

**MOSHI CO-OPERATIVE UNIVERSITY**

**SAVING AND CREDIT CO-OPERATIVE ORGANIZATIONS (SACCOs)  
SERVICES AND INCOME POVERTY REDUCTION AMONG MEMBERS:  
CASE OF GULU DISTRICT, UGANDA**

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SERVICES AND INCOME POVERTY REDUCTION AMONG MEMBERS:  
CASE OF GULU DISTRICT, UGANDA**

**By**

**JULIET MARANGO**

**A RESEARCH DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF  
THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER  
OF BUSINESS MANAGEMENT OF MOSHI CO-OPERATIVE UNIVERSITY**

**SEPTEMBER, 2023**

**CERTIFICATION**

The undersigned certify that he has read and hereby recommend for acceptance by Moshi Co-operative University a dissertation titled “**SACCOs Services and Income Poverty Reduction among members: Case of Gulu District, Uganda**” in partial fulfilment of the requirement for the award of a degree of Masters of Business Management of Moshi Co-operative University.

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Date

**DECLARATION AND COPYRIGHT**

I, **Juliet Marango**, affirm that this thesis is my original work and that it has not been/will not be presented to any other higher institution of learning for a similar or any other academic award.

Signature: .....

Date: .....

### **DEDICATION**

This research work is dedicated to my lovely Dad Mr. Otto Aldo Ben, my darling Mum Mrs. Adyero Rose Otto, my beloved brothers (Kenneth, Junior, Michael and Emmanuel) and my lovely sisters (Jacinta, Poline and Sylvia) for their care and cheering during my studies.

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**ABBREVIATIONS**

SACCOs	Saving and Credit Co-operative Organizations
UNDP	United Nation Development Programmes
WBM	World Bank Monitoring
UN	United Nations
UBOS	Uganda Bureau of Statistics
ILO	International Labour Organization
ICA	International Cooperative Alliance
EU	European Union
UNHS	Uganda National Household Survey
NRM	National Resistance Movement
SDG	Sustainable Development Goals
KIIs	Key Informant Interviews
KI	Key Informant
UGX	Ugandan Shillings
IGAs	Income Generating Activities

## ABSTRACT

With almost half of the world's six billion people living on less than two dollars a day, reduction of income poverty has become the biggest challenge to the human society. In response, the global campaign against income poverty has gained momentum, with various development actors suggesting the use of different instruments to reduce income poverty. However, there is an emerging consensus among many actors that the cooperative enterprise is one of the few forms of organization that meet all dimensions of poverty. This study therefore examined the role of SACCOs services to income poverty reduction among members. The specific objectives of the study were to; determine how regular small saving deposits accepted by SACCOs contribute to income poverty reduction, examine how credit services provided by SACCOs contribute to income poverty reduction, determine if advisory services provided by SACCOs contribute to income poverty reduction in Gulu District, and examine how training services provided by SACCOs contribute to reduced income poverty in Gulu District. The study used the neoclassical growth theory such as Harrod-Dommar and Robert Solow and Resource-based theory of entrepreneurship.

The study employed a cross-section research design using both qualitative and quantitative methods (questionnaire, KIIs, document reviews) of data collection. Cluster and simple random sampling were used to select a sample of 150 SACCOs members from Acak ki Kuc and Ada pi Anyim SACCOs in Gulu District. The study used descriptive analysis, one sample t-test and multiple linear regression model. Results from the one sample T-test showed that members agreed that Savings and credit services contribute to income poverty reduction among members. However, they disagreed on training and advisory services having a contribution to income poverty reduction among members. The findings also indicated a positive relationship between savings accepted by SACCOs and income poverty reduction among members. There was also a positive relationship between credit provided by SACCOs and income poverty reduction. The study shows there was no contribution of advisory and training services offered by the SACCOs on income poverty reduction among members. The study recommends SACCOs to initiate other credit like school fees, insurance, house, land among others. Government should offer financial education to the SACCOs groups and their members. Members should be champions in the community to motivate those who have not joined the SACCOs to join.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 Introduction**

The chapter presents; background to the study, statement of the problem, objectives of the study, research questions, significance of the study and organization of the study.

#### **1.1 Background to the Study**

Poverty has dimensions which includes; Human poverty, Income poverty, extreme poverty and overall poverty. However, poverty is related to income historically and still prevails today (UNDP, 2020). This study will focus on income poverty which is the nonexistence of minimal sufficient income (UNDP, 2020). Income poverty has been associated with privation of access to financial incomes to fulfill basic needs of life. An individual (households) with income is inadequate purchase the goods and services accustomed to describe a verge for poverty, is considered poor (UNDP, 2020).

Six billion people live globally, and half of them make less than \$2 per day. The major trial to humanity has become reduction of income poverty (World Bank Monitoring Report 2017). Income poverty level decreased from 11.2% in 2013 to 10% in 2015. The shows that many economic systems worldwide are executing required actions to scale down level of income poverty. However, despite several efforts to reduce it, it remains high Africa (World bank, 2018). The income poverty level in the African region has been top (above 40%) in comparison to other areas. It is also over the 10% global average in 2015 (World Bank Report, 2018). In one of the Sub-Saharan countries like Uganda, the level of income poverty is extremely high. Uganda has continued to reduce the number of people living in income poverty. In Uganda, the section of individuals who are income poor now stands at 8 million (Omona, 2021). Uganda's national income poverty rate has fallen by more than half, from 56% in 1992/1993 to 21.4% in 2019/2020 (Uganda Bureau of Statistics, 2020; World Bank, 2018).

How to excellently decrease worldwide income poverty remain one of humanity's greatest demanding queries. It is moreover one of the major queries fronting the discipline of economics from the time when it was initiated (The Royal Swedish Academy of Sciences ,2019). In reaction, the international fight against income poverty has increased drive, with several development players proposing the use of diverse tools to decrease income poverty (Tegegne, 2019). Nonetheless, there stands an emergent agreement between various players such as, the United Nations (UN), the International

Labour Organization (ILO), the International Cooperative Alliance (ICA) and the European Union (EU), that cooperative organization stands unique of the rare systems of organization that satisfy all aspects of poverty. SACCOs have shown the probability of delivering consistent service to the poor consumers which eventually intent at decreasing income poverty (World Bank, 2017).

Recent studies have found a growing trend to advocate for cooperatives as a way to combat income poverty. (Dean Karlan *et al* ,2017). According to a number of findings, the cooperative business model is a type of institution that largely addresses poverty by presenting possibilities, promoting empowerment, and boosting security. (Dean Karlan *et al* ,2017). To this end, the cooperative enterprise is being presented more and more as a requirement for an effective campaign against income poverty and its eradication, especially in developing nations (Kayiranga *et al.*, 2022). The 2018 World Bank studies recognized the possible contribution cooperatives may make to the continent's growth, but only if they were freed from governmental control, reorganized, and operated according to market economy principles at the time.

After the development of SACCOs was common, it functioned like magical; individuals toiled hard and SACCOs ascertained prosperous. For this achievement, several undeveloped economies, such as Uganda, are redesign the turn, anticipating that it will attain their goal for income poverty reduction. SACCOs have emerged in rural parts of developing nations like Uganda due to the lack of adequate financial services provided by commercial banks. (Omona, 2021). SACCOs are one effective method or tool, among many others, for reducing poverty in general and income poverty in particular in developing nations. Additionally, it is asserted that the majority of rural population rely on private lenders and non-traditional financial institutions to obtain financing. (Tegegne, 2019). Reducing income poverty through the development of members' financial security, educational empowerment, social protection, and cooperative saving and credit activities, communities have been helped to grow. The ability to be independent, participate in decision-making, and mobilize resources is thus made possible by such assistance. (Adekola *e.t al*, 2017).

By implementing Poverty Eradication Action Plan, the Ugandan government has accelerated a plan to reduce income poverty. (PEAP, framework, 1997). Through SACCOs, the government employs this initiative to decrease income poverty levels. Through organizations like SACCOs, the ministry of finance distributes funding to rural

and low-income homes with the goal of enabling the individuals to borrow money and use it to escape poverty. SACCOs are mainly driven by two types of short-term goals: to receive dividends after customers' savings with them and to access affordable loans offered by the SACCOs after customers' deposit funds. (Kamulegeya, 2016). Access to SACCOs services, such as credit, savings, advisory and training, can help rural households mobilize internal resources and take advantage of available possibilities through livelihood strategies to reduce income poverty.

SACCOs in Uganda take a key part in giving financial services for low-income individuals who are financially shut out by commercial financial institutions (Dibissa, 2015). SACCOs in Uganda is used as an approach to income poverty reduction in the communal. In spite of the presence of SACCOs, 30% of the people are living in dangerous income poverty, well-defined by UBOS because they are living on less than \$1.90 a day. In spite of a substantial fall in the prevalence of income poverty from 31.1% in 2006 to 21.4% in 2018, the income poverty number is still a source of pronounced worry to several actors and many other stakeholders (UBOS, 2018).

The Northern region continue to be the deprived part of the nation, nonetheless the breach has lessened meaningfully since the rebuilding of harmony in 2006 (Uganda Poverty Status Report, 2021). Northern Uganda has the nation's highest rate of income poverty (42%), which is significantly higher than the national average of 21.4% (Poverty Maps Report,2018). The Acholi sub region, followed by the West Nile sub region, has northern Uganda's second-highest income poverty incidence. The poverty prevalence for Gulu district is 47.5% (Poverty Maps Report 2018).

Poverty Status Report (2021) indicates reductions in income poverty rates and applaud the growth of SACCOs, but not much is known about SACCOs' ability to eradicate income poverty. Despite having one of the highest concentrations of SACCOs in Uganda, Gulu District is still suffering from the same problems that plague the whole Acholi region. Despite being acknowledged in the microfinance industry; SACCOs success stories are typically scarce. While in the grand scheme of things the SACCOs' services seem to have been successful in many areas of the nation, they have performed less successfully in some. In light of this, this study aimed to investigate the contribution of SACCOs services and income poverty reduction among members in Gulu District Uganda.



## **1.2 Statement of the Problem**

Poverty Status Report (2021) indicates that more than 65% of Ugandan population either live in extreme poverty or are at risk of doing so. The 2019/2020 UNHS puts The Acholi Sub-region is one of the nation's poorest sub-regions., with income poverty rate standing at 64%, way above the national estimate of 47%. There has been amount of programs that have executed by National Resistance Movement (NRM) government aimed at addressing income poverty. PEAP being the first comprehensive programme through detailed programmes that have been executed to reduce income poverty (Luwemba, 2019). Northern Uganda specifically, the Acholi sub-region being a war-ravaged region had exceptional programmes. In 2007, the Peace, Recovery and Development Plan (PRDP) was started. Others programmes executed alongside PRDP includes the Northern Uganda Social Action Fund (NUSAF), a locally-driven growth inventiveness intended to direct growth in this area. Altogether, these were executed with the aim to provide a conducive environment for income poverty reduction.

SACCOs have shown the probability of giving consistent services to deprived consumers which eventually intent to decreasing income poverty (World BANK, 2017), but its impact on alleviation of income poverty in developing nations, including Uganda, has not well been addressed. There are various studies such as Mwenda (2019) on SACCOs' impact on poverty alleviation in Tanzania and established that SACCOs actions have a significant impact to financial growth and hence aid in poverty reduction plans. Kamagara (2018) revealed that SACCOs provide services that eliminate poverty in households of Kabala District. Chimdi *et al.* (2020) surveyed the influence of SACCOs on household wellbeing in Ethiopia and recognized that SACCOs' services had no positive influence on members' household income. This shows contradicting findings. The study thus, intended to determine the contribution of SACCOs services on income poverty reduction among members in Gulu District, Uganda.

## **1.3 Objectives of the study**

The study's major aim was to evaluate the contribution of SACCOs services on income poverty reduction among members in Gulu District. The study was guided by the following specific objectives;

1. Determined how regular small saving deposits accepted by SACCOs contribute to income poverty reduction among members in Gulu District,

2. Examined how credit services provided by SACCOs contribute to income poverty reduction among members in Gulu District,
3. Determined if advisory services provided by SACCOs contribute to income poverty reduction among members in Gulu District.
4. Examined how training services provided by SACCOs contribute to reduced income poverty among members in Gulu District

#### **1.4 Research Questions**

1. How do regular small saving deposits accepted by SACCOs contribute to reduced income poverty among members in Gulu District?
2. How do credits provided by SACCOs contribute to reduced Income Poverty among members in Gulu District?
3. Do advisory services provided by SACCOs contribute to reduced income poverty among members in Gulu District?
4. Do Training services provided by SACCOs contribute to reduced income poverty in Gulu District?

#### **1.5 Significance of the Study**

The study will facilitate members to recognize the effectiveness and the part played by the SACCOs in their community. Through this research, individuals will become informed that financial catastrophe can be resolved short of abundant reliance on outside assistances and henceforth change their approach and predict in enhanced system building a habit of independence since SACCOs are self-inaugurated. The findings will boost the advancements of the rural co-operative organizations grounding on its contribution to income poverty reduction of the community.

