor a great deal in poverty reduction.

Coming together and pooling resources through saving, and seeking loan facilities to start businesses and improve the existing ones as well as engaging in agricultural income activities since the backbone of the economy is agricultural. This is what will see the SACCO members making great strides in their poverty reduction endeavours.

The SACCOs are equally encouraged to continue and increase offering non-financial services to their members. They steadily and firmly grow SACCO members through attracting new members, which will see even poorer section of the communities come and board the SACCO ship cruising as a poverty reduction vehicle.

The Government is recommended to support SACCOs non-financial services, including entrepreneurship skills development and financial literacy training as they have steadied youths' self-employment both in farm and off-farm business and income generating activities, thereby furthering Uganda Government's stance and call to the youth to start their own jobs for self-employment. The SACCO services of financial literacy training contribute and will enhance greatly the healthiness of youths' businesses and their sustainability.

### **5.3.3 The moderating contribution of government policy in the relationship between SACCO services and poverty reduction**

The SACCO members are encouraged to continue voicing out impoverishing government policies as they did with indicating that the taxes levied on SACCOs are a “thorn in the rib” of SACCOs, and they have categorically called on Government of Uganda to consider reducing them. In that way, the specific indirect effects of SACCO Services through moderation of: fiscal policy on Poverty Reduction and total indirect effect of SACCO Services on Poverty Reduction would be significant. This would see the moderating contribution of government policy (fiscal) in the relationship between SACCO services and poverty reduction among the SACCO members becoming positive and significant.

Akin to the recommendations to the SACCO members, the SACCOs themselves as institutions need to voice out impoverishing policies, and engage with the Government through Uganda Microfinance Regulatory Authority (UMRA) to enact productive policies, and revisit taxes that weigh down SACCOs, as such, are loathed. In like manner, this would turn the moderating contribution of government policy (fiscal policy) in the relationship between SACCO services and poverty reduction among the SACCO members positive and significant.

The Government needs to welcome, and treat as feedback, the voices of SACCOs and their members about government policy being considered to be more of disabling than an enabling environment to SACCOs services in their endeavour of poverty reduction among their members. The SACCOs and their members called for reduction of taxes, which they consider as being very high, and as such, loathed. Taxes must not be paid being considered as burden, but as Development Avenue downstream in form of social service provision by the Government. Only that way can entities, including SACCOs and their members, pay taxes with cheerful hearts.

SACCOs also called to be considered as partners in progress with government, as such, SACCOs and SACCO members would appreciate the Government as one of the funding avenues for SACCOs, which the Key informants clearly voiced.

#### **5.4. Limitations to the study**

The geographical scope of the study was in the selected districts of Greater Bushenyi (Mitooma, Bushenyi and Sheema). As such, the generalization of the study might need to be confined to these selected districts.

The good number of study questionnaire items of credit, savings and entrepreneurship skills development constructs had low factor loadings and were dropped from the analysis. This might have affected the study findings.

#### **5.5. Research's Contribution to the body of knowledge**

Poverty reduction is one of the one of United Nations SDGs thematic areas is Greater Bushenyi's, Uganda Government's as well as international issue on development agenda and SACCOs are one of the poverty reductions vehicles where development countries are putting focal attention, Uganda not an exception. This study set out to examine the role of Savings and Credit Cooperative Societies in poverty reduction among the SACCO members in selected districts of Greater Bushenyi, Uganda. In this aspect, the study established the contribution of SACCO financial services on poverty reduction among the SACCO members in selected districts of Greater Bushenyi, a region in South-Western Uganda.

This was important in shading light on how these constructs can affect the poverty reduction among SACCO members in Mitooma, Bushenyi and Sheema, which in the same respect has a far-reaching effect on the overall poverty reduction in the Country. On a wider spectrum, what affects SACCOs financial services poverty reduction efforts among the members in Mitooma, Sheema and Bushenyi areas, affects the overall SACCOs financial services poverty reduction national endeavours. The same is true for SACCOs non-financial services as well as government policy enacted for influencing SACCOs geared towards poverty reduction among SACCO members. Therefore, the knowledge generated from these study findings primarily will help stakeholders to find solutions to challenges that SACCOs are facing in their efforts of poverty reduction among their members in Bushenyi, Mitooma and Sheema as well as at national level.

The knowledge can help to fill the gaps in SACCOs' financial and non-financial services to the members as well as the environment that government policies provide for productively functioning of SACCOs.

The study contributed knowledge to the methodology. The study's findings filled the methodological gap. This is because most of the studies that were reviewed employed a qualitative approach, yet this study employed both qualitative and quantitative approaches, which helped narrow the gap between researchers using one strand.

The study contributed theoretical knowledge. This is because the researcher adopted and modified the conceptual framework.

The study also filled the geographical gap. This is because most of the studies that were reviewed were carried outside Uganda.

## **5.6 Areas for Further Research**

The researcher suggests further study in the following areas:

1. The contribution of SACCO non-financial services to poverty reduction among the SACCO members in Uganda. This is because the scope of study was among the SACCO members in selected districts of Greater Bushenyi
2. Government policy and SACCO services' poverty reduction among the SACCO members in selected districts of Greater Bushenyi, Uganda. This is because while the specific indirect effects of SACCO Services through moderation of: Fiscal Policy; and total indirect effect of SACCO Services on Poverty Reduction turned not to be significant at 95% confidence interval, the direct effect of SACCO Services on Poverty Reduction was significant.



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## APPENDICES

### Appendix 1: PhD Questionnaire for SACCO Members

#### Bishop Stuart University, Graduate and Research Center

This questionnaire is designed to facilitate this investigation entitled: ***THE ROLE OF SACCOS IN POVERTY REDUCTION: A CASE STUDY OF SELECTED DISTRICTS IN GREATER BUSHENYI***. It is restricted to you as a selected respondent in this SACCO. Therefore, you are kindly requested to fill it truthfully and objectively. The questions require free expressions of what you feel about the options provided from which you are to tick the appropriate alternative. We promise to treat your responses with strict confidentiality as they will be used for this academic purpose only.

#### SECTION A: GENERAL INFORMATION ABOUT THE RESPONDENTS

- i. How long have you been a member of this SACCO? (1) below 5 years (3) 6- 10 years (4) above 10 years
- ii. What is your age group? (1) Less than 30 years (2) 31-50 years (3) above 51 years
- iii. What is your sex? (1) Female (2) Male
- iv. What is your highest level of education? (1) Certificate (2) Diploma (3) Bachelors (4) Masters (5) PhD
- v. Designation (i) SACCO member

#### SECTION B: QUESTIONS RELATED TO THE STUDY OBJECTIVES

**Instruction:** The following items measure Poverty Reduction. You are requested to determine the degree to which you Strongly Disagree (SD), Disagree (D), Somewhat Disagree (SWD), Somewhat Agree (SWA), Agree (A), and Strongly Agree (SA) with the options provided below by ticking the appropriate box of your choice.



| <b>Instruction: The following items measure SACCO financial services by (Adugna, 2000; Banarjee &amp; Duflo, 2009; Karlan and Zinman, 2009). You are requested to determine the degree to which you Strongly Disagree (SD), Disagree (D), Somewhat Disagree (SWD), Somewhat Agree (SWA), Agree (A), and Strongly Agree (SA) options provided below by ticking the appropriate box of your choice.</b> |                                                                                              |        |       |         |         |       |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------|-------|---------|---------|-------|--------|
| Item                                                                                                                                                                                                                                                                                                                                                                                                  | Option                                                                                       | SD (1) | D (2) | SWD (3) | SWA (4) | A (5) | SA (6) |
|                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Credit Services</b>                                                                       |        |       |         |         |       |        |
| <b>CS01</b>                                                                                                                                                                                                                                                                                                                                                                                           | The SACCO offers credit services                                                             | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>CS02</b>                                                                                                                                                                                                                                                                                                                                                                                           | I have a SACCO financial credit                                                              | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>CS03</b>                                                                                                                                                                                                                                                                                                                                                                                           | The SACCO charges low interest rate on the financial credit                                  | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>CS04</b>                                                                                                                                                                                                                                                                                                                                                                                           | Amount borrowed is adequate to enable me undertake reasonable investments                    | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>CS05</b>                                                                                                                                                                                                                                                                                                                                                                                           | I prefer credit from my SACCO to bank loans                                                  | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>CS06</b>                                                                                                                                                                                                                                                                                                                                                                                           | Amount borrowed is linked to purpose of the loan                                             | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>CS07</b>                                                                                                                                                                                                                                                                                                                                                                                           | Loan application process is fast and easy.                                                   | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>CS08</b>                                                                                                                                                                                                                                                                                                                                                                                           | Amount borrowed is negotiable in respect to any other acceptable security other than savings | 1      | 2     | 3       | 4       | 5     | 6      |

|             |                                                            |   |   |   |   |   |   |
|-------------|------------------------------------------------------------|---|---|---|---|---|---|
| <b>CS09</b> | The higher the saving the higher the credit that I receive | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>CS10</b> | SACCO financial credit has a short loan payback period     | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>CS11</b> | My SACCO has played the role of financial intermediation   | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>CS12</b> | Growth in SACCO loans facilitate my wealth creation        | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>CS13</b> | The SACCO offers low financial credit amount to us         | 1 | 2 | 3 | 4 | 5 | 6 |
|             | <b>Savings Services</b>                                    |   |   |   |   |   |   |
| <b>SS01</b> | It is easy to open up savings account in the SACCO         | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>SS02</b> | I have a savings account                                   | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>SS03</b> | My savings attract interest on a monthly basis             | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>SS04</b> | It is easy to withdrawal my savings                        | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>SS05</b> | Saving terms are flexible enough to encourage me to save   | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>SS06</b> | The SACCO has improved my saving habits                    | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>SS07</b> | The SACCO safeguards my savings well                       | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>SS08</b> | The SACCO offers saving services daily                     | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>SS09</b> | The SACCO charges low management fees on savings account   | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>SS10</b> | Savings passbooks are easily obtained                      | 1 | 2 | 3 | 4 | 5 | 6 |

**Instruction:** The items below measure SACCO non- financial service (**Chinguta, 2002; Lempert & Nguyen, 2011; Rutherford, 2011, Collins et al., 2009**). You are requested to determine the degree to which you Strongly Disagree (SD), Disagree (D), Somewhat Disagree (SWD), Somewhat Agree (SWA), Agree (A), and Strongly Agree (SA) **with the options provided, by ticking the appropriate box of your choice.**

| Item         | Option                                                                                                                         | SD (1) | D (2) | SWD (3) | SWA (4) | A (5) | SA (6) |
|--------------|--------------------------------------------------------------------------------------------------------------------------------|--------|-------|---------|---------|-------|--------|
|              | <b>Entrepreneurial and Skill development</b>                                                                                   |        |       |         |         |       |        |
| <b>ESD01</b> | My business has widened its floor operation area                                                                               | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>ESD02</b> | The SACCO trains members in business management                                                                                | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>ESD03</b> | Training SACCO members frequently helps them to advance their entrepreneurial skills                                           | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>ESD04</b> | With frequent training, SACCO members become experienced on their venture over time due to acquisition of skills and knowledge | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>ESD05</b> | I have been able to expand my businesses in the last five year                                                                 | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>ESD06</b> | The SACCO train members in marketing skills                                                                                    | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>ESD07</b> | The SACCO has enabled me to acquire skills to start my own business                                                            | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>ESD08</b> | The SACCO trained me how to manage my business /activities                                                                     | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>ESD09</b> | My knowledge of my activity has improved in the past two years                                                                 | 1      | 2     | 3       | 4       | 5     | 6      |

|             | <b>Financial Literacy Training</b>                                                                      |   |   |   |   |   |   |
|-------------|---------------------------------------------------------------------------------------------------------|---|---|---|---|---|---|
| <b>FL01</b> | SACCO organize financial literacy trainings for its members                                             | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL02</b> | The SACCO organizes training on how to reduce poverty                                                   | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL03</b> | The SACCO provides members with regular trainings before accessing the loans                            | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL04</b> | The SACCO Provides investment advisory services to the SACCO members                                    | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL05</b> | Trainings have enabled me to save more than before                                                      | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL06</b> | Training has led to better usage of my credit                                                           | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL07</b> | The SACCO organize trainings after every two months                                                     | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL08</b> | When properly used, financial literacy training methods increases efficiency of SACCO members           | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL09</b> | Use of appropriate financial literacy training methods increases effectiveness of SACCO members         | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL10</b> | Frequency in financial literacy training allows better use to be made of opportunities by SACCO members | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL11</b> | Training SACCO members frequently gives them a mastery over their work leading to improved performance  | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL12</b> | Frequent training of SACCO members is necessary to equip them with the skills to encounter the changes  |   |   |   |   |   |   |

**Instruction:** The following items measure **Poverty reduction (Lipton, 1997; Streeten, 1981; UNDP, 2011; Seth and Alkire, 2013; Walker, 2019)**. You are requested to determine the

degree to which you Strongly Disagree (SD), Disagree (D), Somewhat Disagree (SWD), Somewhat Agree (SWA), Agree (A), and Strongly Agree (SA) **with the options provided below by ticking the appropriate box of your choice.**

| Item        | Option                                                                                                                       | SD (1) | D (2) | SWD (3) | SWA (4) | A (5) | SA (6) |
|-------------|------------------------------------------------------------------------------------------------------------------------------|--------|-------|---------|---------|-------|--------|
|             | <b>Poverty Reduction</b>                                                                                                     |        |       |         |         |       |        |
| <b>PR01</b> | The SACCO services have improved on my household income                                                                      | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>PR02</b> | Dividends from SACCO savings have enhanced my family livelihoods                                                             | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>PR03</b> | The SACCO has enabled me to have access to basic needs with ease (Clothes, food, clean water, shelter, decent homes, health) | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>PR04</b> | I am now able to save surplus money for development projects                                                                 | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>PR05</b> | I have been able to expand my businesses in the last five years                                                              | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>PR06</b> | I have been able to startup businesses in the last five years                                                                | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>PR07</b> | I have been able to acquire business management skills from the SACCO trainings.                                             | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>PR08</b> | I have been able to diversify my businesses                                                                                  | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>PR09</b> | I have had successful businesses                                                                                             | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>PR10</b> | I can now adequately cater for my domestic needs.                                                                            | 1      | 2     | 3       | 4       | 5     | 6      |

|             |                                                                              |   |   |   |   |   |   |
|-------------|------------------------------------------------------------------------------|---|---|---|---|---|---|
| <b>PR11</b> | I have acquired new domestic properties because of my increased Income       | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR12</b> | I can now pay school fees for my children because of increased Incomes       | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR13</b> | My savings have increased as a result of my increased income.                | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR14</b> | The SACCO loans have tremendously improved my income in the last five years. | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR15</b> | Access of credit facilities has improved my living standard                  | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR16</b> | I have been able to get involved in decision making                          | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR17</b> | I have been able to sustain myself through credit acquisition                | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR18</b> | I feel a sense of ownership and belonging to the organization                | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR19</b> | The SACCO has strengthened my ability to influence strategic life choices    | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR20</b> | The SACCO has increased my consumption                                       | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR21</b> | The amount of savings made has enabled me to improve my lifestyle.           | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR22</b> | I now own cars and other tangible assets                                     | 1 | 2 | 3 | 4 | 5 | 6 |

## MODERATING VARIABLE

(Thomas, 2010; Stiglitz, 2013; Dick, 2009; Duve, 2017; Coccia, 2021)

| Item        | Option                                                                                                 | SD (1) | D (2) | SWD (3) | SWA (4) | A (5) | SA (6) |
|-------------|--------------------------------------------------------------------------------------------------------|--------|-------|---------|---------|-------|--------|
|             | <b>Fiscal Policy</b>                                                                                   | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>FP01</b> | Fiscal policy in Greater Bushenyi does not adversely affect SACCOs operations                          | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>FP02</b> | The government charges affordable licenses fees on the operation of enterprises                        | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>FP03</b> | Fiscal policy in Greater Bushenyi facilitate the process of poverty reduction                          | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>FP04</b> | The government regulatory policy favors the growth of SACCOs                                           | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>FP05</b> | Government spending facilitates efficiency of SACCOs                                                   | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>FP06</b> | There is an enabling tax policy in Greater Bushenyi that can facilitate poverty reduction              | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>FP07</b> | Transparency and accountability exist in tax administration                                            | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>FP08</b> | SACCOs and SACCO members don't bear heavy tax burden                                                   | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>FP09</b> | The relationship between fiscal policy effectiveness and poverty reduction is positive and significant | 1      | 2     | 3       | 4       | 5     | 6      |

**Thank you so much for your valuable time**

## **Appendix 2: PhD Questionnaire for SACCO Members**

### **Bishop Stuart University, Graduate and Research Center**

Ekihandiiko kyebibuuzo eki kikoziye kuhwera okucondooza aha mushomo gurikwetwa: ***THE ROLE OF SACCOS IN POVERTY REDUCTION: A CASE STUDY OF SELECTED DISTRICTS IN GREATER BUSHENYI***. Nekiawe iwe nk'omuntu otorainwe omu SACCO egi. Nahabwekyo, ninkushaba ngu ogarukyemu ebirakubuzibwe omumazima kandi nekigyererwa. Ebibuuzo ebi nibyetaga kubigarukamu oyihire ahamutima obwe waba nokyebera ebyokugarukamu ebyoraheebwe. Nitukuraganisa buzima ngu nituza kubiika ebyoratugarukyemu omukihama ahabwokugira ngu nebyokukozesa omukushoma kwonka.

