



SAVINGS AND CREDIT COOPERATIVES (SACCOS) AND POVERTY

ALLEVIATION AMONG SACCO

MEMBERS IN JINJA DISTRICT

BY

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14/MBA/12/029

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

FEBRUARY 2018

DECLARATION

I, *Emmanuel Ahurira* hereby declare that, this piece of work entitled: *Savings and Credit Cooperatives (SACCOS) and Poverty Alleviation among SACCO Members in Jinja District, Eastern Uganda* is entirely my own original work except where acknowledged as citations, and to the best of my understanding, it has never been submitted before to any university or institution for the award of a degree.

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APPROVAL

This dissertation has been submitted for external examination with our approval as the student's supervisors.

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DEDICATION

This research is dedicated to my entire family who have been supportive and encouraging in the course of my study. I also dedicate this research to one of my mentors Mr. Timothy Basiima for picking a special interest in my work especially my research topic and providing continuous wise counsel.

ACKNOWLEDGMENT

It is with immense gratitude that I acknowledge the invaluable support and help of my supervisors Dr. Godfrey Mugurusi and Dr. Edgar Mwesigye who tirelessly mentored me throughout my research. They offered me all necessary guidance needed to achieve this academic task.

I would also like to acknowledge the support of my colleagues at BRJ who have allowed me time to attend to research work amidst a busy work schedule.

My gratitude also goes to the respondents for sparing time for me and responding to questions honestly.

Above all, I would like to thank God for the good health and providence that enabled me to carry out this research.

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LIST OF ACRONYMS AND ABBREVIATIONS

ACEs	Area Cooperative Enterprises
EU	European Union
GDP	Gross Domestic Product
GoU	Government of Uganda
ICA	International Cooperative Alliance
IFAD	International Fund for Agricultural Development
MDGs	Millennium Development Goals
MFIs	Microfinance Institutions
MFPED	Ministry of Finance Planning & Economic Development
NAADS	National Agricultural Advisory Services
NDP	National Development Plan
NGO	Non Governmental Organisation
NUSAF	Northern Uganda Social Action Fund
PAF	Poverty Action Fund
PEAP	Poverty Eradication Action Plan
PFA	Prosperity for All
PMA	Plan for Modernization of Agriculture
RESS	Rural Electrification Service Scheme

RFSS	Rural Financial Services Strategy
SACCOs	Savings and Credit Cooperatives
SDGs	Sustainable Development Goals
SHG	Self Help Group
SOPGA	Ssesse Oil Palm Growers Association
UCA	Uganda Cooperative Alliance
UN	United Nations
UPE	Universal Primary Education
VSLAs	Village Savings and Loans Associations
WOCCU	World Council of Credit Unions

ABSTRACT

The study assessed the effect of SACCOs on poverty alleviation in Jinja District. The aim of the study was categorically to; establish the effect of financial access on poverty alleviation, examine the community attitude towards SACCOs and how it has contributed to social-economic development and to assess the sustainability of SACCOs and their effect on poverty alleviation in Jinja District. The study applied a correlational descriptive design where qualitative and quantitative ways of both analysis and collection of data were used. Data was collected using questionnaire and interview guide. Both descriptive and inferential statistical techniques of analyses were used. The study revealed and indicated a strong positive correlation between financial access, community attitudes towards SACCOs and sustainability of SACCOs and poverty alleviation. In view of the above findings, the researcher concluded that members of some SACCO could not equitably access loans that were adequate to guarantee and lessen their poverty conditions, SACCOs had not improved member household livelihoods and their incomes. Member savings are the source of SACCO income and are extremely important in determining SACCO continuity. The study recommends among others things that: government through the Ministry of Cooperatives helps SACCOs to carryout member training about SACCOs operations, management of SACCOs enhanced control of loan default, management of SACCOs involve other ordinary members in making decisions, management sensitizes the public about the benefits and impact of SACCOs on people's livelihoods and that members be trained on entrepreneurial skills. SACCOs should also promote members' welfare and prosperity to encourage more savings.

INTRODUCTION

1.0 INTRODUCTION

1.1 Introduction

The chapter here below focuses on the basis which the study is based. which is subdivided into four sections; the historical, theoretical, conceptual and contextual.

Savings and credit cooperatives (SACCOs) are financial institutions centered on the membership of communities and are formed and thereafter owned by individuals collectively known as members in a bid to promote their economic interests. SACCOs are in essence financial institutions that are community based and created with the primary aim of fronting the members interests usually the economic ones (Cheruiyot, Muganda & Ogendo 2012). These prime centres of small scale funding mobilize and appropriate savings exclusively to the members of the SACCO in accordance with the cooperative statute 1991(Nuwagaba, 2012). These financial go-betweens who are user-owned are made of people who categorically share common history or goal. The members have equal liberties in the membership including the rights of voting (CGAP 2005). In Uganda, SACCOs are run and managed by their owners who happen to be the members (Kamulegeya, 2016).The International Cooperative Alliance (ICA) has written in its journals that SACCOs are most importantly cooperatives. They are registered under the Cooperative Societies Act, are legal and preoccupy themselves with activities aimed at making profit say business activities to become self-sustaining after growth.

SACCOs hugely depend on the member savings or shares as their resource basket to provide for their business and administrative activities (Kamulegeya, 2016). They accumulate these savings

and employ them as capital in form of low interest loans to members. Studies have shown that new members who join SACCOs are influenced or motivated most by two kinds of immediate objectives, to earn dividends following their savings deposit with the SACCO and; to be able to tap on the affordable loans accorded by the SACCO following their saving (Kamulegeya, 2016). SACCOs are much risingly gaining fame over the world as a valid option to banks which provide high interest loans. The SACCOs are proving to be an important force in the market play of the microfinance industry (Armendariz and Morduch 2005). The World Council of Credit Unions (WOCCU 2007) has indicated that over 20 African states including Uganda, Kenya and Tanzania have more than 11,849 SACCOs with assets that can be utilized of more than USD 2 trillion. Despite recognition of SACCOs in the microfinance sector, success stories of SACCOs programmes are generally few. While in the bigger picture of things the SACCO schemes appears to have been a success in many regions of the country, it has faired less well in some. And the programme is famous for publicized corruption, misuse of SACCO funds and other forms of abuse including embezzlement. leaving their effect on poverty alleviation in Uganda unclear.

1.1.1. Historical Background

The first people to prioritise cooperation that is of the kind of the modern era were the working class in the renaissance period of Europe that led to the growth of industries and many other trades. After the 18th century, countries such as France and Britain which were then the major players in the industrial era sought to come up with models which could drive their economies. These models were the labor cooperative and the consumer cooperative. The main aim of these cooperatives was to bring together the common interests of working-class families in the time when the industrial growth had started causing all kinds of disaster most especially socially. The

next phase of cooperative enthusiasts in the cooperation of the modern era later came around in the later parts of the 19th Century still in Europe. These enthusiastic cooperatives created the models used mainly in agricultural cooperatives and the savings and credit cooperatives which took up their forms after observing the strong influences of the labour and consumer associations mainly in France but also Britain. The major purpose of these cooperatives was different from that of the labour unions as these were based on the traditions of community bonding aimed at shared prosperity and economic growth. Cooperatives centered on agricultural output then helped farmers to raise their output level and put together systems of sourcing agricultural inputs which were cheap and accessible and stopped depending on traders who were often business oriented and prone to selling counterfeits and defective inputs. Seeing that the results were good and productive, they also put together funds and stopped depending on money lenders who were often crafty and scrupulous business men that would rip the rural farmers. This greatly promoted the boost and modernization of agriculture (Mwakajumilo, 2011).

A priest of the Roman Catholic church centered in town of Jirapa Ghana introduced the idea in Africa in about the late 1950s. Another priest from Ireland who had been exposed and studied overseas particularly in America and Canada where he observed and got interested in cooperative societies centered on training interest communities on the application of cooperatives. Father John McNulty trained over 50 people initially who became the first SACCO in Africa. The SACCO was called Jirapa savings and credit co-operative. It became a success story and model of other budding SACCOs thereon as the story was welcomed across Ghana. Essentially many communities came together and formed the first credit union in Africa (Alila & Obado, 1990).

In Uganda, SACCOs were introduced through the Uganda Cooperative Alliance (UCA). The main purpose of the SACCOs was to provide financial services based on self-reliance that is to say being able to mobilize and manage their financial activities. This happened to be a response to the government's campaign of providing financial services that are affordable to the rural poor (Mpiira et al., 2014).

UCA came into existence in 1961 at the height of the Cooperative movement. UCA is tasked with resource sourcing, advocacy, education of members and spokesman ship for the SACCOs. However, in the 1990s, government scaled down on 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 (Mpiira et al., 2014). 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 (Mpiira et al., 2014).

The United Nations assembly dedicated the year 2005 as the International Year of Microcredit. The assembly thereby adopted the target of creating financial services that are all inclusive (Kaggwa, 2012). The UN microcredit programmes successfully contribute to getting the rural communities out of poverty in a huge number of states in the world. In the launch of the UN Microcredit in 2005, the UN secretary general then Mr. Kofi Annan indicated that it was important to attend to the shortcomings that curtail communities from participation in the financial sector and emphasized that sustained access to microcredit contributes to poverty reduction by generating income and employment (Malinga, 2009; UN, 2003). In Uganda, the key pre-occupation of the Government is the deliberate attempt to increase household incomes. The provision of a conducive environment for our communities to access affordable credit through microfinance is one way to increase household incomes. The Government of Uganda (GoU's)

economic policy strategies have identified micro finance as a tool in reducing poverty and enhancing economic growth. To support poverty reduction, the GoU developed and launched “Bonna Bagaggawale”, Prosperity for All Program (PFA) in which the government position on SACCOs has been heightened. The PFA is an economic vision which envisages, for that all Ugandans as of their households will be able to earn a n income that enables them to afford basic needs for day to day life. The program is intended among other interventions to address inadequate access to financial services. The PFA is set out to achieve the creation of a SACCO for each subcounty in order to be able to distribute loans for business and agriculture to members at very low rates of interest. (Kaggwa, 2012).

The formation of SACCOs in Uganda is said to have been run by three major factors Lubwama (1995). These factors are known as the Campbell, the Church and influences by Government. Campbell is the author of the Uganda’s cooperative ordinance 1946 which includes the bylaws and rules thereon. Campbell worked in Asia as registrar of cooperatives. When he came to Uganda he used his experience in the formation of SACCOs. Campbell caused the formation of the first ever Ugandan cooperative. The cooperative was known as the African Civil Servants Co-operatives Thrift and Loan Society Limited of Kampala (Kabuga & Batarinyebwa, 1995).

SACCOs grew and rapidly expanded in the early 1960s and it was keenly believed due to the efforts of the clergy. The clergy often encouraged their followers to participate in such development agendas.. (Kabuga & Batarinyebwa, 1995).

1.1.2. Theoretical Background

This study was guided by “the Self-Help Group” (‘SHG’) and “the SACCO models” that have been welcomed internationally and nationally. Particularly, the SHG cooperatives model is

widely recognized internationally. The particular leverage of this model is its ability of involving the poor (Devietti & Nelson 2010). It is widely reported that they also largely involve women thereby touching the very integral players in poverty alleviation. This particularly makes it a powerful model in the fight of poverty alleviation and contribution to other important features of community development.

Poverty is a major problem of the 21st century world over and also in Uganda. The fight against poverty is a priority for the government of Uganda and is therefore an interesting topic for research. Poverty in the rural areas is significantly more prevalent than in urban areas in Uganda. Women are usually sidelined by tradition which makes them more vulnerable to poverty and thereby becoming a critical focus point for the research. The “Self Help Group model” economically empowers the poor (Devietti & Nelson,2010). SACCOs have membership based on a common bond and are linked to communities. Self-Help Groups are at the centre of poverty eradication and therefore become an important area for study with the aim of assessing how they can further enhance poverty reduction more so among women and the rural communities through providing access to low cost financial services (Flynn, 2013).

In Uganda, the SACCO concept is that they are managed and governed by the owners who are the members of these SACCOs. These members are brought together by a shared bond. SACCOs are legal entities whose registration is provided for the Cooperative Societies Act. SACCOs operate like any other economic institution which engages in business with the aim of making profit and building its own involved in business activities for purposes of making a profit to grow, survive and become sustainable (Kamulegeya,2016) SACCOs are an effective tool if guided by the core principles of equity, democracy and togetherness. As mentioned earlier, SACCOs operate and run on contributions made by members that is to say shares bought and

savings as the prime capital source. They use this accumulated capital to appropriate to members in form of low interest loans.

According to Ahamed & Kaleem (2010) cited in Kwai & Urassa (2015), Microfinance Institutions (MFIs) especially SACCOs are better placed in reducing poverty. MFIs make available low cost funds not only for solving immediate day to day problems but also for investment and therefore poverty eradication.

In the tradition of founder Cooperatives, members believe and adhere to a certain set of principles. Features of SACCOs include membership based on a common bond, democratic, low cost of establishment, accepting small deposits and linked to communities (Kaggwa, 2012). In this study, it is conceptualized that SACCOs enable members to access credit facilities and equipment.

For the households which are poor and therefore marginalized in Africa, financial inclusion is still a dream.

Not many organisations exist in the upcountry towns. The few which are stationed upcountry have less tailored services and products (Hendricks & Chidiac, 2011). To tackle this important aspect of financial inclusion and reach out to less privileged communities, CARE International advocates for savings-led models of microfinancing, called Village Savings and Loans Associations (VSLAs). CARE is a global confederation of 14-member organisations working together to end poverty. The VSLA model introduced and promoted by CARE is centered on the concept that for those in abject poverty more so women the right way of tackling poverty among them is by starting off by enhancing their skills and building their financial assets through saving and not debt. Obviously if communities have services that help them save, and also give them

access to small loans, the communities are shielded from irregular patterns of income flow. When these members borrow from the VSLA, loan sizes are generally small and manageable (Hendricks & Chidiac, 2011)

1.1.3. Conceptual Background

Savings and Credit Cooperative Societies

A co-operative is an organisation with full autonomy and made of people who unite voluntarily to meet their needs whether social, economic or cultural or other aspirations. This is done through association under an enterprise controlled democratically. SACCOs can promote mutual help, and social welfare of the group by extending low cost loans to cater for immediate economic needs and also promoting the spirit of initiative (Mpiira et al., 2014). To put it in context, as of this study, a SACCO is an institution of micro financing under the form of a cooperative and is a strategy by government to avail these financial services to the poor most especially the rural poor through mobilizing savings by members under their own initiative.

A VSLA is a group managed by members and does not receive funding from external sources. The VSLAs provide their members with a place safe for saving funds and to obtain loans including insurance in emergency situations. Members of the VSLA can obtain low cost funding to cover daily utilities such as power, water, school fees thereby preventing these members from selling their valuable assets like animals and other long-term investments. Consequently, members of the VSLAs can use their assets to improve their wealth per households and their wellbeing. The model of the VSLAs centers on the availability of finance to the poor as the key to lift them out of poverty. This is a shared view shared with the Government of Uganda. The Government of Uganda has availed funds to community groups (VSLAs) in the hope that the

groups can utilize these funds to generate capital and cause a ripple effect of wealth accumulation thereby eradicating poverty (Boyle, 2014).