The results will also be used by academics, scholars, and upcoming researchers as a source of empirical reference. As similar studies may obtain background data from the findings of this study, it will serve as a foundation for future research for other scholars.

The study's conclusions will help decision makers, particularly those working in SACCOs, better understand the strengths, weaknesses, opportunities, and threats facing the growth of SACCOs and how to create pro-service interventions.

The findings of the study will support policy makers to construct important and suitable policies that will support to develop SACCOs services in Uganda.

The findings of the study will contribute to SDG one (no poverty), SDG two (zero hunger), SDG four (quality education), SDG twelve (responsible consumption and production) by 2030.

### **1.6 Organisation of the study**

There are five chapters in the study. The study's introduction is presented in Chapter 1, the literature review is presented in Chapter 2, and the study's methodology is presented in Chapter 3. Findings and discussion are presented in Chapter 4, and summary, conclusions, and recommendations are presented in Chapter 5.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

The chapter presents; definition of key terms, theoretical review, empirical review and conceptual review based on the study objectives.

#### **2.1 Definition of Key Terms**

##### **2.1.1 SACCOs**

SACCOs are democratic, member-owned financial institutions with the aim of helping members save money and giving them the chance to borrow money at competitive rates. The main goal of SACCOs is to provide financial services to all low-income society members through savings and to enable members to access credit through various educational and business training programs (Kiwelu, 2016). Thus, SACCOs are member-based associations, which convert participant's savings into credits autonomously. The researcher defined SACCOs as an institution formed and owned by members with the aim to save, acquire credit, advise and training to help them reduce income poverty.

##### **2.1.2 SACCOs services**

SACCOs or system that provides credit, savings, training to its members. A system of providing the SACCOs members with credit, savings, training among others (Nikunj, 2023). The researcher defined SACCOs services as services offered by SACCOs to its members such as savings, credit, training, advisory among others.

##### **2.1.3 Income**

It is incredibly difficult, if not impossible, to define income in a way that is thorough, exact, and coherent. For more than a century, economists, tax experts, policymakers, and others have battled with the idea of income without coming up with a workable solution. Instead, we have a variety of income definitions for various purposes. The researcher used the International Financial Reporting Standards (IFRS, 2015) definition; income as growths in monetary profits throughout a bookkeeping dated inform of inflow or improvements of possessions or fall in accountabilities which end in a rise in equity, except those concerning to influences from equity partakers (Wyk and Dippenaar, 2017). The researcher defined income as a rise in monetary value due to productivity.

### **2.1.4 Income Poverty**

Income poverty are grounded on consumption relative to a particular standard of living or lowest income level believed crucial to meet basic needs (Odi *et al.*, 2020). Income poverty is defined in the space of economic welfare, a narrower concept than well-being. There are two natural candidates here, income and expenditures (Bellu *et al.*, 2018). Total expenditures are frequently used as a measurement of income poverty, as a greater reflection of the concept of a persons' source of current income. The researcher defined income poverty as lack of the minimum basic income to acquire the basic basket of goods and services.

## **2.2 Theoretical Framework**

This study was used two theories; resource-based theory of entrepreneurship as the main theory and supported by neoclassical growth theory such as Harrod-Dommar and Robert Solow.

### **2.2.1 Resources based theory of entrepreneurship**

SACCOs groups are closely related to the resource-based theory of entrepreneurship. The notion contends that having access to resources enhances a person's ability to advance and find opportunities that will expose them to social and economic advancement, Kwabena (2011). The notion underlines how crucial it is for a person to have access to social, financial, and human resources. This theory is directly related to the research topic's central theme, which centers on low-income earners who have taken the initiative to join SACCO groups in their communities in order to access financial services through credit, social support through entrepreneurship training and advisory services, and business opportunities that will support them enhance their lives and lessen income poverty (Mshana,2020).

The researcher applied this theory to determine whether or not those who made the decision to take action to acquire these resources through their participation in SACCOs were able to achieve their desired aims. In this way, the researcher will apply this idea to this research. The assumption made was that members are involved in the SACCOs with the aim to access resources that will invested in Income producing ventures. The strength of this theory is that it covers three aspects of the study; aspect of credit, advisory and training services. Its weakness is that it ignores the aspect of saving and focus of SACCOs groups but not individual members. Because of this weaknesses, the researcher adopted the neoclassical growth theory.

### **2.2.2 Neoclassical growth theory**

**Neoclassical growth theory:** Neoclassical growth theorists like Harrod-Dommar and Robert Solow argue that while mobilizing savings is not a goal in and of itself, it is crucial for sustaining economic growth and development. They assert that via saving, capital will accumulate, resulting in investments, which will contribute to economic growth and long-term development (Kizza and Ssekibaamu, 2019). The Harrod – Domar This study benefits from theory since it places an emphasis on savings. A high-saving state accrues resources quicker, and hence develops quicker, than does a low-saving state (Rowntree, 2015).

In accordance with this model, SACCOs offers an opportunity for saving, accumulating wealth, and making investments that advance the economy in undeveloped state like Uganda and hence decrease income poverty. Weaknesses of these theory call attention to their overstress on the individual (lacking, for example, seeing relations with the community) and concentrate on only quantifiable resources to eliminate poverty. This theory focuses on savings and ignores other aspect of this study. In our study, the study assumed that the requirement of Savings made by SACCOs as a prerequisite for a member to access credit is in line with the need to accumulate more capital for growth and reduce income poverty.

## **2.3 Empirical Review**

### **2.3.1 Savings services and income poverty reduction**

A study by Ugulumu (2021) on the influence of Iringa Hope Joint SACCOs (IHJS) programme on households' wellbeing in Iringa region. The study employed a descriptive design and adopted quantitative method using 170 respondents. The results indicated that, Iringa Hope Joint SACCOs households' wellbeing in Iringa region is enhancing attributable to improved family earnings, decision making and capability building that impacts regular savings deposit by members. This context of the study was so generalized as it focused on household welfare.

Chomen (2021) conducted a study on the microfinance institution of the Oromia Credit and Saving Share Company in Ethiopia's Welmera District, specifically around Finfine. The mixed-methods approach used purposeful and random sampling strategies, with binary logistic regression used for quantitative analysis. The study found that education level, voluntarily saved money, and using loans positively influenced income growth.

The majority of respondents saw a rise in their revenue levels after enrolling in the microfinance program, resulting in a positive impact on their overall living standards.

Kwai and Urassa (2015) conducted a study on the contribution of savings and credit cooperative societies to income poverty reduction: A case study of Mbozi District, Tanzania. The role of savings and credit cooperative societies in lowering income poverty among rural households is examined. The research specifically examines actions taken by SACCOs that can reduce income poverty, income levels between SACCOs participants and non-participants, the effect of SACCOs on reducing income poverty for households, and community attitudes toward SACCOs. In total, 160 respondents—80 SACCOs members and 80 non-members participated in the survey. Focus groups, key informant interviews, and survey were used to collect the information. Content analysis was used to analyze qualitative data while quantitative data were analyzed using SPSS. The results showed that SACCOs have been described to play an important part in offering financial services to the deprived i.e. savings and credit for venture in income producing undertakings to its members.

Asad *et al* (2015) conducted a research on Microfinance and Household Poverty Reduction: Empirical Evidence from Rural Pakistan. This study investigates if and to what extent household access to microfinance improves poverty in Pakistan. It is based on first-hand empirical data that was obtained in 2008–2009 by interviewing 1132 homes, including both borrower and non-borrower households. Propensity score matching has been used to partially account for sample selection biases. According to the report, microfinance programs benefited the participating households. A number of indices of poverty were found to be reduced, including household income, healthcare, clothes, and spending on specific home features including water supply and wall and roof condition.

Ojochide *et al* (2021) revealed the primary occupation, education size, savings, access to credit and income from secondary activities increases the possibility of getting out poverty and lessens the possibility of being very poor. Steinert *et al* (2017) indicated a small but significant impact on poverty reduction.

### **2.3.2 Credit services and income poverty reduction**

Basude and Abas (2021) assessed the contribution of SACCOs in Poverty Reduction in Ntungamo Municipality: Case of Kajara People's SACCOs Ltd. This was evaluated by determining whether economic and social mobilization, access to finance, and poverty

reduction in Ntungamo Municipality. Using a sample of 132 respondents, the researcher used a descriptive cross-sectional survey approach and found that 91.6% of replies also agreed that SACCOs boost the welfare of the poor, while 92.2% of responses agreed that SACCOs considerably contribute to raising people's standards of living.

Ngowi (2023) did a study on the role SACCOs play in the development of small businesses, using data from Tujikomboe SACCOs in Tanzania's Moshi District near Mount Kilimanjaro. The research design for the study was cross-sectional. Therefore, the study came to the conclusion that SACCOs have significantly aided small businesses in growing by disbursing small loans.

Mwai and Okatch (2017) conducted research on the function of SACCOs in eliminating farmer poverty in Muranga County, Kenya, with a focus on a few selected SACCOs in Muranga Town. The study used a descriptive survey research approach and randomly selected 10% of the target population using stratified sampling. The main tool for gathering data was a questionnaire. The study's findings showed that there was no significant association between training and poverty eradication, however there was a substantial relationship between share capital/deposit and poverty eradication and between loans provided and poverty eradication. The study came to the conclusion that increasing SACCOs loans help members build wealth. This study focused solely on farmers and was broad in nature. Additionally, a descriptive research design was used in the study.

Pesha *et al* (2018) conducted a study on the influence of services provided by SACCOs on the income of pineapple growers: the example of Kinole SACCOs. Using semi-structured surveys and key informant interviews, the study gathered primary data from 70 members of SACCOs, 70 non-members, and 20 key informants. According to the study, SACCOs' involvement in the pineapple sub-sector improved member productivity and income. The findings showed that pineapple output, SACCOs membership, agricultural loan, and entrepreneurship training were all significantly correlated, indicating a positive impact on smallholder farmers' income. This study adopted quasi experimental research design and ignored the variables of savings and advisory services.

Mwenda (2019) indicated SACCOs to be a dependable source of finance for participants, giving it have for the majority in receiving loans at reasonable interest rates. The majority of SACCO members have been able to increase their earnings by



taking out low-interest loans from their organizations and investing the borrowed funds in businesses that help those who use their services live better lives. According to Koech *et al.* (2014), access to credit increases productivity, raises income, and lowers the poverty rate among households that grow pineapples.

Given that Credit and saving are invested in revenue-generating activities, cooperative lending services have a significant impact on reducing poverty through income growth, social service, and the creation of self-employment opportunities. Its rate of delivering entrepreneurial skills was relatively low, and the training it offered raised knowledge of loan terms and conditions and saving habits but did not foster the development of business skills (Kihwele and Gwahula, 2015).

### **2.3.3 Advisory services and income poverty reduction**

Kayiranga *et al* (2022) study on Icyerekezo SACCOs in the Muhanga District on the impact of Umurenge SACOs services on poverty alleviation in Rwanda. The study used a sample of 359 respondents and using quantitative and qualitative methods to collect primary data through questionnaires, interviews, and documents. The study findings revealed advisory services offered by the SACCOs have an impact on poverty reduction and concludes that Umurenge SACCOs positively and significantly influences poverty reduction of the population in Rwanda.

A study on the contribution of the Luweero Teachers' SACCOs to the Socio-Economic Welfare of Teachers in the Luweero District, Uganda conducted in 2019 by Kizza and Ssekibaamu. A written interview with SACCO managers and a sample of 162 teachers who are members of Luweero SACCOs were both employed in the study. The research found a strong correlation between advising services and teachers' socioeconomic welfare in the Luweero District.

In three northern Indian states, the study by Lal (2018) investigates the effects of financial inclusion on poverty reduction through cooperative banks. Cooperative banks considerably increase access to fundamental financial services like savings, insurance, and credit, according to data gathered from 540 beneficiaries. Even though it only covers three northern states, the research adds to the body of knowledge on financial inclusion and can aid stakeholders in encouraging banking practices among low-income rural households.

### **2.3.4 Training services and income poverty reduction**

Nawawi *et al* (2020) demonstrated how the village's Kalesang program could be used as a tool for empowerment and development that might encourage community and governmental cooperation in order to plan and carry out development and to keep track of it through active involvement. The findings of Yuanzhi *et al.* (2022) revealed that there were six stages to poverty alleviation in rural China, including financial and educational development, all of which created an organic and sustainable mechanism supporting regional growth.

Ochilov and Najibullah (2021) findings of extensive scientific studies over many years also point to the need to raise population literacy rates as a means of reducing poverty in the nation. According to Pesha *et al.* (2018), the availability of trainings in entrepreneurship and financial management had a statistically significant impact on pineapple growers' income. Trainings help farmers become more adept at managing their farms and other sources of income, which has a favorable effect on their ability to support their families.

Ashfaq *et al* (2015) stated out that farmers can increase awareness and develop skills to manage their income-generating activities more effectively and sufficiently to guarantee their livelihood status through capacity building. According to Binywera (2019), there is no statistically significant correlation between financial education and its effects on poverty reduction in Jinja Municipality. According to this research finding, financial training is low and does not significantly contribute to reducing poverty, suggesting that there is no association between microfinance institution training and poverty reduction.