#### **SEKISHONI A: EBIRI KUKWATA AHABARAYEJUMBE OMUKUCONDOOZA**

- i. Omazire bwire ki ori memba wa SACCO egi? (1) ahansi y'emyaaka 5 (2) Emyaaka 6 kuhisya10 (3) emyaaka 10 nokurenzyamu
- ii. Ori omumyaaka nke'ngahi yobukuru? (1) Ahansi ya 30 (2) Ahagati ya 31 na 50 (3) Aheiguru y'emyaaka 51.
- iii. Ori wa buhangwa ki? (1) Omukazi (2) Omushaija
- iv. Okashoma waheza idaara ki omubyobwegyese? (1) Satifiketi (2) Dipuloma (3) Diguri emwe (4) Diguri ibiri (5) Diguri ishatu
- v. Omurimo gwawe(i) Memba wa SACCO

#### **SEKISHONI B: EBIBUZO EBIKWATSIRE AHABIGYENDERWERWA BY'OKUCOONDOOZA OKU**

**Engyenderwaho:** Ebyaza kukurataho bikwatsire ahakupima omubyokukyendeeza obwooro. Noshabwa kusharamu waaba Otari kwikiririza kimwe (SD), Torikwikiriza (D), Nobanganisa (SWD), Noyikiriza kakye (SWA), Noyikiriza (A), Noyikiririza kimwe (SA) nana ebyaza kugambwa ahaifo omukabokisi akorayende.



| <b>Engyenderwaho: Ebyaza kukurataho nebyokupima ebyobuhereza bwa sente omu za SACCO okurugirira ahari (Adugna, 2000; Banarjee &amp; Duflo, 2009; Karlan and Zinman, 2009).</b> Noshabwa kusharamu waaba Otari kwikiririza kimwe (SD), Torikwikiriza (D), Nobanganisa (SWD), Noyikiriza kakye (SWA), Noyikiriza (A), Noyikiririza kimwe (SA) <b>nana ebyaza kugambwa ahaifo omukabokisi akorayende</b> |                                                                                                                  |        |       |         |         |       |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------|-------|---------|---------|-------|--------|
| Item                                                                                                                                                                                                                                                                                                                                                                                                  | Option                                                                                                           | SD (1) | D (2) | SWD (3) | SWA (4) | A (5) | SA (6) |
|                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Obuhereza bw'ebyesente</b>                                                                                    |        |       |         |         |       |        |
| <b>CS01</b>                                                                                                                                                                                                                                                                                                                                                                                           | SACCO aine obuhereza bw'ebyesnte                                                                                 | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>CS02</b>                                                                                                                                                                                                                                                                                                                                                                                           | Nyine sente za SACCO                                                                                             | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>CS03</b>                                                                                                                                                                                                                                                                                                                                                                                           | SACCO neshashuza amagoba makye aha sente ezokuba oyihireyo.                                                      | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>CS04</b>                                                                                                                                                                                                                                                                                                                                                                                           | Esente ezokuba bakuhozire niziba nizimara kandi zikubasiise nokutandikaho emirimo erikureeta sente               | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>CS05</b>                                                                                                                                                                                                                                                                                                                                                                                           | Ninkunda kwiha sente omu SACCO yangye kukira kurya looni zomu banka                                              | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>CS06</b>                                                                                                                                                                                                                                                                                                                                                                                           | Esente eziguziibwe niziba zikwatsire aha kigyendererwa kyokurya looni.                                           | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>CS07</b>                                                                                                                                                                                                                                                                                                                                                                                           | Omuringo gwokushabamu looni nigurahuka kandi gwanguhi.                                                           | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>CS08</b>                                                                                                                                                                                                                                                                                                                                                                                           | Nikikirizibwa kuhajaana aha sente zokuba noyenda kweguza waba oine omusingo ogundi zitari sente zotwire nobiika. | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>CS09</b>                                                                                                                                                                                                                                                                                                                                                                                           | Ahindikukoma kugira sente nyingi zimbikire nihondikukoma kutuunga sente ezindikwenda.                            | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>CS10</b>                                                                                                                                                                                                                                                                                                                                                                                           | Sente za SACCO ziine akeire kakye kokuzishashuriramu                                                             | 1      | 2     | 3       | 4       | 5     | 6      |

|             |                                                                     |   |   |   |   |   |   |
|-------------|---------------------------------------------------------------------|---|---|---|---|---|---|
| <b>CS11</b> | SACCO yangye ekoziye omurimo muhango kuhwera abantu kutunga sente   | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>CS12</b> | Okweyongyera kwa looni zomu SACCO kimpwerire omukutunga obugaiga.   | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>CS13</b> | SACCO netuha sente nkye.                                            | 1 | 2 | 3 | 4 | 5 | 6 |
|             | <b>Obuhereza bwokubiika sente</b>                                   |   |   |   |   |   |   |
| <b>SS01</b> | Kyanguhi kwigura akawunti yokubiikaho sente omu SACCO               | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>SS02</b> | Nyine akawunti yokubiikaho sente                                    | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>SS03</b> | Sente zangye ezindi kubiika nizireeta amagoba buri kweezi.          | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>SS04</b> | Kyanguhi kwihayo sente zangye                                       | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>SS05</b> | Amateeka gokubiika sente nigampereza omuhiimbo kuguma nimbiika.     | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>SS06</b> | SACCO etungwiire emitwariize yangye yokubiika sente                 | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>SS07</b> | SACCO nekuuma gye sente zindikubiika                                | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>SS08</b> | SACCO eine obuhereza bwokubiika sente burizooba.                    | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>SS09</b> | SACCO neshashuza sente nkye zokureberera akawunti yokubiikaho sente | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>SS10</b> | Obutabo bwokukozesa kubiika sente nobutunga oateganisiibwe          | 1 | 2 | 3 | 4 | 5 | 6 |

**Engyenderwaho: Ebyaza kukurataho ahaifo nebyokupima ebyobuhereza obitari bwebyesente omu za SACCO okurugirira ahari (Chinguta, 2002; Lempert & Nguyen, 2011; Rutherford, 2011, Collins et al., 2009). Noshabwa kusharamu waaba Otari kwikiririza kimwe (SD), Torikwikiriza (D), Nobanganisa (SWD), Noyikiriza kakye (SWA), Noyikiriza (A), Noyikiririza kimwe (SA) nana ebyaza kugambwa ahaifo omukabokisi akorayende**

| Item         | Option                                                                                                             | SD (1) | D (2) | SWD (3) | SWA (4) | A (5) | SA (6) |
|--------------|--------------------------------------------------------------------------------------------------------------------|--------|-------|---------|---------|-------|--------|
|              | <b>Obukugu omubyemishubuuro n'entuntunguuka</b>                                                                    |        |       |         |         |       |        |
| <b>ESD01</b> | Bizinesi yangye ahanguhire omumikorere                                                                             | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>ESD02</b> | SACCO netendeka ba memba omubyokureberera bizinesi                                                                 | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>ESD03</b> | SACCO okutendeka ba memba buri kaanya nikibahweera kutunga obukugu omubyokushubura.                                | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>ESD04</b> | Omukutendekwa buri kaanya, ba memba ba SACCO nibatungiramu okumanya omumirimo yabo ahabwokutunga amagyezi nobukugu | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>ESD05</b> | Mbasize kuhangusya bizinesi yangye omumyaaka etaano ehingwire.                                                     | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>ESD06</b> | SACCO netendeka ba memba obukodyo bwokuronda bizinesi zabo obutare                                                 | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>ESD07</b> | SACCO embasiise tokunga obukugu bwokutandika bizinesi eyangye ahabwangye.                                          | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>ESD08</b> | SACCO entendekire okubasa kureberera bizinesi yangye nemirimo yaayo.                                               | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>ESD09</b> | Okumanya emirimo ya bizinesi yangye kweyongiire                                                                    | 1      | 2     | 3       | 4       | 5     | 6      |

|             |                                                                                                    |   |   |   |   |   |   |
|-------------|----------------------------------------------------------------------------------------------------|---|---|---|---|---|---|
|             | omumyaaka ebiri ehingwiire.                                                                        |   |   |   |   |   |   |
|             | <b>Okwegyesibwa ebyesente</b>                                                                      |   |   |   |   |   |   |
| <b>FL01</b> | SACCO netaho emishomo yokutendeka ebyebyesente ahari ba memba bayo.                                | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL02</b> | SACCO netaho emishomo yokutendeka omubyokukyendeza ahabwooro                                       | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL03</b> | SACCO nehereza ba memba baayo okutendekwa baba batakaheibwe za looni                               | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL04</b> | SACCO nehereza ba memba baayo obuhereza bukwatireine                                               | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL05</b> | Okutendekwa kumbasiise kubiika sente kukira enyimaho                                               | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL06</b> | Okutendekwa kuresire nakozezagye sente zangye.                                                     | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL07</b> | SACCO netaho emishomo y'okutendeka buri hahwaho emyeezi ebiri.                                     | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL08</b> | Okutendekwa omubyesente kwaba kukozezagye, nikyongyera ba memba ba SACCO nikibahwera okukoragye.   | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL09</b> | Okukozezagye emishomo yokwegyesa ebyesente nikyongyera ba memba ba SACCO okukora gye               | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL10</b> | Okutendeka buri kaanya ba memba ba SACCO omubyesente nikyongyera emigisha yabo                     | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL11</b> | Okutendeka buri kaanya ba memba ba SACCO omubyesente nikibaretera obukugu kandi bakora gye emirimo | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>FL12</b> | Okutendeka buri kaanya ba memba ba SACCO                                                           |   |   |   |   |   |   |

|                                                                                      |  |  |  |  |  |  |
|--------------------------------------------------------------------------------------|--|--|--|--|--|--|
| omubyesente nikyetagisa ahabwokuba nikibahereza obukugu bwokurwana n'empindahinduka. |  |  |  |  |  |  |
|--------------------------------------------------------------------------------------|--|--|--|--|--|--|

**Engyenderwaho: Ebyaza kukurataho ahaifo nebyokupima ahabikwatiraine nokukyendeza obwooro okurugirira ahari (Lipton, 1997; Streeten, 1981; UNDP, 2011; Seth and Alkire, 2013; Walker, 2019).** Noshabwa kusharamu waaba Otari kwikiririza kimwe (SD), Torikwikiriza (D), Nobanganisa (SWD), Noyikiriza kakye (SWA), Noyikiriza (A), Noyikiririza kimwe (SA) **nana ebyaza kugambwa ahaifo omukabokisi akorayende**

| Item        | Option                                                                                                                                                                          | SD (1) | D (2) | SWD (3) | SWA (4) | A (5) | SA (6) |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-------|---------|---------|-------|--------|
|             | <b>Poverty Reduction</b>                                                                                                                                                        |        |       |         |         |       |        |
| <b>PR01</b> | Obuhereza bwa SACCO bwongire ahantaasya yeka yangye.                                                                                                                            | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>PR02</b> | Amagoba gaza sente ezindikubiika omu SACCO gabaseise okubahogyeye kweka yangye                                                                                                  | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>PR03</b> | SACCO embaseise kutunga ebyetago ebikuru omuka ntaine kugumirwa kwona. (Emyenda yokujwara, ebyokurya, amaizi marungi, obubyamo, amaka garikurebekagye, okutunga okuragurizibwa) | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>PR04</b> | Hati nimbasa kubiika sente zenshaagi zokukozesa purojekiti zentunguuka                                                                                                          | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>PR05</b> | Mbasize kuhangusya bizinesi yangye omumyaaka etaano ehingwiire.                                                                                                                 | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>PR06</b> | Mbasize kutandika bizinesi omumyaaka etaano ehingwiire.                                                                                                                         | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>PR07</b> | Mbasize kutunga obukugu omubyokureberera bizinesi kuruga omukutendekwa kwa SACCO.                                                                                               | 1      | 2     | 3       | 4       | 5     | 6      |

|             |                                                                                                 |   |   |   |   |   |   |
|-------------|-------------------------------------------------------------------------------------------------|---|---|---|---|---|---|
| <b>PR08</b> | Mbasize kuhangusya bizinesi zangye                                                              | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR09</b> | Ntugire obusinguzi omubizinesi                                                                  | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR10</b> | Hati nimbasa kwehisya ebyetaago byona byahaka.                                                  | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR11</b> | Ntungire ebintu bisya byahaka ahabwokuba entasya yangye eyeyongire                              | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR12</b> | Hati nimbasa kushashura ebishare byeishomero ahabwokuba entasya eyeyongiire.                    | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR13</b> | Esente ezindikubiika zeyongire ahabwokuba entasya yangye ekeyongyera.                           | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR14</b> | Looni za SACCO zikozire kihango munonga kwongyera ahantaasya yangye omumyaaka etaano ehingwire. | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR15</b> | Okutendeka kwa SACCO hamwe nokuha sente kireteire abakazi bagira ekibayegatsira                 | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR16</b> | Okugira ahokwiiha sente kimpwereire kutungura omutindo gw'amagara gangye.                       | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR17</b> | Mbasize kwejumbira omukusharamu nk'omuntu                                                       | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR18</b> | Mbasize kweyemerezaho nk'omuntu ahabwokutunga sente                                             | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR19</b> | Nimpurira nyijwiire omukigombe                                                                  | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR20</b> | SACCO enyongiiremu amaani naba nyine ebintu ebindikwenda omumagara gangye.                      | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR21</b> | SACCO eyongire ahabintu ebindikukoresa                                                          | 1 | 2 | 3 | 4 | 5 | 6 |
| <b>PR22</b> | Omuhendo gwesente ezindikubiika gumpwereire tugungura ebyamagara gangye.                        | 1 | 2 | 3 | 4 | 5 | 6 |

|             |                                                         |   |   |   |   |   |   |
|-------------|---------------------------------------------------------|---|---|---|---|---|---|
| <b>PR23</b> | Hati nyine motoka hamwe nebintu birikureebwa buri omwe. | 1 | 2 | 3 | 4 | 5 | 6 |
|-------------|---------------------------------------------------------|---|---|---|---|---|---|

## MODERATING VARIABLE

(Acemogulu, 2008; Thomas, 2010; Stiglitz, 2013; Dick, 2009; Duve, 2017; Coccia, 2021)

| Item        | Option                                                                               | SD (1) | D (2) | SWD (3) | SWA (4) | A (5) | SA (6) |
|-------------|--------------------------------------------------------------------------------------|--------|-------|---------|---------|-------|--------|
|             | <b>Amateeka gyebyesente</b>                                                          | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>FP01</b> | Amateeka g'ebyesente omuri Bushenyi empango tigari kuteganisa mirimo ya SACCO.       | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>FP02</b> | Ebishare bya gavumente ebyerikwihaho za SACCO nibibatsika                            | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>FP03</b> | Amateeka ga gavumente omuri Bushenyi empango gahwereire omukukyendeza obwooro.       | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>FP04</b> | Amateeka ga gavumente nigendeza za SACCO kukura                                      | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>FP05</b> | Enshohoza ya gavumente nehwerwa za SACCO kukora gye                                  | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>FP06</b> | Hariho amateeka ahamishishoro agarikuhwera kukyendeza obwooro omuri Bushenyi empango | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>FP07</b> | Hariho obuteeka omubikwatiraine nemishoro                                            | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>FP08</b> | Ba memba ba SACCO tibari kucweeka ntegye ahabwemishoro yamani.                       | 1      | 2     | 3       | 4       | 5     | 6      |
| <b>FP09</b> | Akakwate akari ahagati y'mateeka gemishoro hamwe nokukyendeza obwooro nikahango.     | 1      | 2     | 3       | 4       | 5     | 6      |

**Webare munonga kumpa obwiire bwaawe**

### **Appendix 3: PhD Interview Guide for Board Members, SACCO Managers and Credit Officers**

#### **Bishop Stuart University**

*Dear participant,*

I am Daphin Nahikiriza on a PhD programme by research. I am currently carrying out Research on ***THE ROLE OF SACCOS IN POVERTY REDUCTION: A CASE STUDY OF SELECTED DISTRICTS IN GREATER BUSHENYI***. I therefore request you to spare a few minutes of your busy schedule and attend to my interview guide. Your answers will be treated with utmost confidentiality.

1. What are financial and non-financial services offered to SACCO members?
2. Explain how credit financial services enhance poverty reduction among the SACCO members.
3. Does the Government policy (fiscal policy) in your district adversely affect SACCOs operations?

*(Probe more on how, if the answer is yes)*

4. Of what importance are SACCOs towards member's poverty reduction?

*(Probe for financial and non-financial services)*

5. What indicates poverty reduction in your own view?
6. What are the strategies that should be put in place to reduce poverty among the SACCO members?

**Thank you so much for your valuable time**



## **Appendix 4: PhD Interview Guide for Board Members, SACCO Managers and Credit Officers**

### **Bishop Stuart University**

*Dear participant,*

Amaziina gangye nibanyeta Daphin Nahikiriza, ninshoma degree ya kashatu omu yunivasite ya Bishop Stuart Mbarara. Obwahati ndi ahakucoondooza ahabikwatiraine nomwooga gwa za SACCO omukukyendeeza obwooro omuri ba memba baazo omuri districts Ezitorinwe omuri Bushenyi Empango (SACCOs and poverty reduction among SACCO members in selected districts of Greater Bushenyi). Nahabwekyo, ninkushaba edakiika nkye ogarukyemu ebibuuzo byangye. Ebyoragarukyemu nibiza kubiikwa nkebihama.

1. Nibuhereza ki obw'ebyesente nobutari bw'ebyesente oburikuheebwa ba memba ba SACCO?
2. Shoborora oku ebyokuhereza sente birikukyendeeza obwooro omuri ba memba ba SACCO.
3. Nogira ngu amateeka ga gavumente (amateeka gyebyesente) nigateganisa emirimo ya SACCO?

*(Yongyera kubuuzza nikibaho kita, ku aragarukyemu ngu eego)*

4. Nimugasho ki ugu SACCO eyine omukyendeza obwooro omuri ba memba?

*(Yongyera obuze obuhereza obwebyesente nobutari bwebyesente)*

5. Omukureeba kwaawe, niki ekirikworeka ugu obwooro nibukyendeera?
6. Hakakorwa ki kwenda kukyendeza obwooro omuri ba memba ba za SACCO?

**Webare munonga kumpa obwiire bwaawe**

### Appendix 5: Time Allocation for Research Activities

| SN | Research Activity                | Time frame         |
|----|----------------------------------|--------------------|
| 1  | Proposal development and writing | July 2020-Oct 2021 |
| 2  | Proposal submission              | November 2022      |
| 3  | Instrument testing               | December 2022      |
| 4  | Data collection and entry        | January 2023       |
| 5  | Data analysis                    | February 2023      |
| 6  | Report writing                   | March- April 2023  |
| 7  | Report submission (First draft)  | May 2022           |
| 8  | Report submission (Final draft)  | June 2023          |

### Appendix 6: Budget

| SN | Item                         | Cost (Uganda shs) |
|----|------------------------------|-------------------|
| 1  | Instrument testing           | 950000            |
| 2  | Research services            | 2000000           |
| 3  | Data collection              | 2400000           |
| 4  | Data entry and analysis      | 1900000           |
| 5  | Report production            | 2000000           |
| 6  | Stationery and printing      | 2600000           |
| 7  | Transport and communication  | 2300000           |
|    | <b>Estimated grand total</b> | <b>13,295000</b>  |