The first in Africa was created by CARE in 1991 in the sub-Saharan state of Niger. Over the years, CARE has VSLAs serving and catering for more than 2.5 million people, (where 60% of are women), in more than 22 African countries. The VSLAs have had remarkable outcomes which have inspired other organisations to take on the approach. More than three million people in Africa alone are estimated to be benefiting to the methodology of the VSLAs. This is a considerably successful model which the Government of Uganda can adopt to further support its poverty eradication drive (Care Uganda).

On the other hand, a Self-Help Group (SHG) is a financial institution or intermediary which is often village based with under 20 native citizens. A group of people with different backgrounds and interests not ideal. Many of the SHGs are situated in India. Many SHGs are also situated in Southeast Asia. The idea of SHGs is to bring people with common characteristics usually financial disadvantages together with the aim of overcoming their disadvantage. Members of the SHGs are required to make regular contributions in form of savings, however small over some time until they have accumulated enough resources for purposes of lending. These accumulated funds can then be made available to other members of the SHG for borrowing. SHGs are not driven by support from Government. They are essentially a purposeful and people driven initiative aimed at eradicating household poverty (Care Uganda).

The main variation of the VSLA model from the SHG model therefore is that VSLAs aim at making finance available to people as a means of raising them out of poverty while the SHG

model is dependent on the people's drive to generate resources amongst themselves (Care Uganda).

The 1997 Uganda's Poverty Eradication Action Plan (PEAP) as a national planning workplan places greater emphasis on promoting the capability of the rural poor to improve their way of living and their incomes by themselves. PEAP is a highly participatory process in economic growth by people in all sectors. The PEAP framework further roots for the participation of the poor in economic growth by extending financial services, small scale agriculture and industrial employment. The PEAP brings poverty to context in the Uganda way quite a number of dimensions and the objective of PEAP is to improve household wellbeing. It puts into perspective the need to increase household incomes of the poor and places it as a high priority, most especially putting an end to income poverty (Qian-Qian Liu, Man Yu & Xiao-Lin Wang, 2015). Low earning levels definitely affect the level and quality of education and health care they can obtain (MFPEP, 2000). In the study context herein, poverty alleviation is interpreted to mean generalized poverty reduction and includes not just the earning of low income but also lack of access to healthcare and education among other necessities of life; food, clothing and shelter.

Development implies an incident that causes a situation to change or progress or movement from one level to another, usually with quality of some sort.

1.1.4. Contextual Background

The Cooperative Societies Act of 1991 provided the basis for the development of SACCOs as institutions to save the poor people (Ahimbisibwe, 2009). Jinja however, faces poverty on large scale which is characterized by lack of energy sources, clean water, low house hold income and inadequate healthcare and educational services. SACCOs in Jinja District have therefore had

challenges. For example, Butagaya SACCO in Butagaya sub-county, Bososa SACCO in Masese, Jinja District Health Workers SACCO in Central Division have had misappropriation of funds and the treasurers failed to account for lost monies. Members of Busede SACCO in Busede Sub County, those of Bugembe Tukulere Wamu SACCO in Mafubira Subcounty Mafubira Subcounty and JOYFORD SACCO in Buwenge Rural failed to pay back their loans. Mpumude C3 in Mpumudde-Kimaka has a problem of governance (Jinja District Newsletter, 2014). Despite the significant values attached to SACCOs to enable poor citizen to access financial services easily, the above situation of fraud by management staff and high level of dishonesty and lack of cooperative transparency does not encourage development. It is uncertain what the effect of SACCOs on poverty alleviation in the district of Jinja is of which the district is the study's focus.

1.2. Statement of the Problem

The Ugandan Government has fast tracked an agenda of poverty eradication through implementation of PEAP (PEAP, framework, 1997). The government uses this programme to reduce household poverty levels through SACCOs. SACCOs have a chance to widen availability of financial services to the poor unbanked people (Kaggwa, 2012). The ministry of finance is channeling money to rural and poor households through establishments like SACCOs with the aim for the people to borrow and utilize the funds to drive themselves out of poverty.

Despite the formation of SACCOs and their fundamental importance of savings for poor households, poverty has hit households in rural areas harder and access to credit is still limited (Uganda Poverty Status Report, 2014). Anguyo (2013) reported that over 65% of Ugandan citizens are living in abject poverty or are vulnerable to sliding into poverty.

The comparative poverty incidence in eastern Uganda is 33.2% as compared to the national average of 32%, Eastern Uganda is among the poorest areas in the country (Uganda Poverty Assessment Report, 2014). Development Initiatives, which is an NGO based in London has reported that more than 38% of people in the region of Busoga live in poverty, measured on living on a dollar per day. Jinja district in Busoga has one of the highest concentrations of SACCOs in Uganda but it has also not been saved from the plight that engulfs the whole of Busoga region. Jinja district has 11 sub counties where each sub county has at least one SACCO. With regard to the business climate, accessing funding to improve members' economic development is difficult. There is also no concrete evidence of increase in financial earnings that would point out that initial savings are used to facilitate investments productively. The study therefore, sought to find out the effect of SACCOs on poverty alleviation in Uganda specifically, financial access, community attitude towards SACCOs and sustainability of SACCOs to have significant influence on the fight against poverty and contribute more to social-economic development in Jinja District.

1.3. Purpose of the Study

The focus of this research and its purpose was to assess the effect of SACCOs on poverty alleviation in Jinja District.

1.4. Objectives of the Study

The objectives of this study were:

- i. To establish the effect of financial access on poverty alleviation in Jinja District.

- ii. To examine the community attitude towards SACCOs and how it has contributed to social-economic development in Jinja District.
- iii. To assess the sustainability of SACCOs and their impact on poverty alleviation and social-economic development in Jinja District.

1.5. Research Questions

- i. What is the effect of financial access on poverty alleviation in Jinja District?
- ii. How does the community's attitude towards SACCOs contribute to social-economic development in Jinja District?
- iii. How can SACCOs and their impact on poverty alleviation and social-economic development in Jinja District be sustained?

1.6. Research Hypothesis

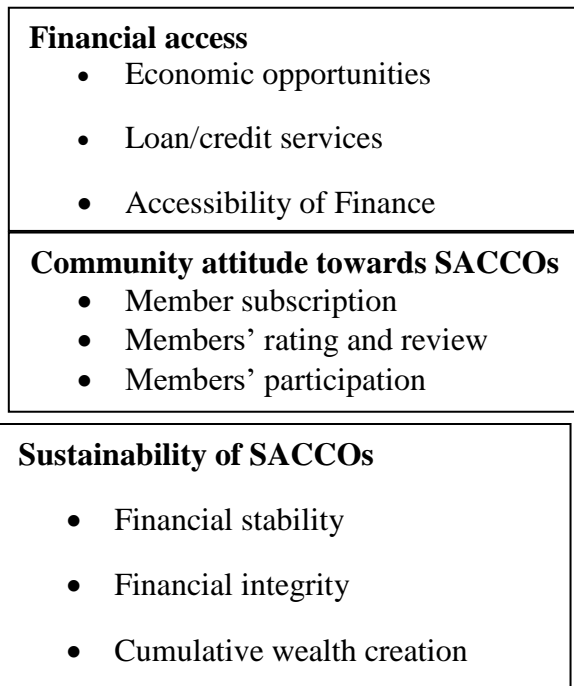
- i. Financial access does not have a significant effect on poverty alleviation in Jinja District.
- ii. Community attitude towards SACCOs does not influence the social-economic development in Jinja District.
- iii. SACCOs and their impact on poverty alleviation and social-economic development in Jinja District are not sustainable.

1.7. Conceptual Framework.

Figure 1: Conceptual frame work for the assessment of the effect of SACCOs on poverty alleviation in Jinja District.

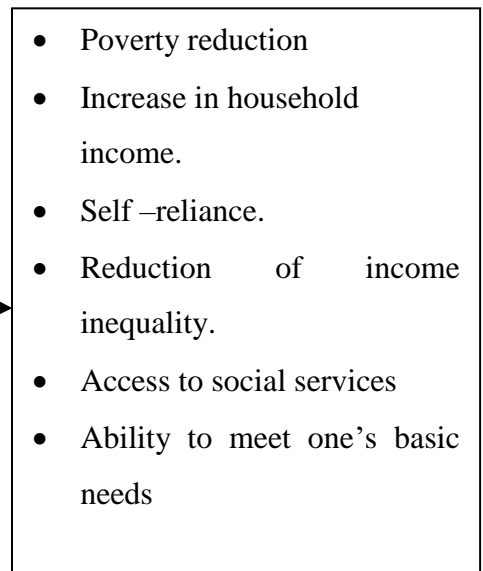
Independent Variable

SACCOs



Dependent Variable

Poverty Alleviation



Source: CARE microfinance model for access to financial services through Village Savings and Loans Associations (Hendricks & Chidiac, 2011).

In the study the independent variable was conceptualized as SACCOs and poverty alleviation as the dependant variable. The conceptual framework explains that SACCOs in terms of financial access, community attitude towards SACCOs and sustainability of SACCOs have an effect on poverty alleviation in Jinja District in terms of; Household income, reduction of income inequality, access to social services and ability to meet one's basic needs.

1.8. Scope of the Study

1.8.1. Geographical Scope

The research was carried out in Jinja District which is situated in the eastern part of Uganda. It was be carried out in both community-based SACCOs and employee-based SACCOs. Community-based SACCOs are mostly at the level of villages with various groups and individual loans but conflict over loan repayment. Employee-based SACCOs have members with bank accounts and loans specifically based on salary which are made available after obtaining gurantee from the borrower's employer. However, in employee-based SACCOs employee-based SACCOs Senior Officers have had disagreements over savings (Bagala, 2012). Communities in Jinja District have frequently emphasized inadequate access to basic social services. This duly contributes to the increasing levels of poverty in the region as it has always appeared in the media.

1.8.2. Content Scope

The research assessed the effect of SACCOs on poverty alleviation in Jinja District. SACCOs was conceptualized as; financial access, community attitude towards SACCOs and sustainability of SACCOs to for their impact on poverty alleviation and contribution to social-economic development in Jinja District.

1.8.3. Time Scope

The research covered the time period of five years between 2009 and 2015. Jinja's population claims to face problems of widespread poverty, unemployment and inadequate health and educational facilities. These claims have been increasingly more pronounced in the recent years. Communities in Jinja described poverty as inadequate access to necessities or capital for business, powerlessness and social isolation (Jinja District PPA Report, 2002). They alleged that the civil administration seemed to have abandoned them. Households in the district did not also seem convinced that they benefited from the services provided by government at the level of the subcounty which is a basic administration level of government is thus the feeling that they were being alienated (Jinja District PPA Report, 2002).

1.9. Significance of the Study

The purpose of Government is to ensure that every sub-county has a functional SACCO which can provide financial services to the population and programs that provide support to access credit funds (Kaggwa, 2012). The study would ascertain how SACCOs are managing themselves and whether they are serious about what they were established to do and whether they have the capacity to do so as an anti-poverty alleviation tool.

The findings will be useful to policy makers in establishing the make up of SACCO communities and the services most sought for within the SACCOS.

The study will benefit decision markers especially in SACCOS to understand the strength, weakness, opportunity and threat towards the development of SACCOS to design pro-saving interventions is to promote basic savings.

The study will be useful to different stakeholders in providing financial education including the government in establishing effective community-based SACCOs and employee-based SACCOs.

In addition, the study will establish how micro credit institutions provide technical support to SACCOs.

To other researchers, it will form a basis for further research as similar studies may get background information from the result of this study.

1.10. Operational Definitions of Key Terms and Concepts

Poverty

Poverty has different ways through which it projects itself in the lives of people with one of them being lack of income and any resources which can help to generate income and ensure that the livelihoods of the people are sustainable. Malnutrition and hunger; sickness; poor quality of education, high rate of mortality, unsafe living environments and increased morbidity along with lack of social inclusion are some of the many manifestations of poverty. Poverty also manifests itself through inability to participate in making decisions among the social or cultural group one belongs (Marburg, 1996; Deepa Narayan, 2000). In the context of this study, Poverty was measured by level of household income, level of self-reliance, income inequality gap, ability to afford social services and ability to meet one's basic needs.

Financial access – focuses on availability of lending and saving services to less advantaged poor households to help them better to meet their needs and in this study, financial access covered economic opportunities, access to credit services and state of access to finances.

Community attitude towards SACCOs

This focuses on perceptions and beliefs about SACCOs on the level of impact on poverty and increases in incomes and capital base of assets for the poor households which are sustainable. In this study, community attitude towards SACCOs was measured in terms of market dynamics, voice to the poor and improved member incomes.

Sustainability of SACCOs - Sustainability focuses on business strategies that can contribute to continuity of the SACCO. In this study Sustainability covered financial performance, financial integrity, and the SACCOs' capability to attract more savings, member's involvement and management of SACCO business operations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.0. Related Literature Review

Introduction

The Government of Uganda's deliberate attempt is to increase household incomes particularly for Ugandans who are either poor or highly vulnerable to poverty. SACCO intervention is in conjunction with the Government's Prosperity for All programme to reduce household poverty levels. SACCOs mobilize and encourage members to save and intermediate savings into loans for members to access with small interest rates to promote economic interests (Markus and Schmidt, 2011). The literature suggests microcredit programmes, contribute to lifting people out of poverty. The Theoretical Review evaluates the key theories essential for understanding how poor people can have opportunities to save their surplus income to be able to undertake larger investments in the future. The literature reviews financial access, community attitude towards SACCOs and sustainability of SACCOs and their effect on the fight against poverty and the drive for social-economic development in Uganda

2.1. Theoretical Framework

Under the Self-Help Group model, groups are perceived as sustainable vehicles that will help to bring the rural impoverished out of poverty and they seem to be positive in directly involving and economically empowering the poor members of society (Devietti & Nelson 2010). Self-help group members provide help to one another being people with common interests and challenges. The prime common interest of these members is to aid each other (Ahmadi, 2016). SACCOs

happen to be the nearly perfect tool to deal with poverty if run on the important and core principles of self-help, equity, solidarity, social responsibility and looking out for one another. Traditionally, members of the cooperative societies believe in a set of core values. The International Cooperative Alliance (ICA) asserts that SACCOs by way of their set up are crucially controlled by their owners who set the standards that govern them. This means that SACCOs are self-sustaining, self-determined and self-governed. External management is never ideal in their set up. SACCOs include membership based on a common bond, democracy, low cost of establishment, acceptance for small deposits and linkage to communities (Kaggwa, 2012). In this study, it is conceptualized that SACCOs enabled members to self-regulate, access credit facilities and equipment.

Self Help Group model economically empowers the poor (Devietti & Nelson 2010). SACCOs have membership based on a common bond and are linked to communities. SHGs happen to be an important and crucial study area therefore for the particular reason reasons that they are centred on poverty of the rural and women. SACCOs also create idle forums for the poor to have access to saving schemes and therefore pose great potential in the development of any nation (Flynn, 2013).