### **2.3.5 SACCOs services and income poverty reduction**

Marus *et al* (2020) carried a study on SACCOs and poverty reduction in Lango and Kigezi sub-regions of Uganda: An empirical comparison research. A comparative and cross-sectional survey design was used in the study and established that households with low incomes lacked appropriate access to inexpensive and convenient credit. The SACCOs offered loan at 10% per month, which converts to 120% per year, in the two regions, although this wasn't exactly a low rate. The study shows that rural poor households become long-term indebted as a result of microcredits, despite the fact that these households lack financial management skills.

Omona (2021) conducted a study on Poverty elimination and generating wealth: The contribution and difficulties of SACCOs in Uganda. The study used interviews with 19

respondents and document analysis and revealed that SACCOs have an impact on poverty and wealth creation through provision of employment, the transfer of skills to the members, and the facilitation of loan access, among other things, have all assisted households in improving their welfare.

Mwenda (2019) conducted a study on SACCOs' impact on Tanzania's fight to reduce poverty is evaluated, with focus on Dar es Salaam region. The study employed survey study design taking a sample of 24 respondents and reported that SACCOs plays a significant role to economic growth and hence poverty reduction. Kamagara (2018) revealed that The majority of respondents (77.7%) concurred that SACCOs provide services that help households in the Kabala district end poverty. The majority of respondents (81%) were found to agree that SACCOs have an impact on income levels and increase asset accumulation in rural households. According to a research by Mattos *et al.* (2020) quoted by Msuya *et al.* (2023), SACCOs increased per capita income in 293 municipalities.

A further study by Chimdi *et al.* (2020) that was carried out in Ethiopia determined that the members' family income was unaffected by the services provided by SACCOs. In the Gurage Zone of Ethiopia's Southern Nations, Nationalities, and Peoples' Region (SNNPR), this study looked at how SACCOs affected household happiness. The research used a cross-sectional survey design. Direct interviews served as the main method of gathering data. with 90 treated group (SACCOs members) and 112 controlled group (non-members), with discussions with informant groups and staff members of two unions involved in SACCOs management. The study discovered that elements including age, education, training, access to loans, interest rates, and income sources significantly determinants of SACCOs membership participation. SACCOs participants tend to have greater ownership of assets compared to non-participants and they did not have significantly higher incomes or consumption levels than SACCOs members.

Msuya *et.al* (2022) performed research on the influence of services provided by SACCOs on household livelihood outcomes in the rural Tanzanian towns of Mwanza and Tabora. The study used a quasi-experimental approach. 6 SACCOs were purposefully chosen in 4 Districts of Tanzania's Mwanza and Tabora regions. 500 respondents were included in the sample, 200 of whom were SACCO members and 300 of whom were not. Quantitative and qualitative data were gathered using a

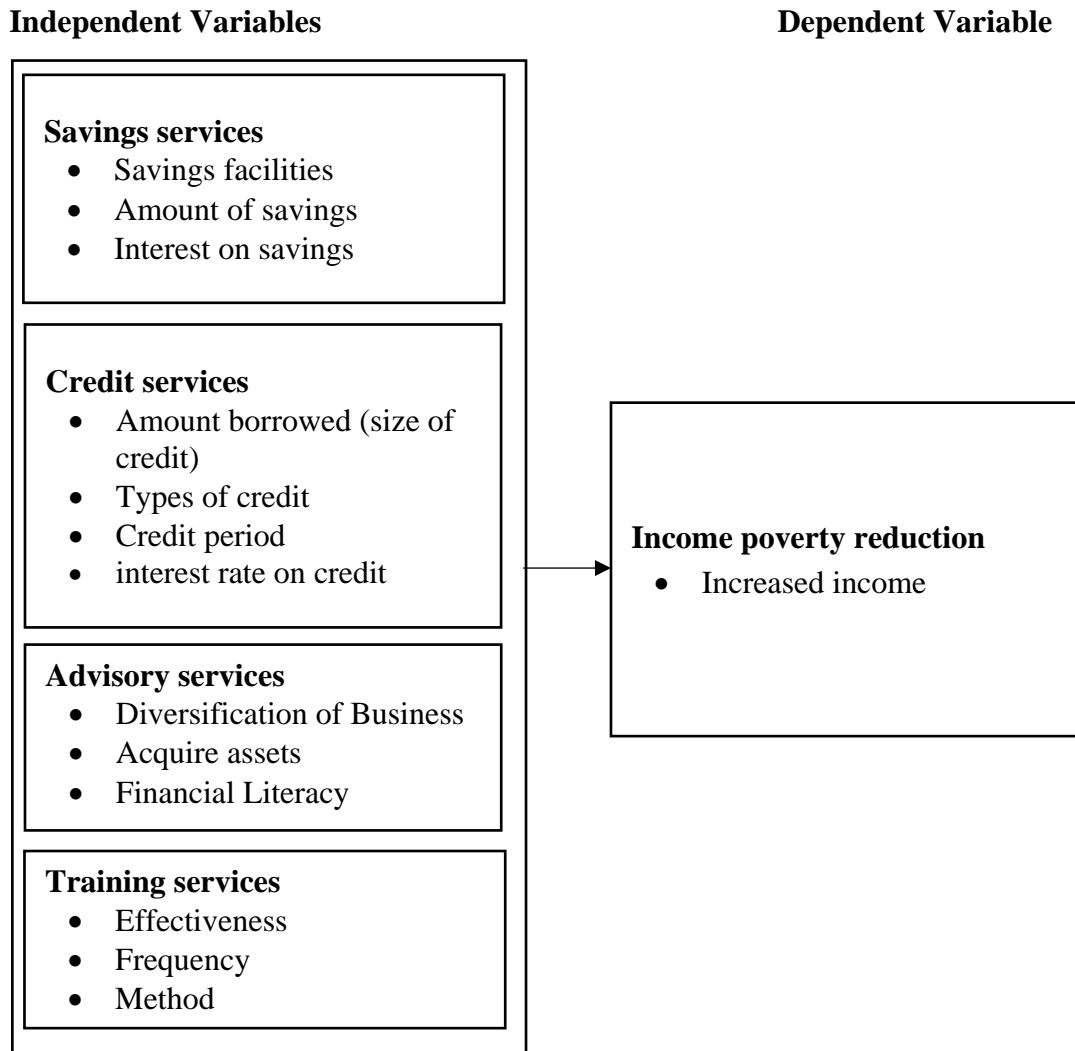
questionnaire and a key informant interview guide, respectively. The quantitative data was analyzed using Propensity Score Matching (PSM), and the qualitative data was thematically analyzed. In terms of maize yields, household assets, savings, food expenditures, and non-food expenditures, the results showed that SACCO services had a significant impact on household livelihood outcomes. The variables of credit, training, and advising services were not evaluated in the study.

#### **2.4 Literature Gap**

Even though the aforementioned research on the influence of SACCOs on poverty reduction were carried out in various nations throughout the world, they discovered conflicting results and majority of their studies focused on the multifaceted poverty reduction role SACCOs has at household level. Recognizing these contrasting results, the researcher set out to examine how SACCO services influence the income and poverty status of its members at the household level in the Gulu District in order to close the existing literature gap. Additionally, there are institutional and geographic variations across these nations, which caused the influence to vary from one SACCOs to another. As a result, the researcher is motivated to examine how SACCO services influence the income poverty level of SACCOs members in Gulu District. Given the aforementioned statistical facts, research was necessary to analyze the role of SACCOs services on income poverty reduction of members in Gulu District.

## 2.5 Conceptual Framework

The dependent variable in this study was income poverty reduction and the independent variables of this study were savings services; credit services, advisory services and training services. Independent Variables are effects that happen in an investigation that are affected by the experimenter. The associations are shown below.



**Source:** Adopted from Mwai and Okatch (2017) and adjusted by researcher

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter presents the methodology that guided the study. It presents the study design, geographical coverage, population, sample size and sampling technique, data collection and data collection methods, Assurance of reliability and validity, Operational definition of variables and measurements and data analysis.

#### **3.1. Research Design**

The study employed a cross sectional design where by data was collected at a particular point in time. This design was chosen, not only for its simplicity, but also it permits to gather data about past and present situations and acknowledged likely cause-and-effect relations. In addition, both quantitative and qualitative research methods were used to examine the roles of SACCOs services in income Poverty reduction. Qualitative data was utilized in the course of this research, it involved structured questions (Appendix 1) that was complemented by key informant interviews (KIIs). The quantitative research technique used questionnaire (Appendix 1) that was designed with both closed ended (five Likert scale with maximum scale of 5 (strongly agree) and minimum scale of 1 (strongly disagree)) and open-ended questions. This was adopted as using numbers allows for more accuracy when reporting outcomes.

#### **3.2 Geographical Coverage**

The study was conducted in Gulu district. Gulu district is divided in to two constituencies; Aswa and Gulu Municipality with twelve (12) Sub-Counties, four (4) division, 70 Parishes and 258 villages/zones. Gulu district is located in northern Uganda between longitude 30-32 degrees east; latitude 02-4 degrees north. The district is bordered by Amuru and Nwoya Districts in the west and southwest respectively, Lamwo district in the northeast, Pader district in the east, Lira district in the southeast and Oyam district in the south. The District headquarters is 332 km away from Kampala.

#### **3.3 Population**

The population of Gulu district is 315,077 and more live in urban than rural as up to 171,701 representing 54.5% of the people live in Gulu Municipality and only 143,376 construing 45.5% live in Aswa county (gulu.go.ug: Gulu District profile 2019). The

population of the study comprised of 1177 registered SACCOs members in Gulu district (Ministry of trade, industry and Cooperatives 2017).

### 3.4 Sample and Sampling techniques

A list of 163 registered SACCOs groups were obtained from Gulu District Chief Administrative officer. A sampling frame of SACCOs members in Gulu district was obtained from the District's Administrative Officer. Grounded on the geographic location, there are two sub-regions in the District. Clustered sampling was used to sample SACCOs from Aswa County and Gulu municipality, whereby two clusters were obtained. Simple random sampling was used to select two SACCOs, one from Aswa county (Ada Pi Nyim SACCOs) and Gulu municipality (Acak Ki Kuc SACCOs) respectively. A sample of 196 SACCOs members were selected from a target population of 224 SACCOs members from Ada pi Anyim and Acak ki Kuc SACCOs. The sample size was determined using the Frankfort-Nachmias and Leon-Guerrero (2010) formula at 5% level of significance.

$$n = \frac{(Z)^2 P(1 - P)}{(E)^2}$$

$$n = \frac{(1.96)^2 0.5(1 - 0.5)}{(0.05)^2}$$

$$n = 196$$

SACCOs members in the sampled SACCOs in Gulu district constituted the unit of analysis. Simple random sampling was employed to select the sample from each of the selected SACCOs. The study employed probability proportional sampling to derive the sample size for each of the SACCOs selected.

**Table 3. 1: Proportionate stratified sampling.**

Clusters	Population size	Percentage (%)	Sample size
Aswa county (Ada Pi Nyim SACCOs)	150	67	131
Gulu municipality (Acak Ki Kuc SACCOs)	74	33	65
Total population(N)	224	100	196

From the table above, **131** respondents from Ada Pi Anyim SACCOs and **65** respondents from Acak Ki Kuc SACCOs were selected using simple random sampling methods.

### 3.5 Data and Data Collection Methods,

Data were gathered from primary and secondary sources. Structured questionnaires with both closed- and open-ended questions were used to gather primary data. To ensure that the intended respondents took part in the process of gathering information for this study, the researcher self-administered the questionnaires. The questionnaire basically aimed at collecting data associated to the members' social economic features, savings services, credit services, advisory services and training services and established their contribution to income poverty reduction. A key informants guide was employed to gather information using detailed interviews. A total of 8 interviews were conducted with key informants' who purposively selected two SACCOs managers, two SACCOs board representatives, two SACCOs treasures and two SACCOs loan officers. The KIIs was required to confirm and supplement data that was collected through questionnaire. In brief, Key Informants Interviews (KIIs) intended to gathering data relating to savings services, credit services, advisory services and training services and their contribution to income poverty reduction. Data from secondary sources were got from reports and other documents of the selected SACCOs. Secondary information helped to support the information from primary source.

### 3.6 Assurance of Data Reliability and Validity,

Reliability is the degree to which the data collection procedures that was adopted by the study yielded dependable conclusions, related thought that would be made or decision arrived at by other researchers carrying out the same study. 6 pilot study was conducted from two SACCOs other than the sampled SACCOs with the purpose to find out if/if not the guides was accurately designed to collect the required information. The guides were also given to experts with understanding and education of the SACCOs operations. The researcher conducted reliability test using Cronbach's Alphas of extracted questions from the questionnaire and the coefficient were above 0.7 as below in table 3.2.