### Appendix 7: List of SACCOs

| SACCO                         | Popula<br>tion | Target<br>Population<br>Categories | Acces<br>sible<br>popul<br>ation | Access<br>ible<br>popula<br>tion | Sample<br>size | Samp<br>le size | Sampling<br>technique |
|-------------------------------|----------------|------------------------------------|----------------------------------|----------------------------------|----------------|-----------------|-----------------------|
|                               |                |                                    | Ql                               | Qnt                              | Ql             | Qnt             |                       |
| Bitereko<br>People's<br>SACCO | 2005           | Board<br>Members                   | 10                               |                                  | 1              |                 | Purposive             |
|                               |                | SACCO<br>Managers                  | 1                                |                                  | 1              |                 | Purposive             |
|                               |                | Credit Officers                    | 2                                |                                  | 1              |                 | Purposive             |
|                               |                | SACCO<br>Members                   |                                  | 1992                             |                | 13              | Simple<br>random      |
| Kabira<br>farmers<br>SACCO    | 1200           | Board<br>Members                   | 8                                |                                  | 1              |                 | Purposive             |
|                               |                | SACCO<br>Managers                  | 1                                |                                  | 1              |                 | Purposive             |
|                               |                | Credit Officers                    | 3                                |                                  | 1              |                 | Purposive             |
|                               |                | SACCO<br>Members                   |                                  | 1188                             |                | 8               | Simple<br>random      |
| Kirambi<br>farmers<br>SACCO   | 205            | Board<br>Members                   | 7                                |                                  | 1              |                 | Purposive             |
|                               |                | SACCO                              | 1<br>233                         |                                  | 1              |                 | Purposive             |

|                                   |      |                 |    |      |   |    |               |
|-----------------------------------|------|-----------------|----|------|---|----|---------------|
|                                   |      | Managers        |    |      |   |    |               |
|                                   |      | Credit Officers | 2  |      | 1 |    | Purposive     |
|                                   |      | SACCO Members   |    | 195  |   | 1  | Simple random |
| Mitooma United farmers SACCO      | 1116 | Board Members   | 8  |      | 1 |    | Purposive     |
|                                   |      | SACCO Managers  | 1  |      | 1 |    | Purposive     |
|                                   |      | Credit Officers | 3  |      | 1 |    | Purposive     |
|                                   |      | SACCO Members   |    | 1104 |   | 7  | Simple random |
| Mutara People's Development SACCO | 3783 | Board Members   | 12 |      | 1 |    | Purposive     |
|                                   |      | SACCO Managers  | 1  |      | 1 |    | Purposive     |
|                                   |      | Credit Officers | 3  |      | 1 |    | Purposive     |
|                                   |      | SACCO Members   |    | 3767 |   | 24 | Simple random |
| Mitooma Women Development SACCO   | 143  | Board Members   | 7  |      | 1 |    | Purposive     |
|                                   |      | SACCO Managers  | 1  |      | 1 |    | Purposive     |
|                                   |      | Credit Officers | 2  |      | 1 |    | Purposive     |

|                        |      |                 |    |      |   |    |                    |
|------------------------|------|-----------------|----|------|---|----|--------------------|
|                        |      | SACCO Members   |    | 133  |   | 1  | Simple random      |
| Kigarama farmers SACCO | 4500 | Board Members   | 9  |      | 1 |    | Purposive sampling |
|                        |      | SACCO Managers  | 1  |      | 1 |    | Purposive          |
|                        |      | Credit Officers | 2  |      | 1 |    | Purposive          |
|                        |      | SACCO Members   |    | 4488 |   | 29 | Simple random      |
| Kishenyi SACCO         | 2600 | Board Members   | 10 |      | 1 |    | Purposive          |
|                        |      | SACCO Managers  | 1  |      | 1 |    | Purposive          |
|                        |      | Credit Officers | 3  |      | 1 |    | Purposive          |
|                        |      | SACCO Members   |    | 2586 |   | 17 | Simple random      |
| Kasaana SACCO          | 2820 | Board Members   | 8  |      | 1 |    | Purposive          |
|                        |      | SACCO Managers  | 1  |      | 1 |    | Purposive          |
|                        |      | Credit Officers | 2  |      | 1 |    | Purposive          |
|                        |      | SACCO Members   |    | 2809 |   | 18 | Simple random      |

|                         |       |                   |    |       |   |     |                  |
|-------------------------|-------|-------------------|----|-------|---|-----|------------------|
| Kitagata<br>SACCO       | 4900  | Board<br>Members  | 11 |       | 1 |     | Purposive        |
|                         |       | SACCO<br>Managers | 1  |       | 1 |     | Purposive        |
|                         |       | Credit Officers   | 3  |       | 1 |     | Purposive        |
|                         |       | SACCO<br>Members  |    | 4885  |   | 31  | Simple<br>random |
| Muhamwe<br>SACCO        | 23000 | Board<br>Members  | 13 |       | 1 |     | Purposive        |
|                         |       | SACCO<br>Managers | 1  |       | 1 |     | Purposive        |
|                         |       | Credit Officers   | 5  |       | 1 |     | Purposive        |
|                         |       | SACCO<br>Members  |    | 22981 |   | 148 | Simple<br>random |
| Tutagata<br>SACCO       | 716   | Board<br>Members  | 9  |       | 1 |     | Purposive        |
|                         |       | SACCO<br>Managers | 1  |       | 1 |     | Purposive        |
|                         |       | Credit Officers   | 2  |       | 1 |     | Purposive        |
|                         |       | SACCO<br>Members  |    | 704   |   | 5   | Simple<br>random |
| Abamwe<br>Entrepreneurs | 1722  | Board<br>Members  | 10 |       | 1 |     | Purposive        |

|                                      |      |                 |    |      |   |    |               |
|--------------------------------------|------|-----------------|----|------|---|----|---------------|
| SACCO                                |      | SACCO Managers  | 1  |      | 1 |    | Purposive     |
|                                      |      | Credit Officers | 3  |      |   |    | Purposive     |
|                                      |      | SACCO Members   |    | 1708 |   | 11 | Simple random |
| Bitooma peoples SACCO                | 700  | Board Members   | 9  |      | 1 |    | Purposive     |
|                                      |      | SACCO Managers  | 1  |      | 1 |    | Purposive     |
|                                      |      | Credit Officers | 2  |      | 1 |    | Simple random |
|                                      |      | SACCO Members   |    | 688  |   | 4  | Purposive     |
| Bushenyi Development financial SACCO | 990  | Board Members   | 10 |      | 1 |    | Purposive     |
|                                      |      | SACCO Managers  | 1  |      | 1 |    | Purposive     |
|                                      |      | Credit Officers | 4  |      | 1 |    | Purposive     |
|                                      |      | SACCO Members   |    | 975  |   | 6  | Simple random |
| Jubilee Sacco                        | 7000 | Board Members   | 13 |      | 1 |    | Purposive     |
|                                      |      | SACCO           | 1  |      | 1 |    | Purposive     |



|                              |      |                 |   |      |   |    |               |
|------------------------------|------|-----------------|---|------|---|----|---------------|
|                              |      | Managers        |   |      |   |    |               |
|                              |      | Credit Officers | 5 |      | 1 |    | Purposive     |
|                              |      | SACCO Members   |   | 6981 |   | 45 | Simple random |
| Kyabugimbi Development SACCO | 1200 | Board Members   | 9 |      | 1 |    | Purposive     |
|                              |      | SACCO Managers  | 1 |      | 1 |    | Purposive     |
|                              |      | Credit Officers | 2 |      | 1 |    | Purposive     |
|                              |      | SACCO Members   |   | 1188 |   | 8  | Simple random |
| Kyamuhunga People's SACCO    | 2714 | Board Members   | 8 |      | 1 |    | Purposive     |
|                              |      | SACCO Managers  | 1 |      | 1 |    | Purposive     |
|                              |      | Credit Officers | 2 |      | 1 |    | Purposive     |
|                              |      | SACCO Members   | 2 | 2703 |   | 17 | Simple random |
| Ruhumuro SACCO               | 570  | Board Members   | 8 |      | 1 |    | Purposive     |
|                              |      | SACCO Managers  | 1 |      | 1 |    | Purposive     |
|                              |      | Credit Officers | 2 |      | 1 |    | Purposive     |

|       |       |                  |     |       |    |     |                  |
|-------|-------|------------------|-----|-------|----|-----|------------------|
|       |       | SACCO<br>Members |     | 559   |    | 4   | Simple<br>random |
| Total | 61884 |                  | 250 | 61634 | 19 | 397 |                  |

**Source: GBDCO'S and GBSM's, 2021**

## Appendix 8: Introductory Letter

# BISHOP STUART UNIVERSITY

P.O BOX 09, MBARARA

Office Tel: 0772590865  
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**DIRECTORATE OF GRADUATE STUDIES,  
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16<sup>th</sup> January, 2023

To Whom It May Concern

Dear Sir/Madam,

**RE: INTRODUCTORY LETTER FOR MS. NAHIKIRIZA DAPHIN**

This is to introduce to you **Ms. Nahikiriza Daphin** a student of Bishop Stuart University pursuing PhD in Development Management, Reg. No; **19/BSU/PHD-DM/005** who is conducting her Masters' Research in Greater Bushenyi.

Her research topic is **"The Role of Savings and Credit Cooperative Societies in Poverty Reduction: A Case Study of Selected Districts in Greater Bushenyi"**

Any assistance rendered to her is highly appreciated

Yours faithfully



Prof. Gershom Atukunda (PhD)  
Director - Directorate of Graduate Studies, Research and Innovations.  
Bishop Stuart University

## Appendix 9: Compliance Report

| SN | COMMENT                                                         | ACTION TAKEN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |  |  | PAGE    |                      |                        |                            |   |                   |   |       |   |                 |   |       |              |
|----|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--|--|---------|----------------------|------------------------|----------------------------|---|-------------------|---|-------|---|-----------------|---|-------|--------------|
| 1  | Explain what you mean by Greater Bushenyi                       | <p>Greater Bushenyi was created in 1974, curved out of Ankole district, and in 1993, Ntungamo district was created, which took away Rushenyi and Kajara counties. It was the cradle of the UPC party (Uganda People’s Congress) in western Uganda during the Obotte II regime. In 2009, it was split into five districts, that is, Buhweju, Mitooma, Sheema, Bushenyi, and Rubirizi districts, due to decentralization and the need to bring services closer to the people (Dickens, 2019). The majority of the people living in these districts are Banyankole, although there are other tribes like Baganda, Bakiga, Bakonjo, and a few Nigerians (employees and students at KIU), Somalis, and Ethiopians, among others.</p> <p>However, for this study, three districts were considered: Sheema, Mitooma, and Bushenyi Districts. These districts were chosen because of the continued existence of poverty among the SACCO members despite being well known for having the majority of well-developed SACCOs (80%) in Uganda, as evidenced by 40% of SACCO members living below the poverty line (UBOS, 2018; MFPED, 2014). Additionally, Bushenyi, Sheema, and Mitooma were selected because their developed SACCOs made it easier for the researcher to gather the data needed to understand how SACCOs help reduce poverty among their members. In addition to being deemed large enough to yield adequate data, these three districts also have a significant number of SACCOs, which made it possible to obtain enough information to address the study's questions, research objectives, and hypotheses (Saed, 2018).</p> |                            |  |  | Page 23 |                      |                        |                            |   |                   |   |       |   |                 |   |       |              |
| 2  | Include in the Dissertation the number of SACCOs you dealt with | <table><tr><th>SN</th><th>Name of the District</th><th>Total number of SACCOs</th><th>Total number SACCO Members</th></tr><tr><td>1</td><td>Bushenyi District</td><td>6</td><td>13174</td></tr><tr><td>2</td><td>Sheema District</td><td>7</td><td>40258</td></tr></table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                            |  |  | SN      | Name of the District | Total number of SACCOs | Total number SACCO Members | 1 | Bushenyi District | 6 | 13174 | 2 | Sheema District | 7 | 40258 | Page 233-239 |
| SN | Name of the District                                            | Total number of SACCOs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Total number SACCO Members |  |  |         |                      |                        |                            |   |                   |   |       |   |                 |   |       |              |
| 1  | Bushenyi District                                               | 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 13174                      |  |  |         |                      |                        |                            |   |                   |   |       |   |                 |   |       |              |
| 2  | Sheema District                                                 | 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 40258                      |  |  |         |                      |                        |                            |   |                   |   |       |   |                 |   |       |              |

|   |                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                  |    |       |  |            |
|---|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----|-------|--|------------|
|   |                                                  | 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Mitooma District | 6  | 8452  |  |            |
|   |                                                  | Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Three Districts  | 19 | 61884 |  |            |
|   |                                                  | Detailed list attached.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                  |    |       |  |            |
| 3 | You need to come up with a detailed methodology. | <p>I approached this study from the post-positivism paradigm. Post-positivism's ontological stance holds that there is only one ultimate reality that can be known, albeit to a limited degree, while its epistemological stance holds that there is an objective reality that exists but is mediated by perceptions and interpretations. In terms of methodology, post-positivism emphasizes the use of hybrid designs that combine quantitative and qualitative approaches. This is because hybrid design research advocates for the use of mixed methods of data collection, where the primary source is the source of data, and aims to investigate both internal and external phenomena as well as objective and subjective aspects.</p> <p>Post-positivism was considered the most appropriate research paradigm as the nature of the study, objectives, approach, and techniques aligned with the key principles of post-positivism, and the choice of this paradigm allowed the use of approaches and techniques that facilitated the achievement of the research objectives: SACCO financial services, SACCO non-financial services, government policy (fiscal policy), and poverty reduction among the SACCO members in Mitooma, Sheema, and Bushenyi (Cohen et al., 2007; Blaikie, 2000).</p> <p>Another advantage of why this paradigm was used in this study was that post-positivism emphasizes the importance of multiple measures and observations, each of which may possess different types of error, and the need to use triangulation across these multiple error-full sources to try to get a better bead on what's happening in reality (Kivunja &amp; Kuyini, 2017).</p> <p>The method's lack of ontological dogmatism alone helped in the sketching of a new world. More benefits were offered by internalizing the new truths of the issue under inquiry. The critical realism philosophical viewpoint was used in this investigation. As stated in the introduction, this study looked into ways to reduce poverty. Poverty reduction is an organized, observable reality that can be</p> |                  |    |       |  | Page 70-71 |

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  |  | <p>quantified scientifically.</p> <p>The objective of this study was to understand the many constructions and meanings that respondents assign to their experiences rather than just gathering data to measure correlations. The subjective approach was also used to advance conceptual validity because poverty reduction also depends on the perceptions, experiences, and opinions of those who actually live it. In other words, a quantitative-qualitative technique was used, in which quantitative and qualitative data were collected simultaneously. This strategy was chosen in an effort to comprehend the topic under research more fully. Previous scholars who argue that both approaches should be employed as complimentary rather than as opposite extremes to prevent an epistemological crisis were referenced to support this decision (Kivunja &amp; Kuyini, 2017; Mingers, 2001; Lee, 1991; Sarantakos, 2003).</p> <p>In addition to allowing the employment of mixed techniques recommended, it helped in resolving the methodological crisis that was likely to arise from utilizing only one methodology (Creswell, 2014; Teddlie &amp; Tashakkori, 2009; Mugenda, 1999). This was important for this study for two reasons: first, the researcher agreed with objectivism's assertion that there is an independent external reality that can be verified through hypothesis testing, such as that there is a positive correlation between SACCOs financial services and the reduction of poverty among SACCO Members; second, this could be problematic because it is impossible to conclude that one explanation of reality is superior to all others. This backs up Creswell's (2014) claim that triangulating the quantitative and qualitative results of these two methods can provide a more comprehensive picture of a research topic ("THE ROLE OF SACCOS IN POVERTY REDUCTION: A CASE STUDY OF SELECTED DISTRICTS IN GREATER BUSHENYI") that could address a range of research questions and, by doing so, could provide a more complete knowledge that could enhance theory development and practice, and in this case, the Cooperative Alliance (Teddlie &amp; Tashakkori, 2010). Post-positivism was more advantageous for internalizing the new realities of the topic being studied ("THE ROLE OF SACCOS IN POVERTY REDUCTION: A CASE STUDY OF SELECTED</p> |  |
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|   |                                                      | DISTRICTS IN GREATER BUSHENYI”).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |
| 4 | Was asked to explain the sample size and how it was. | <p>Quantitatively, the researcher based on Yamane’s (1967) formula to choose a representative sample from the population in order to generalize findings. Basing on Yamane's (1967) formula, a sample size of 397 SACCO members was selected from a total of 61634 SACCO Members in Mitooma, Bushenyi and Sheema for quantitative data.</p> $n = \frac{N}{1 + Ne^2}$ $= \frac{61634}{1 + 61634(0.05)^2}$ $= \frac{61634}{1 + 61634(0.0025)}$ $= \frac{61634}{1 + 154} = \frac{61634}{155} = 397$ <p>The technique was preferred since it agrees with other renowned researchers like Krejcie and Morgan (1970) and it produces a sample size that is fairly representative.</p> <p>The SACCO members were chosen for this study because SACCO members are the owners of these SACCOs and they decide how their money will be used for the benefit of each other, They are also the ones that elect a board that in turn employs staff to carry out the day-to-day activities of the SACCOs and they were also considered because the SACCO members are the source of SACCOs income and extremely important in determining the SACCOs continuity (Ahurira, 2018).</p> <p>Qualitatively, out of 250, a total of 19 respondents participated in the qualitative interviews. Specifically, these were Board Members, SACCO Managers, and Credit Officers. In this study the sample size qualitatively was determined purposively This was majorly on key</p> | Page 73-75 |

informants. These were purposively chosen. Board Members were chosen because they are the ones that establish appropriate policies for the SACCO, ensure that adequate and effective internal control systems in the SACCO are put in place and complied with by all and also supervise management in the execution of approved plans. SACCO Managers were chosen because they help in implementing and enforcing new policies, propose new policies and amendments to the Executive Committee, prepare business plans and annual budgets and enforce their implementation and also represent the SACCOs in business transactions delegated. Credit Officers were chosen because they are the ones that review applications for loans and make decisions upon such application, organize and conduct pre-disbursement and post-disbursement trainings to members to ensure proper loan management by the borrowers and also carry out loan appraisals, loan monitoring and loan recovery (UNS-SACCO Ltd Governance Policy Manual, 2021). Therefore the Board of Directors, the SACCO Managers and the Credit Officers were chosen purposively due to their unique knowledge of SACCOs on poverty reduction in Bushenyi, Sheema and Mitooma districts. Therefore, total number of 416 respondents was considered for this study, both quantitative and qualitative as indicated in table 3.4 below.

*Table 3.29: Showing a Matrix for determining Sample Size*

| Population Category | Target Population | Sample Size | Sampling Technique     |
|---------------------|-------------------|-------------|------------------------|
| SACCO Members       | 61634             | 397         | Simple random Sampling |
| Board Members       | 179               | 8           | Purposive sampling     |
| SACCO Managers      | 19                | 5           | Purposive sampling     |
| Credit Officers     | 52                | 6           | Purposive sampling     |
| Total               | 61884             | 416         |                        |



|   |                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |
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|   |                                                                                                                                       | <p>Source: GBDCO'S and GBSM'S, 2021</p> <p>Table 3.4 above showed the Population Category, Target Population; Sample Size and Sampling Techniques for this study</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |          |
| 5 | She was asked when she started collecting data                                                                                        | Data was collected in January 2023. This is when the researcher was allowed to go to the field to collect data by the Research Ethics Committee and Graduate School.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Page 24  |
| 6 | What criteria did you use to choose the three districts in greater Bushenyi? This is missing in the dissertation, need to include it. | The three districts of Mitooma, Sheema and Bushenyi were purposively selected. This was due to the fact that these districts have majority of well-developed SACCOs (80%) in Uganda (UBOS, 2018 but poverty levels are still high among the SACCO members evidenced by evidenced by 40% of SACCO members living in poverty, which is higher than the 32% National Average UNHS, 2019/2020; Bushenyi District SACCO Report, 2020; Ministry of Finance, Planning, and Economic Development, 2020; UBOS, 2020; Bushenyi District Community Development Report, 2018; Mitooma District SACCO Report, 2020; Sheema District SACCO Report, 2020)                                                                                                                                                                                                                                                                                                                                                                          | Page 23  |
| 7 | What new things did you bring in the study?                                                                                           | <p>The study findings revealed that few men attended seminars on financial literacy training services and this was attributed to poor mobilization by the SACCOs that made some men not be aware of the place of the seminars.</p> <p>It was established that Uganda Microfinance Regulatory Authority, the organization of Uganda, has not done its work as required. This organization has never seen or visited these SACCOs and may be conducting training to train members on the services provided by SACCOs. They have never seen people come to train people for the purpose of SACCOs. It does not monitor to see how these SACCOs are treating and handling their members.</p> <p>There is a need for the government to support SACCOs by implementing their programs through them. The Parish Development Model Program for stance should be passed through the SACCOs, and by doing this, poverty can be reduced because these SACCOs are able to reach the real poor better than commercial banks.</p> | Page 177 |

|   |                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                     |
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| 8 | <p>Why did you recommend basing on Greater Bushenyi only? These recommendations should be open</p> | <p>The recommendations were changed from being localized to only Mitooma, Sheema, and Bushenyi as indicated below.</p> <p>The SACCO members are encouraged to continue coming together and pooling resources through savings, and seeking loan facilities to start businesses and improve the existing ones as well as engaging in agricultural income activities since the backbone of the economy is agricultural.</p> <p>The SACCOs are equally encouraged to continue engaging in furthering of the offering of their financial services to their members to start more businesses and improve the existing ones.</p> <p>The Government of Uganda is encouraged to consider SACCOs as partners in progress in fight against poverty</p> <p>The SACCOs are encouraged to continue and increase offering the non-financial services and financial literacy training, to the members.</p> <p>The Government is recommended to support SACCOs non-financial services, including entrepreneurship skills development and financial literacy training.</p> <p>The SACCO members are encouraged to continue voicing out impoverishing government policies. In addition, the SACCOs themselves as institutions need to voice out impoverishing policies, and engage with the Government through Uganda Microfinance Regulatory Authority (UMRA) to enact productive policies</p> <p>The Government needs to welcome, and treat as feedback, the voices of SACCOs and their members about government policy being considered to be more of disabling than an enabling environment to SACCOs services in their endeavour of poverty reduction among their members.</p> | <p>Page 177-179</p> |
| 9 | <p>Dedication page has grammatical errors and spelling, check and rectify</p>                      | <p>Dr. Noel Kansiime for was written as one word. Grammar was corrected by removing for and the sentence was stated as below</p> <p>I also dedicate this research to two of my mentors, my research supervisors, Dr. Robert Mugabe and Dr. Noel Kansiime, who guided me through my research</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>Page iii</p>     |