In Uganda, SACCOs have a unique ownership in that the members who own them, manage and run them are brought together by a common background that forms their bond of unity (Kamulegeya,2016). SACCOs are an effective tool if guided by the core values of self-help, self-responsibility, democracy, equity, solidarity, honesty, openness, social responsibility and caring for others. SACCOS center their existence on their member's share purchases and savings as the major capital resource after which they to extend borrowings to other members at low rates of interest according to Ahamed & Kaleem (2010) cited in Kwai & Urassa (2015).

Traditionally and from age, Cooperative members share the view that SACCOs have core values on which they are built. The International Cooperative Alliance (ICA) stresses that SACCOs are by their nature are essentially cooperatives managed by their own members who determine and manage how they are run. Features of SACCOs include membership based on a common bond, democracy, low cost of establishment, accepting small deposits and linkage to communities (Kaggwa, 2012). In this study, it was conceptualized that SACCOs will enable members to self-regulate, access credit facilities and equipment.

2.2. Financial access and poverty alleviation in Uganda

The Government of Uganda took on the drive of poverty eradication under the Poverty Eradication Action Plan (PEAP) dating back to the mid-1990s; The government is now running a 5 year strategic development plan under the PEAP. The five-year National Development Plan (NDP, 2010) and Vision 2040 imagine development and drastic transformation of the Ugandan population to prosperity and modernized economy by 2040 which translates to the need to change the growth of the SACCOs to wealth creation that is sustainable (NDP, 2010). However, poverty is of high prevalence in Uganda with more than a quarter of the population living below the extreme poverty line recognized internationally of US\$1.9.

Statistics show that the poor around the country are variably distributed with the highest concentration of the poor being in the east and north Uganda. By the year 2006, over 67% of people who are considered to be poor based on the international standards lived in the north and east regions of the country. This proportion grew over the years to about 84% within 7 years. (World Bank, 2016, 2012). Eradication of abject poverty and hunger was priority of the eight Millennium Development Goals (MDGs).

The Government of Uganda's deliberate attempt is to increase household incomes particularly for Ugandans who are either poor or highly vulnerable to poverty. SACCO intervention is in conjunction with the Government's Prosperity for All programme to reduce household poverty levels. SACCOs mobilize and encourage members to save and intermediate savings into loans for members to access with small interest rates to promote economic interests (Markus and Schmidt, 2011). The literature suggests microcredit programmes, contribute to lifting people out of poverty. The Theoretical Review evaluates the key theories essential for understanding how poor people can have opportunities to save their surplus income to be able to undertake larger investments in the future. The literature reviews financial access, community attitude towards SACCOs and sustainability of SACCOs and their effect on the fight against poverty and the drive for social-economic development in Uganda

Poverty in Uganda remains a pressing issue and poverty reduction is prime and priority objective of the Uganda government's development strategy (Bantebya & Mwiine, 2012). A number of anti-poverty programmes have been put in place in the last 20 years, but the key ones include Poverty Eradication Action Plan (PEAP, 1997), Poverty Action Fund (PAF, 1998), Prosperity for All (PFA, 2007) and The Rural Financial Services Strategy (RFSS) among others. The PEAPs were designed to guide the prioritization of policy objectives between government and any willing partners in development especially in availing social services to the public especially education and healthcare. (Bantebya & Mwiine, 2012). The PAF was set up in the late 1990s to create a channel through which funds could be sent from HIPC to the important organisations and developmental sectors set out by the PEAP. The Government of Uganda further invigorated its push to eradicate poverty more so among the rural by introducing the prosperity for all programme (PFA). The core principals of PFA are production, microfinance and marketing.

Funds are availed for borrowing and lending through the SACCO networks around the country thereby reaching the corners where the poor live. These loans are obviously always below market rates of interest. (Bantebya & Mwiine, 2012).

According to Carmichael (2008), a microfinance institution provides financial services to low-income populations. Evidence from the Uganda Poverty Status Report (2014) indicates that the establishment of these microlending institutions especially SACCOs has aided the members to build acquire capital assets like land and also meet their immediate needs like paying school fees for children and meeting medical bills. These SACCOs have been majorly successful in propelling the masses out of poverty more so those located in the western Uganda (Uganda Poverty Status Report, 2014).

Government's RFSS has channeled such funds to rural communities especially SACCOs and thereby drastically improving the access to financial services by the poor. SACCOs are important due to the nature of their set up and their management for involving the layman thereby providing an outreach or helping hand to the agricultural sector through funding the peasants. (Uganda Poverty Status Report, 2014). As it would be imagined however, SACCOs have a different success rate in effectiveness. This creates a bias among the public that maybe some SACCOs are not helpful after all and that they limit productivity and promote consumerism. Many of these SACCOs are often shorthanded by the less than commendable saving culture of Ugandans especially the poor. Many people seek to join SACCOs mainly with the interest to borrow money from them and not to save. SACCOs with very few people who are willing to save therefore seem less sustainable and the resilience is low in times of hardships. The group rules are also often abused in such setups.

In essence it is important to remember that SACCOs developed out of the need to advance the economic interests of the low-income earners especially farmers who were unable to go about their business due to inadequate capital to transport and process their produce. These people appreciate and treasure their savings groups because they are well aware they leverage them from a lot of hardships. They therefore observe and respect the rules of the groups. This cohesion and unity in these groups is utmost which is a key factor for their success. This helps explain why the SACCOs in the west of Uganda which were generally formed out of farmers' initiative without the input of government are more successful than the SACCOs from the rest of the country.

In synchronization with the government's vision for socio-economic transformation, commitment to alleviating the deprivations making Ugandans highly vulnerable to risks and shocks. Government's RFSS has overseen the drastic rise in financial-inclusion. According to MFPEd (2014), SACCOs, VSLAs and social network groups are aiding the less leveraged to obtain credit at low rates of interest and be able to invest in activities that generate more income.

The proliferation of SACCOs has influentially led to the integration of various income levels of people, different professions and walks of life. Different classes of people engage in cooperative activities and created employment opportunities as they participate in the economic activities. These activities substantially guarantee a decent income and their transactions are viable income-generating activities more so with their increased potential in sourcing funds from which they can then lend to members (Wanyama, Develtere & Pollet, 2008). Nonetheless these SACCOs provide these loans for a variant of purposes including support of informal businesses that supplement their wage income (Wanyama, Develtere & Pollet, 2008).

2.3. The community attitude towards SACCOs and poverty alleviation in Uganda

Financial access is correlated globally with indicators of economic development (CGAP & the World Bank Group, 2010) (Ardic, Heimann & Mylenko 2011). According to the Uganda Bureau of Statistics (2007) and MFPED (2004) agriculture was the mainstay of the economy, contributing 31% of GDP, 85% of exports and employing at least 77% of the active labour force. In order to address the weaknesses in the economy and financial sector, government introduced a number of antipoverty programmes to realign the business environment in Uganda so as to promote saving mobilization and investment that include Decentralization, The PEAP, PAF, PFA, Universal Primary Education (UPE), The Plan for Modernization of Agriculture (PMA), National Agricultural Advisory Services (NAADS), Rural Electrification, RFSS and Northern Uganda Social Action Fund among others (Bantebya & Mwiine, 2012).

(Kabuga (1987), states that the colonial setup dictated that the locals specialized and concentrated on the production of cash-crops for the colonial masters to export abroad while the colonial masters did the marketing and industrial manufacturings. The locals were therefore limited and denied the change to engage in poverty eradication activities. Wanyama, Develtere & Pollet (2008) however, observed that there is now agreement among the international bodies like the United Nations and the European Union that cooperatives address the core concerns of poverty eradication.

Lemma and Aal (2007) cited in Wanyama, Develtere & Pollet (2008) indicated that in Ethiopia and Egypt participates in the doing agriculture through saving societies generate more income than the other farmers. According to Ahimbisibwe (2007), through SACCOs generally advise their members about the demise that may befall them due to bad management of their finances

thereby encouraging their members to save. This is important because obviously the increase in savings increases the SACCOs capital and ability to lend. This is most importantly the key to breaking the viscous cycle of poverty.

Considerable literature indicates that relationship can be observed between financial access and the level of income of a given population and that the intermediation level of these financial services is not only positively related to economic growth of a population but it has a direct impact on the income inequality gap as well (Levine 2005, Demirguc- Kunt and Levine 2008).

2.4. Sustainability of SACCOs as a tool of Poverty Alleviation and Social-Economic Development

Microfinance is and has always been a prime tool for reduction of poverty worldwide. Microfinance institutions (MFIs) concern themselves with the poor by extending innovative approaches that are based on group lending (Kimando, Kihoro & Njogu, 2012). The RFSS is based on an early 2000s model to guide the building and development of a network that covers the country most especially rural financial infrastructure of SACCOs. The main aim is to extend these services to the masses more so the rural poor. Promoting the rise of the household income of the rural and urban poor is a key government priority especially in Uganda.

It is common opinion that the development of an environment that enables financial success by Government has contributed greatly to the growth of the microfinance industry nationally. With micro-finance emerging as an important tool in the fight against poverty.

Government admits that its contribution in microfinance has been inadequate in terms of policy formulation and formulation of legislation (MFPED, 1999). Regulatory legal framework is

necessary for the management of cooperatives including compliance and accounting requirements and systems have not been properly structured. Arysad (2005) assessed the long-term sustainability of the Indonesian MFIs using a study case of credit institutions at village level. Arysad observed that economic growth goes hand in hand with the involvement in terms of legislation and provision of the necessary regulatory framework. Most importantly the ministry of finance and the central bank regulations contributed greatly to the blossoming or limitation of these MFIs. Nonetheless a study conducted by (MFPED,2012) in 2012 on the program for expanding the access of rural financial services and observed that less than 35% of the SACCOs reviewed had internal regulatory framework and also knowledge of the general guidelines like byelaws and the constitution. (MFPED,2012).

In addition to the wanting regulatory framework, SACCO's everywhere all over the country are tainted with theft. The Daily Monitor newspaper of August 24, 2016 reported that the chairperson of a SACCO was entrusted to oversee the SACCO's lorry operations but illegally sold it off. The Daily Monitor newspaper of May 2, 2016 reported that the Parliamentary Committee on the National Economy ordered arrest of Kilika SACCO manager after SACCO members accused him of embezzling their savings totaling to Shs70 million and grabbing some of the SACCO's property. The absence of regulatory legal framework, mismanagement and embezzlement of funds of SACCOs.

According to Mutesasira et al., (1999) cited in Andy et al., (2001) indicated that SACCOs are generally popular because they are easy and accessible and are available to the "needy clients" as and when they need bailout in terms of loans. This is because they rarely require huge forms of collateral to access loans and documentation is easy since the borrowers are members of the

community who are well known as compared to banks which take borrowers through very rigorous exercises. The SACCOs are also usually located near the members' homes or workplaces making them easy to access. From formal point of view, SACCOs have the unrivaled advantage that they can source savings from their members by imposing a saving requirement and thereon use these savings to fund their lending schemes. The success of SACCOs therefore is dependent on those that benefit from it and thus making the relationship a very mutually benefiting one. This particular factor makes the SACCO model a very sustainable one.

On the hand, despite the many leverages enjoyed by SACCO settings, they also face many challenges which have affected their reputation among the public and the members. From their establishment, these SACCOs face a challenge in that their managements are made of a few elitist or influential members of the community who keep many sensitive administration matters to themselves and thereby excluding other members of the SACCOs. This leads to some particular individuals feeling like they are the particular owners of the SACCO forgetting how and why it was set up. This alienates other members of the SACCO, pulls down morale and generally leads to the downslide of trust in the members who think that their savings cannot be trusted to these egoistic leaders who are take the management of the group (Andy et al., 2001).

In addition, Andy et al., (2001) noted that as you would expect from the saving culture of Africa and Uganda in particular, majority of the members in these SACCOs are more interested in borrowing than in saving. This stretches the SACCOs and hence giving an impression that they are not meeting the needs and objectives for their setup. SACCOs try to keep up with this borrowing pressure and end up lending out the share subscriptions and the savings causing liquidity challenges. Consequently most of the SACCOs in the country have a portfolio of more loans than savings and capital. Many people are also reluctant to pay back the borrowed money.

This causes tensions and friction among the group and it defeats the cohesion spirit in which these SACCOs thrive. (Dichter1997; Mutesasira et al 1999, Wright,1999).

CHAPTER THREE

METHODOLOGY

3.0. Introduction

In this chapter, information on this study's methodology is presented in relation to the design of research, population, size of the sample to be studied and selection procedure, sampling technique, data collection methods, data collection instruments, validity and reliability of instruments, procedure for data collection, data analysis strategy as well as levels of measurement.

3.1. Research Design

A design for research is a way of carrying on research with a high level of control over the variants that could influence the quality and validity of the findings of the research methodology (Burns and Grove, 2003). This research was carried out using correlational and the descriptive research design. During data presentation, correlation and linear regression was employed to test the research hypothesis.

The descriptive research method is based around collecting data which describes events, and thereafter process it in tabulations and other methods of analysis to provide meaningful information (Glass & Hopkins, 1984). Descriptive research often uses visual aids such as graphs and charts to help the reader understand the data distribution. Descriptive research therefore helps to reduce large volumes of data into manageable forms. Description emerges following creative exploration and serves to organize the findings in order to fit them with explanations and then test or validate those explanations (Krathwohl, 1993). They utilize data collection

techniques that yield reports concerning the measures of central tendency, variation and correlation.

The descriptive function of research is heavily dependent on instrumentation for measurement and observation (Borg and Gall, 1989). Descriptive research is designed to provide a picture of a situation as it naturally happens (Burns and Groove, 2003).

Descriptive variables generally have the advantage that they require little inference on the part of the observer (Borg and Gall, 1989). This therefore means that they generally yield reliable data.

The major challenge that is met during research based on the descriptive design is the difficulty in collecting data related to inferences on behavior. This study was not intended to tackle any variables relating to behavior and therefore renders this an ideal research design for this study.

Descriptive studies also restrict flexibility and versatility as compared to exploratory research and therefore limit bias.

It also aims to restrain collection of unnecessary data. This was very helpful in this research given the limited time that was available to complete the study.

The study adopted both quantitative and qualitative approaches. The quantitative approach was used because the study based on variables that are measured with numbers and analyzed with statistical procedures. Qualitative approach was used as the study used interviews to explore in-depth the understanding, views and attitudes of members on the contribution of SACCOs to the alleviation of their poverty.

3.2. The Population of the Study

The total population of registered SACCOs in Jinja District is 14 which includes Jinja Municipal SACCO in Central Division comprising of 400 members, Kakira Sugar Employees SACCO in Kakira Town Council with 1420 members, Jinja Municipal Teachers in central division with 450 members, Budondo SACCO in Budondo Sub County has 1200 members, Nakanyonyi Good Shephard in Mafubira Subcounty has 1040 members, Mafubira Rural SACCO in Mafubira Sub County has 340 members, Bidco Uganda in Masese has 400 members, Butagaya SACCO in Butagaya sub-county with 555 members, Bososa SACCO in Masese has 363 members, Busede SACCO in Busede Sub County has 1345, Bugembe Tukulere Wamu SACCO in Mafubira Subcounty Mafubira Subcounty with 784 members, JOYFORD SACCO in Buwenge Rural has 975 members, Jinja District Health Workers SACCO in Central Division with 884 members and Mpumude C3 in Mpumudde Kimaka has 863 members. This research therefore targeted the 14 registered SACCOs in the district. SACCOs are governed by a 9-member management team and 13 board members. The population for this study was therefore constituted 182 board members, 126 management team members and 11,075 members of SACCOs operating in Jinja District. The population information was obtained from the management teams of the SACCOs. Board members, the management teams and members of SACCOs are appropriate for the study for they have relevant information about the SACCOs.