**Table 3. 2 : Reliability test**

<b>Variables</b>	<b>Frequency</b>	<b>Cronbach's Alpha</b>
Saving services	150	0.952
Credit services	150	0.901
Advisory services	150	0.761
Training Services	150	0.938
Income Poverty Reduction	150	0.907

**Source: Primary Data, 2023**



As table 3.2 shows above, the Cronbach's Alphas of extracted questions from the questionnaire were more than 90%, for saving services was 0.952 Excellent, Credits Services was 0.901 Excellent, training services was 0.938 excellent and income poverty reduction was 0.938 Excellent and advisory services was 0.761 which is acceptable, as many writings say, the coefficient above 0.7 is Acceptable for most social sciences situation. The more you have a high coefficient the more the questionnaire is reliable and there is relatively high internal consistency.

Data validity is the degree to which the methods of data collection that was adopted by the study correctly measured what was planned to measure (Kayiranga, 2022). For the purpose of make sure data is valid, the researcher consulted experts on the subject matter as well as ensured close consultation with the research supervisors. The researcher determined content validity of the data by calculating the content validity index (CVI) using the formula;

$$CVI = \frac{\text{Relevant Questions}}{\text{Total numbers of Questions}}$$

The CVI of 0.7 and above indicates that the research instrument is valid (Orodho, 2009)

### **3.7 Operational Definition of Variables and their Measurement Levels**

#### **3.7.1 Saving Services**

Asharaf and Gons (2009) describe saving as choosing between current and future consumption which depends on addition to present income and long-term income projections. In Keynesian economics, savings refers to surplus income after one fulfilling his/her consumption needs and tax responsibilities. Saving are used to increase income through investments.

#### **3.7.2 Credit Services**

Tumwine *et al.*, (2015) define credit as renewable resources that can impact on communities as credit help communities develop by having their businesses expand through investment opportunities enabled by acquired credit. Credit supplement a person's income and enable the person to carry out activities which would otherwise not be executable with a person's own income.

#### **3.7.3 Advisory Services**

Advisory services are used in this study to refer to the support services offered by SACCOs to members to enable them plan their savings and utilize the loans advanced to them in order to reduce their income poverty level. The SACCOs advisory services

include: informal training members in financial literacy abilities, financial management abilities, entrepreneurship skills and thrift abilities (Kizza and Ssekibaamu, 2017).

### 3.7.4 Training Services

Fitzgerald (2003) defines training as the acquisition of knowledge and skills for present task. Training is the teaching and knowledge events conducted for the main aim of assisting SACCOs members obtain and use the understanding, expertise, abilities, and approaches necessary for income poverty reduction ((Dale, 2020). Training is defined by the researcher as a structured process by which the SACCOs members study facts and/or skills for income poverty reduction.

### 3.7.5 Income Poverty

Income poor people are defined by their standards of living expressed in some monetary metric, typically income or consumption expenditure per capita (Kanbur *et al*, 2017). This is the absence of access to financial possessions to fulfill the basic necessities.

**Table 3. 3 : Definition and Measurements of the Variables**

Variable	Definition/Measurement
Dependent variables:	
<b>Income Poverty reduction</b>	Income before joining the SACCOs Income after joining the SACCOs Started new businesses Expanded Existing businesses
Independent variables:	
<b>Saving services.</b>	Initial savings in the first year Current Amount of savings per year Interest rate on savings Activities performed by the savings
<b>Credit Services.</b>	Credit Access Amount of first credit. Current Amount of credit accessed per year Types of credit Credit period Interest rate on credit Purpose of obtaining credit
<b>Advisory services</b>	Whether members receive advisory services Whether SACCOs creates a conducive environment for its members to access advisory services. Whether advisory services have a significant impact on income poverty reduction
<b>Training services</b>	Whether SACCOs provide members with training Methods of training and frequency Effect of Training Frequency in reducing income Poverty

Both independent and dependent variables were assessed using the statistical level of measurement nominal and scale (ratio or interval). Likert scale and categorical data that were organized in ascending or descending order with appropriate labels, like level of education, were applied to the ordinal scale.

### **3.8 Data Analysis.**

Qualitative information from KII's was analyzed with the help of thematic and content analysis. The content of the messages gathered from KII's was used to make inferences and draw conclusions on the contribution of SACCOs services in income poverty reduction among members. Data from questionnaire was arranged, coded and summarized before analysis. In this study, the unit of analysis was SACCOs' members. The analysis was done with the aid of Statistical Package for Social Science (SPSS version 16) Computer software.

Descriptive statistics of frequencies and percentages were used. As indicated by Amaza *et al.* (2009), descriptive statistics was used to assess the socio demographic features of the respondents' household. The necessity for such analysis was built on the information that income poverty is greatly influenced by respondents' social and demographic features.

The researcher carried out Multi-Collinearity Test for all independent variables. The researcher ran a descriptive statistical analysis for savings, credit, advisory and training services and income poverty reduction among members and a one sample T-test for all specific objectives at 95% level of significance. Paired T-test was run to establish the significant difference in change in income. A multiple linear regression (MLR) model was used to measure the collective influence of the role of SACCOs services to income poverty reduction among members in Gulu District. The multiple regression model was preferred for its advantage in establishing the relative significance of independent variables to the dependent variable. This was done on assumptions of linearity (data points were spread around the regression line), normality (skewness of 0.5 and kurtosis of 4), independence (Durbin Watson value of 3), no collinearity and homoscedasticity (data points were constantly spread along the regression line). These assumptions were tested and were found to hold implying our model fits that data.

#### **3.8.1 Regression model**

$$Y \text{ (income poverty reduction)} = \beta_0 + \beta_1 \text{ Savings services} + \beta_2 \text{ Credit services} + \beta_3 \text{ Advisory services} + \beta_4 \text{ Training services} + \beta_5 \text{ Error term}$$

### **3.8.2 Work plan and Budget**

This research was conducted in 7 months (Appendix 2) at a total cost of Three million four ninety-eight thousand shillings only (TSHS: 3,498,000) (Appendix 3).

### **3.8.3 Ethical Consideration**

- **Neutrality:** the researcher was neutral and avoided bringing in guiding influences.
- **Confidentiality:** The researcher ensured the respondents' absolute confidentiality in advance. Data was not attributed to specific respondents and permission was sought by the research team when using anonymous quotations or stories to present the findings.
- The researcher heeded to the recommendation of ethical research. The relevant local authorities were informed about the study and this allayed any fears and suspicions.
- No identities of respondents were entered on the questionnaire at any point during data collection, and no information gathered from one person was shared with another. Each respondent received a special identification number in case of tracking.

### **3.8.4 Study limitations**

During the research it was hard to get a few of the participants of the study and some of them kept postponing the appointments because of the type of their livelihood activities; they leave their homes very early in the morning and comes back late in the evening. Hence, in the study additional hard work were used to make sure that the participants were got however, it took longer time than planned.

Inadequate monetary means was a big issue. The research needed monetary funding and thus possessions were inadequate to cater for some of the expenditures. This was the reason focus group discussions were not conducted because the participants wanted transport refund and facilitation.

Additionally, it was challenging for participants of the study to provide correct facts about their income since they do not have registers custody practice.

## CHAPTER FOUR

### FINDINGS AND DISCUSSION

#### 4.0 Introduction

This chapter comprise of the findings and discussion on the impact of SACCOs services on income poverty reduction among members in Gulu District.

#### 4.1 Response Rate

The aim was to see whether the number of responses were enough to meet the study requirements. The study targeted 196 respondents to provide information for the study. Out of the 196 questionnaires, 150 usable questionnaires were well answered

**Table 4. 1 : Response Rate (n=150)**

Category	Expected	Returned	Return %
Questionnaire for SACCOs Members	196	150	77%

**Source: Field Data (2023)**

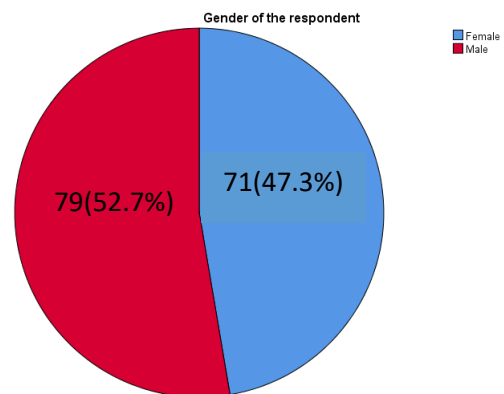
Table 4.1 shows the overall response rate of the instrument was 77% which indicates that the response rate was greater than the accepted response rate of 52.7% (Baruch and Holtom, 2008). This shows that the instruments were representative of the selected sample. The researcher used several data collection techniques, which are responsible for the observed response rate that is; face to face survey/interviews with the respondents.

#### 4.2 Demographic Information of Respondents

##### 4.2.1 Gender of respondents

In this case, the researcher was interested in inquiring about the respondents' gender, and the data obtained is shown in the picture below.

Results from figure 4.1 indicate that 52.7% of respondents were male and 47.3% were female, with men making up the majority of the sample. This suggests that both gender participated in the process.



**Figure 4. 1 : Gender of respondents**

collection however majority of the SACCOs members comprise of male. The 2019 SACCOs Societies Regulatory Authority (SASRA) report indicates that of the 4.78 million SACCOs members in Kenya, women constitute 34.23% while men account for 60.65%. Due to sociocultural

and economic norms that adhere to the patriarchal system, rural SACCOs house more men than women. This is in line with information obtained from a KI interviewed from Acak ki Kuc SACCOs who said;

*“Women are always engaged in household activities which are not paying and therefore unable to get money to save. And most times when they get income, they are used in household expenditures and not save” (KI01, 16 June, 2023)*

#### 4.2.2 Age category

The study was concerned in obtaining the age of respondents and its presented in the table below;

**Table 4. 2 : Age category of the respondents**

Age Category	Frequency	Percent
20-29	9	6.0
30-39	67	44.7
40-49	56	37.3
50+	18	12.0
Total	150	100.0

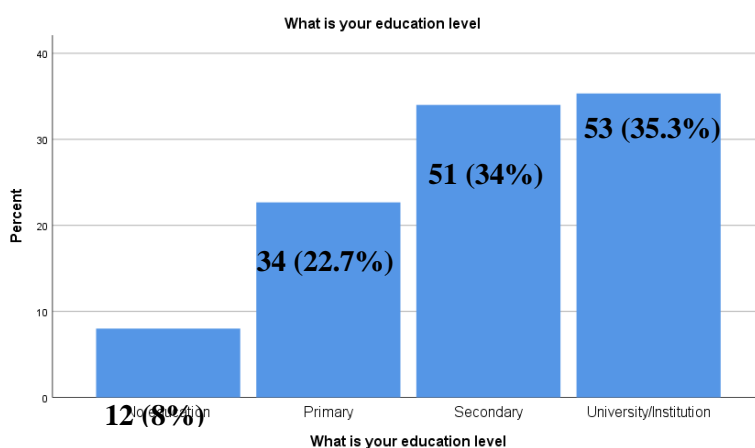
**Source: Primary Data, 2023**

Results in table 4.2 shows that age 30-39 was the majority age group representing 44.7% of respondents, 40-49 with 37.3%, 50+ with 12% and 20-29 with 6% of respondents. According to the data, the vast majority of respondents are adults and are in the productive age bracket with the ability able to generate income. Age categorization prevailed in the study. This is supported by a KI interviewed from Ada pi Anyim SACCOs who said;

*“Age 30 to 49 belonged to the group of people who have major responsibilities in the family. Therefore, they joined SACCOs as a place to obtain loan to enable them to solve their family problems” (KI02, 17 June, 2023).*

#### 4.2.3 Educational qualifications of respondents

The study was interested in gathering information about respondents' educational backgrounds, and the information is shown in the figure.



### Figure 4. 2 : Educational qualification of respondents

According to the aforementioned graph, 35.3% of respondents had a degree, 34% who had a secondary education, 22.7% had a primary education, and 8% who had no formal education. This implies that the respondents were well-educated, and as a result, the data collected from them can be trusted for this study's objectives. Education is the single primary mechanism for expanding human abilities and knowledge, and it has traditionally been regarded as a means of emancipation from ignorance. According to Kanoni (2015), education is one of the utmost significant characteristics that can impact one's mentality and the manner of seeing and understanding any demographic matters. In a way, the reply of a person is probably to be ascertained by his level of educational and thus it turns out to be commanding to be aware of the educational level of the respondents.

#### 4.2.4 Marital status of respondents

The study gathered data on marital status of the respondents; the information collected is presented below;

**Table 4. 3 : Marital status of respondents**

Marital status	Frequency	Percent
Divorced	18	12.0
Married/Co-habiting	109	72.7
Single	14	9.3
Widow/Widower	9	6.0
Total	150	100.0

**Source: Primary Data, 2023**

The study findings on the marital status of respondents were that 72.7% of the respondents were married/co-habiting, 12% were divorced, 9.3% were single and those who were widow/widower were 6%. The study findings show that majority of the respondents were those who were married. The results are correlates to Kasoga and Tegambwage (2021). Information concerning the marital status of SACCOs members was vital to find out their level of dedication and duties to themselves, their families and the whole society. They are mainly worried about joining employment, by self-employment to care for their partners to resolve financial problems in their families. Generally, the overall opinion is that married people have much of family errands to cater for, and therefore need great financial and social devotion.