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|----|------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| 10 | There are so many grammatical errors throughout the whole Dissertation, edit thoroughly        | The grammatical errors were corrected. This was done by engaging the services of an Editor to thoroughly edit the work.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          |
| 11 | What are the key words in your dissertation? These help researchers to easily find your paper. | The key words were put on the Abstract page. These are SACCOs, Poverty reduction, financial services and non-financial services as they appear in the operational definitions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Page xix |
| 12 | On historical background, 1.11 a lot of work is lacking sources, please do proper citations.   | <p>The sources were included Abramo, Cecchini &amp; Morales, 2019; Ellis, 2010, Obeng, 2011, Auka &amp; Mwangi, 2013; Mpiira <i>et al.</i>, 2014; Eton &amp; Mwosi, 2019b; Ahurira, 2018; Pateloh, 2013. Kyamulesire, 1988; Mashigo &amp; Kabir, 2016; Ministry of Trade, Industry and Cooperatives- Uganda, 2017; Obeng, 2011; Bateman, 2003; Cook, 1995; Aniodoh, 2018.</p> <p>All these references were added in the background part of the Dissertation to fill the gaps of some paragraphs that never had sources.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Page1-3  |
| 13 | Relate well the statement of the problem to the background.                                    | <p>SACCOs does provide access to services which are utilized to reduce poverty among their members (Kyamulesire, 1988; UBOS, 2018; Financial Sector Deepening Uganda, 2022; UBOS, 2020). The general consensus is that by offering these services, members may grow their own microbusinesses, save money, raise their income, control their consumption, take calculated risks, and ultimately lessen their poverty (Omona, 2021; Uganda Investment Authority, 2014).</p> <p>Mitooma, Sheema and Bushenyi are well known for having the majority of well-developed SACCOs (80%) in Uganda (UBOS, 2018; Ministry of Finance, Planning, and Economic Development, 2014) and nevertheless, a sizable portion of SACCO members from these districts have remained susceptible to disease and poor health, illiteracy, a lack of proper housing, water, clothing, and food, restricted access to education, and appalling living conditions (UBOS, 2020; Musiita <i>et al.</i>, 2023) evidenced by 40% of SACCO members living in poverty, which is higher than the 32% national average ( Bushenyi District SACCO Report, 2020; UNHS, 2019/2020;</p> | 18-19    |

|    |                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                           |
|----|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
|    |                                                                                        | Bushenyi District Community Development Report, 2020, Sheema District SACCO Report, Mitooma District SACCO Report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                           |
| 14 | Clearly show what made you choose SACCOs not any other issue.                          | SACCOs were chosen not any other issue because the researcher observed that there were many and developed SACCOs in Sheema, Bushenyi and Mitooma evidenced by 80% existence of SACCOs (Greater Bushenyi District SACCO Report, 2020; UBOS, 2020; Bushenyi District SACCO Report 2021) and yet 40% of SACCO members still lived in poverty evidenced (UNHS, 2019/2020; Greater Bushenyi District SACCO Report, 2020) and yet these SACCOs majorly were formed the social goal of fighting poverty (Greater Bushenyi District SACCO Report, 2020). In addition, the literature on the role of SACCOs in developing countries is suboptimal as well indicated in the statement of the problem literature review and research gap. | Page 18-19                |
| 15 | Clearly state, did you study about poverty in greater Bushenyi or among SACCO members? | I studied poverty in selected districts of Greater Bushenyi of Mitooma, Sheema, and Bushenyi that were purposively selected depending on the topic of: THE ROLE OF SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN POVERTY REDUCTION. A CASE STUDY OF SELECTED DISTRICTS IN GREATER BUSHENYI.                                                                                                                                                                                                                                                                                                                                                                                                                                      | Cover Page                |
| 16 | There is no clear evidence of poverty in Greater Bushenyi                              | Poverty in the selected districts of Greater Bushenyi is evidenced by a sizable portion of SACCO members from these districts who have remained susceptible to disease and poor health, illiteracy, a lack of proper housing, water, clothing, and food, restricted access to education, and appalling living conditions i.e. 40% of SACCO members still live in poverty which is higher than the 32 national average (UBOS, 2018; Musiita <i>et al.</i> , 2023; Greater Bushenyi District Community Development Report, 2018; Greater Bushenyi SACCO Report, 2016; UNHS, 2016/2017; UNHS, 2019/2020; Greater Bushenyi District SACCO Report, 2020).                                                                           | Page 18-19                |
| 17 | Show what is exactly being investigated.                                               | What was being investigated is poverty as measured by ability to save and invest, increased income, availability of basic needs, jobs and wealth creation among the SACCO members in selected districts of Greater Bushenyi.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Cover Page and Page 18-19 |

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| 18 | Show what makes Bushenyi so unique to be the study area? Bring this uniqueness out. | The uniqueness of Greater Bushenyi is observed that there are many SACCOs in Sheema, Bushenyi and Mittooma evidenced by 80% existence of SACCOs (Uganda (UBOS, 2018; Ministry of Finance, Planning, and Economic Development, 2014; UBOS, 2020) and yet still a sizable portion of SACCO members from these districts have remained susceptible to disease and poor health, illiteracy, a lack of proper housing, water, clothing, and food, restricted access to education, and appalling living conditions (UBOS, 2018; Musiita <i>et al.</i> , 2023; GBDSR, 2020; Greater Bushenyi District Community Development Report, 2018; UBOS, 2020) evidenced by 40% of SACCO members living in poverty, which is higher than the 32% national average (Greater Bushenyi SACCO Report, 2016; UNHS, 2016/2017; UNHS 2019/2020; Greater Bushenyi District SACCO Report, 2020; UBOS, 2020) and yet these SACCOs majorly were formed the social goal of fighting poverty (Greater Bushenyi District SACCO Report, 2020, UNHS, 2019/2020). This is what made the researcher to choose it as the area of study to be able to establish whether SACCOs in Greater Bushenyi are fulfilling their social mission of reducing poverty in the districts of Mittooma, Sheema and Bushenyi. | Page 18-19 and 23 |
| 19 | Page 196 of the Dissertation; the reference Ahimbisibwe 2018 is not relevant.       | Ahimbisibwe, 2018 was deleted from the references because the reference was not relevant and this reference indicated below was added.<br><br>Makoba, J. w. & Wakoko-Studstill, F. (2016). <i>From Prosperity for All (PFA) to Prosperity for Few (PFF): Political SACCOs and Their Impact on Rural Development in Uganda</i> . Association of Third World Studies, Inc. ISBN 13-978-0-931971-62-4 ISBN 0-931971-62-4.<br><br>Ministry of Finance, Planning and Economic Development. (2014). Poverty status report 2014: Structural change and poverty reduction in Uganda. Economic Development Policy and Research Development. These references replaced Ahimbisibwe (2018) because they were relevant to the study of SACCOs and Poverty reduction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Page 183          |
| 20 | Also page 212 of the Dissertation; check the reference of Ndaguba, it's not         | The reference of Ndaguba was deleted from the references because it was not relevant to the study of SACCOs the following were added to fill the gap<br><br>Mpiira, S., Kiiza, B., Katungi, E., Tabuti, J. R. S., Staver, C., &                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Page 200          |

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|    | related.                                              | <p>Tushemereirwe, W. K. (2014). Determinants of Net Savings Deposits held in Savings and Credit Cooperatives (SACCO's) in Uganda. <i>Journal of Economics and International Finance</i>, 6(4), (68-78).</p> <p>Msuya, R. I. (2020). Savings and Credit Co-operative Societies' impact on poverty reduction in rural Tanzania: the case of Mwanza and Tabora regions. <i>Journal of Co-operative and Business Studies (JCBS)</i> Vol. 5, Issue 2, ISSN: (online) 2714-2043, (print) 0856-9037</p> <p>These references replaced Ndaguba because they had relevant information on SACCOs and Poverty reduction</p>                                                                                                                                                                           |              |
| 21 | Which reference style did you use?                    | <p>References are now presented in APA (American Psychological Association) Style. Examples</p> <p>Nuwagaba, A. (2012). Savings and Credit Cooperative Societies (SACCOS) As a Source of Financing Agriculture. Challenges and Lessons Learnt. <i>Journal of Environment and Earth Science</i>. ISSN 2224-3216 (Paper) ISSN 2225-0948.</p> <p>Nyakambi, A.G. (2014). Effect of Microfinance Credit on poverty alleviation at household level in Nakuru County. Unpublished MBA project, University of Nairobi.</p> <p>Nyarondia Samson Mecha, 2017. Effect of Microfinance on poverty reduction: A critical scrutiny of theoretical literature. <i>Business Studies</i>, Rongo University, P.o Box 103-40404, Rongo Kenya from rural Bangladesh. City University, London, UK.</p>         | Page 182-212 |
| 22 | There is need for rigorous discussion of the findings | <p>Rigorous discussion of the findings means a careful way so that every part of something is looked at or considered to make certain it is correct or safe.</p> <p>The findings were rigorously discussed for example for the first objective it was done as indicated below</p> <p>This section presents a discussion of the results of the first objective of this study, which sought to establish the contribution of financial services to poverty reduction among the SACCO members in the selected districts of Greater Bushenyi. The financial services of credit services and saving services were investigated. The results revealed that there was a significant positive contribution of SACCO financial services, including both credit and saving services, to poverty</p> | Page 164-175 |

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|----|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|    |                                                                    | <p>reduction among the SACCO members in the selected districts of Greater Bushenyi. These findings were depicted by regression analysis to generate a model for predicting satisfactory financial services that improve poverty reduction among SACCO members in Bushenyi, Mitooma and Sheema districts. Enhanced rigor of financial services led to an increase in poverty reduction among SACCO members in Bushenyi, Sheema and Mitooma districts. The first null hypothesis of this study, stating: “<i>There is no significant contribution of financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi,</i>” was rejected. As such, the alternative hypothesis, stating: “<i>There is significant contribution of financial services on poverty reduction among the SACCO members in selected districts in Greater Bushenyi,</i>” was accepted. The findings of the quantitative analysis were supported by the views of the key informants.</p> <p>The views of the key informants were supportive of the positive contribution of SACCO financial services to poverty reduction among SACCO members. Such findings are in agreement with arguments of other scholars who said that SACCOs financial services help reduce poverty amongst its members Ghaliba (2014); Bateman (2017; Mahmood (2011); Perera &amp; Wijekoon's (2019); Suri (2012), Samer <i>et al.</i>, (2015). Adekola &amp; Chidinma (2017; Ahurira (2018); Ssengendo (2016).</p> |            |
| 23 | Objectives should be linking to the problem; something is lacking. | <p>The objectives were made clearer;</p> <p>Main objective of the study</p> <p>To examine the role of SACCOs in poverty reduction among the SACCO members in selected districts of Greater Bushenyi, Uganda.</p> <p><b>Specific objectives of the study</b></p> <ol style="list-style-type: none"> <li>1. To establish the contribution of financial services to poverty reduction among the SACCO members in selected districts in Greater Bushenyi</li> <li>2. To examine the contribution of non-financial services to poverty reduction among the SACCO members in selected districts in Greater Bushenyi.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Page<br>19 |

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|    |                                      | 3. To establish the moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |
| 24 | You need to justify your methodology | <p>I approached this study from the post-positivism paradigm. Post-positivism's ontological stance holds that there is only one ultimate reality that can be known, albeit to a limited degree, while its epistemological stance holds that there is an objective reality that exists but is mediated by perceptions and interpretations. In terms of methodology, post-positivism emphasizes the use of hybrid designs that combine quantitative and qualitative approaches. This is because hybrid design research advocates for the use of mixed methods of data collection, where the primary source is the source of data, and aims to investigate both internal and external phenomena as well as objective and subjective aspects.</p> <p>Post-positivism was considered the most appropriate research paradigm as the nature of the study, objectives, approach, and techniques aligned with the key principles of post-positivism, and the choice of this paradigm allowed the use of approaches and techniques that facilitated the achievement of the research objectives: SACCO financial services, SACCO non-financial services, government policy (fiscal policy), and poverty reduction among the SACCO members in Mitooma, Sheema, and Bushenyi. (Cohen <i>et al.</i>, 2007; Blaikie, 2000).</p> <p>Another advantage of why this paradigm was used in this study was that post-positivism emphasizes the importance of multiple measures and observations, each of which may possess different types of error, and the need to use triangulation across these multiple error-full sources to try to get a better bead on what's happening in reality (Kivunja &amp; Kuyini, 2017).</p> <p>The method's lack of ontological dogmatism alone helped in the sketching of a new world. More benefits were offered by internalizing the new truths of the issue under inquiry. The critical realism philosophical viewpoint was used in this investigation. As stated in the introduction, this study looked into ways to reduce poverty. Poverty reduction is an organized, observable reality that can be quantified scientifically.</p> | Page 70-71 |



|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |
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|  |  | <p>The objective of this study was to understand the many constructions and meanings that respondents assign to their experiences rather than just gathering data to measure correlations. The subjective approach was also used to advance conceptual validity because poverty reduction also depends on the perceptions, experiences, and opinions of those who actually live it. In other words, a quantitative-qualitative technique was used, in which quantitative and qualitative data were collected simultaneously. This strategy was chosen in an effort to comprehend the topic under research more fully. Previous scholars who argue that both approaches should be employed as complimentary rather than as opposite extremes to prevent an epistemological crisis were referenced to support this decision (Kivunja &amp; Kuyini, 2017; Mingers, 2001; Lee, 1991; Sarantakos, 2003).</p> <p>In addition to allowing the employment of mixed techniques recommended, it helped in resolving the methodological crisis that was likely to arise from utilizing only one methodology (Creswell, 2014; Teddlie &amp; Tashakkori, 2009; Mugenda, 1999). This was important for this study for two reasons: first, the researcher agreed with objectivism's assertion that there is an independent external reality that can be verified through hypothesis testing, such as that there is a positive correlation between SACCOs financial services and the reduction of poverty among SACCO members; second, this could be problematic because it is impossible to conclude that one explanation of reality is superior to all others. This backs up Creswell's (2014) claim that triangulating the quantitative and qualitative results of these two methods can provide a more comprehensive picture of a research topic ("THE ROLE OF SACCOS IN POVERTY REDUCTION: A CASE STUDY OF SELECTED DISTRICTS IN GREATER BUSHENYI") that could address a range of research questions and, by doing so, could provide a more complete knowledge that could enhance theory development and practice, and in this case, the cooperative alliance (Teddlie &amp; Tashakkori, 2010). Post-positivism was more advantageous for internalizing the new realities of the topic being studied ("THE ROLE OF SACCOS IN POVERTY REDUCTION: A CASE STUDY OF SELECTED DISTRICTS</p> |  |
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| 25 | Explain the period between 2005-2015' as cited in your study, how did you focus on this time period? | The study was conducted in 3 years as per the University guidelines and data collected in January 2023. Data was collected in January 2023 because it was when the researcher was allowed by the Research Ethics Committee (REC) and the Graduate School to collect data.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Page 24 |
| 26 | Be more elaborate on the purpose of choosing respondents and the quality of data that they give.     | <p>The SACCO members were chosen for this study because SACCO members are the owners of these SACCOs and they decide how their money will be used for the benefit of each other, They are also the ones that elect a board that in turn employs staff to carry out the day-to-day activities of the SACCOs and they were also considered because the SACCO Members are the source of SACCOs income and extremely important in determining the SACCOs continuity (Ahurira, 2018)</p> <p>Specifically, these were Board Members, SACCO Managers, and Credit Officers. In this study the sample size qualitatively was determined purposively This was majorly on key informants. These were purposively chosen. Board Members were chosen because they are the ones that establish appropriate policies for the SACCO, ensure that adequate and effective internal control systems in the SACCO are put in place and complied with by all and also supervise management in the execution of approved plans. SACCO Managers were chosen because they help in implementing and enforcing new policies, propose new policies and amendments to the executive committee, prepare business plans and annual budgets and enforce their implementation and also represent the SACCOs in business transactions delegated. Credit Officers were chosen because they are the ones that review applications for loans and make decisions upon such application, organize and conduct pre-disbursement and post-disbursement trainings to members to ensure proper loan management by the borrowers and also carry out loan appraisals, loan monitoring and loan recovery (UNS-SACCO Ltd Governance Policy Manual, 2021). Therefore the Board of Directors, the SACCO Managers and the Credit Officers were chosen purposively due to their unique knowledge of SACCOs on poverty reduction in Bushenyi, Sheema and Mitooma districts.</p> | Page 74 |
| 27 | Revisit the way                                                                                      | DEFINITIONS OF KEY TERMS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Page    |