3.3. Determination of Sample Size and Sampling Technique

Due constraints especially of which are of time and money, the researcher used convenience sampling and selected the sample on the basis of their availability of participants which provided valuable insights about the study. Participants were sampled using stratified method, whereby

they were selected from the 14 registered SACCOs in the district. Simple random sampling was also used to select participants from the management teams. Their sample size was determined using this sampling formula of $n=N/1+N_e^2$ (Amin, 2005).

Table 3.1: Population and the sample size of the study

SACCO	Population	Target Population categories	Accessible Population	Sample	Sampling technique
Jinja Municipal SACCO	400	Board members	13	1	Convenience Sampling
		Management team	9	4	Simple Random
		Members	378	5	Convenience Sampling
Kakira Sugar Employees SACCO	1420	Board members	13	1	Convenience Sampling
		Management team	9	4	Simple Random
		Members	1398	5	Convenience Sampling
Jinja Municipal Teachers	450	Board members	13	1	Convenience Sampling
		Management team	9	4	Simple Random
		Members	428	5	Convenience Sampling
Budondo SACCO	1200	Board members	13	1	Convenience Sampling
		Management team	9	4	Simple Random
		Members	1178	5	Convenience Sampling
Nakanyonyi Good Shephard	1040	Board members	13	1	Convenience Sampling
		Management team	9	4	Simple Random
		Members	1018	5	Convenience Sampling
Mafubira Rural SACCO	340	Board members	13	1	Convenience Sampling
		Management team			Simple Random

			9	4	
		Members	318	5	Convenience Sampling
Bidco Uganda	400	Board members	13	1	Convenience Sampling
		Management team	9	4	Simple Random
		Members	378	5	Convenience Sampling
Butagaya SACCO	555	Board members	13	1	Convenience Sampling
		Management team	9	4	Simple Random
		Members	533	5	Convenience Sampling
Bososa SACCO	363	Board members	13	1	Convenience Sampling
		Management team	9	4	Simple Random
		Members	341	5	Convenience Sampling
Busede SACCO	1345	Board members	13	1	Convenience Sampling
		Management team	9	4	Simple Random
		Members	1323	5	Convenience Sampling
Bugembe Tukolere Wamu SACCO	784	Board members	13	1	Convenience Sampling
		Management team	9	4	Simple Random
		Members	762	5	Convenience Sampling
JOYFORD SACCO	975	Board members	13	1	Convenience Sampling
		Management team	9	4	Simple Random
		Members	953	5	Convenience Sampling
Jinja District Health Workers	884	Board members	13	1	Convenience Sampling
		Management team	9	4	Simple Random
		Members	862	5	Convenience Sampling
Mpumude C3	863	Board members	13	1	Convenience Sampling

		Management team	9	4	Simple Random
		Members	841	5	Convenience Sampling
Total	11383		11383	140	

3.4. Data Collection Methods

In this study, triangulation of methods was used to collect data to support a holistic perspective on a phenomenon as well as corroborating evidence in different sources of data collection. Triangulation procedure reduced researcher bias by seeking substantiation of data from other sources. Data collection strategies included surveys and interviews.

3.4.1. Survey Method

The study adopted the use of a survey method. The survey method is comparatively less expensive and easy to administer even when gathering data from large numbers of people, spread over a wide geographical area. A survey is a procedure in which data is systematically collected from a population or a sample thereof through some form of direct solicitation, such as face to face interviews, telephone interviews or mail questionnaires (Mc. Closky, 1969).

The survey method used most importantly because it studies the social scientific nature of a population which is revealed by the nature of its variables which can be classified as sociological facts, opinions and attitudes (Parten, 1950). Survey research also reduces chances of researcher bias, because the same questions are asked to all respondents (Amin, 2005). Surveys require participants to write down their responses (Amin, 2005). Generally, the survey method facilitated

faster data collection, relatively inexpensive data collection. Survey data is also very accurate if sampling is probabilistic. It also provided access to a wide range of participants. More importantly, survey research is the most efficient way of retrieving information about a respondent's past history. It is also a method through which generalized information could be collected from almost any human population

3.4.2. Interviews

Collection of data obviously can be taken from several of methods, which included interviews, focus groups, among others surveys, and may others (Heaton, 2004). This research majorly relied on face to face interviews. Face to face interview consisted of oral questions and the researcher gathered data through direct verbal interaction with participants (Amin, 2005). Interview is an interchange of views between two or more people on a topic of mutual interest, sees the centrality of human interaction for knowledge production, and emphasizes the social situations of research data (Kvale, 1996). Interviewing is a way to collect data as well as to gain knowledge from individuals. The structured and semi structured forms of face to face interview ensured a high response rate. The interview technique enabled the participants to enlighten the researcher about unfamiliar aspects of the setting and situation at the 14 SACCOs being studied (Drew, Hardman & Hart, 1996).

3.4.3. Documentary Reviews

Documentary review is essentially written evidence (Creswell, 1994). It is in away a form of qualitative research where documents are examined by the researcher to give meaning centered on a topic of assessment (Bowen, 2009). Document materials are helpful to supplement

information in situations where the data source is interviewing (Amin, 2005). Analyzing documents incorporates coding content into themes similar to how focus group or interview transcripts are analyzed (Bowen, 2009). Documentary review is an invaluable part of most schemes of triangulation, the combination of methodologies in the study of the same phenomenon (Bowen, 2009). Because of this, Creswell (1994) & Sanghera (2007) say that it is written evidence.

For the purpose of seeking corroboration, researches using qualitative methods will use two resources or more by using variant data methods and sources. This research therefore incorporated the documentary review to enhance the validity of its findings. The reason of triangulation of methods is to make a confluence of valid evidence which is further to enhance credible research (Bowen, 2009). Findings which are corroborated are less biased and such data sets that are shown have potential of bias by way of examined collection tools.

Documentary review provides a good source of background information and brings up issues to be considered and noted during the research.

3.5. Instruments for Data Collection

Instruments for data collection included self-administered questionnaires, and documentary checklist and interview guides.

3.5.1. The Self-Administered Questionnaire

A self-administered questionnaire is a good method for dealing with a multitude of respondents and allows respondent to get a standardized value tool to complete which reduces bias in

response behavior (Burns, 2000). They are also definitely easy to distribute and therefore a cost-effective way acquiring information from a large spectrum of respondents. Questions were designed on a pre-coded 5-likert scale ranging from “Strongly Agree”, “Agree”, “Not Sure”, “Disagree” and “Strongly Disagree”, to allow the researcher to uncover degrees of opinion from students. The questionnaire consisted of four sections; demographic data of respondent, financial access, community attitude towards SACCOs and sustainability of SACCOs in Jinja District are not sustainable. The questionnaire was administered to all SACCO members identified under the sample size. The researcher used a pre-coded questionnaire format because of the ease of data entry. The advantage about applying the questionnaire is that all data gotten is fast and easy to process statistically (Saunders et al., 2007). Help was solicited from the Boards of the SACCOs to identify members.

3.5.2. Interview Guide

The researcher designed an in-depth interview guide to collect qualitative data from Board Members and Management Team of the SACCO. The interview guide had both open and closed-ended questions to help the researcher in conducting the interviews. This enabled the researcher to probe the respondent to get in- depth information with key informants. McLeod, (2014) refers to unstructured interviews as ‘discovery interviews’ & are more like a ‘guided conversation’ than a strict structured interview. McLeod, (2014) makes a case for open ended questions saying closed questions provide people with a fixed set of responses, whereas open questions allow people to express what they think in their own words. The use of open ended questions was therefore very helpful in collecting as much knowledge as possible on the SACCOs in Jinja District.

3.5.3. Documentary Checklist

The researcher reviewed relevant documents relating to performance of SACCOS. These included management reports, treasurer's reports, and auditor's reports, SACCO reports, SACCO Act, SACCO procedures and practices/ rules and byelaws, sources of funding, member savings and loan portfolios.

3.6. Data Quality Control

Measures were taken into consideration to address validity and reliability. Mark, (1995) recommends that, before a survey instrument is used to collect meaningful data, it has to be pre-tested to ensure its accuracy. Nieswiadomy (2008), advises that approximately 10% of the total sample size envisaged for the study should be obtained for pilot study. Therefore 10% of the study total SACCO sample of 14 SACCOS in Mukono District was used in the pilot study. The pre-test was done to streamline inconsistencies arisen in structuring the questions. Also, the pre-testing ensured language clarity.

3.6.1. Validity of research instrument

The research supervisor was consulted on the appropriateness of the items of the instruments, as to whether they covered the breath of the content. The study instruments were tested for face validity and content validity. Face validity was determined by showing the data collection tools to supervisors who helped the researcher to make some adjustments in terms of clarity and ambiguousness. This ensured that the test instruments measured the target variables. Content validity test the extent to which instruments measured what they are designed to determine and the extent to which they covered the variables. Questionnaires and interview guides were

distributed to 2 experts and validity was arrived at after calculating the coefficient index which was estimated at 0.8. Amin (2005) says that for the instrument to be acceptable, on average the index must be 0.6 and above. Since this was 0.8 which was within the acceptable range, the instruments were considered valid

3.6.2. Reliability

Reliability refers to how consistent a research procedure or instrument is with its results (Ahuja, 2005). Reliability was calculated to establish the acceptable Cronbach's alpha value of 0.6 and above (Amin, 2005, Bryman & Cramer, 2001). Cronbach's alpha established internal-consistency as a measure of the extent to which item responses obtained at the same time correlate highly with each other. The researcher used the help of the Statistical Package for Social Sciences (SPSS) software to compute Cronbach's reliability coefficient on the items of the questionnaire and 0.64 internal-consistency was established through the Cronbach alpha coefficient taking the average of the test scores obtained. Alpha measured the extent to which item responses obtained at the same time correlated highly with each other. For the instrument to be acceptable, the correlation coefficient should be 0.6 and above. Therefore, 0.64 implied that instruments were reliable and credible for the study and they were adopted with some re-adjustments. The 36% difference could not be explained due to the unavoidable errors of accuracy and precision as SPSS which was used to calculate Cronbach alpha could not show right scores and wrong ones in terms of true scores against error score. This could have affected the random accuracy and precision mostly associated with situations of ambiguity in item statements and selection. The interview schedule was pre-tested on 2 experts in schools from

another district to ensure its clarity and consistence in order to have the schedule reliable and valid.

Item	Reliability Coefficients
Financial access	0.613
Community attitude	0.637
Sustainability	0.631
Overall Reliability	0.640

3.7. Procedure of Collecting Data.

The researcher got an introduction letter from Uganda Management Institute to help seek permission to conduct the research. With permission, the researcher went to the study area which for the purposes of this study is Jinja district, to collect data from the respondents. Questionnaires were distributed to the respondents after obtaining their consent. Interviews were also conducted as well as reviewing the relevant documents.

3.8. Data Management and Analysis

The study was centered on collecting both qualitative and quantitative data. Data collected was managed by recording and editing it to make it error free and analysis involved condensing data collected from the field into manageable information.

3.8.1. Data Management

Data management ensured that the researcher obtains the right data required to enable a reliable analysis and accurate conclusions. On finishing the collection of data, the researcher went ahead to check whether the questionnaires were complete. Data collected was first edited to make sure errors were removed and unnecessary data was discarded.

3.8.2. Analysis of Data

Data was analysed both qualitatively and quantitatively in the following ways;

3.8.2.1. Analysis of Qualitative Data

The data gathered from interviews and other secondary sources was organized thematically i.e. classified and categorized into various variable themes identified from research questions. Responses to the questions were written down and content analysis was done and presented in explanations and direct quotations in the narrative according to themes on financial access, community attitude towards SACCOs and sustainability of SACCOs. Finally, the data was interpreted and summarized in order to draw conclusions and make recommendations.

3.8.2.2. Analysis of Quantitative Data

Descriptive statistics were used to summarize and organize data and describe the characteristics of the sample using frequency counts and percentages presented in tables and figures according to specific objectives and demographic attributes. Statistical significance of the **the relationship between SACCOS and poverty alleviation among SACCO members in Jinja District** in each hypotheses of the study was determined using a bivariate analysis of Pearson Product Correlation Index tests at a 0.05 level of significance. The regression statistical tests were used for analysis of variance (ANOVA). This is because the correlation technique measured the degree and the direction of the relationship between variables and the regression measures the extent of the relationship (Amin, 2005). The study used correlation analysis to understand the magnitude of the relationship and the stated hypotheses were tested at 0.05, level of significance

3.9. Ethical Considerations

To ensure ethical issues are observed, an approval letter was obtained from Uganda Management Institute. Informed consent was sought from respondents before engaging them. Confidentiality of data collected was observed through use of numbers rather than names of respondents. The researcher ensured that respondents' views and beliefs were respected. Information was not to be at the disadvantage of anybody.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.0. Presentation, Analysis and Interpretation of results

4.1. Introduction

The chapter is divided into five sections of the response rate, background information about the sample, financial access, community attitude towards SACCOs and sustainability of SACCOs. A number of ways and techniques were devised to analyse the data such as analysis of percentages analysis from descriptive statistics, correlation analysis and regression analysis to come up with the conclusions in the chapter. Percentage analysis was used to indicate the relative size of proportion of items. Correlation analysis was used to measure the relationship between variables and the regression analysis explained the pattern and way of variation between the values of the dependent variable in relation to values of the independent variable.

4.2. Response Rate

Response rate in research conducted by survey according to Wimmer (2001) refers to the actual number of people who answered the survey compared to the total sample size. It is most expressed by way of a percentage. In this study, the researcher envisaged collecting data from a sample size of 140 that included 14 Board members, 56 executive members and 70 ordinary members. From the sample size of 140 respondents, data from 103 respondents was gotten and applied in the research giving a response rate of 73.6% ($103 / 140 \times 100$). According to Amin (2005) and Sheehan (2001) the response rate should be positive enough and at least 50% in order

for the views raised to be representative of the area of study. From the sample size of 140 respondents, a response rate of 73.6% was considered adequate and representative of what had been obtained from the sample. A few respondents never returned the given questionnaires without clear reasons thereby slightly lowering the response rate but the non-response rate was insignificant and could not affect the results of the study.

4.3. Background Information

Respondents' bio data was collected for this study on gender, age group, marital status, family size, education level attained, net income, position of responsibility in the SACCO, period of membership in the SACCO and number of times a loan was obtained from the SACCO. Ordinary members were the principal respondents in this study because the study sought for their opinions. While this section had no bearing on the objective of the study, it was important for the reader to know the characteristics of the sample although it was not the intention of the researcher to study the characteristics of the sampled population.