#### 4.2.5 Family size of respondents

The information was gathered in order to answer the researcher's question on the respondents' family size, and it is presented as follows.;

**Table 4. 4 : Family size of respondents**

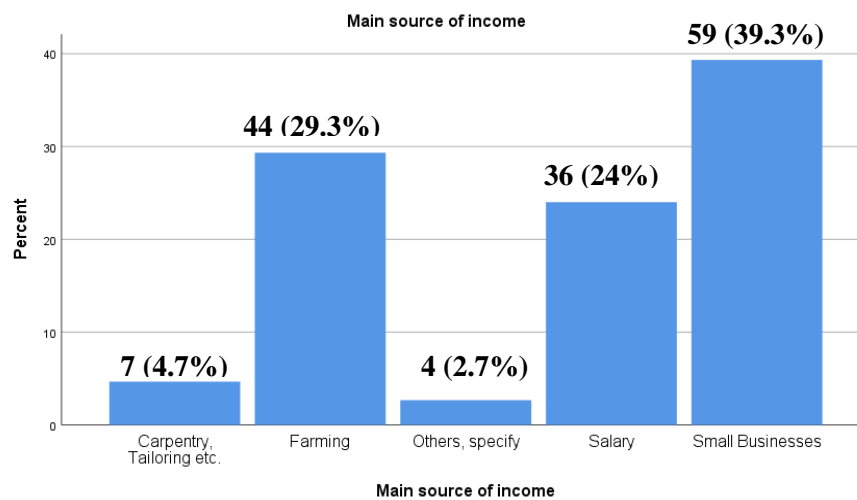
Family size	Frequency	Percent
0-5	53	35.3
11-15	7	4.7
6-10	90	60.0
Total	150	100.0

**Source: Primary Data, 2023**

The results showed that 60% of respondents lived in households with a size between 6 and 10 people. 35.3% of households are between 0 and 5 people, while 4.7% are between 11 and 15 people. These results indicate that the majority of respondents have households with more than five people, which might be used as potential human resources in the small businesses and farming activities as majority of the respondents are involved in those income generating activities.

#### 4.2.6 Main source of income of respondents

The information was gathered in order to answer the researcher's question about the respondents' primary source of income;



**Figure 4. 3 : Main source of income of respondents**

The study findings on the main source of income were that 39.3% of the respondents were doing small businesses, 29.3% were involved in farming, 24% were on salary, 4.7% were doing carpentry, tailoring etc. and those earning from other sources of income were 2.7%. The results therefore imply that majority of the respondents were doing small businesses and therefore could generate income for savings and needed credit to expand their businesses.



### 4.3 Saving services and income poverty reduction

The first objective was to determine how regular small saving deposits accepted by SACCOs contributes to income poverty reduction among members in Gulu District. The study sought to find out the current amount of savings per year, initial savings in the first year, interest rate on savings, activity performed by the savings and the influence of savings on income poverty reduction among its members. The objective was assessed and analyzed as presented as below;

**Table 4. 5 : Descriptive statistics on saving services**

Responses	Frequency	Percent	
Initial savings in the first year (in UGX)	< 100,000	4	2.6
	100,000-1,000,000	91	60.7
	1,000,001-5,000,000	54	36.0
	Above 5,000,000	1	.7
	Total	150	100.0
Current Amount of savings per year (in UGX)	< 500,000	26	17.2
	500,000-2,000,000	29	19.4
	2,000,001-6,000,000	81	54.1
	6,000,001-10,000,000	10	6.7
	Above 10,000,000	4	2.6
Total	150	100.0	
Activity performed by savings	Pay school fees	8	5.3
	Access loan	45	30.0
	Invest in Income generating activities	36	24.0
	Open new business	21	14.0
	Expand existing business	40	26.7
Total	150	100.0	

**Source: Primary Data, 2023**

The study's results shows that 2.6% of the respondents had initial savings in the first year of less than 100000, 60.7% had between 100000-1000000, 36% had between 1000001-5000000, while 0.7% had initial savings of over 5000000. This implies that members started their savings in the SACCOs with a significantly high investment with majority saving between 100000-1000000. This implies that a member who has invested more in the SACCOs would obtain more credit hence reduce income poverty. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs and said;

*“Majority of the members joined the SACCOs with the intention to borrow credit. So they were aware that the bigger the amount of savings, the bigger credit you can get. So they were motivated to save a reasonable amount so as to get a reasonable credit that’s why the savings were relatively high in the initial year” (KI03, 19 June, 2023).*

This finding correlates with Hailu (2020) who found that that the majority of members saved a reasonable amount in their first year of joining the SACCOs. The members should have saved a significant quantity in order to receive more credit because if they save more they can receive more loan and if they save less they can't take much credit.

The study result on the current amount of savings indicated that 17.2% had less than 500000, 19.4% had between 500001 -2000000, 54.1% had between 2000001 -6000000, 6.7% had 6000001 -10000000 while 2.6% had over 10000000 savings. These findings imply that majority of the members had savings of between 2000001-6000000. This shows that there was an increase in the level of savings as compared to the initial saving. This agrees with Mebane (2013) revealed that in Tanzania, SACCOs increased household savings by roughly 30 million Tanzanian Shillings in the research area. These findings correlate with Pesha *et.al* (2018) who revealed that majority of SACCOs members had established a belief of saving since conditions necessary for accessing other financial services from their organization. This is supported by information obtained from a key informant who was interviewed from Ada pi Anyim SACCOs who said;

*“The great increase in savings is because members access credit at a low interest rate are able to expand their businesses or invest in income generating activities which increased their income and are able to have enough surplus to save. They are also motivated to save more so that they access more credit and other services offered by the SACCO” (KI<sub>02</sub>, 17 June, 2023)*

This result is consistent with that of Hailu (2020), who revealed that most members saved a respectable amount in the first year after joining the SACCOs. However, our findings contradict with (Goodluck and Lebitso, 2019) who revealed that performance of SACCOs as per rate of growth in savings was rational but not encouraging as it kept on changing. This is supported by information obtained from a key informant who was interviewed from Ada pi Anyim SACCOs who said;

Results in table 4.5 shows that 5.3% of the respondents used their savings to pay school fees, 30.4% to access loan, 24% invested in income generating activities, 14% opened new business and 26.7% expanded on their existing businesses. This shows that majority of the savings were used to access credit which were invested in activities to reduce income poverty. This was followed by 26.7% used to expand existing businesses which in turn increase income level and hence reduce income poverty. This finding

correlates with Kayiranga *et.al* (2022) who indicated undertakings done with savings are poverty indicators, the fact that they executed them, implies that saving is useful for poverty reduction of people. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs who said;

*“Members used their savings to invest in various activities and majority are income generating activities. These activities included; investing in their businesses, used for farming, acquire land/cars, renovate their houses or build a new house, pay school fees for their children, used a collateral to acquire credit and many more activities. Most of these activities help to reduce income poverty” (KI<sub>01</sub>, 16 June, 2023).*

The interest rate on saving was said to depend on how much one borrows and how much one saves throughout the year. If you borrow a certain amount of money, 50% of the interest charged on the credit is given back to you and the 50% remaining is divided among SACCOs members including the one paying the interest depending on their amount of savings. This is supported by information obtained from a key informant who was interviewed from Ada pi Anyim SACCOs who said;

*“The interest rate on savings has no fixed rate as it depends on the amount of savings one makes and how much one borrows as credit. Your more credit you borrow, the more the interest on your savings” (KI<sub>04</sub>, 22 June, 2023)*

However, majority agreed that interest rate on saving increases their amount of savings and can used to invest in income generating activities hence increasing their income level hence reducing income poverty. It has been established that interest rate motivates savings in most SACCOs and majority of the respondents agreed that they receive interest on savings that are better than those given by the bank (Nyangarika and Bundala, 2020).

**Table 4. 6 : Inferential statistics on saving services and income poverty reduction**

Responses	Mean	Std. Deviation	t	df	p-value	Mean Difference	95% Confidence Interval of the Difference	
							Lower	Upper
The SACCOs enable in saving and accessing the savings	4.51	.642	86.058	149	.000	4.513	4.41	4.62
There is mobilization of group savings by the SACCOs	4.09	.628	79.877	149	.000	4.093	3.99	4.19
Attain interest on the savings made to the SACCOs	4.26	.718	72.644	149	.000	4.260	4.14	4.38
My savings to the SACCOs are adequately kept safe	4.03	.718	68.790	149	.000	4.033	3.92	4.15
SACCOs offer safe facilities for savings,	4.07	.715	69.764	149	.000	4.073	3.96	4.19
SACCOs members usually invest in savings/deposits in the SACCOs	4.21	.661	78.024	149	.000	4.213	4.11	4.32
The amount of savings of each member in a SACCOs, determines your economic strength	4.05	.698	70.966	149	.000	4.047	3.93	4.16
The level of investment for each member determines the size of loan which such a member will qualify for	4.13	.739	68.518	149	.000	4.133	4.01	4.25
SACCOs savings is considered successful in income poverty reduction among members	4.11	.706	71.228	149	.000	4.107	3.99	4.22
SACCOs savings will effectively reduce income poverty	4.19	.708	72.383	149	.000	4.187	4.07	4.30
Overall	4.17	0.691						

5=Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly Disagree

Source: Primary Data, 2023

The response SACCOs enable in saving and accessing the savings had a mean of 4.51 which implies that the respondents strongly agreed that SACCOs enable in savings and accessing savings. The standard deviation of 0.642 implies that there was less variation in the views of the respondents. The p-value of 0.000 at 95% confidence level shows that there is a statistical significance difference between SACCOs enabling in saving and accessing the savings and income poverty reduction among members. The mean difference of 4.513 implies that the performance of SACCOs in enabling saving and accessing the savings is very good. This is supported by information obtained from a key informant who was interviewed from Ada pi Anyim SACCOs who said;

*“SACCOs enables in savings by organizing weekly meetings for members to come and bring in their saving. They also access these savings through acquiring credit during the year and receive all their savings at the end of the year” (KI03, 19 June,2023).*

This is supported by Omona (2021) who found out that SACCOs have played a role in poverty eradication and wealth creation to the members by providing avenue for saving and accessing credit among others.

Mobilization of group savings by the SACCOs had a Mean 4.09 which implies that the members agreed that there is mobilization of group savings by the SACOs. The standard deviation of 0.628 shows that there was less variation in the views of respondents. The p-value is 0.000 which implies there is a statistical significant difference between mobilization of group savings by the SACCOs and income poverty reduction among members. The mean difference of 4.093 implies that the performance of SACCOs in mobilization of group savings is good. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki Kuc SACCOs who said;

*“The SACCOs always keep reminding members to ensure that they always save something even if as less as 5000 shs. because it’s their collateral to accessing other group services especially credit. This has encouraged members to always save something every time there is a group meeting. Another way which the group mobilized group savings was by encouraging them to save so as to get good interest on savings at the end of the cycle. This is because the interest on savings depends on how much one had saved” (KI02, 17 June, 2023).*

This correlates with Kaijuka *et.al* (2021) who revealed that SACCOs has enhanced peoples’ incomes through sensitization to venture into small saving groups to enhance their living standards and remunerate good interest rates to those who saved so as attract more savings and in order to encourage additional savings, it promptly pays interest rates to savers. SACCOs were crucial in helping their members mobilize resources or improve their saving habits by establishing credit and facilitating mild financial intermediation (Abamagal, 2019). This however, contradicts with Nyagarika and Bandala (2020) who revealed that nearly all SACCOs survey stated they are unable to entice adequate savings from their members to fulfil the high request for credits and develop fast. SACCOs inspire and train members to frequently save money with the aim

of economic liberation and training members on careful management of cash and target at rescuing members from reliance on money creditors and unfavorable banking conditions (Getachew, 2022).

Attain interest on the savings made to the SACCOs had a mean of 4.26 and standard deviation of 0.718. This implies that respondents agreed that they attain interest on savings made to the SACCOs and there was less variation in their views. The p-value was 0.000 will showing a statistically significant difference between interest attained on savings and income poverty reduction among members. The mean difference of 4.14 implies that the performance of interest on savings made on the SACCOs is good. This is supported by information obtained from a key informant who was interviewed from Ada pi Anyim SACCOs who said;

*“The members always receive a reasonable interest on their savings made to the SACCOs. There is no fixed rate for interest on savings as this depends on the amount saved and how much you borrowed as credit. However, whether one saved little and didn't borrow, they always receive interest on their savings. The interest on savings increases members' income and these can be used in income generating activities hence reducing income poverty” (KI04, 22 June 2023).*

According to Nyangarika and Bundala (2020) interest rates charged by SACCOs on both saving and credit are normally better than rates offered by banks and this is because SACCOs are filling in the gaps of the bank. This agrees with the finding of our study that members attain interest on savings made to the SACCOs. SACCOs give Incentives for saving and borrowing are higher, there are fewer administrative expenses compared to banks, members are encouraged to save for the purpose of economic empowerment, and members are taught how to handle money responsibly (Getachew, 2020).