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|--|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
|  | <p>you conceptualized your problem</p> | <p>United Nations (2014) defined poverty as a lack of productive resources and income necessary to ensure sustainable livelihoods; hunger and malnutrition; ill health; restricted or absent access to education and other basic services; an increase in illness and mortality from illness; homelessness and inadequate housing; unsafe environments; and social exclusion and discrimination.</p> <p>The Organization for Economic Cooperation and Development-OECD (2018) defined absolute poverty as the absence of essentials for survival. It counts the number of persons who live in poverty and is not based on location or time. Contrarily, relative poverty is characterized by a person's income and manner of life being significantly lower than the national average. People are classified as poor by comparison with others in the population under consideration rather than with a predetermined poverty line.</p> <p>Weiss <i>et al.</i>, (2015) defined poverty as an income or, more broadly, a welfare level below a socially acceptable minimum. Weiss <i>et al.</i>, (2015) go on to add that in order to comprehend poverty, a clear distinction can be made between individuals who experience poverty for an extended period of time, known as the "chronic poor," and those who experience it briefly due to unfavorable shocks, known as the "transitory poor." One might further divide the chronic poor into two groups: those who are physically or socially disadvantaged to the point where they will always be poor without welfare support (the "destitute"), and the larger group who are poor due to a lack of resources and opportunity. Additionally, one can classify households in the non-destitute category according to how much below the poverty line they are, with those that are severely below it being considered to be among the "core poor," who are also occasionally identified by the irregularity of their income.</p> <p>Abigail Gosselin (2014) defined poverty as the state of being poor; however she notes that this term is still up for debate.</p> <p>Pauw and Mncube (2012) defined for poverty as consisting of different components, comprising household income and consumption, capabilities as well as access to public services and the ability to own assets.</p> <p>As a result, this study used the absolute poverty criteria provided by</p> | <p>xvi-<br/>xviii</p> |
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|  |  | <p>the Organization for Economic Cooperation and Development (OECD 2018). This study defined poverty as absolute poverty and counted the number of SACCO members living in Mitooma, Bushenyi and Sheema below the poverty line by primarily focusing on SACCO members who lack the necessities for survival.</p> <p>Kyamulesire (1988) defined a SACCO as self-owned, administered, and managed businesses that provide both non-financial and financial services to their members (Kyamulesire, 1988). These participants agree to pool their savings with the SACCO and lend money to one another at reasonable interest rates. The interest added to loans is intended to offset the cost of administration and saving. The owners are the members, and they determine how their funds will be used to benefit one another (Kyamulesire).</p> <p>Mpiira (2014) defined a SACCO is a fully autonomous group of individuals who come together voluntarily to achieve their needs, whether they be social, economic, cultural, or other objectives. This is accomplished through affiliation with a business that is democratically run. SACCOs can foster cooperation among members and the group's social welfare by providing low-cost loans to meet short-term financial requirements. They can also foster a sense of initiative.</p> <p>Ministry of Cooperative Development and Marketing (2007) defined a SACCO as an autonomous group of individuals that get together voluntarily to work toward the same economic, cultural, and aspirational goals through a jointly owned and democratically run business. The main principles of a Cooperative Society are to pool the limited resources, cut out the middlemen, and pursue a shared objective or interest</p> <p>Debrehlor (2011) defined the term "Savings and Credit Cooperatives" as "a cooperative financial organization owned and operated by and for its members adhering to democratic principles for the purpose of encouraging savings, using pooled funds to extend loans to members at reasonable rates of interest, and providing retail financial services to enable members to improve their economic and social well-being, particularly by fostering the growth of members' entrepreneurial spirit."</p> <p>Ishfaq and Jamil (2015) defined poverty as having a lack of food,</p> |  |
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|    |                               | <p>shelter, education, good health, a lack of strength, and social inclusion.</p> <p>As a result, this study used Kyamulesire's definition of SACCO (1988). In order to combat poverty among SACCO members, this study constructed SACCOs as savings and credit cooperative organizations that provide deposit and loan services as well as other non-financial activities.</p> <p>Baron (1986) defined a moderating variable as a variable that explain the relationship between independent and dependent variable According to Baron (1986) a moderating variable can affect the relationship between an independent and dependent variable by either strengthening or weakening the relationship between two variables.</p> <p>Holmbeck (2002) defined a moderating variable as a variable that affects the relationship between a predictor variable (X) and an outcome variable (Y). Moderator variables commonly affect the strength of the relationship between X and Y</p> <p>Therefore, this study used Baron's definition of moderating variable. This study conceptualized a moderating variable as a variable that explain the relationship between independent and dependent variable According to Baron (1986) a moderating variable can affect the relationship between an independent and dependent variable by either strengthening or weakening the relationship between two variables.</p> <p>United Nations Development Programme (2011) defined poverty reduction as lessening the severity of the impact of poverty on the lives of poor people (UNDP, 2011)</p> <p>Khazan (2013) defined poverty reduction as poverty relief, or poverty alleviation is a set of measures, both economic and humanitarian, that are intended to permanently lift people out of poverty.</p> <p>As a result, this study used United Nations Development Programme (2011) definition of poverty reduction. In order to combat poverty, this study constructed poverty reduction as lessening the severity of the impact of poverty on the lives of poor people.</p> |           |
| 28 | Show clearly how you analysed | Qualitative data on the role of SACCOs in poverty reduction was analyzed using ATLAS.ti version 7. ATLAS.ti is particularly useful to                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Page 116- |

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|    | qualitative data                                          | <p>researchers who want to conduct content analysis. The audio data from interviews were transcribed verbatim and analyzed using content analysis technique and each interview was assigned a number or code. Content analysis is defined as a data analysis method that adopts a systematic approach to examine textual, visual, or verbal communication data. Quantifying words, concepts, themes, phrases, characters, or sentences within a dataset helps draw meaningful conclusions from the information. This approach uncovers how often certain information appears, giving insights into the context and content of communication. Tools in ATLAS.ti like Word Frequencies can help researchers conduct content analysis Atlas ti visualizes the relationships between codes generated from data analysis. The tools in <u>qualitative data analysis software</u> like ATLAS.ti helped to reorganize reorganize data for a content analysis and patterns and themes within qualitative data were identified. Content analysis technique was preferred because it offers a less intrusive way of understanding a subject matter or phenomenon than more interpretive approaches (Frieze, 2012) while Atlas ti was preferred because it ATLAS.ti has been rightly acknowledged as an essential tool that facilitates researchers' ability to undertake well-organized, systematic, effective and efficient data analysis in many studies (Frieze, 2012; Rambaree &amp; Faxelid, 2013).</p> | 117     |
| 29 | Conceptual framework is based on a wrong theory, revisit. | <p>The resource-based view theory was removed and replaced with financial intermediation theory that was propounded by Gurley (1960) This was done because the theory explains very well how SACCOs reduce poverty by offering financial and non –financial services.</p> <p>It became the model is supported by the financial intermediation theory which encompasses very well the idea that small SACCO members achieve poverty reduction through access to financial resources to facilitate their operations. Efficient and effective reduction of poverty among the SACCO members is achieved through access to financial and non-financial resources which SACCOs provide (financial intermediation theory)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Page 26 |
| 30 | There is no way how SACCO services can influence          | <p>The conceptual framework was revised concerning the issue of SACCO services not influencing government policies. The mediating variable was changed and was called the moderating variable. The new conceptual relationships were indicated on the conceptual</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Page 24 |

|    |                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                            |
|----|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
|    | <p>government policies as presented. This means that the conceptual frame work is missing at some point</p> | <p>framework, and analysis was done using the moderating variable, not the mediating variable.</p> <p style="text-align: center;"><b>1.10 Conceptual framework on SACCO services and poverty reduction</b></p> <pre> graph LR     subgraph IV [INDEPENDENT VARIABLES]         S[SACCO SERVICES]         subgraph S_Box [ ]             FS[Financial services<br/>• Credit services<br/>• Savings services]             NFS[Non-financial services<br/>• Entrepreneurial and skill development<br/>• Financial literacy training]         end     end     subgraph DV [DEPENDENT VARIABLES]         P[POVERTY REDUCTION]         subgraph P_Box [ ]             PI[Ability to save and invest<br/>• Increased income<br/>• Availability of basic needs<br/>• Job and wealth creation]         end     end     S --&gt; P     GP[Government policy<br/>• Fiscal policy] -- H1 --&gt; S_P_Link     style S_P_Link width:0px,height:0px     linkStyle 1 stroke-width:2px   </pre> <p><b>INDEPENDENT VARIABLES</b></p> <p><b>SACCO SERVICES</b></p> <p><b>Financial services</b></p> <ul style="list-style-type: none"> <li>• Credit services</li> <li>• Savings services</li> </ul> <p><b>Non-financial services</b></p> <ul style="list-style-type: none"> <li>• Entrepreneurial and skill development</li> <li>• Financial literacy training</li> </ul> <p><b>DEPENDENT VARIABLES</b></p> <p><b>POVERTY REDUCTION</b></p> <ul style="list-style-type: none"> <li>• Ability to save and invest</li> <li>• Increased income</li> <li>• Availability of basic needs</li> <li>• Job and wealth creation</li> </ul> <p><b>Government policy</b></p> <ul style="list-style-type: none"> <li>• Fiscal policy</li> </ul> <p><b>Figure 1.1: Conceptual frame work</b></p> <p><i>Source: Adapted from Hendricks, L, and Chidiac, S (2011) and Modified by the Researcher.</i></p> |                            |
| 31 | <p>Objective 3 has no results, need to handle this.</p>                                                     | <p>The moderating contribution of government policy in the relationship between SACCO services and poverty reduction</p> <p>The third objective of this study was to establish the moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi. In view of this objective, the following hypotheses were generated: “ <i>H<sub>0</sub>: The moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi is negative and insignificant,</i>” and “<i>H<sub>1</sub>: The moderating contribution of government policy in the relationship between SACCO services and poverty</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>Page 19 and 144-153</p> |

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  |  | <p><i>reduction among the SACCO members in selected districts in Greater Bushenyi is positive and significant,”.Multi-linear regression was conducted to test the hypothesis. The results are presented in as indicated in table 4.29 and 4.30</i></p> <p>The following concerns were considered before analysis was conducted.</p> <p>Moderating variable can affect the relationship between an independent and dependent variable by either strengthening or weakening the relationship between two variables.</p> <p>If X is an independent variable (sometimes called a “predictor” variable) and Y is a dependent variable (sometimes called a “response” variable), then we could write a regression equation to describe the relationship between the two variables as follows:</p> $Y = \beta_0 + \beta_1 X$ <p>If we suspect that some other variable, Z, is a moderator variable, then we could fit the following regression model:</p> $Y = \beta_0 + \beta_1 X + \beta_2 Z + \beta_3 XZ$ <p>In this equation, the term XZ is known as an interaction term.</p> <p>If the p-value for the coefficient of XZ in the regression output is statistically significant, then this indicates that there is a significant interaction between X and Z and Z should be included in the regression model as a moderator variable</p> <p>We would write the final model as:</p> $Y = \beta_0 + \beta_1 X + \beta_2 Z + \beta_3 XZ$ <p>Basing from above the moderating equation of this study was:</p> $PR = \beta_0 + \beta_1 \text{ SACCO} + \beta_2 \text{ FP} + \beta_3 \text{ SACCOFP}$ <p>as clearly indicated on page 157 and 158.</p> <p>In this equation, SACCOFP is known as an interaction term.</p> <p>These conditions were met for government policy (fiscal policy) to be considered as a moderating variable, whereby there was relationship between SACCO roles and poverty reduction. The p-value for the</p> |  |
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coefficient of SACCO roles and government policy in the regression output was statistically significant; moderating variable government policy (fiscal policy) strengthened or weakened the relationship between SACCO roles and poverty reduction as per the following results on pages 151-158.

*Table 4.30: The moderating contribution of government policy in the relationship between SACCO services and poverty reduction*

| Coefficients <sup>a</sup> |            |                             |            |                           |       |      |
|---------------------------|------------|-----------------------------|------------|---------------------------|-------|------|
| Model                     |            | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|                           |            | B                           | Std. Error | Beta                      |       |      |
| 1                         | (Constant) | 22.060                      | 6.203      |                           | 3.556 | .000 |
|                           | Fin        | -.023                       | .079       | -.013                     | -.292 | .770 |
|                           | non fin    | .612                        | .067       | .425                      | 9.197 | .000 |
|                           | G          | -.070                       | .156       | -.026                     | -.450 | .653 |
|                           | Fp         | .566                        | .140       | .231                      | 4.030 | .000 |

a. Dependent Variable: pr

Where: pr – poverty reduction

g – Governance policies

fp – Fiscal policy.

Table 4.29 above shows that there was a significant positive relationship between fiscal policy and poverty reduction among the SACCO members in selected districts of Greater Bushenyi ( $p < 0.000$ ). This implies that overall increase in the rigour of fiscal policy would increase in a unit of poverty reduction among the SACCO members in selected districts of Greater Bushenyi by 0.140 units and vice versa. Consequently, the third null hypothesis of this study, stating: “*The moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi is negative and insignificant,*” was rejected and the alternative hypothesis stating: “*The moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi is positive and significant,*” was accepted.

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |            |           |                |            |               |            |            |           |            |  |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|----------------|------------|---------------|------------|------------|-----------|------------|--|
|  | <p>Regression analysis for SACCO services and the moderating contribution of government policy on poverty reduction</p> <p>This study's third objective was to establish the moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi. Hierarchical regression analysis was conducted, and the output is presented in Table 4.30.</p> <p><i>Table 4.31: Hierarchical regression analysis<sup>a</sup></i></p> |            |           |                |            |               |            |            |           |            |  |
|  | Model 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |            |           | Model 2        |            |               | Model 3    |            |           |            |  |
|  | Variable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | B          | SE        | B              | B          | S<br>E        | B          | B          | SE        | B          |  |
|  | Constant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 25.94<br>1 | 3.3<br>34 |                | 24.04<br>6 | 3.<br>46<br>9 |            | 25.42<br>0 | 3.3<br>81 |            |  |
|  | SACCO<br>Service                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | .601       | .04<br>3  | .58<br>1*<br>* | .566*<br>* | .0<br>46      | .54<br>8** | .503       | .04<br>7  | .48<br>6** |  |
|  | S<br>Fiscal<br>policy<br>(FP)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |            |           |                |            |               |            | .604       | .12<br>2  | .30<br>2** |  |
|  | R                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            | .58<br>1  |                |            | .5<br>86      |            |            | .61<br>8  |            |  |
|  | R <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |            | .33<br>7  |                |            | .3<br>43      |            |            | .38<br>2  |            |  |
|  | AdjR <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            | .33<br>6  |                |            | .3<br>40      |            |            | .37<br>7  |            |  |
|  | R2-<br>Change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |            | .33<br>7  |                |            | .0<br>06      |            |            | .03<br>9  |            |  |
|  | F-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |            | 198       |                |            | 3.            |            |            | 24.       |            |  |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |               |          |          |          |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  | Change        | .43<br>2 | 62<br>7  | 41<br>3  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  | Sig. F-Change | .00<br>0 | .0<br>58 | .00<br>0 |
| <p>**. Correlation is significant at the 0.05 level (2-tailed).</p> <p>N = 392</p> <p>a. Dependent Variable: Poverty reduction</p> <p>Table 4.30 shows the hierarchical regression's three models. Model 1 shows that SACCO Services are significant (<math>r=.581</math>, <math>p=0.000</math>), explaining 33.6% of the total variance (<math>R^2=0.336</math>). Model 2 shows that Government Policy was (<math>r=.343</math>, <math>p=0.058</math>), explaining 34.3% of the total variance (<math>R^2=0.343</math>), where the R2-Change was 0.006, which was not significant (<math>r=0.586</math>, <math>p=0.058</math>). Model 3 shows that the addition of Fiscal Policy increased total explained variance to 38.2% (<math>R^2=0.382</math>), where the R2-Change was 0.039, which was significant (<math>r=0.616</math>, <math>p=0.000</math>).</p> <p>The model for predicting poverty reduction from moderating effect of government policy (fiscal policy) in the relationship between SACCO services and poverty reduction:</p> <p>The predicted model was <math>PR = \beta_0 + \beta_1 \text{ SACCO} + \beta_2 \text{ FP} + \beta_3 \text{ SACCOFP}</math></p> <p>Where:</p> <p>PR – is poverty reduction</p> <p>SACCO - is SACCO services</p> <p>FP - Fiscal policy</p> <p><math>\beta_0</math> - is the regression coefficient for the intercept</p> <p><math>\beta_1</math> – is the regression coefficient for the SACCO roles</p> <p><math>\beta_2</math> - is the regression coefficient for the Fiscal policy</p> <p><math>\beta_3</math> – is the regression coefficient for the SACCO Fiscal Policy= Known as an interaction term.</p> |  |               |          |          |          |

|    |                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |            |
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|    |                                                | <p>From Table 4.30, the prediction model is:</p> $PR = 25.420 + 0.503SACCO + 0.604FP + - 6.53SACCOFP$ <p>The findings of quantitative analysis deviate from the views of the Key Informants, which indicated that government policy is not favourable to the operations of SACCOs. The findings from views of key informants indicated that government policy (fiscal policy) negatively contributed to poverty reduction among the SACCO Members in Bushenyi, Mitooma and Sheema districts. A good number of Key Informants pointed out that government policy (fiscal policy) was more of disabling than an enabling environment to SACCOs services towards poverty reduction to their members in Mitooma, Sheema and Bushenyi districts. The participants' views showed that the SACCO members detested government fiscal policy. They associated it with drawbacks in the SACCOs services delivery geared towards poverty reduction among members. The majority of the Key Informants said government policy (fiscal policy) does not favor the effective operation of SACCOs, and consequently, hampered the SACCOs services geared towards poverty reduction. The government policy dismays were expressed to be, firstly in form of high taxes charged, especially on dividends acquired from shares and the profits from the fixed accounts, which the Key Informant said that they discourage the members from doing the saving with the SACCOs. Secondly, taxes on SACCOs were said to be very high, which ends up adversely affecting their operations.</p> <p>Participants were asked in if their own views whether they thought SACCOs were doing enough in as far as reducing poverty among their members is concerned. In the light of financial services, the majority of the participants affirmed that SACCOs were doing enough in as far as reducing poverty among their members.</p> |            |
| 32 | Clearly show how you selected your respondents | Quantitatively, the researcher based on Yamane's (1967) formula to choose a representative sample from the population in order to generalize findings. Basing on Yamane's (1967) formula, a sample size of 397 SACCO members was selected from a total of 61634 SACCO members in Mitooma, Bushenyi and Sheema for quantitative data.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Page 73-75 |

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
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|  |  | $n = \frac{N}{1 + Ne^2}$ $= \frac{61634}{1 + 61634(0.05)^2}$ $= \frac{61634}{1 + 61634(0.0025)}$ $= \frac{61634}{1 + 154} = \frac{61634}{155} = 397$ <p>The technique was preferred since it agrees with other renowned researchers like Krejcie and Morgan (1970) and it produces a sample size that is fairly representative.</p> <p>The SACCO members were chosen for this study because SACCO members are the owners of these SACCOs and they decide how their money will be used for the benefit of each other, They are also the ones that elect a board that in turn employs staff to carry out the day-to-day activities of the SACCOs and they were also considered because the SACCO members are the source of SACCOs income and extremely important in determining the SACCOs continuity (Ahurira, 2018)</p> <p>Qualitatively, out of 250, a total of 19 respondents participated in the qualitative interviews. Specifically, these were Board Members, SACCO Managers, and Credit Officers. In this study the sample size qualitatively was determined purposively This was majorly on key informants. These were purposively chosen. Board Members were chosen because they are the ones that establish appropriate policies for the SACCO, ensure that adequate and effective internal control systems in the SACCO are put in place and complied with by all and also supervise management in the execution of approved plans. SACCO Managers were chosen because they help in implementing and enforcing new policies, propose new policies and amendments to the Executive Committee, prepare business plans and annual budgets</p> |  |
|--|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