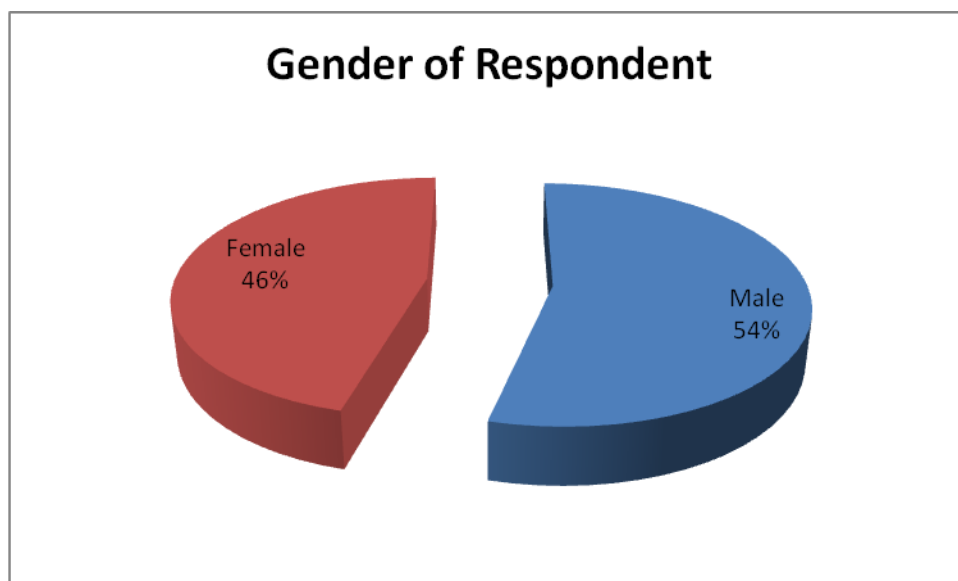
4.3.1. Gender

The researcher examined the distribution of gender of respondents and this is illustrated in Table 4.1 below;

Table 4.1. Gender of respondents

Gender	Frequency	Percent
Male	33	54.1
Valid Female	28	45.9
Total	61	100.0

Male respondents constituted 33(54.1%) as compared to 28(45.9%) female respondents. From the findings, it can be concluded that more males participated in this study compared to the proportion of female ordinary members who participated in this study. This could be attributed to the fact that there were more male members in SACCOs due to masculine dominance exerted over women in all social-economic aspects of life. This suggested that these views about the effect of SACCOs on poverty alleviation in Jinja District were mainly held by the male ordinary members. However, the sample was not gender biased. The findings above were further illustrated using a pie chart as presented below.



4.3.2. Age Group

Table 4.2 Age Group of respondents

Age Group	Frequency	Percent
18-35	9	14.8
36-55	12	19.7
Valid 56-76	24	39.3
76+	16	26.2
Total	61	100.0

A frequency table was run to establish how age groups were distributed and findings are presented in Table 4.2 above. As shown in Table 4.2, a total of 61 respondents were included in the study. The findings in Table 4.2 revealed that, respondents in the age group 18-35 were 14.8%, 36-55 were 19.7%, 56-76 were 39.3% while 26.2% were aged 76 years and above. Age is an important element in decision making and it could have significantly influenced membership of SACCOs.

4.3.3. Marital Status

A frequency table was run to establish how respondents were distributed regarding marital status and findings are presented in Table 4.3 below;

Table 4.3. Marital status of respondent

Marital status	Frequency	Percent
Married	30	49.2
Single	16	26.2
Valid Divorced	6	9.8
Widowed	9	14.8
Total	61	100.0

The findings from Table 4.3 shows that, 49.2% of the respondents were married and 26.2% were single, 9.8% divorced and 14.8% widowed. This showed that the most of the respondents were married people in regard to marital status. It is likely that membership of married women into SACCOs are somewhat controlled or undermined by their husbands. There is also likelihood that married women are supported and encouraged by their spouses both financially and morally to join SACCOs for household economic empowerment.

4.3.4. Family Size

Table 4.4. Family Size

Family size	Frequency	Percent
1	21	34.4
2	27	44.3
Valid Below 7	8	13.1
Above 7	5	8.2
Total	61	100.0

Regarding the size of the family, 34.4% were a family of only one person, 44.3% two people, 13.1% less than 7 people and 8.2% more than 7 people in a family (Table 4.4.). Family size aspect could significantly and proportionately be associated with expenditure. Household size dwindles savings and the consumption of income increases and automatically this has a direct effect on SACCO operations.

4.3.5. Education Level Attained

Table 4.5: Education Level Attained

	Education Level	Frequency	Percent
Valid	Did not complete secondary school	12	19.7
	Advanced level	11	18.0
	Diploma	12	19.7
	Bachelor's Degree	26	42.6
	Total	61	100.0

The findings in Table 4.5 revealed that, 19.7% of the respondents had not completed secondary school, 18% had attained secondary education and 62.3% of the respondents had attained post-secondary school education. Comparatively majority of the respondents (80.3%) had attained secondary and post-secondary school.

4.4. Financial Access and Poverty Alleviation

Objective one of the study aimed at establishing the effect of financial access on poverty alleviation in Jinja District. In this section, the descriptive statistics of each variable are presented and responses classified into five levels using a Likert scale on the key: SA = Strongly Agree, A= Agree, NS=Not Sure, D=Disagreed while SD=Strongly Disagree as presented as seen in Table 4.6 below.

4.4.1. Descriptive Statistics on Financial Access and Poverty Alleviation

The statistics used for analysis included percentage, mean and standard deviation values to describe the individual variables. The responses in reactions to questions asked in relation to the effect of financial access on poverty alleviation in Jinja District were presented in Table 4.6 below.

Table 4.6: Responses on Financial Access and Poverty Alleviation

Financial Access and Poverty Alleviation	Responses (%)					Mean	Std Dev
	SD	D	NS	A	SA		
The SACCO funds have been well managed from time to time by management.	28 (45.9)	9 (14.8)	1 (1.6)	8 (13.1)	15 (24.6)	2.56	1.718
The SACCO safe guards members' funds well.	25 (41)	9 (14.8)	1 (1.6)	14 (23)	12 (19.7)	2.66	1.652
The SACCO invests members' funds prudently.	8 (13.1)	4 (6.6)	- (0.0)	29 (47.5)	20 (32.8)	3.80	1.327
Investment decisions are reasonable in your SACCO	19 (31.1)	13 (21.3)	- (0.0)	17 (27.9)	12 (19.7)	2.84	1.594
Members in your SACCO default on loans	17 (27.9)	19 (31.1)	- (0.0)	16 (26.2)	9 (14.8)	2.69	1.489
Cost of loans offered by the SACCO is based on documented interest rates charged per annum	10 (16.4)	7 (11.5)	- (0.0)	12 (19.7)	32 (52.5)	3.80	1.569
The SACCO has varying rates of interest charged on loans for different members.	14 (23)	4 (6.6)	- (0.0)	7 (11.5)	36 (59)	3.77	1.707
Loan application process is fast and easy in your SACCO	3 (4.9)	2 (3.3)	- (0.0)	44 (72.1)	12 (19.7)	4.03	.774
You would prefer obtaining a loan from your SACCO than from	4 (6.5)	- (0.0)	- (0.0)	35 (57.4)	22 (36.1)	4.16	.969

a Bank.							
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Source: Primary Data

The SACCO funds were well managed by management, 28(45.9%) strongly disagreed, 9(14.8%) disagreed, 8(13.1%) agreed and 15(24.6%) strongly agreed that SACCO funds had been well managed by management while 1(1.6) were not sure. Those that disagreed who were the majority would be due management in most SACCOs in Jinja District could have mismanaged both physical assets and funds. More than half of the respondents who answered the questionnaire indicated that SACCO funds were not safe guarded. This was depicted by 25(41%) strongly disagreed and 9(14.8%) disagreed with the question. This means that majority members were never certain of the safety of their funds, that is 14(23%) and 12 (19.7%). However the 42.7% agreement response should not be ignored.

On the same issue, when the question was asked whether SACCOs invested members’ funds prudently. 8(13.1%) of the respondents strongly disagreed, 4(6.6%) disagreed, 29(47.5) agreed and 20(32.8%) strongly agreed. This 80.3% majority agree response implies that most SACCOs in Jinja District carefully managed member savings and other resources.

When respondents were asked to indicate whether investment decisions were reasonable in SACCOs, 17(27.9%) strongly agreed, 12(19.7%) agreed, 19(31.1%) strongly disagreed and 13 (21.3%) disagreed. This 52.4% slightly above average disagree response implies that investment decisions were rational and may be member expectations of poverty alleviation were not predictable in the improvement of household livelihoods of some members of some SACCOs.

However, the 47.6% agree response should not be overlooked which could also imply that investment decisions were fairly good to some members of some SACCOs in Jinja District.

According to the responses in Table 4.6 about whether cost of loans offered by SACCOs were based on authenticated interest rates charged per annum, 32(52.5%) strongly agreed, 12(19.7%) agreed, 10(16.4%) strongly disagreed and 7(11.5%) disagreed. The majority of respondents (72.2%) confirmed loans offered by SACCOs were based on authenticated interest rates implying a fair and reasonable practice to SACCO members. However, one wonders the bias that could have been exhibited on other members that constituted 27.9%. In addition, whether loan application process was fast and easy in SACCOs, statistical data showed that 12(19.7%) of the respondents strongly agreed 44(72.1%) agreed, 3(4.9%) strongly disagreed and 2(3.3%) disagreed. The fact that the majority of the respondents that constituted 91.8% affirm that loan application process was fast and easy by all members in SACCOs in Jinja District. Regarding the preference to obtaining a loan from your SACCO to a formal bank,

93.5% of the respondents agreed and 6.5% disagreed. Basically, the 93.5% agreement shows that most majority members could have found SACCO funds accessible and slightly cheaper as compared to other forms of finance.

4.4.2. Interview Findings on Financial Access and Poverty Alleviation

The District commercial officer indentified some of the SACCOs and observed that were delivering services to their members efficiently and challenges. From interviews with District Commercial officers and SACCO management teams on how fraud was safe guarded in SACCOs, all concurred that fraudulent people exist in the country; Nonetheless SACCOs are

officially licensed and have by-laws to govern their existence and operations. In fact one key informant from the SACCO management team had this to say;

Money paid in or out of account is evidenced by the entry in the member's statement and a receipt approved by the management Board and a person receiving or paying out any money on behalf of the SACCO is identified on the receipt. However, unlicensed SACCOs illegally take in deposits from the public without the knowledge of the regulator and acknowledged the public is at risk as SACCOs could disappear with their money.

In the interview findings it was also pointed out that the audit committee which is conversant with financial and accounting matters is established to among others, ensure establishment and review of the internal control system and objectively report to the board on the findings and recommendations. Also it was noted in the interview findings that a supervisory committee is established to countercheck the effectiveness of the society's internal control systems through verification of all transactions of the SACCOs and periodically report the findings to the board.

Members access loans in SACCOs is dependent on the credit policy of the society. However, one respondent of the SACCO management team pointed out that: *All loans are approved by the credit committee and are restricted to members as per the credit policy.*

4.4.3. Hypothesis Testing

The first hypothesis stated that: Financial access does not have a significant effect on poverty alleviation in Jinja District. From the above descriptive statistical findings, a correlation analysis was computed, examined and interpreted by the researcher using Pearson Correlation technique. This was done to establish whether there existed a significant relationship between the stated variables. The results are presented in Table 4.7 below.

Table 4.7: Relationship between Financial Access and Poverty Alleviation

		Access to SACCO finances	Poverty alleviation
Access to SACCO finances	Pearson Correlation	1	.782**
	Sig. (2-tailed)		.000
	N	61	61
Poverty alleviation	Pearson Correlation	.782**	1
	Sig. (2-tailed)	.000	
	N	61	61

** . Correlation is significant at the 0.01 level (2-tailed).

Findings from Table 4.7 above indicate that the Pearson correlation value (r-value) between financial access and poverty alleviation was $(r) = .782$ at the significance level 0.05 (2-tailed) with the number of respondents (N=61). The correlation coefficient of .782 with a significance value of .000 ($p < 0.05$) indicates a very high correlation between financial access and poverty alleviation taking into consideration all the inter-relations among the study variables. Since the p-value of .000 was less than 0.05 at 95% confidence level, this therefore, means that views of SACCO members had a positive and significant correlation with poverty alleviation in Jinja District. This further implies that the variation in the economic situation and wide spread poverty in Jinja District could partly be explained by limitations financial access to SACCO money. If the economic situation and wide spread poverty is to improve, access to SACCO money should be increased. As a result of the analysis, the null hypothesis was therefore rejected, and it was concluded that financial access had a significant effect on poverty alleviation in Jinja District.

4.4.4. Regression Results for Financial Access and Poverty Alleviation

In order to find out the nature of the relationship between financial access and poverty alleviation, factor analysis was carried out on the above correlation findings to further explain findings using regression analysis. A coefficient of determination was computed to determine the variance in financial access and poverty alleviation and regression analysis results were used to find what relationship existed between financial access and poverty alleviation in Jinja District. The nature of the relationship is presented in Table 4.8 below.

Table 4.8 Regression Results for Financial Access and Poverty Alleviation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.782 ^a	.612	.605	.412

a. Predictors: (Constant), Access to SACCO finances

Results from Table 4.8 illustrated model summary which comprises the correlation coefficient(R), coefficient of determination (R Squared) and adjusted R Square. Model Summary revealed that correlation coefficient (R), using the predictor; access to SACCO finances is .782. Going by R^2 , the coefficient of determination ($r^2 \times 100$) of $.782^2$ was recorded to be.612 which was equal to 61.2%. According to the R-square, the model suggests that 61.2% of the total variation of the dependent variable (poverty alleviation) is explained by the dimension of access to SACCO finances and 38.8% variation was caused by other factors. Based on the results, it was implied that improvement in accessing to SACCO money would contribute to 61.2% improvement in poverty alleviation in Jinja District. Adjusted R Square was recorded to be .605 and it attempts to correct R^2 to more closely reflect the goodness of fit in the model in the population

4.4.5. ANOVA results between Financial Access and Poverty Alleviation

Table 4.9 ANOVA^b results Financial Access and Poverty Alleviation

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.767	1	15.767	92.908	.000 ^b
	Residual	10.013	59	.170		
	Total	25.780	60			

a. Dependent Variable: Poverty alleviation.

b. Predictors: (Constant), Access to SACCO finances

The findings were subjected to analysis of variance (ANOVA) as shown in Table 4.10d above which indicated the overall significance of regression results with, degree of freedom (df) (1, 59) and F value of 92.908. ANOVA showed the independent variable of access to SACCO finances to have a significant relationship with poverty alleviation at p-value of $.000 < 0.05$. This further proved the positive and significant relationship between access to SACCO finances and poverty alleviation in Jinja District. It also indicates that the regression equation. $Y = a + bx$ is statistically significant in explaining the proportion of the variability in the dependent variable from the variability in the independent variable. After the establishment of the significance of the model summary and ANOVA, which was found to be significant at 95% level of confidence, the researcher therefore continued to present the summary of coefficients that were obtained as indicated in Table 4.10 below which was explained by the regression equation of $Y = a + bx$

Y= the dependent variable

X= independent variable

a = Point cutting a cross axis Y, that is value of Y when $x = 0$

b = Slanting of the regression line

Table 4.10: Coefficients^a of Financial Access

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.896	.241		3.715	.000
Access to SACCO finances	.678	.070	.782	9.639	.000

a. Dependent Variable: Poverty alleviation

The regression equation shows the positive relationship between financial access and poverty alleviation in Jinja District. Coefficients Table 4.10e above clearly showed unstandardized β , the t value and the Sig. Results from Table 4.10e indicated that poverty alleviation had coefficient estimate (Beta coefficient) of .782 with a p-value of .000 ($p < 0.05$). The results of regression and Beta coefficients of .612 imply that financial access has a significant positive effect on poverty alleviation. The coefficients above indicate that access to SACCO financial significantly contributes to the equation for predicting poverty alleviation, ($y = a + bx$) where 'y' is the dependent variable, 'a' is the constant (intercept) and 'b' is access to SACCO finances value. The intercept 'a' = .896 and the regression coefficient = .678. The p-value (0.00) clearly reflects a statistically significant positive effect of 'x' (Access to SACCO finances) on 'y' (Poverty alleviation). This relationship was reliable and could be used to make predictions and hence the influence of access to SACCO finances) on poverty alleviation could be expressed as a regression model as follows: Poverty alleviation = .896 + .678 (Access to SACCO finances). In view of the above, the researcher concluded that access to SACCO finances has a significant effect on poverty alleviation in Jinja District. This implies that if poverty is to be alleviated

considerably, financial access across the members of the SACCO is to be improved by SACCO management.