Savings to the SACCOs are adequately kept safe had a mean of 4.03 and standard deviation 0.718. this implies that the respondents agreed that their savings to the SACCOs were adequately kept safe and there was less variation in their view. The p-value of 0.000 shows that there is statistically significant difference between adequately keeping safe the savings to the SACCOs and income poverty reduction among members. The mean difference of 4.033 implies that the performance of adequate safe keeping of savings by the SACCOs is good. This is supported by information obtained from a key informant who was interviewed from Ada pi Anyim SACCOs who said;

*“Savings to the SACCOs are adequately kept safe because the group has a bank account and immediately after the weekly groups’ seating, the savings are given out to members who have asked for credit and the remaining balance is banked this same day. This avoids the issues of theft and misplacing members’ savings” (KI05, 25 July, 2023).*

This finding correlates with Nyangarika and Bundala (2020) who shows that savings are made in cash, receipted, recorded and are deposited to maintain safety cushion or buffer to avoid issues that affect savings made to the SACCOs in one way or another.

Response SACCOs offering safe facilities for savings, allowing members to ease consumption had a mean of 4.07 and standard deviation of 0.715. This implies that the respondents agreed that SACCOs provide safe facilities for savings, enabling savers to ease consumption and there was a less variation in their views. The p-value of 0.000 shows that there is a statistically significant difference between SACCOs providing safe facilities for savings, enabling savers to smooth consumption and income poverty reduction among members. The mean difference of 4.073 implies that the performance of SACCOs offering safe facilities for savings, enabling savers to ease consumption is good. This is supported by information obtained from a key informant who was interviewed from Ada pi Anyim SACCOs who said;

*“The SACCOs have their weekly meeting in a very convenient and safe space with good security and this gives members the courage to come and save knowing that the facilities are good and these savings are later used to reduce income poverty. The SACCOs also have a secretary and record book. All the savings are recorded. Their savings are later given out as credit and the remainder is banked” (KI05, 25 July, 2023).*

SACCOs offer members with financial services, such as a secure repository for savings and easily obtainable loans (Getachew, 2022).

SACCOs members usually invest in savings/deposits in the SACCOs had a mean of 4.21 and standard deviation of 0.661. This shows that the respondents agreed that SACCOs members usually invest in savings/deposits in the SACCOs and there was less variation in their views. The p-value of 0.000 shows that there is a statistically significant difference between members investing in savings/deposits in the SACCOs and income poverty reduction among members. The mean difference of 4.213 shows that members investing in savings/deposits in the SACCOs is performing well. SACCOs’ working

funds are mainly deposits/savings. This is supported by information obtained from a key informant who was interviewed from Ada pi Anyim SACCOs who said;

*“The members usually invest in savings in the SACCOs with aim to acquire credit and also interest on their savings. These savings or credit accessed are normally invested in income generating activities which helps to lift the members out of income poverty” (KI<sub>07</sub>, 17 July, 2023)*

This correlates with Getachew (2022) who revealed that on the members were investing in savings in the SACCOs and treated savings reveals that active treated reported saving an average of 65.75 birr per month in compulsory and voluntary savings, compared to new(incoming) treated who only saved an average of 10 birr per month.

The amount of savings determines the economic strength of the member ally had a mean of 4.05 and standard deviation of 0.698. this implies that the respondents agreed that the bigger the amount of savings of a member in the SACCOs, the stronger the member economically and there was less variation in their views. The p-value of 0.000 implies that there is a statistical significant difference the amount of savings for each member and income poverty reduction among members. The mean difference of 4.047 shows that the performance of amount of savings for each member in the SACCOs is good. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs who said;

*“The amount of savings of each member in the SACCOs determines their economic strength. A member with a high savings is economically strong because the member is able to acquire a big amount of credit and is used to either invest in their businesses or expand their existing businesses. When the savings and credit is big, it can also be used to do something big hence increasing their income hence reducing income poverty” (KF<sub>06</sub>, 8 July, 2023).*

This finding correlate with (Kizza and Ssekibaamu, 2019) who revealed that it is clear that the more one saves with the SACCO, the easier it becomes for him/her to access credit which can be utilized to invest in projects that will lift his welfare. Mutua (2017) revealed that income earned by respondents also improved because due to ability to obtain a bigger amount of credit because of a big amount of saving.

The level of investment determines the size of credit which a member qualifies for had a mean of 4.13 and standard deviation of 0.739. this implies that the members agreed that the level of investment determines the size of credit a member qualifies for and there



was a less variation in their views. The p-value of 0.000 shows that there is a statistical significant difference between the level of investment and size of loan for each member and income poverty reduction among members. The mean difference of 4.133 implies that the performance of the level of investment and size of loan for each member is good. This is supported by information obtained from key informants who were interviewed from Ada pi Anyim and Acak ki Kuc SACCOs who said;

*“The SACCOs give out loan according to the level of investment for each member so that incase the member fails to pay back, his/her investment in the SACCOs can cover for that loan given. Normally is the level of investment multiplied by 1.5. that the maximum amount of loan given. The 1.5 takes into consideration the interest the investment would have gained during that period of time” (KI06, 8 July, 2023).*

To acquire credit, SACCOs motivate members to save. It is by savings that one can meet the requirements for credit to participate in income productivity and IGAs to produce capital and contribute to economic development of Kenya. The matter of anxiety to members is managing their savings that can assure them of profits such as easier access to credit. SACCOs can receive deposits from its members as savings and also give out credit to members who meet the requirements depending on their level of savings in the SACCOs (Odhiambo, 2019). The sum of saving impacts the sum of credit acquired from SACCOs which implies that the greater the sum on saving, the bigger the sum of credit which allows one to enlarge their business (Getachew, 2020).

SACCOs savings is considered successful in income poverty reduction among members had a mean of 4.11 and standard deviation of 0.706. this implies that the members agreed that SACCOs savings is considered successful in income poverty reduction and there was less variation in their views. The p-value of 0.000 shows that there is a statistical significant difference between SACCOs savings and income poverty reduction among members. The mean difference of 4.107 shows that the performance of SACCOs savings is good. This is in line with the information that was obtained from key informants who were interviewed from Acak ki kuc and Ada pi Anyim SACCOs who said;

*“SACCOs savings is considered successful in income poverty among members because the members use their savings to access other services of the SACCOs especially credit. This credit is mostly invested in income generating activities which help the member to reduce income poverty. The savings gains interest*

*which increase members' income. All these are normally invested in income generating projects there by increasing members' income' (KI06, 8 July, 2023).*

Nassor (2022) who revealed that SACCOs savings is a very important tool in increasing members' income hence reducing poverty. SACCOs aims at improving access of the poor to savings services to make them bankable clients and to encourage savings vulnerability mobilization among the poor through self-help groups in order to support them reduce their by enhancing their individual and household revenues, improving their living condition, empowering and improving household health. SACCOs encourage saving culture amongst their members as a recent research reveals and this is essential because improved savings direct to increased capital accumulation what result to raised investment that also leads to employment that ultimately generates income for economic development (Nyiramukunzi, 2018).

You believe SACCOs savings will effectively reduce income poverty had a mean of 4.19 and standard deviation of 0.708. this shows that members agreed that SACCOs savings will effectively reduce income poverty and there is less variation in their views. The p-value of 0.000 implies that there is a statistical significant difference between SACCOs savings effectiveness and reducing income poverty among members. The mean difference of 4.187 implies that the effectiveness of SACCOs savings in reducing income poverty is good. This is supported by information obtained from key informants who were interviewed from Ada pi Anyim and Acak ki Kuc SACCOs who said;

*"I strongly believe that SACCOs savings will effectively reduce income poverty because of very many reasons including; it gives access to credit for the members and this credit is invested in income generating activities; member gain interest on their savings and this increases their income; most time members use their savings for income generating projects through some small percentages are used for paying school fees, building a house, acquiring a land and many others. All these activities are aimed at reducing income poverty"*  
(KI06, 8 July, 2023).

SACCOs savings will effectively reduce income poverty on the assumption that by providing saving services to the poor, they will be able to invest in income generating activities, obtain assets, business skills and creation of self-employment by establishing micro enterprises (Kayiranga *et. al* 2022).

#### 4.4 Credit services and income poverty reduction

The second objective was to examine how credit services offered by SACCOs contribute to income poverty reduction among members in Gulu District. The study sought to find out if members had access to credit, amount of credit accessed in the first year, current amount of credit accessed per year, type of credit, interest rate on credit, credit period and purpose of obtaining the credit and the influence of credit on income poverty reduction among its members. The objective was assessed and analyzed as presented as below;

**Table 4. 7 : Descriptive statistics on credit services**

Responses		Frequency	Percent
I attain credit from the SACCOs	No	4	2.7
	Yes	146	97.3
Amount of credit accessed in the first year (in UGX)	<100,000	9	6.0
	100,000-2,000,000	126	83.9
	2,000,001-6,000,000	15	10.1
Current amount of credit accessed per year (in UGX)	<100,000	4	2.7
	100,000-2,000,000	96	64.0
	2,000,001-6,000,000	35	23.2
	6,000,001-10,000,000	13	8.7
Type of credit	>10,000,000	2	1.4
	Main	101	63.7
	Project	37	24.7
	Welfare	10	6.7
	None	2	1.3
interest rate on the credit (%)	0	14	9.3
	5	37	24.7
	10	99	66.0
credit period? (in months)	0-0.5	13	8.7
	1-2	39	26.0
	3-4	98	65.3
Purpose of obtaining the credit	Consumption (buying food, paying school fees, acquire land, build a house etc.)	51	34
	Invested in business/farming	96	64
	Others, specify	3	2

**Source: Primary data, 2023**

Results in table 4.7 shows that 97.3% of the respondents had accessed credit from the SACCOs while 2.7% had not accessed credit from the SACCOs. This implies that majority of the members had attained credit from the SACCOs. Those who had not attained credit were either new and didn't have enough savings to access credit and others were afraid of paying back and may cause loss of their properties to recover the credit. The credit accessed are mainly invested in income generating activities which helps to reduce income poverty. This is in line with the information that was obtained from key informants who were interviewed from Acak ki kuc and Ada pi Anyim SACCOs who said;

*“The SACCOs provide credit to all its members who qualify for the credit. This is based on your savings, your reputation to paying back credit and also if your colleagues are willing to stand in for you so that in case you fail to pay back the credit borrowed, their savings are cut to compensate” (KI06, 8 July, 2023).*

According to Toli (2013) getting loan is the primary benefit that members expect after joining SACCOs. Also, in Tanzania, Ngalemwa (2013) revealed that most VICOBA members joined the scheme to access credit and they acknowledged to have benefited as per their expectations. A study conducted in Nairobi Kenya by Mwangi (2011) showed that SACCOs contributed in loan provisions to its members and encouraged borrowing. They also reported that majority 87.7% of the SACCOs’ members improved their wellbeing through SACCOs (Mwangi, 2011). Thus, SACCOs have a significant role in loan provision to its members and in encouraging borrowings.

The findings on amount of credit accessed in the first year shows that 6% of the members accessed less than 100000, 83.9% borrowed between 100000-2000000 and 10.1% borrowed between 2000000-6000000. This shows that majority of the members (83.9%) borrowed between 100000-2000000. This implies that in the first year of joining the SACCOs, members were able to access a reasonable amount of credit. These credit accessed were mainly invested in businesses and other income generating activities which helps to reduce income poverty. This is in line with the information that was obtained from key informants who were interview from Acak ki kuc and Ada pi Anyim SACCOs who said;

*“In the first year, the SACCOs cannot give a member a big amount of credit because the member is still new and most time they have a small savings. This is also based on the fact that the SACCOs doesn’t know the reputation of the member in terms of paying back the borrowed credit. In the first year mostly, the credit given out is equal to the savings of the member” (KI04, 22 June, 2023).*

Studies (Muhammad *et al*, 2019; Moussa, 2020; Thaher *et al*, 2021) indicated that most SACCOs members consider reasonable credit amount to meet necessary households’ needs, and are given depending on their savings with SACCOs and their previous loan repayment history (Kasoga and Tegambwage, 2021).

The results on current amount of credit accessed per year shows that 2.7% of the members accessed credit <100000, 64% accessed between 100000-2000000, 23.2% accessed between 2000001-6000000, 8.7% accessed between 6000001-10000000 and

1.4% accessed >10000000. This shows there is a big increase in the amount of credit accessed per year as majority of the members (64%) accessed credit between 100000-2000000. Compared to the first year, the maximum amount of credit accessed was 6000000 while the current has a maximum >10000000. This shows a great improvement in the amount of credit accessed. Increase in amount of credit accessed gives members the capacity to do something big hence increasing their income and reducing income poverty. This is in line with the information that was obtained from key informants who was interviewed from Acak ki kuc and Ada pi Anyim SACCOs who said;

*“The increase in the amount of credit accessed per year is attributed to the fact that as a member stays longer in the SACCOs, their savings increases and therefore they are able to qualify for a big amount of credit. Also, some members are given bigger amount of credit based on trust, their history of paying back the credit borrowed and their attendance in the meetings” (KI06, 25 July, 2023).*

This correlate with Mutua (2017) which results show that the amount loaned by MFIs increased year after year. The explanation of this result is straight forward that as households borrowed more cash, the ability of purchasing productive assets also increased (Chimdi *et.al*, 2020).