|                     |                                                                 | <p>and enforce their implementation and also represent the SACCOs in business transactions delegated. Credit Officers were chosen because they are the ones that review applications for loans and make decisions upon such application, organize and conduct pre-disbursement and post-disbursement trainings to members to ensure proper loan management by the borrowers and also carry out loan appraisals, loan monitoring and loan recovery (UNS-SACCO Ltd Governance Policy Manual, 2021). Therefore the Board of Directors, the SACCO Managers and the Credit Officers were chosen purposively due to their unique knowledge of SACCOs on poverty reduction in Bushenyi, Sheema and Mitooma districts. Therefore, total number of 416 respondents was considered for this study, both quantitative and qualitative as indicated in table 3.4 below.</p> <p><b>Table 3.32: Showing a Matrix for determining Sample Size</b></p> <table> <tr> <th>Population Category</th><th>Target Population</th><th>Sample Size</th><th>Sampling Technique</th></tr> <tr> <td>SACCO Members</td><td>61634</td><td>397</td><td>Simple random Sampling</td></tr> <tr> <td>Board Members</td><td>179</td><td>8</td><td>Purposive sampling</td></tr> <tr> <td>SACCO Managers</td><td>19</td><td>5</td><td>Purposive sampling</td></tr> <tr> <td>Credit Officers</td><td>52</td><td>6</td><td>Purposive sampling</td></tr> <tr> <td>Total</td><td>61884</td><td>416</td><td></td></tr> </table> <p>Source: GBDCO'S and GBSM'S, 2021</p> <p>Table 3.4 above showed the Population Category, Target Population; Sample Size and Sampling Techniques for this study.</p> | Population Category    | Target Population | Sample Size | Sampling Technique | SACCO Members | 61634 | 397 | Simple random Sampling | Board Members | 179 | 8 | Purposive sampling | SACCO Managers | 19 | 5 | Purposive sampling | Credit Officers | 52 | 6 | Purposive sampling | Total | 61884 | 416 |  |  |
|---------------------|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-------------------|-------------|--------------------|---------------|-------|-----|------------------------|---------------|-----|---|--------------------|----------------|----|---|--------------------|-----------------|----|---|--------------------|-------|-------|-----|--|--|
| Population Category | Target Population                                               | Sample Size                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Sampling Technique     |                   |             |                    |               |       |     |                        |               |     |   |                    |                |    |   |                    |                 |    |   |                    |       |       |     |  |  |
| SACCO Members       | 61634                                                           | 397                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Simple random Sampling |                   |             |                    |               |       |     |                        |               |     |   |                    |                |    |   |                    |                 |    |   |                    |       |       |     |  |  |
| Board Members       | 179                                                             | 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Purposive sampling     |                   |             |                    |               |       |     |                        |               |     |   |                    |                |    |   |                    |                 |    |   |                    |       |       |     |  |  |
| SACCO Managers      | 19                                                              | 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Purposive sampling     |                   |             |                    |               |       |     |                        |               |     |   |                    |                |    |   |                    |                 |    |   |                    |       |       |     |  |  |
| Credit Officers     | 52                                                              | 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Purposive sampling     |                   |             |                    |               |       |     |                        |               |     |   |                    |                |    |   |                    |                 |    |   |                    |       |       |     |  |  |
| Total               | 61884                                                           | 416                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                        |                   |             |                    |               |       |     |                        |               |     |   |                    |                |    |   |                    |                 |    |   |                    |       |       |     |  |  |
| 33                  | SACCOs are not currently paying taxes yet the researcher stated | They had a tax holiday for only operational tax; other taxes were on, and even the holiday for operational tax was almost over. For stance SACCOs paid withholding tax of 15%, which affected the earnings of the members which ends up discouraging members from saving                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Page 149               |                   |             |                    |               |       |     |                        |               |     |   |                    |                |    |   |                    |                 |    |   |                    |       |       |     |  |  |

|    |                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |
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|    | that the government is not supportive to SACCOs. Please revisit                     | (Bushenyi District SACCO Report, 2022) and thus not favoring SACCOs in their fight against poverty, as was spelt out by the qualitative findings.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |            |
| 34 | Revisit the findings and show how financial literacy increases the ability to save. | <p>The findings of non-financial services were revisited.</p> <p>The contribution of SACCO non- financial services to poverty reduction</p> <p>The second research question of this study sought to examine the contribution of non-financial services to poverty reduction among the SACCO members in selected districts of Greater Bushenyi. The non-financial services constructs of application of entrepreneurship skills development and financial literacy training were investigated. The results of the investigation of non-financial services indicated that there was a significant positive contribution of non-financial services (entrepreneurship skill development and financial literacy) to poverty reduction among the SACCO members in Bushenyi, Sheema and Mitooma districts. An increase in overall non-financial services caused a large increase in poverty reduction caused by SACCOs entrepreneurship skills development and financial literacy training services to the members. These findings were depicted by regression analysis to generate a model for predicting the contribution of non-financial services on poverty reduction among the SACCO members in selected districts of Greater Bushenyi. Non-financial services were found to positively enhance poverty reduction among the SACCO members in selected districts of Greater Bushenyi. The second alternative hypothesis of this study, stating: <i>“There is a significant contribution of non-financial services on poverty reduction among the SACCO members in selected districts of Greater Bushenyi,”</i> was accepted.</p> | Page 178   |
| 35 | What is a variable? The topic is misleading in terms of variables.                  | <p>A variable is a quantity that can be changed and is not fixed. The meaning of variable is able or apt to vary: subject to variation or changes. It is called a variable because the value may vary between data units in a population, and may change in value over time. The topic was revisited and stated as below; THE ROLE OF SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN POVERTY REDUCTION. A CASE STUDY OF SELECTED DISTRICTS IN</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Cover Page |

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|----|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
|    |                                                                                  | GREATER BUSHENYI.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |
| 36 | Poverty levels in Uganda are at 21% why mention 64% in your study                | Poverty levels among the SACCO Members is at 40% (UNHS 2019/2020; UBOS, 2020; Bushenyi District SACCO Report, 2016; Sheema District SACCO Report, 2020).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Page 18 and 19 |
| 37 | Your title does not talk about poverty; it only talks about financial resources. | The topic was re-stated to become: THE ROLE OF SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN POVERTY REDUCTION: A CASE STUDY OF SELECTED DISTRICTS IN GREATER BUSHENYI.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Cover Page     |
| 38 | What was your unit of analysis?                                                  | Unit of analysis is the entity that frames what is being looked at in a study, or is the entity being studied as a whole. The unit of analysis refers to the main parameter that you're investigating in your research project or study. According to this study the unit of analysis was poverty reduction measured in terms of ability to save and invest Increased income, availability of basic needs and Job and wealth creation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Cover Page     |
| 39 | Which specific government policy is not favourable that you referred to?         | The policy was fiscal policy of income tax. Income taxes are paid on many sources of income you might earn, like the taxes taken directly from your paycheck.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Page 24        |
| 40 | You need to use methods that you clearly understand                              | I used the methods that I understand which are the Survey questionnaire method and the interview method. A survey questionnaire was developed based on the guidelines by previous scholars (Venkatesh & Davis 2000; Churchill & Iacobucci, 2004), to collect data on demographics and the study variables and was used to collect data from SACCO members. The choice of the survey questionnaire was used because it provides an efficient and economical means of gathering information from large samples (Kothari, 2004). Interview method was used to do face-to-face interactions between the researcher and respondents (Board Members, SACCO Managers, and Credit Officers).The interview method was used because it can effectively capture the realities of SACCO members and double-check data. Additionally, interviewing was used since it can produce descriptions that are founded in truth (Saunders, | Page 78-79     |



|    |                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                      |                  |                         |                         |
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|    |                                                                                         | 2011).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                      |                  |                         |                         |
| 41 | You need to do away with greater Bushenyi, it's not clear.                              | This was improved to become clear by making it into selected districts in Greater Bushenyi. The districts are Sheema, Mitooma, and Bushenyi Districts, as clearly indicated in the Geographical Scope.                                                                                                                                                                                                                                                                                                                                                                                                     |                      |                  |                         | Page 23                 |
| 42 | Where is the list of SACCOs selected and their classifications                          | SN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Name of the District | Number of SACCOs | Number of SACCO Members | Page 233-239            |
|    |                                                                                         | 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Bushenyi District    | 6                | 13174                   |                         |
|    |                                                                                         | 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Sheema District      | 7                | 40258                   |                         |
|    |                                                                                         | 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Mitooma District     | 6                | 8452                    |                         |
|    |                                                                                         | Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Three Districts      | 19               | 61884                   |                         |
|    |                                                                                         | Detailed list attached.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                      |                  |                         |                         |
| 43 | BSU REC and graduate school clearances are missing; need to include them in appendices. | <p>These clearances were included in the appendices.</p> <p>Clearance from the Faculty.</p> <p>Clearance from Graduate School.</p> <p>Clearance from the BSU Research Ethics Committee.</p> <p>Clearance from the Uganda National Council of Science and Technology.</p>                                                                                                                                                                                                                                                                                                                                   |                      |                  |                         | Appendix 7-Page 240-245 |
| 44 | Inform the panelists what you found fascinating in your study; this was responded to    | <p>Fascinating means very interesting and attractive, and your thoughts tend to concentrate on it.</p> <p>What I found fascinating was that taxes must not be paid being considered as burden, but as Development Avenue downstream in form of social service provision by the Government. Only that way can entities, including SACCOs and their members, pay taxes with cheerful hearts.</p> <p>Also that Microfinance Regulatory Authority (UMRA) need to enact productive policies, and revisit taxes that weigh down SACCOs, as such, are loathed. In like manner, this would turn the moderating</p> |                      |                  |                         | Page 179                |

|    |                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |            |
|----|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|    |                                                                                                       | contribution of government policy (fiscal policy) in the relationship between SACCO services and poverty reduction among the SACCO members positive and significant.                                                                                                                                                                                                                                                                                                                       |            |
| 45 | Need to give data on the independent variable under availability of goods                             | <i>A member went ahead to say that SACCOs help them to acquire goods such as book for their children that are going to schools,, shops, cars, handbags, beds, chairs, computers, clothes, blenders, houses, food products, bodabodas,, furniture, electronics like TV's, radios that have improved the well-being of the members thereby helping to reduce poverty” (Key Informant 16, Male aged 44).</i>                                                                                  | Page 130   |
| 46 | Need to avoid words like ‘may be’ ‘I think’ during defense, they show that the researcher is not sure | This was noted and I started using words that express commitment such absolutely, assuredly, exactly, for a fact, of course, beyond any doubt, categorically, clearly, decidedly, doubtless, admittedly, assuredly, beyond doubt, beyond shadow of doubt, certainly.                                                                                                                                                                                                                       |            |
| 47 | Sampling procedure was not clearly handled, need to handle.                                           | <p>Quantitatively, the researcher based on Yamane’s (1967) formula to choose a representative sample from the population in order to generalize findings. Basing on Yamane's (1967) formula, a sample size of 397 SACCO members was selected from a total of 61634 SACCO members in Mitooma, Bushenyi and Sheema for quantitative data.</p> $n = \frac{N}{1 + Ne^2}$ $= \frac{61634}{1+61634(0.05)^2}$ $= \frac{61634}{1+61634(0.0025)}$ $= \frac{61634}{1+154} = \frac{61634}{155} = 397$ | Page 73-75 |

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |
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|  |  | <p>The technique was preferred since it agrees with other renowned researchers like Krejcie and Morgan (1970) and it produces a sample size that is fairly representative.</p> <p>The SACCO members were chosen for this study because SACCO members are the owners of these SACCOs and they decide how their money will be used for the benefit of each other, They are also the ones that elect a board that in turn employs staff to carry out the day-to-day activities of the SACCOs and they were also considered because the SACCO members are the source of SACCOs income and extremely important in determining the SACCOs continuity (Ahurira, 2018).</p> <p>Qualitatively, out of 250, a total of 19 respondents participated in the qualitative interviews. Specifically, these were Board Members, SACCO Managers, and Credit Officers. In this study the sample size qualitatively was determined purposively This was majorly on key informants. These were purposively chosen. Board Members were chosen because they are the ones that establish appropriate policies for the SACCO, ensure that adequate and effective internal control systems in the SACCO are put in place and complied with by all and also supervise management in the execution of approved plans. SACCO Managers were chosen because they help in implementing and enforcing new policies, propose new policies and amendments to the Executive Committee, prepare business plans and annual budgets and enforce their implementation and also represent the SACCOs in business transactions delegated. Credit Officers were chosen because they are the ones that review applications for loans and make decisions upon such application, organize and conduct pre-disbursement and post-disbursement trainings to members to ensure proper loan management by the borrowers and also carry out loan appraisals, loan monitoring and loan recovery (UNS-SACCO Ltd Governance Policy Manual, 2021). Therefore the Board of Directors, the SACCO Managers and the Credit Officers were chosen purposively due to their unique knowledge of SACCOs on poverty reduction in Bushenyi, Sheema and Mitooma districts. Therefore, total number of 416 respondents was considered for this study, both quantitative and qualitative as indicated in table 3.4 below.</p> <p><i>Table 3.33: Showing a Matrix for determining Sample Size</i></p> |  |
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|----|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------|------------------------|--|-------------------|
|    |                                                                            | Population Category                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Target Population | Sample Size | Sampling Technique     |  |                   |
|    |                                                                            | SACCO Members                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 61634             | 397         | Simple random Sampling |  |                   |
|    |                                                                            | Board Members                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 179               | 8           | Purposive sampling     |  |                   |
|    |                                                                            | SACCO Managers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 19                | 5           | Purposive sampling     |  |                   |
|    |                                                                            | Credit Officers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 52                | 6           | Purposive sampling     |  |                   |
|    |                                                                            | Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 61884             | 416         |                        |  |                   |
|    |                                                                            | Source: GBDCO'S and GBSM'S, 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                   |             |                        |  |                   |
|    |                                                                            | Table 3.4 above showed the Population Category, Target Population; Sample Size and Sampling Techniques for this study.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                   |             |                        |  |                   |
| 48 | The researcher to bring more information on SACCOs, its lacking            | The information was included in the conceptualization of SACCOs and statement of the problem.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                   |             |                        |  | Page 24 and 18-19 |
| 49 | How relevant is the data from outside Uganda that you are relying on most? | <p>Relevant data of scholars from Kenya, Kenya and Uganda were added</p> <p>Omona, J. (2021). Poverty eradication and wealth creation: The role and challenges of Savings and Credit Cooperatives (SACCOs) in Uganda. <i>African Journal of Business Management</i>, 15(8), 198-210.</p> <p>Msuya, R. I. (2020). Savings and Credit Co-operative Societies' impact on poverty reduction in rural Tanzania: the case of Mwanza and Tabora regions. <i>Journal of Co-operative and Business Studies (JCBS)</i> Vol. 5, Issue 2, ISSN: (online) 2714-2043, (print) 0856-9037</p> <p>Auka, D.O. &amp; Mwangi, J.K. (2013). Factors influencing SACCO members to seek services of other financial providers in Kenya. <i>International Review of Management and Business Research</i>, 2(2),</p> |                   |             |                        |  | Literature Review |

|    |                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |            |
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|    |                                                                 | <p>609-624</p> <p>Makoba, J. w. &amp; Wakoko-Studstill, F. (2016). <i>From Prosperity for All (PFA) to Prosperity for Few (PFF): Political SACCOs and Their Impact on Rural Development in Uganda</i>. Association of Third World Studies, Inc. ISBN 13-978-0-931971-62-4 ISBN 0-931971-62-4.</p> <p>Kizza, J. &amp; Ssekibaamu, A. (2019). The contribution of Luweero teachers' Saving and Credit Cooperative Organization to the socio-economic welfare of teachers in Luweero district, Uganda.</p> <p>Ministry of Trade, Industry and Cooperatives- Uganda (2017). Sustainable cooperatives, competitive trade and world class industrial products and services. Available at: <a href="https://www.devex.com/organizations/ministry-of-trade-industry-and-cooperatives-uganda-60339">https://www.devex.com/organizations/ministry-of-trade-industry-and-cooperatives-uganda-60339</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |            |
| 50 | There is some stagnation in the study                           | Stagnation refers to the state of not flowing or moving. Logical flow was done to overcome stagnation. Paraphrasing was done and the Editor was engaged to assist in removing stagnation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |            |
| 51 | Conceptualize what Greater Bushenyi is if you want still use it | Greater Bushenyi was created in 1974 curved out of Ankole district and in 1993 Ntungamo District was created that took away Rushenyi and Kajara counties. It was the cradle of UPC party (Uganda People's Congress) in western Uganda during the Obote II regime. In 2009 it was split into five districts that is to say Buhweju, Mitooma, Sheema, Bushenyi and Rubirizi districts due to decentralization and the need to bring services nearer to the people (Dickens, 2019). Majority of the people living in these districts are Banyankole although there are other tribes like Baganda, Bakiga, Bakonjo and a few Nigerians (employees and students at KIU), Somalis, Ethiopians among others. However for this study three districts were considered and these were Sheema, Mitooma and Bushenyi districts. These districts were chosen because of the continued existence of poverty among the SACCO members despite being well known for having the majority of well-developed SACCOs (80%) in Uganda, as evidenced by 40% of SACCO members living below the poverty line (UBOS, 2018; MFPED, 2014). Additionally, Bushenyi, Sheema, and Mitooma were selected because their developed SACCOs made it easier for the researcher to gather the data they needed to understand how SACCOs help reduce poverty among their members. In addition to being deemed large enough to | Page 23-24 |

|    |                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                 |
|----|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
|    |                        | yield adequate data, these three districts also have a significant number of SACCOs, which made it possible to obtain enough information to address the study's questions, research objectives, and hypotheses (Saed, 2018).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                 |
| 52 | Make methodology clear | <p>I approached this study from the post-positivism paradigm. The ontological position of post-positivism is that there is only one absolute reality out there, knowable but to a limited extent, while the epistemological position is that objective reality exists but is mediated by perceptions and interpretations. In regard to methodology, post-positivism puts emphasis on using a hybrid design with a combination of both quantitative and qualitative approaches because hybrid design research aims at investigating objective and subjective or internal and external phenomena and advocates for the use of mixed methods of data collection and the primary the primary source of data.</p> <p>Post-positivism was considered the most appropriate research paradigm as the nature of the study, objectives, approach, and techniques aligned with the key principles of post-positivism, and the choice of this paradigm allowed the use of approaches and techniques that facilitated the achievement of the research objectives: SACCO financial services, SACCO non-financial services, government policy (fiscal policy), and poverty reduction among the SACCO members in Mitooma, Sheema, and Bushenyi. (Cohen <i>et al.</i>, 2007; Blaikie, 2000).</p> <p>Another advantage of why this paradigm was used in this study was that post-positivism emphasizes the importance of multiple measures and observations, each of which may possess different types of error, and the need to use triangulation across these multiple error-full sources to try to get a better bead on what's happening in reality (Kivunja &amp; Kuyini, 2017).</p> <p>The method's lack of ontological dogmatism alone helped in the sketching of a new world. More benefits were offered by internalizing the new truths of the issue under inquiry. The critical realism philosophical viewpoint was used in this investigation. As stated in the introduction, this study looked into ways to reduce poverty. Poverty reduction is an organized, observable reality that can be quantified scientifically.</p> | From Page 70-72 |