4.6. Community attitude towards SACCOs

4.6.1. Descriptive Statistics on Community attitude towards SACCOs and Poverty Alleviation

Table 4.11: Responses on Community attitude towards SACCOs and Poverty Alleviation

Community attitude towards SACCOs	Responses (%)					Mean	Std Dev
	SD	D	NS	A	SA		
The members have easy access to finances in this SACCO	5 (8.2)	7 (11.5)	- (0.0)	30 (49.2)	19 (31.1)	3.84	1.227
Lending out funds from the SACCO brings good profits for members to share	18 (29.5)	16 (26.2)	- (0.0)	20 (32.8)	7 (11.5)	2.70	1.476
There is an opportunity to voice concerns for all members	15 (24.6)	22 (36.1)	2 (3.3)	14 (23.0)	8 (13.1)	2.64	1.415
All members are involved in making decisions in your SACCO	5 (8.2)	5 (8.2)	2 (3.3)	12 (19.7)	37 (60.7)	4.16	1.306
Your SACCO provides you with up-dated information	3 (4.9)	2 (3.3)	- (0.0)	45 (73.8)	11 (18)	4.05	.644
Your SACCO facilitates access to new financial technology	6 (9.8)	14 (23.0)	- (0.0)	26 (42.6)	15 (24.6)	3.23	1.283
Your SACCO establishes programs that meet your financial needs from time to time	3 (4.9)	7 (11.5)	3 (4.9)	29 (47.5)	19 (31.1)	3.89	1.127
Your SACCO encourages more membership to improve member incomes	15 (24.6)	13 (21.3)	2 (3.3)	17 (27.9)	14 (23.0)	3.03	1.560
Your SACCO is involved in community services	12 (19.7)	5 (8.2)	1 (1.6)	6 (9.8)	37 (60.7)	3.84	1.655

Your SACCO staff show concern for member welfare issues	24 (39.3)	14 (23.0)	3 (4.9)	11 (18.0)	9 (14.8)	2.46	1.523
Your SACCO fosters community economic development	10 (16.4)	10 (16.4)	2 (3.3)	9 (14.8)	30 (49.2)	3.64	1.602
Your SACCO is considered successful in poverty reduction among members	11 (18.0)	14 (23.0)	2 (3.3)	11 (18.0)	23 (37.7)	3.34	1.601
You believe your SACCO will effectively reduce poverty	20 (32.8)	7 (11.5)	- (0.0)	8 (13.1)	26 (42.6)	3.21	1.808

Source: Primary Data

Findings in table 4.11 above reveal different reactions to the questions that were asked in relation to community's attitude of SACCO contribution to social-economic development in Jinja District. From the findings of the above descriptive statistics, 34(55.7%) of the respondents disagreed that lending out SACCO funds could not bring good profits for members to share and 27(44.6%) agreed with the question. This implied that the interest rates charged on loans were not equitably shared among all SACCO members. This could have restricted to the members of the executive committee. In the study about whether there was an opportunity to voice member concerns; analysis from table 4.11a revealed that 37(60.7%) felt that member concerns were not being fairly voiced, 22(36%) agreed that member concerns were being fairly voiced while 2(3.3%) were not sure. The majority disagreement meant that matters of most members regarding their business undertaking that would likely help them improve on their household livelihoods were not being cared for perhaps by those in management in terms timely loan access.

About members being involved in making decisions in SACCOs, 49(80.9%) expressed that all members were always being involved in making decisions in their SACCOs and only 10(1.6.4%) felt were not always involved while 2(3.3%) were not sure. The 80.9% majority involvement

indicates some transparency of the Executive members in the operations of most SACCOs in Jinja District and the smallest who felt were never consulted could have always been away or possibly were not attending most SACCO meetings to be receiving communication. Similarly, 56(91.8%) responses showed that SACCOs provided members with up-dated information about the working of their SACCOs and this implies that members of most SACCOs were aware of the dynamics and operations in their SACCOs. About whether SACCO established programs that could meet financial needs of their members, 48(78.6%) indicated that such programs were established from time to time, 10(16.4%) disputed it while 3(4.9%) were not sure of the SACCO established programs.

On the issue of whether SACCOs encouraged more membership to improve member incomes, 31(50.9%) of the responses expressed truth in it and 28(45.9%) disagreed that SACCOs were not encouraging more membership to improve on SACCO incomes while 2(3.3%) were not sure of nay strategy of new membership. About whether SACCOs fostered community social-economic developments, 39(64%) of the respondents showed that SACCOs fostered community social-economic developments, 20(32.8%) disagreed and 2(3.3%) were not sure. About whether SACCOs were successful in poverty reduction among members, 34(55.7%) indicated so and 25(41%) showed disagreement while 2(3.3%) were not sure. The 55.7% slightly above average imply that SACCOs in Jinja District had not brought reasonable change in poverty reduction among members in the district.

4.6.2. Interview Findings on Community attitude towards SACCOs and Poverty Alleviation

Regarding how concerns of the poor members in the SACCO, it was revealed the poor had little credit to improve their livelihoods as their loans were small and could not adequately improve on their welfare. It was however, pointed by all members of the respondent that:

The objectives for which the SACCOs were established to encourage member savings and promote the quality of life of the members by providing slightly cheaper financial services. Therefore, all members were advanced loans for development purposes repayable within a maximum period of 48 months, school fees purposes repayable within 24 months and emergency loan given for unforeseen circumstances repayable within 12 months. The rate of interest was reviewed from time to time by the management as per the SACCO credit policy

Interview findings revealed that other ordinary members only could make decisions in SACCOs, general meetings. However, one key informant from the management team remarked:

People are to make decisions about how the SACCO operates under different situation, but Leaders of the SACCO could first weigh all necessary options and the outcomes of their decisions as to how each of the decisions made would affect the SACCO business or the individual member of the SACCO.

It was further established that a member of the SACCO was free to participate in any SACCO activities and programs but subject to any directions from the General Meeting and procedures of the board.

How effectively SACCOs had reduced poverty in that district, interview findings revealed that comparing incomes and poverty status of SACCO and non-SACCO members, SACCOs had made an economic impact on its members

4.6.3. Hypothesis Testing

The second hypothesis stated that: *Community attitude towards SACCOs does not influence the social-economic development in Jinja District.* From the above descriptive statistical findings, a correlation analysis was computed, examined and interpreted by the researcher using Pearson Correlation technique. This was done to establish whether there existed a significant relationship between the stated variables. The results were presented in Table 4.12 below.

Table 4.12 Relationship between Community attitude of SACCOs and Poverty Alleviation

		Community attitude of SACCOs	Poverty alleviation
Community attitude of SACCOs	Pearson Correlation	1	.714**
	Sig. (2-tailed)		.000
	N	61	61
Poverty alleviation	Pearson Correlation	.714**	1
	Sig. (2-tailed)	.000	
	N	61	61

** . Correlation is significant at the 0.01 level (2-tailed).

Findings from Table 4.12 above indicate that the Pearson correlation value (r-value) between community attitudes towards SACCOs and poverty alleviation was (r) =.714 at the significance level 0.05 (2-tailed) with the number of respondents (N=61). The correlation coefficient of .714 with a significance value of .000 (p<0.05) indicates a high correlation between community

attitudes towards SACCOs and poverty alleviation taking into consideration all the inter-relations among the study variables. Since the p-value of .000 was less than 0.05 at 95% confidence level, this therefore, means that attitude of SACCO members is reflective of their responsiveness of contextually how they view SACCO significant contribution to poverty alleviation in Jinja District. A negative stereotype attitude affects the performance of the SACCO towards poverty alleviation in Jinja District.

4.6.4. Regression Results for Community attitudes of SACCOs

In order to find out the nature of the relationship community attitudes towards SACCOs and poverty alleviation, factor analysis was carried out on the above correlation findings to further explain findings using regression analysis. A coefficient of determination was computed to determine the variance in community attitudes towards SACCOs and poverty alleviation and regression analysis results were used to find what relationship existed between community attitudes towards SACCOs and poverty alleviation in Jinja District. The nature of the relationship is presented in Table 4.13 below.

Table 4.13: Regression results for community attitude of SACCOs and poverty alleviation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.714 ^a	.510	.501	.463

a. Predictors: (Constant), Community attitude of SACCOs

Results from Table 4.13 illustrated model summary which comprises the correlation coefficient(R), coefficient of determination (R Squared) and adjusted R Square. Model Summary revealed that correlation coefficient (R), using the predictor; access to SACCO finances is .714.

Going by R^2 , the coefficient of determination ($r^2 \times 100$) of $.714^2$ was recorded to be .510 which was equal to .50.1%. According to the R-square, the model suggests that 50.1% of the total variation of the dependent variable (poverty alleviation) is explained by the dimension of community attitude of SACCOs and 49.9% variation was caused by other factors. Based on the results, the average R Square score is taken in the context of this study as a relative strength of member views of the SACCO towards poverty alleviation in Jinja District. Adjusted R Square was recorded to be .501 and it attempts to correct R^2 to more closely reflect the goodness of fit in the model in the population.

4.6.5. ANOVA results between Community attitude of SACCOs and poverty alleviation

Table 4.14: ANOVA^b results between community attitude of SACCOs and poverty alleviation

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	13.143	1	13.143	61.360	.000 ^b
Residual	12.637	59	.214		
Total	25.780	60			

a. Dependent Variable: Poverty alleviation.

b. Predictors: (Constant), Community attitude of SACCOs

The findings were subjected to analysis of variance (ANOVA) as shown in Table 4.14 above which indicated the overall significance of regression results with, degree of freedom (df) (1, 59) and F value of 61.360. ANOVA showed the independent variable of community attitude of SACCOs to have a significant relationship with poverty alleviation at p-value of $.000 < 0.05$. This further proved the positive and significant relationship between Community attitude of SACCOs and poverty alleviation in Jinja District. It also indicates that the regression equation, $Y = a + bx$ is statistically significant in explaining the proportion of the variability in the dependent variable

from the variability in the independent variable. After the establishment of the significance of the model summary and ANOVA, which was found to be significant at 95% level of confidence, the researcher therefore continued to present the summary of coefficients that were obtained as indicated in Table 4.15 below which was explained by the regression equation of $Y = a + bx$

Y= the dependent variable

X= independent variable

a = Point cutting a cross axis Y, that is value of Y when x= 0

b = Slanting of the regression line

Table 4.15: Coefficients^a of community attitude of SACCOs

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.601	.333		1.806	.076
1 Community attitude of SACCOs	.757	.097	.714	7.833	.000

a. Dependent Variable: Poverty alleviation

The regression equation shows the positive relationship between community attitudes towards SACCOs and poverty alleviation in Jinja District. Coefficients Table 415 above clearly showed unstandardized β , the t value and the Sig. Results from Table 4.15 indicated that poverty alleviation had coefficient estimate (Beta coefficient) of .714 with a p-value of .000 ($p < 0.05$). The results of regression and Beta coefficients of .714 imply that community attitude towards SACCOs has a significant positive effect on social-economic development in Jinja District. The coefficients above indicate that community attitude towards SACCOs significantly contributes to the equation for predicting social-economic development ($y = a + bx$) where 'y' is the dependent

variable, 'a' is the constant (intercept) and 'b' is community attitude towards SACCOs value. The intercept 'a' = .601 and the regression coefficient = .757. The p-value (0.00) clearly reflects a statistically significant positive effect of 'x' (community attitude towards SACCOs) on 'y' (social-economic development). This relationship was reliable and could be used to make predictions and hence the effect of community attitude towards SACCOs on social-economic development could be expressed as a regression model as follows: Social-economic development = .601 + .757 (community attitude towards SACCOs). In view of the above, the researcher concluded that community attitude towards SACCOs contribute to social-economic development in Jinja District. This implies that viewpoints about SACCOs and how they foster social-economic development in Jinja District is not agreeable. If Social-economic development poverty is to be realized substantially, individual perceptions need not be involved in planning and management of any development programmes, membership as well as member access to SACCO money.

4.7. Sustainability of SACCOs

4.7.1. Descriptive Statistics on Sustainability of SACCOs

Table 4.16: Responses on Sustainability of SACCOs and Poverty Alleviation

Sustainability of SACCOs	Responses (%)					Mean	Std Dev
	SD	D	NS	A	SA		
Member participate in all activities of the SACCO	16 (26.2)	31 (50.8)	- (0.0)	2 (3.3)	12 (19.7)	2.39	1.429
SACCO Offers member education/training	11 (18.0)	6 (9.8)	- (0.0)	14 (23.0)	30 (49.2)	3.75	1.578
The SACCO has adequate funds to meet member's demands	18 (29.5)	20 (32.8)	- (0.0)	13 (21.3)	10 (16.4)	2.62	1.507
You are familiar with the way your SACCO works	6 (9.8)	7 (11.5)	- (0.0)	12 (19.7)	28 (59.0)	4.07	1.401
Your SACCO encourages/improves member saving habits	14 (23.0)	3 (4.9)	- (0.0)	6 (9.8)	38 (62.3)	3.84	1.705
This SACCO staff represents member interests	18 (29.5)	24 (39.3)	- (0.0)	10 (16.4)	9 (14.8)	2.48	1.445
Most members of the SACCO membership are two years and more	4 (6.7)	9 (14.8)	- (0.0)	18 (29.2)	30 (49.2)	4.00	1.304

Source: Primary Data

As to whether members participated in all activities of the SACCOs, 47(80.0%) disagreed with the statement and 14(23%) disagreed. This means that in most SACCOS in Jinja District, Member participation in all activities of the SACCO was very low which could not encourage proper planning and more savings which is key to SACCO sustainability.

On whether SACCO Offered member training, findings revealed that 44(72.2%) of the respondents agreed and 17 (27.8%) disagreed. This means that most SACCOs in Jinja District provide training for their members could be on financial literacy and management and product development which are all necessary for SACCO sustainability. It also means that SACCOs in Jinja District build capacity which is useful factor in monitoring which in turn supports SACCO sustainability.