Basing on type of credit main were 63.7%, project was 24.7%, welfare was 6.7% and none were 1.3%. This shows that there were three types of credit which includes main, project and welfare. 2 members had not accessed any type of credit. This shows that majority of the members had taken main credit. This is because main credit gives them a reasonable amount and a good period. This amount is invested in businesses and during the period, it would have multiplied and gives the member the capacity to pay back and invest the profit back in the business. This increases members’ income. This is supported by information obtained from key informants who were interviewed from Ada pi Anyim and Acak ki Kuc SACCOs who said;

*“Majority of the members prefer main credit because you can get a big amount with a maximum of 2000000 and with a duration of 3 months or 4 months depending on the amount. Project credit had only a maximum of 200000 and welfare credit had a maximum of 50000” (KI08, 15 July, 2023).*

The interest rate on credit were 0%, 5% and 10%. 9.3% of the respondents said there was no interest rate charged on the credit accessed from the SACCOs, 24.7% said they were charged 5% and 66% said they were charged 10%. This shows that majority of the respondents said 10% was the interest rate charged on credit. This corresponds with the findings on type of credit which shows that majority of the members had taken main credit. This is supported by information obtained from a key informant who was interviewed from Ada pi Anyim SACCOs who said;

*“Interest rate charged depends on which type of credit you are getting. Welfare credit has no interest rate charged. You pay back the exact amount you borrowed. Project credit has 5% interest rate and main credit has 10% interest rate. 50% of the interest rate on credit is given back to the member. This was among the reasons why the members preferred main credit so that they can earn bigger amount of interest. This interest helps to increase members’ savings hence increasing their income” (KI<sub>08</sub>, 15 July, 2023).*

The credit period findings showed that 8.7% of the respondents said 0-0.5, 26% said 1-2, 65.3% said 3-4. This implies that majority of the respondents said the credit period was 3-4 months. This is supported by information obtained from key informants who were interviewed from Ada pi Anyim and Acak ki Kuc SACCOs who said;

*“The credit period depends on the type of credit and amount of credit one is borrowing. Welfare credit has a period of 2 weeks, project credit has a period of 1-month, main credit between 300000-1000000 has a period of 3 months and main credit above 1000000 has a period of 4 months” (KI<sub>08</sub>, 15 July, 2023).*

The findings show that respondents borrowed the credit for different purposes. this includes; consumption (buying food, paying school fees, acquire land, build a house etc) which had 34%, invested in business/farming which had 64% and others which had 2%. This shows that majority of the members acquired credit to invest in business/farming. This in turn generates income for the members hence reducing their income poverty level. This supports why majority acquired main credit, so that they can invest in the business/farming. This is in line with the information that were obtained from key informants who were interviewed from Acak ki kuc and Ada pi Anyim SACCOs who said;

*“Most times member borrow credit for different purposes and we believe by the time a member decides to ask for credit, they have what they what to do with it.*

*Majority of the members borrow credit to pay school fees, buy land, build a house, buy transport means like car or bike, acquire household assets, start new business, invest in their existing business, invest in farming and many more. All these are income generating activities. However, some the members use the credit borrowed to organize parties and other non-income generating projects” (KIO8, 15 July, 2023).*

The members have their own reason to receive loan from SACCOs. The main reason the members to receive a loan from SACCOs are for the business activity, to children schooling to diversify IGAs by creating different job activity (Hailu, 2020). In the current study we found that majority of the clients used loans from SACCOs for education costs such as payment of the school fees and accommodation to their children, and about half of the beneficiaries from SACCOs reported that their children received better education due to loans they borrowed from SACCOs (Mallya, 2020).

Mwai and Okatch (2017) showed that majority of the respondents were of the opinion that they borrowed the loan for consumption purposes like buying food or paying school fees but in most cases large loans were invested in businesses or farming which in return may eradicate poverty for such a member. Loans that are invested in businesses or farming enables the member to repay them promptly and apply for more loans which will eradicate more power to the member and to the community at large.

**Table 4. 8 : Inferential statistics on credit services and income poverty reduction**

Responses	Mean	Std. Deviation	t-score	df	p-value	Mean Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Growth in SACCOs credit facilitates members' in income poverty reduction	4.13	.620	81.609	149	.000	4.133	4.03	4.23
The SACCOs facilitate growth in credit for members	4.08	.681	73.409	149	.000	4.080	3.97	4.19
The first credit by a member from a SACCOs is smaller than the subsequent loans	4.23	.763	67.917	149	.000	4.233	4.11	4.36
The credit processing by the organization is fast enough to my satisfaction	4.14	.666	76.150	149	.000	4.140	4.03	4.25
The credit interest rate for SACCOs is lower than for commercial banks	4.21	.688	74.851	149	.000	4.207	4.10	4.32
There is no collateral security required for the attainment of credit	2.84	1.227	28.358	149	.000	2.840	2.64	3.04
SACCOs supports poor people to increase their Capital	4.12	.810	62.270	149	.000	4.120	3.99	4.25
The members have easy access to finances in this SACCOs	4.15	.699	72.669	149	.000	4.147	4.03	4.26
Credit received through SACCOs helps to increase income	4.17	.746	68.442	149	.000	4.167	4.05	4.29
SACCOs offer credit to poor people so that they may improve their existing IGAs, or develop new ones	4.09	.717	69.877	149	.000	4.093	3.98	4.21
Lending out funds from the SACCOs brings good profits for members to share	4.16	.743	68.612	149	.000	4.160	4.04	4.28
Underprivileged people have restricted or no access to credit through SACCOs	2.75	1.352	24.881	149	.000	2.747	2.53	2.96
Credit through SACCOs creates indebtedness and leads to poverty traps	2.41	1.130	26.089	149	.000	2.407	2.22	2.59
Extent of credit issued by the SACCOs on income poverty reduction	3.76	.960	47.962	149	.000	3.760	3.61	3.91
Overall	3.803	0.843						

5=Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly Disagree

Source: Primary data, 2023

Growth in SACCOs credit facilitates members' in income poverty reduction had a mean of 4.13 and standard deviation of 0.620. This implies that respondents agreed that growth in SACCOs credit facilitates members' in income poverty reduction and there was less variation in their views. The p-value of 0.000 shows that there is a statistical



significant difference between growth in SACCOs credit and income poverty reduction among members. The mean difference of 4.03 shows that the performance of growth in SACCOs credit is good. This is supported by information obtained from a key informant who was interviewed from Ada pi Anyim SACCOs who said;

*“When SACCOs are able to give members big amount of credit or what members requested for, members are able to invest to do big investment which yields big income hence reducing income poverty” (KI<sub>05</sub>, 25 July, 2023).*

Mwai and Okatch (2017) revealed that majority of the respondents were of the opinion that growth in SACCO loans facilitates members in wealth creation which implied that the size of the loan that a member qualifies will determine the economic status of such a member. Small loans are mostly used for consumption purposes like buying food or paying school fees but in most cases large loans will be invested in businesses or farming which in return may eradicate poverty for such a member.

The SACCOs facilitate growth in credit for members had a mean of 4.08 and standard deviation of 0.681. This shows that the members agreed that SACCOs facilitate growth in credit for members and there was less variation in their views. The p-value of 0.000 shows that there is a statistical significant difference between SACCOs facilitating growth in credit for members and income poverty reduction among members. The mean difference of 4.080 shows that the performance of SACCOs facilitating growth in credit for members is good. This is supported by information obtained from a key informant who was interviewed from Ada pi Anyim SACCOs who said;

*“The SACCOs facilitate growth in credit for members through encouraging members to save regularly and save enough. Through this, members are able to qualify for credit and also SACCOs are able to mobilize the savings so that credit are available for the members” (KI<sub>08</sub>, 15 July, 2023).*

The first credit by a member from a SACCOs is smaller than the subsequent loans had a mean of 4.23 and standard deviation of 0.763. this shows that members agreed that the first credit by a member from a SACCOs is smaller than the subsequent loans and there was less variation in their views. The p-value of 0.000 shows that there is a statistical significant difference between first credit being smaller than subsequent credit and income poverty reduction among members. The mean difference of 4.11 shows that the performance of first credit. This is supported by information obtained from a key informant who was interviewed from Ada pi Anyim SACCOs who said;

*“In the first year, the SACCOs cannot give a member a big amount of credit because the member is still new and most time they have a small savings. This is also based on the fact that the SACCOs doesn't know the reputation of the member in terms of paying back the borrowed credit. In the first year mostly, the credit given out is equal to the savings of the member” (KI04, 22 June, 2023)*

The first loan by a member is usually smaller than the subsequent loans. This is because of the SACCOs initiatives of encouraging members to increase their savings/investments so as to borrow more (Mwai and Okatch, 2017).

The credit processing is fast enough to my satisfaction had a mean of 4.14 and standard deviation of 0.666. This implies that members agreed that the credit processing by the organization is fast enough to their satisfaction and there was less variation in their views. The p-value of 0.000 shows a statistically significant difference between credit processing by the SACCOs and income poverty reduction among members. The mean difference of 4.140 shows that the performance of credit processing period is good. This is supported by information obtained from key informants who were interviewed from Ada pi Anyim and Acak ki Kuc SACCOs who said;

*“During the meeting members who are interested in acquiring credit go to the loan officer and ask for the credit. When savings are done, they ask the loan officer how many people asked for loan. They read the names of people who needs the loan and the amount they are requesting for. Then their savings are checked to see if they qualify for that amount. When you meet the requirements then you fill a form with the amount of money you will borrow and also the interest you will return. Four people sign, Loan officer, Treasures, Secretary and Chairperson and then you are given the credit” (KI08, 15 July, 2023).*

Time spent in processing loans for members is one of the most important factors which determine performance of SACCOs credit and its impact on poverty reduction. If a SACCOs is able to process loans for its members timely and at appropriate rates, then it is considered to be performing well (Goodluck and Lebitso, 2019). Otherwise, if duration for processing loans is too long, members will be dissatisfied and sometimes withdraw their membership and consequently the SACCOs will underperform.

The credit interest rate for SACCOs is lower than for commercial banks had a mean of 4.21 and standard deviation of 0.688. This means that members agreed that the credit interest rate for SACCOs is lower than for commercial bank and there was less variation

in their views. The p-value of 0.000 shows that there is a statistical significant difference between credit interest rate charged by the SACCOs and income poverty reduction among members. The mean difference of 4.207 shows that the performance of credit interest rate for SACCOs is good. This is supported by information obtained from key informants who were interviewed from Ada pi Anyim and Acak ki Kuc SACCOs who said;

*“I can confidently say that the credit interest rate for SACCOs is lower than for commercial banks. This is because the highest rate the SACCOs charge is 10% and there is no bank which charges this interest rate not even as their lowest” (KI<sub>04</sub>, 22 June, 2023).*

SACCOs members enjoy low interest rates as compared to loans provided by other financial institutions like banks. Banks and other financial institutions charge high interest rates which are normally calculated on compound interest basis, when interest rates are low, encourage borrowing and ultimately promote investment in different sectors (Gasper, 2013). From these results it shows that majority of the respondents agreed that rates of interest which were being charged by the SACCOs in the study area were low (Goodluck and Lebitso, 2019). The interest rate is also high. So, with high-interest rates on VICOBA loans and given the size of loans, smallholders are likely to find themselves in a poverty trap of creating a vicious cycle of debt. This is mostly attributed to the borrowers, particularly when they are forced by their circumstances to borrow a greater amount to take more than one loan to pay off earlier loans. This can lead to the deterioration of their income due to the heavy burden of loans (Mhando,2017).

There is no collateral security required for the attainment of credit had a mean of 2.84 and standard deviation 1.227. This shows the members disagreed on the statement that there is no collateral security required for the attained of credit and there was variation in their views. The p-value of 0.000 there is a significant statistical difference between collateral security required for the attainment of credit and income poverty reduction among members. The Mean difference of 2.840 shows that the performance for collateral security required for the attainment of credit is good. This is supported by information obtained from key informants who were interviewed from Ada pi Anyim and Acak ki Kuc SACCOs who said;

*“I can say there is no physical collateral but there is actually collateral security required for one to access credit. The first and most important collateral is one’s savings. The other collateral is your colleague/witness in the SACCOs who are willing to stand/sign in for you. Someone who will sign to back you up. If your security has a good saving in the group, they will give you more money so in the end when you fail to pay back, they will tax your security. When one of the above is not present, the member doesn’t qualify to acquire credit. You must have a minimum amount of savings to be able to acquire a certain amount of credit” (KI01, 16 June, 2023).*

This corresponds with Binywera (2019) who showed that respondents disagreed that there is no collateral security required for the attainment of seed capital.