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
|--|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  |  | <p>The objective of this study was to understand the many constructions and meanings that respondents assign to their experiences rather than just gathering data to measure correlations. The subjective approach was also used to advance conceptual validity because poverty reduction also depends on the perceptions, experiences, and opinions of those who actually live it. In other words, a quantitative-qualitative technique was used, in which quantitative and qualitative data were collected simultaneously. This strategy was chosen in an effort to comprehend the topic under research more fully. Previous scholars who argue that both approaches should be employed as complimentary rather than as opposite extremes to prevent an epistemological crisis were referenced to support this decision (Kivunja &amp; Kuyini, 2017; Mingers, 2001; Lee, 1991; Sarantakos, 2003).</p> <p>In addition to allowing the employment of mixed techniques recommended, it helped in resolving the methodological crisis that was likely to arise from utilizing only one methodology (Creswell, 2014; Teddlie &amp; Tashakkori, 2009; Mugenda, 1999). This was important for this study for two reasons: first, the researcher agreed with objectivism's assertion that there is an independent external reality that can be verified through hypothesis testing, such as that there is a positive correlation between SACCOs financial services and the reduction of poverty among SACCO members; second, this could be problematic because it is impossible to conclude that one explanation of reality is superior to all others. This backs up Creswell's (2014) claim that triangulating the quantitative and qualitative results of these two methods can provide a more comprehensive picture of a research topic ("THE ROLE OF SACCOS IN POVERTY REDUCTION: A CASE STUDY OF SELECTED DISTRICTS IN GREATER BUSHENYI") that could address a range of research questions and, by doing so, could provide a more complete knowledge that could enhance theory development and practice, and in this case, the cooperative alliance (Teddlie &amp; Tashakkori, 2010). Post-positivism was more advantageous for internalizing the new realities of the topic being studied ("THE ROLE OF SACCOS IN POVERTY REDUCTION: A CASE STUDY OF SELECTED DISTRICTS IN GREATER BUSHENYI").</p> |  |
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|----|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 53 | The researcher missed some recent publication by Julius Omona that is very important to the study, need to refer to it. | <p>It was reviewed and added in this work.</p> <p>Omona, J. (2021). Poverty eradication and wealth creation: The role and challenges of Savings and Credit Cooperatives (SACCOs) in Uganda. <i>African Journal of Business Management</i>, 15(8), 198-210.</p> <p>More recent publications were added</p> <p>Gichuki, F.G. (2023), “Innovative credit management practices as a catalyst for financial performance: evidence from Savings and Credit Cooperative Societies in Nyeri Central Sub County, Kenya”, <i>International Academic Journal of Economics and Finance</i>, Vol. 3 No. 9, pp. 1-30.</p> <p>International Cooperative Alliance Africa-ICA-Africa (2020), <i>Mapping: Key Figures National Report: Uganda ICA-EU Partnership</i>, ICA-Africa, Nairobi.</p> <p>Kalume, T.K. and Makau, J.N. (2020), “Effects of financial product innovations on the financial African Journal of performance of Savings and Credit Cooperative Societies”, <i>International Journal of Economics, Economic and business and Management Research</i>, Vol. 4 No. 7, pp. 58-73</p> <p>Kyazze, L.M., Nsereko, I. and Nkote, I. (2020), “Cooperative practices and non-financial performance of Studies Savings and Credit Cooperative Societies”, <i>International Journal of Ethics and Systems</i>, Vol. 36 No. 3, doi: <a href="https://doi.org/10.1108/ijoes-06-2020-0087">10.1108/ijoes-06-2020-0087</a>.</p> <p>Pasara, M.T., Makochehanwa, A. and Dunga, S.H. (2021), “The role of Savings and Credit Cooperatives (SACCOs) on financial inclusion in Zimbabwe”, <i>Eurasian Journal of Business and Management</i>, Vol. 9 No. 1, pp. 47-60, doi: <a href="https://doi.org/10.15604/ejbm.2021.09.01.004">10.15604/ejbm.2021.09.01.004</a>.</p> <p>Ramesh, S. and Theppeswamy, G.T. (2021), “Financial intermediation to social intermediation-A stud”, <i>International Journal of Research and Analytical Reviews</i>, Vol. 8 No. 1, pp.</p> | Page<br>182-<br>212 |
| 54 | On conceptual frame work; financial literacy is not clear should be called financial                                    | Financial literacy was edited to become financial literacy training.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Page<br>24          |



|    |                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                  |
|----|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
|    | literacy training                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                  |
| 55 | Make necessary edit on page 167                                                                                                              | <i>One-on-one training</i> was spelt well.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Page 162                         |
| 56 | The researcher was advised to avoid defensive character, it biases the panelists. Next time, avoid it.                                       | This was taken note.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                  |
| 57 | The candidate was asked to include the added reviewers on the compliance report.                                                             | The reviewers are in this compliance report; Wilbroad Atwijukire and Dr. Milton Rwangire.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Page 56 of the Compliance Report |
| 58 | The researcher was asked to mentioned six authors that she feels without their work, she would have found it hard; this was not easy though. | <p>Adekola, G. &amp; Chidinma, D. (2017). Co-operative Societies and Poverty Reduction among Members for Community Development in Rivers State, Nigeria. <i>European Scientific Journal</i>, edition vol.13, No.8 ISSN: 1857 – 7881 (Print) e - ISSN 1857- 7431</p> <p>Ahurira, E. (2018) Savings and Credit Cooperatives (SACCOs) and poverty alleviation among SACCO members in Jinja District. A dissertation submitted to the School of Management Science in partial fulfillment of the requirements for the award of a master’s degree in business administration of Uganda Management Institute.</p> <p>Aniodoh AN (2018). The effect of Cooperative Professionals in National Development: A Study of selected Co-operatives in Enugu State. <i>International Journal of Academic Research in Economics and Management Sciences</i> 7(3):441-456</p> <p>Gichuki, F.G. (2023), “Innovative credit management practices as a catalyst for financial performance: evidence from Savings and Credit Cooperative Societies in Nyeri Central Sub County, Kenya”, <i>International Academic Journal of Economics and Finance</i>, Vol. 3 No. 9, pp. 1-30.</p> | Page 182-212                     |

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  |  | <p>Hendricks, L, and Chidiac, S (2011) VSLA: A pathway to financial inclusion for Africa's poorest households, Global Microcredit Summit commissioned workshop paper November 14-17, 2011 – Valladolid, Spain, <a href="http://www.globalmicrocreditsummit2011">www.globalmicrocreditsummit2011</a>.</p> <p>Kalume, T.K. and Makau, J.N. (2020), “Effects of financial product innovations on the financial African Journal of performance of Savings and Credit Cooperative Societies”, International Journal of Economics, Economic and business and Management Research, Vol. 4 No. 7, pp. 58-73</p> <p>Kihwele, E.A. &amp; Gwahula, R. (2015). Impact of savings and credit cooperative societies in poverty reduction. Empirical evidence from Tanzania. European Journal of Business and Management, 7(23), 103-112</p> <p>Ministry of Trade, Industry and Cooperatives- Uganda (2017). Sustainable cooperatives, competitive trade and world class industrial products and services. Available at: <a href="https://www.devex.com/organizations/ministry-of-trade-industry-and-cooperatives-uganda-60339">https://www.devex.com/organizations/ministry-of-trade-industry-and-cooperatives-uganda-60339</a></p> <p>Omona, J. (2021). Poverty eradication and wealth creation: The role and challenges of Savings and Credit Cooperatives (SACCOs) in Uganda. African Journal of Business Management, 15(8)</p> <p>Tirole, E. (2008). Impact of SACCO financial services on Household Income and Employment: A Study of Andhra Pradesh State in India in Gebrehiot A. (ed), AEMFI: Ethiopia.</p> <p>William Nyanja, 2017. The role of Savings and Credit Cooperatives in improving household income. The Case for teachers in Mukono District. A research Proposal submitted to the Uganda Technology and Management University in partial fulfillment of the requirements for the award of the Master's degree in Monitoring and evaluation of Uganda Technology and Management University.</p> <p>Yunus M, 2008. Grameen Bank, Microcredit and Millennium Development Goals. Retrieved from <a href="http://www.grameen.com">www.grameen.com</a> <a href="http://www.grameen-info.org">www.grameen-info.org</a>.</p> <p>Yunus, M. (2001). Banker to the Poor: The Autobiography of</p> |  |
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|----|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
|    |                                               | Muhammad Yunus. This was because they had relevant information that supported this study.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                      |
| 59 | Revisit the objectives and shape them well    | <p>The objectives were made clearer</p> <p>Main objective of the study</p> <p>To examine the role of SACCOs in poverty reduction among the SACCO members in selected districts of Greater Bushenyi, Uganda.</p> <p><b>Specific objectives of the study</b></p> <p>1.To establish the contribution of financial services to poverty reduction among the SACCO members in selected districts in Greater Bushenyi</p> <p>2. To examine the contribution of non-financial services to poverty reduction among the SACCO members in selected districts in Greater Bushenyi.</p> <p>3. To establish the moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi.</p> | Page 19              |
| 60 | Use means and medians instead of correlations | Means and Medians were used instead of correlations in chapter 4 for example                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Page 125,134 and 146 |

|                |                                                                              | <table><tr><th colspan="6">Statistics</th></tr><tr><th colspan="2"></th><th>pr</th><th>Fin</th><th>cs</th><th>Ss</th></tr><tr><th>N</th><th>Valid</th><td>392</td><td>392</td><td>392</td><td>392</td></tr><tr><th colspan="2">Mean</th><td>71.55</td><td>68.69</td><td>38.18</td><td>30.52</td></tr><tr><th colspan="2">Median</th><td>72.00</td><td>69.00</td><td>38.00</td><td>30.00</td></tr><tr><th colspan="2">Std. Deviation</th><td>19.285</td><td>11.009</td><td>6.709</td><td>6.006</td></tr></table> <p>Where:</p> <p><u>Pr</u> – poverty reduction</p> <p>fin – Sacco financial services</p> <p>cs – Sacco credit <u>services</u></p> <p>ss – Sacco saving services</p> | Statistics |       |       |  |  |  |  |  | pr | Fin | cs | Ss | N | Valid | 392 | 392 | 392 | 392 | Mean |  | 71.55 | 68.69 | 38.18 | 30.52 | Median |  | 72.00 | 69.00 | 38.00 | 30.00 | Std. Deviation |  | 19.285 | 11.009 | 6.709 | 6.006 |  |
|----------------|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------|-------|--|--|--|--|--|----|-----|----|----|---|-------|-----|-----|-----|-----|------|--|-------|-------|-------|-------|--------|--|-------|-------|-------|-------|----------------|--|--------|--------|-------|-------|--|
| Statistics     |                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |            |       |       |  |  |  |  |  |    |     |    |    |   |       |     |     |     |     |      |  |       |       |       |       |        |  |       |       |       |       |                |  |        |        |       |       |  |
|                |                                                                              | pr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Fin        | cs    | Ss    |  |  |  |  |  |    |     |    |    |   |       |     |     |     |     |      |  |       |       |       |       |        |  |       |       |       |       |                |  |        |        |       |       |  |
| N              | Valid                                                                        | 392                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 392        | 392   | 392   |  |  |  |  |  |    |     |    |    |   |       |     |     |     |     |      |  |       |       |       |       |        |  |       |       |       |       |                |  |        |        |       |       |  |
| Mean           |                                                                              | 71.55                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 68.69      | 38.18 | 30.52 |  |  |  |  |  |    |     |    |    |   |       |     |     |     |     |      |  |       |       |       |       |        |  |       |       |       |       |                |  |        |        |       |       |  |
| Median         |                                                                              | 72.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 69.00      | 38.00 | 30.00 |  |  |  |  |  |    |     |    |    |   |       |     |     |     |     |      |  |       |       |       |       |        |  |       |       |       |       |                |  |        |        |       |       |  |
| Std. Deviation |                                                                              | 19.285                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 11.009     | 6.709 | 6.006 |  |  |  |  |  |    |     |    |    |   |       |     |     |     |     |      |  |       |       |       |       |        |  |       |       |       |       |                |  |        |        |       |       |  |
| 61             | You need to include the research questions to cater for the qualitative part | <p>The research questions were added to cater for qualitative part.</p> <p>1. What is the contribution of financial services to poverty reduction among the SACCO members in the selected districts in Greater Bushenyi?</p> <p>2. What is the contribution of non-financial services to poverty reduction among the SACCO members in selected districts of Greater Bushenyi?</p> <p>3. What is the moderating contribution of government policy in the relationship between SACCO services “and poverty reduction among the SACCO members in selected districts in Greater Bushenyi?</p>                                                                                           | Page 20    |       |       |  |  |  |  |  |    |     |    |    |   |       |     |     |     |     |      |  |       |       |       |       |        |  |       |       |       |       |                |  |        |        |       |       |  |
| 62             | To modify the topic to:                                                      | The topic was modified to: THE ROLE OF SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN POVERTY REDUCTION: A CASE STUDY OF SELECTED DISTRICTS IN GREATER BUSHENYI.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Cover Page |       |       |  |  |  |  |  |    |     |    |    |   |       |     |     |     |     |      |  |       |       |       |       |        |  |       |       |       |       |                |  |        |        |       |       |  |
| 63             | Sacco’s are not currently paying taxes yet the researcher stated             | They had a tax holiday for only operational tax; other taxes were on and even the holiday for operational tax was almost over. For stance SACCOs paid withholding tax of 15%, which affected the earnings of the members which ends up discouraging members from saving                                                                                                                                                                                                                                                                                                                                                                                                             | Page 149   |       |       |  |  |  |  |  |    |     |    |    |   |       |     |     |     |     |      |  |       |       |       |       |        |  |       |       |       |       |                |  |        |        |       |       |  |

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|    | that the government is not supportive to Sacco's                                          | (Bushenyi District SACCO Report, 2022) and thus not favoring SACCOs in their fight against poverty, as was spelled out by the qualitative findings.                                                                                                                                       |                       |
| 64 | The abstract should be one continuous paragraph                                           | The Abstract was put in one continuous paragraph and showing all the major components of the study.                                                                                                                                                                                       | Page xix              |
| 65 | Write GDP in full                                                                         | Gross Domestic Product.                                                                                                                                                                                                                                                                   | Page 1                |
| 66 | The word excellent should be revisited                                                    | The word excellent was replaced with improved.                                                                                                                                                                                                                                            | Page 1                |
| 67 | Government scaled down on its participation                                               | It was revised to be Government reduced on its participation.                                                                                                                                                                                                                             | Page 2                |
| 68 | Campbell was responsible for the first cooperative ever- Something missing                | Campbell's work was added in the background.<br><br>According to Lubwama (1995), there were three main reasons for the creation of SACCOs in Uganda. The Campbell's, the Church, and the influences of the government are three examples of these influences.                             | Page 3                |
| 69 | It is stated that in 2020- by who                                                         | The source was added that is (Development Initiatives, 2020; U.S. Census Bureau, 2020).                                                                                                                                                                                                   | Page 4                |
| 70 | To connect very well the first sentence on the theoretical background on political theory | The connection of the sentence was done.<br><br>The political theory of poverty was developed by Brady in 2009. According to Political theory governance and governmental policies are to blame for poverty. This viewpoint contends that institutions and power both exacerbate poverty. | Page 12               |
| 71 | Remove smith from the financial theory of intermediation                                  | Smith was removed from the financial theory of Intermediation as advised because it was not necessary. Under Theoretical background and Theoretical Review.                                                                                                                               | Page 13-14 and 30- 35 |
| 72 | Four functions- which ones- Be clear                                                      | Four functions of financial theory of Intermediation were clearly indicated<br><br>Bridging the pool of financial resources.                                                                                                                                                              | Page 13 and 34        |

|    |                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                        |
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|    |                                                                                   | <p>The reduction of transaction costs.</p> <p>The information provisions.</p> <p>The debt renegotiation.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                        |
| 73 | The two key topics-<br>call them<br>constituents                                  | The word constituents instead of topics was used.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Page<br>14                             |
| 74 | Remove Brief on<br>conceptual<br>framework                                        | The word brief was removed and became Description of the model instead of brief description of the model.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Page<br>25                             |
| 75 | You study is mixed<br>but you only have<br>Hypothesis – Add<br>research questions | <p>Research questions were included to cater for mixed approach.</p> <p>The research questions were added to cater for qualitative part.</p> <ol style="list-style-type: none"> <li>1. What is the contribution of financial services to poverty reduction among the SACCO members in the selected districts in Greater Bushenyi?</li> <li>2. What is the contribution of non-financial services to poverty reduction among the SACCO members in selected districts of Greater Bushenyi?</li> <li>3. What is the moderating contribution of government policy in the relationship between SACCO services “and poverty reduction among the SACCO members in selected districts in Greater Bushenyi?</li> </ol> | Page<br>20                             |
| 76 | Provide approval<br>letters of Faculty,<br>REC AND UNCST                          | <p>The approval letters were included in the appendices.</p> <p>Approval from the Faculty.</p> <p>Approval from the Graduate School.</p> <p>Approval from the BSU Research Ethics Committee.</p> <p>Approval from the Uganda National Council of Science and Technology.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                  | Appen<br>dix 7-<br>Page<br>240-<br>245 |
| 77 | Remove the<br>resource-based<br>View Theory on the                                | <p>The resource-based view theory was removed and replaced with financial intermediation theory that was propounded by Gurley (1960)</p> <p>This was done because the theory explains very well how SACCOs</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Page<br>25                             |

|    |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                         |
|----|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
|    | conceptual framework- Not applicable                                          | <p>reduce poverty by offering financial and non –financial services.</p> <p><i>It became the model is supported by the financial intermediation theory of in which encompasses very well the idea that small SACCO members achieve poverty reduction through access to financial resources to facilitate their operations. Efficient and effective reduction of poverty among the SACCO members is achieved through access to financial and non-financial resources which SACCOS provide (financial intermediation theory)</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                         |
| 78 | Why were the districts in the study selected                                  | <p>The three districts of Mitooma, Sheema and Bushenyi were purposively selected because they are well known for having the majority of well-developed SACCOs (80%) in Uganda (UBOS, 2018; Ministry of Finance, Planning, and Economic Development, 2014) and Nevertheless, a sizable portion of SACCO members from these districts have remained susceptible to disease and poor health, illiteracy, a lack of proper housing, water, clothing, and food, restricted access to education, and appalling living conditions (UBOS, 2018; Musiita et al., 2023; GBDSR, 2020; Greater Bushenyi District Community Development Report, 2018; Mitooma District SACCO Report, 2020) evidenced by 40% of SACCO members living in poverty, which is higher than the 32% national average (Greater Bushenyi SACCO Report, 2016; UNHS, 2016/2017 UNHS, 2019/2020; Greater Bushenyi District SACCO Report, 2020). In addition, they were chosen because the availability of well-developed SACCOs helped the research get the required information on the role of SACCOs in poverty reduction among the SACCO members in Bushenyi, Sheema, and Mitooma. This helped in answering the research objectives, research questions and study hypotheses of this study.</p> | Page 24                 |
| 79 | The period for the time scope needs to be revisited and need for evidence     | <p>The study was conducted for 3 years and data collected in January 2023. This is because of the University guidelines, and was when the Research Ethics Committee and the Graduate school allowed me to go to the field to collect data.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Page 24                 |
| 80 | Why the results of Cambodia cannot be used for generalization in the selected | <p>It was removed and replaced with the findings of Omona (2021).</p> <p>Omona (2021) carried a research on the role and difficulties of Savings and Credit Cooperatives (SACCOs) in Uganda in the fight against poverty and the creation of wealth. According to the survey,</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Literature Review- Page |

|    |                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |         |
|----|----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
|    | districts of Greater Bushenyi                                        | <p>Cooperatives have a significant influence on the healthcare and education industries in addition to financial services. In addition to advantageous insurance plans and health camps guaranteeing accessible and reasonably priced healthcare for communities, members have easy access to loans for educational reasons.</p> <p>Omona, J. (2021). Poverty eradication and wealth creation: The role and challenges of Savings and Credit Cooperatives (SACCOs) in Uganda. African Journal of Business Management, 15(8)</p>                                                                                                                                                                                                                                                                                                                                        | 51      |
| 81 | How do you intend to measure influence                               | <p>The objectives were made clearer and influence was removed</p> <p><b>Main Objective of the Study</b></p> <p>To examine the role of SACCOs in poverty reduction among the SACCO members in selected districts of Greater Bushenyi, Uganda.</p> <p><b>Specific Objectives of the Study</b></p> <ol style="list-style-type: none"> <li>1.To establish the contribution of financial services to poverty reduction among the SACCO members in selected districts in Greater Bushenyi</li> <li>2. To examine the contribution of non-financial services to poverty reduction among the SACCO members in selected districts in Greater Bushenyi.</li> <li>3. To establish the moderating contribution of government policy in the relationship between SACCO services and poverty reduction among the SACCO members in selected districts in Greater Bushenyi.</li> </ol> | Page 19 |
| 82 | For the time scope- We normally consider the time of data collection | The study was conducted for 3 years as per the University guidelines and data collected in January 2023. That's when the Research Ethics Committee and the Graduate school allowed the researcher to go into the field for data collection.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Page 24 |
| 83 | Financial literacy to be called financial literacy training          | Financial literacy was called financial literacy training.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Page 24 |
| 84 | Empowerment is too big- Let be removed                               | Empowerment was removed from the Conceptual Framework                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Page 24 |