About whether SACCO had adequate funds to meet member's demands, 38(62.3%) disagreed and 23(37.7%) agreed. The 62.3% disagreement means SACCO did not have adequate funds to meet member's demands and this puts the question of sustainability in the limelight.

About whether other ordinary members were familiar with the way your SACCO works, 40 (78.7%) agreed and 13(21.3%) disagreed. The 78.7% majority agreement means that most members in the district had thorough knowledge and good understanding the way SACCO works. As to whether SACCOs encourage member saving, 44(72.1%) agreed and 17 (27.9%) disagreed. This means that management teams of most SACCOs encourage low savings individual members to improve on their savings and incomes and all are essential for SACCO sustainability.

Findings indicated membership of the majority members in most SACCO was two years and more as represented by 48 (78.4%) agree response and 13 (21.5%) disagreed. This could imply that most members had interest in SACCOs though the extent the member interests were represented was not clear.

4.7.2. Interview Findings on Sustainability of SACCOs

About the saving trends in SACCOs in the district, interview findings showed that it had declined and due to increasing poverty among the general population and this was feared to affect SACCO business operations and sustainability. On the issue SACCOs in your District offer providing member training opportunities, interview

Results showed that all respondents affirmed it and some members of the management team pointed out that: *members are trained on entrepreneurial skills like income generating projects like poultry, piggery, crop and fish farming and bee keeping among other projects.* Members were always encouraged to save with their SACCOs to enable them to get substantive loans from SACCOs but study observed that members were not saving much.

4.7.3. Hypothesis Testing

The third hypothesis stated that: *SACCOs and their impact on poverty alleviation and social-economic development in Jinja District are not sustainable.* From the above descriptive statistical findings, a correlation analysis was computed, examined and interpreted by the researcher using Pearson Correlation technique. This was done to establish whether there existed a significant relationship between the stated variables. The results were presented in Table 4.12b below.

4.7.4. Relationship between Sustainability of SACCOs and Poverty Alleviation

Table 4.17: Relationship between Sustainability of SACCOs and Poverty Alleviation

		Sustainability of SACCOs	Poverty alleviation
Sustainability of SACCOs	Pearson Correlation	1	.766**
	Sig. (2-tailed)		.000
	N	61	61
Poverty alleviation	Pearson Correlation	.766**	1
	Sig. (2-tailed)	.000	
	N	61	61

** . Correlation is significant at the 0.01 level (2-tailed).

Findings from Table 4.17 above indicate that the Pearson correlation value (r-value) of sustainability of SACCOs ($r = .766$) at the significance level 0.05 (2-tailed) with the number of respondents ($N=61$). The correlation coefficient of $.766$ with a significance value of $.000$ ($p < 0.05$) indicates a high correlation between the sustainability of SACCOs and their impact on poverty alleviation and social-economic development in Jinja District taking into consideration all the inter-relations among the study variables. Since the p-value of $.000$ was less than 0.05 at 95% confidence level. This therefore, means that member full and free participation in all activities of the SACCO through close monitoring can make SACCOs sustainable to have impact on poverty alleviation and social-economic development in Jinja District.

4.7.5. Regression Results for Sustainability of SACCOs and Poverty Alleviation

In order to find out the nature of the relationship between stakeholder involvement and school performance, factor analysis was carried out on the above correlation findings to further explain

findings using regression analysis. A coefficient of determination was computed to determine the variance in the teacher transfer policy and regression analysis results were used to find what relationship existed between stakeholder involvement and school performance. The nature of the relationship is presented in Table 4.6 below.

Table 4.18: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.766 ^a	.586	.579	.425

a. Predictors: (Constant), Sustainability of SACCOs

Results from Table 4.18 illustrated model summary which comprises the correlation coefficient (R), coefficient of determination (R Squared) and adjusted R Square. Model Summary revealed that correlation coefficient (R), using the predictor; access to SACCO finances is .714. Going by R^2 , the coefficient of determination ($r^2 \times 100$) of $.766^2$ was recorded to be .586 which was equal to .58.6%. According to the R-square, the model suggests that 58.6% of the total variation of the dependent variable (poverty alleviation) is explained by the dimension of community attitude of SACCOs and 41.4% variation was caused by other factors. Based on the results, the average R Square score is taken in the context of this study as a relative strength of member views of the SACCO towards poverty alleviation in Jinja District. Adjusted R Square was recorded to be .579 and it attempts to correct R^2 to more closely reflect the goodness of fit in the model in the population.

4.7.6. ANOVA results between Sustainability of SACCOs and Poverty Alleviation

Table 4.19 ANOVA results between Sustainability of SACCOs and Poverty Alleviation

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.111	1	15.111	83.564	.000 ^b
	Residual	10.669	59	.181		
	Total	25.780	60			

a. Dependent Variable: Poverty alleviation

b. Predictors: (Constant), Sustainability of SACCOs

The findings were subjected to analysis of variance (ANOVA) as shown in Table 4.19 above which indicated the overall significance of regression results with, degree of freedom (df) (1, 59) and F value of 61.360. ANOVA showed the independent variable of community attitude of SACCOs to have a significant relationship with poverty alleviation at p-value of $.000 < 0.05$. This further proved the positive and significant relationship between Community attitude of SACCOs and poverty alleviation in Jinja District. It also indicates that the regression equation, $Y = a + bx$ is statistically significant in explaining the proportion of the variability in the dependent variable from the variability in the independent variable. After the establishment of the significance of the model summary and ANOVA, which was found to be significant at 95% level of confidence, the researcher therefore continued to present the summary of coefficients that were obtained as indicated in Table 4.20 below which was explained by the regression equation of $Y = a + bx$

Y= the dependent variable

X= independent variable

a = Point cutting a cross axis Y, that is value of Y when $x = 0$

b = Slanting of the regression line

Table 4.20: Coefficients^a of Sustainability of SACCOs and Poverty Alleviation

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	1.321	.209	6.325	.000
	Sustainability of SACCOs	.549	.060	.766	.000

a. Dependent Variable: Poverty alleviation.

The regression equation shows the positive relationship between community attitudes towards SACCOs and poverty alleviation in Jinja District. Coefficients Table 4.20 above clearly showed unstandardized β , the t value and the Sig. Results from Table 4.20 indicated that poverty alleviation had coefficient estimate (Beta coefficient) of .714 with a p-value of .000 ($p < 0.05$). The results of regression and Beta coefficients of .714 imply that community attitude towards SACCOs has a significant positive effect on social-economic development in Jinja District. The coefficients above indicate that community attitude towards SACCOs significantly contributes to the equation for predicting social-economic development ($y = a + bx$) where 'y' is the dependent variable, 'a' is the constant (intercept) and 'b' is community attitude towards SACCOs value. The intercept 'a' = .601 and the regression coefficient = .757. The p-value (0.00) clearly reflects a statistically significant positive effect of 'x' (community attitude towards SACCOs) on 'y' (social-economic development). This relationship was reliable and could be used to make predictions and hence the effect of community attitude towards SACCOs on social-economic development could be expressed as a regression model as follows: Social-economic development = .601+.757 (community attitude towards SACCOs). In view of the above, the researcher concluded that community attitude towards SACCOs contribute to social-economic development

in Jinja District. This implies that viewpoints about SACCOs and how they foster social-economic development in Jinja District is not agreeable. If Social-economic development poverty is to be realized substantially, individual perceptions need not be involved in planning and management of any development programmes, membership as well as member access to SACCO money

4.8. Poverty alleviation

Table 4.21: Responses on Poverty Alleviation

Poverty Alleviation	Responses (%)					Mean	Std Dev
	SD	D	NS	A	SA		
The SACCO has improved on your household income	- (0.0)	- (0.0)	- (0.0)	27 (43.3)	34 (55.7)	4.56	.501
Dividends from SACCO savings have enhanced your family livelihoods	6 (19.7)	12 (14.8)	- (0.0)	15 (24.6)	28 (31.1)	3.48	1.374
Your SACCO has enabled you to have access to basic needs with ease	11 (18.0)	48 (78.7)	2 (0.0)	- (0.0)	- (0.0)	1.85	1.85
You are now able to save surplus money for development projects	12 (19.7)	7 (11.5)	- (0.0)	4 (6.6)	38 (62.3)	3.80	1.691
It is easy to access a loan at your SACCO	25 (41.0)	25 (41.0)	- (0.0)	3 (4.9)	8 (13.1)	2.08	1.345
Poverty levels in my community have reduced over the last 5 years	8 (13.1)	24 3(39.)	- (0.0)	5 (8.2)	24 (39.3)	3.21	1.603

Source: Primary Data

Table 4.21 above shows that all respondents 61(100%) agreed with the statement that SACCOs had improved on individual household income. This means that much as meaningful socio-economic developments and individual poverty levels might have not been realized, some people especially young graduates had got paid up work from those SACCOs and it is something that provides income to live on.

As whether dividends from SACCO savings had enhanced family livelihoods, 43(55.7%) agreed with the statement and 18(34.5%) disagreed. This implies that family livelihoods for some SACCO members had been enhanced either through dividends or jobs secured from SACCO paid up activities. However, an average number of respondents 32 (52.1%) expressed that poverty levels in the community had not reduced over the last 5 years though 29(47.5%) felt poverty levels in the community had reduced.

4.9. Significance of Each Independent Variable in the Descriptive Statistics

Table 4.13 shows the independent factor that plays a more important role in poverty alleviation. According to Table 4.13, the most important factor is access to SACCO finances (.782) followed by Sustainability of SACCOs(.766) and then Community attitude of SACCOs (.714) with their corresponding mean values and standard deviations as shown in table 4.22 below.

Table 4.22: Descriptive Statistics of each Independent Variable

Variable	N	Mean	Std. Dev
Access to SACCO finances	61	3.39	.618
Community attitude of SACCOs	61	3.35	.756
Sustainability of SACCOs	61	3.36	.914
Poverty alleviation	61	3.16	.655
Valid N (listwise)	61		

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.0. Introduction

The purpose of the study was to assess the effect of SACCOs on poverty alleviation in Jinja District. This chapter therefore presents the summary, discussion of the major findings and the conclusions reached. In addition, based on the findings of the study it also highlights recommendations and suggestions for further research.

5.1. Summary of the Study Findings

5.1.1. Financial Access and Poverty Alleviation

The first study objective was to establish the effect of financial access on poverty alleviation in Jinja District. The results from correlation analysis revealed $r=.782$, $\alpha =0.05$) with $.000$ ($p<0.05$) giving the coefficient of determination ($r^2 \times 100$) of $.782^2$ to be 61.2%. The null hypothesis was thus rejected, and it was, concluded that with the data obtained, there is statistically significant relationship between financial access and poverty alleviation. This suggests that provision of and formal access to SACCO financial services, which are a prerequisite for poverty alleviation are not equitable in Jinja District.

5.1.2. Community attitude towards SACCOs and Poverty Alleviation

The second study objective was to examine the community attitude towards SACCOs and how it has contributed to social-economic development in Jinja District. The Pearson correlation value (r-value) between community attitudes of SACCOs and poverty alleviation was $(r) =.714$ with a

significance value of .000 ($p < 0.05$) indicating a strong positive correlation. The coefficient of determination ($r^2 \times 100$) of $.714^2$ was 50.1%. The null hypothesis was thus rejected, and it was concluded that with the data obtained, there is statistically significant influence of community attitude of SACCOs on the social-economic development in Jinja District. This however suggests an average influence of community attitude of SACCOs on the social-economic development in Jinja District.

5.1.3. Sustainability of SACCOs and Poverty Alleviation

The third study objective was to assess the sustainability of SACCOs and their impact on poverty alleviation and social-economic development in Jinja District. The Pearson correlation value (r -value) between sustainability of SACCOs and poverty alleviation and social-economic development in Jinja District was (r) =.766 with a significance value of .000 ($p < 0.05$) indicating a strong positive correlation. The coefficient of determination ($r^2 \times 100$) of $.766^2$ was 58.6% and thus the null hypothesis was thus rejected, and it was concluded that with the data obtained, sustainability of SACCOs has an impact on poverty alleviation and social-economic development in Jinja District.

5.2. Discussion of the Study Findings

5.2.1. Financial Access and Poverty Alleviation

The first study objective was to establish the effect of financial access on poverty alleviation in Jinja District. The results from correlation analysis revealed $r = .782$, ($\alpha = 0.05$) with .000 ($p < 0.05$) giving the coefficient of determination ($r^2 \times 100$) of $.782^2$ to be 61.2%. A coefficient of that size implies a strong relationship between financial access and poverty alleviation in Jinja District.

The regression analysis results further imply that Access to SACCO money is a significant factor in prediction of variation in poverty alleviation in Jinja District with 61.2% of the total variation of the dependent variable (poverty alleviation).

In findings from descriptive statistics, 60.7% multiple responses showed that SACCO funds were not being well managed by management and investment decisions in SACCOs were not reasonable (52.4%). This could be that be formal access to SACCO financial services are not always observed and discriminatory in Jinja District. Other people may access larger sums of money in an informal way which may also affect others with investment plans who would wish to access the SACCO money. When many people face challenges in accessing SACCO financial services, this could have jeopardized the strategies of poverty alleviation in Jinja District.

Findings from interviews on poverty alleviation in Jinja District further revealed that ordinary members in most cases were not involved in making decisions in the SACCO. This however, limits member savings. Although results showed that SACCOs invest members' funds prudently, findings from interviews revealed that lack of money in SACCOs was a major reason for not borrowing. This however reflects a different binding constraint to access SACCO money for poverty alleviation in Jinja District. Ability to access financial services increases investment levels of the households thereby enhancing assets capital and household income. Furthermore, credit access helps SACCO members to borrow and strengthen their productivity potential by investing in small business enterprises and education of their children. SACCO savings and access to credit increase household income prospects through income-generating assets and hence reducing household income crisis. Access to regular SACCO finances also reduces risks for household member savings in the given SACCOs.

These findings concur with those of previous researchers that found financial access relating positively with poverty alleviation.

According to Uganda Poverty Status Report (2014), SACCOs are important and significant fighting poverty Uganda. Institutions providing microfinance and savings and loans associations (SACCOs) have improved availability of credit throughout the country. The Uganda Poverty Status Report (2014) shows that SACCOs have aided members to buy land and meet basic health care needs and other social needs. Government's RFSS has aided to a significant improvement in access to financial services in upcountry locations using SACCOs. However, there is concern with in the effectiveness of different SACCOs which has bred a common thinking among members and the public that "SACCOs are nonproductive; they reduce production and breed consumerism. Some SACCOs are curtailed by a weak savings culture among the public. Most of the SACCO members join with the aim of getting access credit other than to save. SACCOs whose members are not interested in saving are not resilient, when it comes to being sustainable. Encouraging the poor to save through SACCOs is important for poverty reduction. However, Carmichael (2008) observed that low-income people do not have enough savings to guarantee loans to invest in income-generating opportunities to meet life-cycle needs. The poor have little access to financial credit in SACCOs and even if they have access to financial credit the smaller amount of money is borrowed and invested due to little savings (Plan Uganda, 2011).