| 85            | Some of the fits of indices are below standard | <p data-bbox="557 201 1377 233">The fits of indices were worked on to fit the standard as follows</p> <table border="1" data-bbox="557 264 1466 1612"> <thead> <tr> <th data-bbox="565 275 829 411">Name of index</th><th data-bbox="837 275 1032 411">Adequate fit</th><th data-bbox="1040 275 1179 411">Index value</th><th data-bbox="1187 275 1466 411">Status</th></tr> </thead> <tbody> <tr> <td data-bbox="565 422 829 516">CMIN/Df</td><td data-bbox="837 422 1032 516">Less than 5</td><td data-bbox="1040 422 1179 516">4.163</td><td data-bbox="1187 422 1466 516">Perfect fit</td></tr> <tr> <td data-bbox="565 527 829 674">GFI</td><td data-bbox="837 527 1032 674">Greater than 0.90</td><td data-bbox="1040 527 1179 674">0.95</td><td data-bbox="1187 527 1466 674">Perfect fit</td></tr> <tr> <td data-bbox="565 684 829 831">AGFI</td><td data-bbox="837 684 1032 831">Greater than 0.90</td><td data-bbox="1040 684 1179 831">0.95</td><td data-bbox="1187 684 1466 831">Perfect fit</td></tr> <tr> <td data-bbox="565 842 829 978">RMSEA</td><td data-bbox="837 842 1032 978">Less than 0.10</td><td data-bbox="1040 842 1179 978">0.090</td><td data-bbox="1187 842 1466 978">Perfect fit</td></tr> <tr> <td data-bbox="565 989 829 1136">NFI</td><td data-bbox="837 989 1032 1136">Greater than 0.90</td><td data-bbox="1040 989 1179 1136">0.95</td><td data-bbox="1187 989 1466 1136">Perfect fit</td></tr> <tr> <td data-bbox="565 1146 829 1283">CFI</td><td data-bbox="837 1146 1032 1283">Greater than 0.90</td><td data-bbox="1040 1146 1179 1283">0.95.</td><td data-bbox="1187 1146 1466 1283">Perfect fit</td></tr> <tr> <td data-bbox="565 1293 829 1430">IFI</td><td data-bbox="837 1293 1032 1430">Greater than 0.90</td><td data-bbox="1040 1293 1179 1430">0.96</td><td data-bbox="1187 1293 1466 1430">Perfect fit</td></tr> <tr> <td data-bbox="565 1440 829 1612">PGFI</td><td data-bbox="837 1440 1032 1612">Greater than 0.50</td><td data-bbox="1040 1440 1179 1612">.575</td><td data-bbox="1187 1440 1466 1612">Perfect fit</td></tr> </tbody> </table> <p data-bbox="557 1686 1336 1759">Table 3.21 shows that there was an overall good model fit of CMIN/Df, GFI, AGFI, RMSEA NFI, CFI, IFI and PGFI.</p> | Name of index | Adequate fit | Index value | Status | CMIN/Df | Less than 5 | 4.163 | Perfect fit | GFI | Greater than 0.90 | 0.95 | Perfect fit | AGFI | Greater than 0.90 | 0.95 | Perfect fit | RMSEA | Less than 0.10 | 0.090 | Perfect fit | NFI | Greater than 0.90 | 0.95 | Perfect fit | CFI | Greater than 0.90 | 0.95. | Perfect fit | IFI | Greater than 0.90 | 0.96 | Perfect fit | PGFI | Greater than 0.50 | .575 | Perfect fit | Page 115 |
|---------------|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|-------------|--------|---------|-------------|-------|-------------|-----|-------------------|------|-------------|------|-------------------|------|-------------|-------|----------------|-------|-------------|-----|-------------------|------|-------------|-----|-------------------|-------|-------------|-----|-------------------|------|-------------|------|-------------------|------|-------------|----------|
| Name of index | Adequate fit                                   | Index value                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Status        |              |             |        |         |             |       |             |     |                   |      |             |      |                   |      |             |       |                |       |             |     |                   |      |             |     |                   |       |             |     |                   |      |             |      |                   |      |             |          |
| CMIN/Df       | Less than 5                                    | 4.163                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Perfect fit   |              |             |        |         |             |       |             |     |                   |      |             |      |                   |      |             |       |                |       |             |     |                   |      |             |     |                   |       |             |     |                   |      |             |      |                   |      |             |          |
| GFI           | Greater than 0.90                              | 0.95                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Perfect fit   |              |             |        |         |             |       |             |     |                   |      |             |      |                   |      |             |       |                |       |             |     |                   |      |             |     |                   |       |             |     |                   |      |             |      |                   |      |             |          |
| AGFI          | Greater than 0.90                              | 0.95                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Perfect fit   |              |             |        |         |             |       |             |     |                   |      |             |      |                   |      |             |       |                |       |             |     |                   |      |             |     |                   |       |             |     |                   |      |             |      |                   |      |             |          |
| RMSEA         | Less than 0.10                                 | 0.090                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Perfect fit   |              |             |        |         |             |       |             |     |                   |      |             |      |                   |      |             |       |                |       |             |     |                   |      |             |     |                   |       |             |     |                   |      |             |      |                   |      |             |          |
| NFI           | Greater than 0.90                              | 0.95                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Perfect fit   |              |             |        |         |             |       |             |     |                   |      |             |      |                   |      |             |       |                |       |             |     |                   |      |             |     |                   |       |             |     |                   |      |             |      |                   |      |             |          |
| CFI           | Greater than 0.90                              | 0.95.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Perfect fit   |              |             |        |         |             |       |             |     |                   |      |             |      |                   |      |             |       |                |       |             |     |                   |      |             |     |                   |       |             |     |                   |      |             |      |                   |      |             |          |
| IFI           | Greater than 0.90                              | 0.96                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Perfect fit   |              |             |        |         |             |       |             |     |                   |      |             |      |                   |      |             |       |                |       |             |     |                   |      |             |     |                   |       |             |     |                   |      |             |      |                   |      |             |          |
| PGFI          | Greater than 0.50                              | .575                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Perfect fit   |              |             |        |         |             |       |             |     |                   |      |             |      |                   |      |             |       |                |       |             |     |                   |      |             |     |                   |       |             |     |                   |      |             |      |                   |      |             |          |
| 86            | Some references                                | The references that were not in the reference list were included                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Page          |              |             |        |         |             |       |             |     |                   |      |             |      |                   |      |             |       |                |       |             |     |                   |      |             |     |                   |       |             |     |                   |      |             |      |                   |      |             |          |

|  |                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |         |
|--|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
|  | not in the reference list | <p>National Planning Authority, Uganda. (2020). Uganda SDG gap analysis for selected policies and institutions.</p> <p>Aniodoh AN (2018). The effect of Cooperative Professionals in National Development: A Study of selected Co-operatives in Enugu State. <i>International Journal of Academic Research in Economics and Management Sciences</i> 7(3):441-456</p> <p>Develtere, P. (2007), Cooperative Development in Africa up to the 1990s, in P. Develtere, I. Pollet &amp; F. Wanyama (eds.), <i>Cooperating out of Poverty: The Renaissance of the African Cooperative Movement</i>, ILO/The World Bank Institute, Geneva/Washington D.C., forthcoming</p> <p>Financial Sector Deepening Uganda. (2020). Agile Scenario Analysis: COVID-19 Economic Recovery of Ugandan adults and businesses.</p> <p>Garon SM (2013). Promoting Savings and Financial Literacy: Historical and Global Perspectives on the Institutional Framework. Proceedings of the OECD/Infe/Gflec Global Policy Research Symposium to Advance Financial Literacy. Available at: <a href="https://www.oecd.org/daf/fin/financialeducation/Proceedings_OECD_GFLEC_1st_Symposium_Paris_2013.pdf">https://www.oecd.org/daf/fin/financialeducation/Proceedings_OECD_GFLEC_1st_Symposium_Paris_2013.pdf</a></p> <p>Gichuki, F.G. (2023), “Innovative credit management practices as a catalyst for financial performance: evidence from Savings and Credit Cooperative Societies in Nyeri Central Sub County, Kenya”, <i>International Academic Journal of Economics and Finance</i>, Vol. 3 No. 9, pp. 1-30.</p> <p>Herath, H. M. W. A., Guneratne, L. H. P., &amp; Sanderatne, N. (2015). Impact of microfinance on women’s empowerment: a case study on two microfinance institutions in Sri Lanka. <i>Sri Lanka Journal of Social Sciences</i>, 38(1), 5161.</p> <p>Kyamulesire, A.R (1988) A History of the Uganda Cooperative Movement 1913 – 1988, (1988), Kampala, Uganda Cooperative Alliance Ltd.</p> <p>Morgan, D. L. (2007). Paradigms lost and pragmatism regained: methodological implications of combining qualitative and quantitative methods. <i>Journal of Mixed Methods Research</i>, 1(1), 47–75.</p> | 182-212 |
|--|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

|    |                                      |                                                                                                                                                                                                                                                                                                                                                                                                      |         |
|----|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
|    |                                      | <p>Mukasa, J. (1997) The Performance of Cooperative Unions under Liberalization: A study of East Mengo Growers Cooperative Union Limited, Kampala, Makerere University, unpublished dissertation.</p> <p>Omona, J. (2021). Poverty eradication and wealth creation: The role and challenges of Savings and Credit Cooperatives (SACCOs) in Uganda. African Journal of Business Management, 15(8)</p> |         |
| 87 | Governance to be removed- Very broad | Governance was removed from the Conceptual Framework.                                                                                                                                                                                                                                                                                                                                                | Page 24 |

|    |                                      |                                                                                                                                                                                                   |         |
|----|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
|    |                                      | 8. Mukasa, J. (1997) The Performance of Cooperative Unions under Liberalization: A study of East Mengo Growers Cooperative Union Limited, Kampala, Makerere University, unpublished dissertation. |         |
| 88 | Governance to be removed- Very broad | Governance was removed from the Conceptual Framework as advised.                                                                                                                                  | Page 24 |

Signed.....

Daphin Nahikiriza

Signed.....

Dr. Noel Kansiime

Signed.....

Dr. Robert Mugabe

Signed.....

Dr. Milton Rwangire

Signed.....

DR. Wilbroad Aryatwijuka

## Appenddix 10: Plagiarism Report

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### THE ROLE OF SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN POVERTY REDUCTION: A CASE STUDY OF SELECTED DISTRICTS IN GREATER BUSHENYI, UGANDA

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ORIGINALITY REPORT

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|                           |                     |               |                |
|---------------------------|---------------------|---------------|----------------|
| <b>★7</b><br>% SIMILARITY | <b>7</b><br>%       | <b>0</b><br>% | <b>0</b><br>%  |
| INDEX                     | INTERNET<br>SOURCES | PUBLICATIONS  | STUDENT PAPERS |

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## Appendix 11: List of Clearances



### Uganda National Council for Science and Technology

*(Established by Act of Parliament of the Republic of Uganda)*

Our Ref: SS1853ES

19 July 2023

DAPHIN NAHIKIRIZA  
BISHOP STUART UNIVERSITY  
Mitooma

Re: Research Approval: 'SAVINGS AND CREDIT COOPERATIVE SOCIETIES AND POVERTY REDUCTION AMONG THE SACCO MEMBERS IN GREATER BUSHENYI, UGANDA'

I am pleased to inform you that on **19/07/2023**, the Uganda National Council for Science and Technology (UNCST) approved the above referenced research project. The Approval of the research project is for the period of **19/07/2023** to **19/07/2024**.

Your research registration number with the UNCST is **SS1853ES**. Please, cite this number in all your future correspondences with UNCST in respect of the above research project. As the Principal Investigator of the research project, you are responsible for fulfilling the following requirements of approval:

1. Keeping all co-investigators informed of the status of the research.
2. Submitting all changes, amendments, and addenda to the research protocol or the consent form (where applicable) to the designated Research Ethics Committee (REC) or Lead Agency for re-review and approval **prior** to the activation of the changes. UNCST must be notified of the approved changes within five working days.
3. For clinical trials, all serious adverse events must be reported promptly to the designated local REC for review with copies to the National Drug Authority and a notification to the UNCST.
4. Unanticipated problems involving risks to research participants or other must be reported promptly to the UNCST. New information that becomes available which could change the risk/benefit ratio must be submitted promptly for UNCST notification after review by the REC.
5. Only approved study procedures are to be implemented. The UNCST may conduct impromptu audits of all study records.
6. An annual progress report and approval letter of continuation from the REC must be submitted electronically to UNCST. Failure to do so may result in termination of the research project.

Please note that this approval includes all study related tools submitted as part of the application as shown below:

| No. | Document Title           | Language   | Version Number        | Version Date    |
|-----|--------------------------|------------|-----------------------|-----------------|
| 1   | Data collection tools    | RUNYANKOLE | RUNYANKOLE<br>VERSION | 17 January 2023 |
| 2   |                          | ENGLISH    | ENGLISH<br>VERSION    | 15 January 2023 |
| 3   | Informed Consent forms   | RUNYANKOLE | RUNYANKOLE<br>VERSION | 15 January 2023 |
| 4   | Project Proposal         | English    | ENGLISH<br>VERSION    |                 |
| 5   | Approval Letter          | English    |                       |                 |
| 6   | Administrative Clearance | English    |                       |                 |

Yours sincerely,



Dr. Christopher Ddamulira  
For: Executive Secretary

UGANDA NATIONAL COUNCIL FOR SCIENCE AND TECHNOLOGY

---

*LOCATION CORRESPONDENCE*

PLOT 6 Kimera Road, Ntinda  
P.O. Box 6884  
KAMPALA, UGANDA

*COMMUNICATION*

TEL: (256) 414 705500  
FAX: (256) 414-234579  
EMAIL: [info@uncst.go.ug](mailto:info@uncst.go.ug)  
WEBSITE: <http://www.uncst.go.ug>



# BISHOP STUART UNIVERSITY

P.O.BOX 9, MBARARA

Tel: 0701477444  
Mob: 0772-320618



Website: [www.bsu.ac.ug](http://www.bsu.ac.ug)  
E-mail: [pgd@bsu.ac.ug](mailto:pgd@bsu.ac.ug)/[dgri@bsu.ac.ug](mailto:dgri@bsu.ac.ug)

DIRECTORATE OF GRADUATE STUDIES, RESEARCH & INNOVATIONS

14<sup>TH</sup> NOV 2022

The Chair Person  
Research Ethics Committee (REC)  
BISHOP STUART UNIVERSITY

Dear Madam/ Sir.

**RE: RECOMMENDATION FOR MS.NAHIKIRIZA DAPHIN**

Receive greetings from Bishop Stuart University.

This is to forward to you the bearer Ms. Nahikiriza Daphin a student of PhD in Development Management at Bishop Stuart University who has finished her proposal and is ready for data collection.

Her research topic is; **Savings and Credit cooperative societies (SACCOS) and Poverty Reduction among the SACCO members in Greater Bushenyi, Uganda.**

Any assistance rendered to him is highly appreciated.

Yours sincerely,

Prof. Atukunda Gershom

The Ag. Director  
Graduate Studies, Research and Innovations.





# BISHOP STUART UNIVERSITY

P.O. BOX 9, MBARARA

Tel: 0772 512551



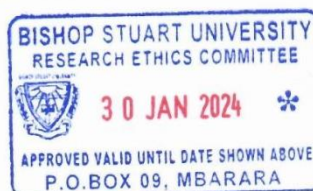
Website: [www.bsu.ac.ug](http://www.bsu.ac.ug)

E-mail: [rec@bsu.ac.ug](mailto:rec@bsu.ac.ug)/[info@bsu.ac.ug](mailto:info@bsu.ac.ug)

## RESEARCH ETHICS COMMITTEE

To: DAPHIN NAHIKIRIZA

BISHOP STUART UNIVERSITY  
0779144898



30/01/2023

Type: Initial Review

**Re: BSU-REC-2022-39: 'SAVINGS AND CREDIT COOPERATIVE SOCIETIES AND POVERTY REDUCTION AMONG THE SACCO MEMBERS IN GREATER BUSHENYI, UGANDA', ENGLISH VERSION, 2023-01-15**

I am pleased to inform you that at the 7 convened meeting on 12/01/2023, the Bishop Stuart University (BSU) REC, committee meeting, etc voted to approve the above referenced application. Approval of the research is for the period of 30/01/2023 to 30/01/2024.

As Principal Investigator of the research, you are responsible for fulfilling the following requirements of approval:

1. All co-investigators must be kept informed of the status of the research.
2. Changes, amendments, and addenda to the protocol or the consent form must be submitted to the REC for re-review and approval **prior** to the activation of the changes.
3. Reports of unanticipated problems involving risks to participants or any new information which could change the risk benefit: ratio must be submitted to the REC.
4. Only approved consent forms are to be used in the enrollment of participants. All consent forms signed by participants and/or witnesses should be retained on file. The REC may conduct audits of all study records, and consent documentation may be part of such audits.
5. Continuing review application must be submitted to the REC **eight weeks** prior to the expiration date of 30/01/2024 in order to continue the study beyond the approved period. Failure to submit a continuing review application in a timely fashion may result in suspension or termination of the study.
6. The REC application number assigned to the research should be cited in any correspondence with the REC of record.
7. You are required to register the research protocol with the Uganda National Council for Science and Technology (UNCST) for final clearance to undertake the study in Uganda.

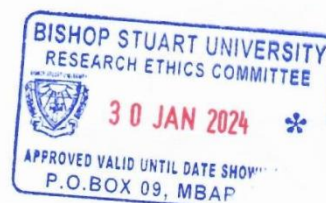
The following is the list of all documents approved in this application by Bishop Stuart University (BSU) REC:

| No. | Document Title                         | Language   | Version Number        | Version Date |
|-----|----------------------------------------|------------|-----------------------|--------------|
| 1   | Data collection tools                  | RUNYANKOLE | RUNYANKOLE<br>VERSION | 2023-01-17   |
| 2   | NAHIKIRIZA DAPHIN COMPLIANCE<br>REPORT | ENGLISH    | ENGLISH<br>VERSION    | 2023-01-15   |
| 3   | Informed Consent forms                 | RUNYANKOLE | RUNYANKOLE<br>VERSION | 2023-01-15   |
| 4   | Informed Consent forms                 | ENGLISH    | ENGLISH<br>VERSION    | 2023-01-15   |
| 5   | Protocol                               | English    | ENGLISH<br>VERSION    | 2023-01-15   |
| 6   | NAHIKIRIZA DAPHIN CLEARANCES           | ENGLISH    | ENGLISH<br>VERSION    | 2022-11-04   |

Yours Sincerely



Godfrey Rukundo  
For: Bishop Stuart University (BSU) REC



BISHOP STUART UNIVERSITY  
FACULTY OF BUSINESS, ECONOMICS AND GOVERNANCE  
DEPARTMENT OF ECONOMICS, STATISTICS AND TOURISM MANAGEMENT  
7<sup>TH</sup> NOVEMBER 2022

To the Research ethics committee, BSU

Thru: Dean, Business, Economics and Governance

Thru: Head of Department, Public Administration and Governance

Dear Sir,

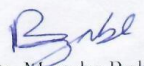
RE: SUBMISSION OF PHD RESERSRCH PROPOSAL BY NAHIKIRIZA DAPHIN

Iam writing to request you to accept the submission of PHD Research Proposal of Ms.DaphinNahikiriza, Reg. No. 19/PhD/ BSU-DM/005, titled "Savings and Credit Cooperative Societies (SACCOs) and Poverty Reduction Among SACOO Members in Greater Busenyi, Uganda.

This Candidate is under my supervision as the first supervisor and Dr. Moses Baikirizeas the second supervisor. As supervisors, we are satisfied with the work. She has also got an endorsement from the doctoral graduate Committee.

Accord her any assistance that may be needed.

Yours Faithfully,

  
Dr. Mugabe Robert

Lecturer Bishop Stuart University

Tel: 0782-365773