5.2.2. Community attitude towards SACCOs and Poverty Alleviation

The second study objective was to examine the community attitude towards SACCOs and how it has contributed to social-economic development in Jinja District. The results from correlation analysis revealed $(r) = .714$ at alpha 0.05 (2-tailed) with .000 ($p < 0.05$) giving the coefficient of

determination ($r^2 \times 100$) of .714² to be 50.1%. Statistically 50.1% thus is a moderate positive correlation coefficient between community attitudes of SACCOs and poverty alleviation in Jinja District. The regression analysis results further imply that community attitudes of SACCOs. Access to SACCO money is an average factor in prediction of variation in poverty alleviation in Jinja District with 50.1% of the total variation of the dependent variable (poverty alleviation).

In findings from descriptive statistics, 55.7% multiple responses disagreed that ending out funds from the SACCO brings good profits for members to share, 60.7% showed that all SACCO opinions were not expressed and 62.3% indicated that SACCO management team did not show concern for member welfare issues.

The main goal of SACCOs is to help its members in alleviating poverty through savings and borrowing to improve their social-economic living situations. These could include opening small shops and poultry keeping as well as rearing animals like chickens, goats, and cows. SACCOs do not have clear focus on the poorest of the poor especially the most disadvantaged poor. Generally, the responses indicate that despite the existence of SACCOs in Jinja District poverty alleviation is still based on expectations and not practically, functioning of SACCOs. Findings revealed that whereas SACCOs are formed to improve member individual or household livelihoods, they largely offer employment opportunities for those few people who work as the management team and board members but could not guarantee its lower rank members a substantially decent and satisfactory income. In addition, most of the graduates have found employment opportunities in those SACCOs.

The study findings were supported by Ahimbisibwe (2007), who noted that through SACCOs people are shown how to avoid pitfalls of money mismanagement and SACCOs promote a

saving culture amongst their members. This is crucial because increased savings increase capital accumulation; investment which leads to increased employment. This consequently improves the household incomes thus breaking the vicious cycle of poverty. In the rural economy context, SACCOs were established to help the people save and get low-cost loans to improve their livelihoods (Republic of Uganda, 2012b).

UN (2009) harmonized it that SACCOs create an optimum possible inclusion in the social and economic development of all people, including women, older persons and other socio minority groups, thus they become important in economic and social development and help to reduce poverty and reduction of unemployment.

Kunt & Levine;World Bank (2008) pointed out that SACCOs are created to challenge poverty through bettering the members' social-economic lives by giving them access to financial services and by bringing together their resources to suite their needs. Considerably financial access and household income in SACCOs could positively correlate with social-economic growth but has reduced r income inequality.

5.2.3. Sustainability of SACCOs and Poverty Alleviation

The third study objective was to assess the sustainability of SACCOs and their impact on poverty alleviation and social-economic development in Jinja District. Results of the bivariate correlation analysis performed revealed a statistically positive significant correlation between sustainability of SACCOs and their impact on poverty alleviation and social-economic development in Jinja District taking into consideration all the inter-relations among the study variables. The regression analysis results revealed a coefficient of determination ($r^2 \times 100$) of .766² to be .58.6%.

Results from descriptive statistics on Sustainability of SACCOs indicated that 77% claimed SACCOs could not offer member education/training, 62.3% showed that SACCOs had inadequate funds to meet member's demands and 68.8% reported that SACCOs staff did not represent member interests (Table 16). The researcher's opinion however, was that SACCOs were not building a saving culture among members in spite of SACCOs dependence on member savings. All SACCO finances come from within the groups and are generated by the groups themselves. Member savings are sources of SACCO income and are extremely important in determining access to loans and SACCO continuity. This implied a lack of financial literacy and if savings are low SACCOs could not survive.

These study findings are in line with MFPED (2012) observation that despite the widespread support of SACCOs and their impact on poverty alleviation and social-economic development, a question on their sustainability is critical to a sound SACCO. In addition, SACCO's country wide is marred with theft. The 2013 Auditor General's report exposed the poor management of SACCO funds reported in the New Vision newspaper of July 1, 2013. SACCO managers have continued to be accused of embezzlement. The Daily Monitor newspaper of August 24, 2016 reported that All SACCOs faced weaknesses in management due to the bad application of regulatory practices. Therefore, mismanagement and embezzlement of funds of SACCOs negatively impacts on operational practices and raises questions on sustainability.

According to Mutesasira et al., (1999) cited in Andy et al., (2001) A sustainable SACCO is achieved where the SACCO is able to meet its ordinary expenses and pay any debtors that arise from time to time. However, management practices were poor across all SACCOs and loan default is a major challenge across SACCOs, due to failure to use tougher loan recovery methods such as Courts of law.

Andy et al., (2001). noted that SACCOs especially in Uganda face a series of shortcomings including lack of simple and transparent rules. This has tainted SACCO reputation as financial service providers.

MFEPD, (2012) further observed that the capital base and profitability of a SACCO indicate sustainability but over 90% of SACCOs cited low funding as a key challenge.

This therefore threatens chances of continued existence of most SACCOs in a bid to alleviate poverty and encourage social-economic development in Jinja District.

5.4. Conclusion

This study assessed the effect of SACCOs on poverty alleviation in Jinja District. Conclusions were presented in respect to study objectives.

5.4.1. Financial Access and Poverty Alleviation

With reference to extent to the effect of financial access on poverty alleviation in Jinja District, it was concluded that members of some SACCO could not equitably access loans that were adequate to guarantee and lessen their poverty conditions. From the findings it is concluded that despite enormous benefits of SACCOs, SACCOs have not significantly contributed to social-economic development in Jinja District.

5.4.2. Community attitude towards SACCOs and Poverty Alleviation

As regards community attitude towards SACCOs and how it contributed to social-economic development in Jinja District, the study results showed a positive relationship that is significant between community attitude of SACCOs and social-economic development in Jinja District. It was therefore, concluded that SACCOs had not improved member household livelihoods and

decent incomes. These findings thus suggest that community attitude of SACCOs have a significant impact on poverty alleviation in Jinja District.

5.4.3. Sustainability of SACCOs and Poverty Alleviation

According to the information analyzed, there was a positive significant relationship between sustainability of SACCOs and poverty alleviation in Jinja District. The study concluded that member savings are sources of SACCO income and are extremely important in determining SACCO continuity. From the results, it is also concluded that member savings are significant in SACCO sustainability SACCOs should promote welfare and prosperity of members as a source of more savings while encouraging more to join the SACCO.

5.5. Recommendations

Based on the findings of this study, The recommendations below were made based on the study findings; some are for the Government or line Ministry and SACCO Management teams.

5.5.1. Financial Access and Poverty Alleviation

Findings showed that SACCO funds had not been well managed. The government through the Ministry of Cooperatives should engage in training SACCO members for them to observe and comply with all the provisions of the SACCO policy.

Findings showed that some members in the SACCO could default on loans. Management of SACCOs should enhanced control of loan default by having adequate financial analysis of the applicant especially by to ensure that he/she has the ability to service the loan or has the asset to mitigate the risk of default.

SACCOs should ensure that loans are made to only borrowers who have the ability to repay

5.5.2. Community attitude towards SACCOs and Poverty Alleviation

Findings revealed that matters of most members regarding their business undertaking were not being cared for perhaps by those in management. Management of SACCOs should try to involve other ordinary members in making decisions in SACCOs so as to make them have trust and faith in management actions

Findings also showed that SACCOs averagely encouraged membership to improve on incomes. Management of SACCOs through the District Commercial officer should sensitize the public about the benefits and impact of SACCOs on people's livelihoods as savings with SACCO may promote the quality of life of the members by providing slightly cheaper financial services. This is done to encourage more to join.

5.5.3. Sustainability of SACCOs and Poverty Alleviation

Results affirmed that members are trained on entrepreneurial skills like income generating projects. However, government and management of SACCOs strengthen and training about SACCOs especially for resource mobilization and savings as even results indicated that SACCO had inadequate loanable funds.

SACCOs should encourage member savings by promoting members' welfare and prosperity which is the main objective for which the SACCOs were established.

5.6. Limitations of the Study

The study had some limitations, which need to be considered when interpreting the results.

The study used sample population from SACCOs in Jinja District whose results are not adequate for generalization when trying to understand the impact of SACCOs on poverty alleviation across the country.

The unit of analysis in this study was limited to a correlational design to draw conclusions on SACCOs and poverty alleviation but it is also possible that other techniques could be found relevant.

5.7. Areas of Further Research

The research studied the relationship between Savings and Credit Cooperatives and poverty alleviation and yet there are other factors like lack of skills and not capital for investment. Therefore, there is need to carry out a study of the kind in relation to inadequate entrepreneur skills.

The study also recommends another study investigating factors for the variation in poverty alleviation other than those covered in this study

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APPENDIX I

LETTER OF AUTHORIZATION FROM UMI FOR FIELD DATA COLLECTION

APPENDIX II

LETTER OF INTRODUCTION FROM UMI TO CARRY OUT RESEARCH

APPENDIX III

QUESTIONNAIRE FOR SACCO MEMBERS

Dear Respondent,

I am *Emmanuel Ahurira*, a student at Uganda Management Institute pursuing a Masters Degree in Business Administration and as a requirement to completing my studies; I am carrying out a study titled : *Savings and Credit Cooperatives (SACCOS) and Poverty among SACCOS in Jinja District, Eastern Uganda*. You have been chosen to participate in this study to enable me complete my studies but also contribute to the awareness of challenges facing SACCOs in Jinja district. I request you to freely respond to the under listed questions. The information given will be used purely for academic purposes and will be confidentially kept. Your contribution is crucial in the success and accuracy of this study

Thank you for your cooperation

QUESTIONNAIRE NUMBER			
	<input type="text"/>	<input type="text"/>	<input type="text"/>

Section A: Socio-Demographic Characteristics of the Respondent (please tick your answer choice)

Name of SACCO			
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1. Gender of the respondent	Male	<input type="checkbox"/>	Female	<input type="checkbox"/>
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2. What is your age bracket (in Years)	18-35	36-55	56-75	76 and Above
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3. What is your marital status	Single	Married	Divorced	Widowed
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4. What is your family size (In number)	1	2	Below 7	Above 7
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5. What is your education level	None	PLE	UCE	UACE
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6. What is your Net Income (UGX)	Below 235,000	Below 500,000	Below 1,000,000	1,000,000 and above
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7. Position in the SACCO	Member	Executive Member	Board Member
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8. What is your age bracket (in Years)	18-35	36-55	56-75	76 and Above
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9. How long have you been a member of the SACCO(Years)	Less than 2 years	2-5 years	6-10 years	Above 10 years
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10. How many times have you received a loan from your SACCO	Once	More than Once	Never
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Section B: Financial access

For the following questions, please tick the number of your choice as indicated in the Key;

1.Strongly Disagree	2. Disagree	3.Not Sure	4.Agree	5.Strongly Agree
---------------------	-------------	------------	---------	------------------

QUESTIONNAIRE NUMBER						
INDEPENDENT VARIABLES						
Section C: Knowledge acquisition and organizational performance						
1.	The SACCO funds have been well managed from time to time by management.	1	2	3	4	5
2.	The SACCO safeguards members' funds well.	1	2	3	4	5
3.	The SACCO invests members' funds prudently.	1	2	3	4	5
4.	Investment decisions are reasonable in your SACCO	1	2	3	4	5
5.	Members in your SACCO default on loans	1	2	3	4	5
6.	Cost of loans offered by the SACCO is based on documented interest rates charged per annum	1	2	3	4	5
7.	The SACCO has varying rates of interest charged on loans for different members.	1	2	3	4	5
8.	Loan application process is fast and easy in your SACCO	1	2	3	4	5
9.	You would prefer obtaining a loan from your SACCO than from a Bank.	1	2	3	4	5

Section C: Community attitude towards SACCOs						
11.	The members have easy access to finances in this SACCO	1	2	3	4	5
12.	Lending out funds from the SACCO brings good profits for members to share	1	2	3	4	5
13.	There is an opportunity to voice concerns for all members	1	2	3	4	5
14.	All members are involved in making decisions in your SACCO	1	2	3	4	5
15.	Your SACCO provides you with up-dated information	1	2	3	4	5
16.	Your SACCO facilitates access to new financial technology	1	2	3	4	5
17.	Your SACCO establishes programs that meet your financial needs from time to time	1	2	3	4	5
18.	Your SACCO encourages more membership to improve member incomes	1	2	3	4	5
19.	Your SACCO is involved in community services	1	2	3	4	5
20.	Your SACCO staff show concern for member welfare issues	1	2	3	4	5
21.	Your SACCO fosters community economic development	1	2	3	4	5
22.	Your SACCO is considered successful in poverty reduction among members	1	2	3	4	5
23.	You believe your SACCO will effectively reduce poverty	1	2	3	4	5
Section E: Sustainability of SACCOs						
21.	Member participate in all activities of the SACCO	1	2	3	4	5
22.	SACCO Offers member education/training	1	2	3	4	5
23.	The SACCO has adequate funds to meet member's demands	1	2	3	4	5
24.	You are familiar with the way your SACCO works	1	2	3	4	5
25.	Your SACCO encourages/ improves member saving habits	1	2	3	4	5
26.	This SACCO staff represents member interests	1	2	3	4	5
27.	Most members of the SACCO membership are two years and more	1	2	3	4	5
Section E: Poverty alleviation						

21.	The SACCO has improved on your household income	1	2	3	4	5
22.	Dividends from SACCO savings have enhanced your family livelihoods	1	2	3	4	5
23.	Your SACCO has enabled you to have access to basic needs with ease	1	2	3	4	5
24.	You are now able to save surplus money for development projects	1	2	3	4	5
25.	It is easy to access a loan at your SACCO	1	2	3	4	5
26.	Poverty levels in my community have reduced over the last 5 years	1	2	3	4	5
27.	Poverty levels in my community have reduced over the last 5 years	1	2	3	4	5
Thank you						

Thank You for Your Co-operation and Responses.

APPENDIX IV

INTERVIEW GUIDE FOR BOARD MEMBERS AND MANAGEMENT TEAM

Financial access

1. What is your shortest period of loan processing after lodging the application forms?	1-3days	4 -7 days	2weeks	1month and more
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2. What is the SACCO's mode of loan disbursement following the successful application for loans?	Cheques	Direct credits to members Accounts	Cash
--	---------	------------------------------------	------

3. Can you rate the performance of your SACCO?	Cheques	Direct credits to members Accounts	Cash
--	---------	------------------------------------	------

Community attitude towards SACCOs

1. How does this SACCO voice concerns of the poor members?

.....

2. At what level are the rest of members involved in making decisions in this SACCO?

.....

3. What is the SACCO established program for member participation?

.....
4. How does this SACCO foster community economic development?.....

.....
5. Do you consider the SACCO successful in poverty reduction among members, and why?

.....
6. In your opinion how effective are SACCOs in reducing poverty.....

Sustainability of SACCOs

1. What are the saving trends in your SACCO?.....

.....
2. Does this SACCO Offer member education/training as a way of building capacity?

.....
3. What is your general policy of SACCO administration?

.....
4. Does this SACCO have adequate funds?

.....
5. How do you attract member savings in to your SACCO?

.....
6. How do ensure that members are familiar with the way your SACCO works

.....
7. What are your strategies of retaining members of the SACCO

.....
Thank You for Your Co-operation and Responses.