SACCOs supports poor people to increase their capital had a mean of 4.12 and standard deviation of 0.18. This shows that members agreed that SACCOs support poor people to increase their capital and there was less variation in their views. The p-value of 0.000 shows that there is a statistical significant difference between SACCOs supporting poor people to increase their capital and income poverty reduction among members. The mean difference of 4.120 shows that the performance of SACCOs in supporting poor people to increase their capital is good. This is supported by information obtained from a key informant who was interviewed from Ada pi Anyim SACCOs who said;

*“SACCOs supports poor people to increase their capital. This is through giving them credit at a very low interest rate and favorable payment terms. Members are able to add that credit acquired to their income” (KI05, 25 July, 2023).*

According to Churk (2015) members acknowledged that SACCOs benefited them through adding capital to their small-scale businesses and agricultural activities.

The members have easy access to finances in this SACCOs had a mean of 4.15 and standard deviation of 0.699. This implies that the members agreed that they have easy access to finances in the SACCOs and there was less variation in their views. The p-value of 0.000 shows that there is a statistical significant difference between members having easy access to finances in the SACCOs and income poverty reduction. The mean difference of 4.147 shows that the performance of members’ access to finances in the SACCOs is good. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs and said;

*“The access to finances in this SACCOs is very easy for the members. When a member needs any finances, he/she fills a form and submit it to the SACCOs executives. The member is then examined to see whether they qualify for the finances. When they do qualify, the member gets the finances immediately” (KI04, 22 June, 2023).*

With SACCOs, the key potential linkage between access to financial services and increase of household wellbeing is vital for economic growth among locals. A study in Uganda reported that SACCOs promoted the access to financial services and increase of household wellbeing (Nnyanja, 2017). This implies that loans from SACCOs have promoted the income increase for majority of members.

Credit received through SACCOs helps to increase income had a mean of 4.17 and standard deviation of 0.746. This implies that the members agreed that credit received through SACCOs help to increase income. The p-value of 0.000 shows that there is a statistical significant difference between credit received through SACCOs and income poverty reduction. The mean difference of 4.167 shows that the performance for credit received through SACCOs is good. This is supported by information obtained from a key informant who was interviewed from Ada pi Anyim SACCOs who said;

*‘I can say yes because majority of the members invest the credit in income generating projects such as farming, expand existing business, start new business, pay school fees and many more. All these activities help to increase income. Other members however, use it for non-income generating activities thus does not increase income’ (KI04, 22 June, 2023).*

Through gaining repeated credit, the SACCOs’ members are able to invest starting a new business or growing an existing one, which will raise the income and standard of living for the members (Nnyanja, 2017). The continuous access to SACCOs' credits has several repercussions for its members. if the members get timely credits and with affordable returnable interest rate, they can lessen reliance on other sources of acquiring credit at high interest rates from financial organizations such as banks (Sebhatu, 2017).

SACCOs offer credit to underprivileged people so they can expand their prevailing IGAs, or start new ones had a mean of 4.09 and standard deviation of 0.717. This shows that members agreed that SACCOs offer credit to underprivileged people so they can expand their prevailing IGAs, or start new ones and there was less variation in their views. The p-value of 0.000 shows that there is a statistical significant difference

between SACCOs offering credit to underprivileged so they can expand their prevailing IGAs, or start new ones and income poverty reduction among members. The mean difference of 4.093 implies that the performance of SACCOs providing credit to underprivileged so they can expand their current IGAs, or start new ones is good. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs and said;

*“Any willing person is welcomed to join the SACCOs and majority of the SACCOs members are poor. These members are able to save with the SACCOs and therefore have access to credit which in most times are used to improve their existing IGAs, or develop new ones” (KI<sub>05</sub>, 25 July, 2023).*

This correlates with Getachew (2022) who found out that from the respondents that stated rise in their income level, 126 (95%) said that having access to financing from SACCOs for working capital and starting a new business enables them to buy company assets, increase the scope of their current business operations, and engage in petty trade. The loans provided by The SACCOs meet the capital requirements for new business ventures or the development of current business operations, as well as the requirements for ongoing production activity that increases the income of members.

Lending out funds from the SACCOs brings good profits for members to share had a mean of 4.16 and standard deviation of 0.743. This implies that the members agreed that lending out funds from the SACCOs brings good profits for members to share and there was less variation in their views. The p-value of 0.000 shows that there is a statistical significant difference between lending out funds from the SACCOs and income poverty reduction. The mean difference of 4.160 shows that the performance of lending out funds from the SACCOs is good. This is supported by information obtained from a key informant who was interviewed from Ada pi Anyim SACCOs who said;

*“By lending out funds from the SACCOs in terms of credit, the SACCOs is able to gain profit from the interest being paid back with the credit borrowed. This interest is shared among members and these increases their income hence reducing income poverty” (KI<sub>04</sub>, 22 June 2023).*

This correlates with Basude and Abas (2021) who said when excess remains after the financial year, the SACCOs give out such extra to members like bonuses. Thus, SACCOs always motivate members to acquire credit so as to get much interest and thus recollect bigger excesses to give out to members. By earning dividends and bonuses and

encouraging members to buy more shares and refundable deposits, this eventually eliminates poverty for the members.

Underprivileged people have restricted or no access to credit in SACCOs had a mean of 2.75 and standard deviation of 1.352. This shows that the members disagreed on the issue that Underprivileged people have restricted or no access to credit in SACCOs and there was much variation in their views. The p-value of 0.000 shows that there is a statistical significant difference between Underprivileged people having restricted or no access to credit in SACCOs and income poverty reduction among members. The mean difference of 2.247 shows that the performance of underprivileged people having restricted or no access to credit through the SACCOs is poor. This shows that underprivileged people have access to credit through SACCOs. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs and said;

*“Once a person is a member of the SACCOs, whether poor or not poor every member has equal access to credit so long as they qualify to access the credit especially through savings in the SACCOs” (KI<sub>04</sub>, 22 June, 2023).*

Credit obtained from SACCOs bring about indebtedness that result in poverty traps had a mean of 2.41 and standard deviation of 1.130. This implies that members disagreed that Credit obtained from SACCOs bring about indebtedness that result in poverty traps and there was much variation in their views. The p-value of 0.000 shows that there is a statistical significant difference between credit through SACCOs creating indebtedness and income poverty reduction. The mean difference of 2.407 shows that the performance of credit through SACCOs creating indebtedness is poor. This is supported by information obtained from a key informant who was interviewed from Ada pi Anyim SACCOs who said;

*“Credit through SACCOs does not create any form of indebtedness nor lead to poverty traps unless for members who get the credit and does it with luxurious non-income generating activities such as partying. In most cases, credit through SACCOs increases members’ income” (KI<sub>05</sub>, 25 July, 2023).*

Similarly, Salifu *et al* (2018) discussed that small credit not like bigger credit reduce respectively the income of the debtor. Therefore, a debtor sinks into liability tension because of inadequate income generation due of mismanagement of credit which causes the underprivileged ability to repay.

Extent of credit given out by the SACCOs on income poverty reduction had a mean of 3.76 and standard deviation of 0.960. This implies that members said that credit issues by SACCOs to a great extent contributes to income poverty reduction and there was less variation in their views. The p-value of 0.000 shows that there is a statistical significant difference between credit issues by the SACCOs and income poverty reduction. The mean difference of 3.760 shows that the performance of credit issued by the SACCOs is good. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs and said;

*“I can say to a great extent credit issued by the SACCOs contributes to income poverty reduction. This is because majority of the members use the credit issued to invest in income generating activities hence increasing their income and reducing income poverty reduction” (KI05, 25 July, 2023).*

This correlates with Binywera (2019) who revealed that majority of the participants said credit acquired had assisted them in reduction of poverty at a big extent.

The overall mean of 3.803 and standard deviation of 0.843 shows that members agreed that credit services contributes to income poverty reduction is there was less variation in their views. Chomen (2021) who contend that credit do not result to poverty reduction inevitably; its subject to how the credit are utilized. Pesha *et al* (2018) shows that the credit provided by SACCOs has a positive and statistically significant impact on the income of pineapple growers. The positive coefficient of SACCOs credit suggested that the larger the increase in income and production, the more members have access to credit, in Jinja municipality, Binywera (2019) found a substantial positive relationship between microfinance Loan services and poverty reduction, confirming that microfinance institutions' improvement of their microfinance Loan services results in poverty reduction. This is supported by information obtained from key informants who were interviewed from Ada pi Anyim and Acak ki Kuc SACCOs who said;

*“When a member gets credit, he or she uses it for business purpose and multiply or increase that amount of money received. So the profit he or she has gained is used to increase the level of development in the home. The profit they gained, they use it to finance their children in school, build a permanent house, acquire a piece of land, buy domestic animals for keeping that can multiply and can sold latter and used for productive reasons” (KI01, 16 June, 2023).*

According to Getachew (2022), One among the instant influences of access to credit or any financial aid from SACCOs or other financial organizations is on income. Partaking



in saving and credit undertakings will positively affect members. The positive effect of SACCOs can occur if financial assistance obtained from the SACCOs are utilized to launch or expand a business, thus business income will rise. Furthermore, even though credit is utilized for settle family expenditure (such as for consumption, school fee of children, development of housing situation, medical care expenditure), automatically this has the possibility to increase household income. Ugulumu (2021) showed that credit given by IHJS are pleasing which results to improvement of household financial situation. This is due the fact that members are well attended to because of the favorable and honest service offered by SACCOs. Gedion *et al.* (2015) revealed that VICOBA credit had a positive and significant impact on the poor's income and hence welfare.

#### 4.5 Advisory services and income poverty reduction

The third objective was to determine if advisory services offered by SACCOs impact income poverty reduction of members in Gulu District. The study sought to find out if SACCOs provide advisory services to members and the significant influence on income poverty reduction among its members. The objective was assessed and analyzed as presented as below;

**Table 4. 9: Descriptive Statistics on Advisory services**

Responses		Frequency	Percent
Does your SACCOs provide advisory services to its members?	No	97	64.7
	Yes	53	35.3
Do advisory services have a significant impact on income poverty reduction?	No	99	66.0
	Yes	51	34.0

**Source: Primary data, 2023**

Results from table 4.9 shows that 64.7% of the respondents said the SACCOs does not provide advisory services to its members and 35.3% said the SACCOs provide advisory services to its members. This shows that majority of the respondents said the SACCOs does not provide advisory services to its members. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs and said;

*“Yes, we advise them to be developmental oriented. They should join the group with aim of development. If you save, at the end of the cycle, you should do the money with something that shows that you have been saving. The impact of your saving has to be seen. They should borrow money that they are able to pay back. Because if you fail to pay back, you will go back home with nothing. We advise them frequently. Use the money from loan properly and many are doing so especially women” (KI02, 17 June, 2023).*

The findings on whether advisory services have a significant impact on income poverty reduction had 66% respondents who said no and 34% said yes. This shows that advisory services had no influence on income poverty reduction among members. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs and said;

*“This is because most of the members already have the goal for their saving and why they are obtaining credit. So the advisory services do not contribute much to change their plan” (KI01, 16 June, 2023).*

Kayiranga *et. al* (2022) showed that receiving financial advisory services has made a significant difference in the level of poverty that USACCO's members are able to alleviate. This relationship is strong, and the financial advisory services have an impact on people's ability to alleviate poverty.

**Table 4. 10: Inferential Statistics on Advisory services and income poverty reduction**

Responses	Mean	Std. Deviation	t-score	df	p-value	Mean Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Diversify my business	1.83	.621	36.015	149	.000	1.827	1.73	1.93
Owned a land and shelter	1.63	.628	31.835	149	.000	1.633	1.53	1.73
Able to nourish well my family (food sufficiency)	1.82	.614	36.314	149	.000	1.820	1.72	1.92
Created new employment and off farm business	1.77	.743	29.224	149	.000	1.773	1.65	1.89
Approached financial services without fear	4.41	.687	78.650	149	.000	4.413	4.30	4.52
Advisory services on good savings practices	2.84	1.232	28.232	149	.000	2.840	2.64	3.04
Advisory services on how utilize credit obtained from the SACCOs	2.84	1.232	28.232	149	.000	2.840	2.64	3.04
Members receive advisory services more than twice a year	2.84	1.232	28.232	149	.000	2.840	2.64	3.04
Overall	2.50	0.840						

5=Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly Disagree

**Source: Primary data, 2023**

Diversify my business had a mean of 1.83 and standard deviation of 0.621. This shows that the members disagreed on the statement that they were able do diversity their business due to advisory services offered by the SACCOs and there was less variation in their views. The p-value of 0.000 shows a statistically significant difference between ability to diversify business and income poverty reduction. The mean difference of 1.827 shows that the performance of business diversification is poor.

Owned a land and shelter had a mean of 1.63 and standard deviation of 0.628. This implies that members disagreed on the statement of owning land and shelter and there was less variation in their views. The p-value of 0.000 signifies a statistical significant difference between owning land and shelter and income poverty reduction. The mean difference of 1.633 shows that the performance on owning land and shelter is poor.

Able to nourish well my family (food sufficiency) had a mean of 1.82 and standard deviation of 0.614. This shows that the members disagreed on the response of “I was able to nourish well my family (food sufficiency) and there was less variation in their views. The p-value of 0.000 shows a statistical significant difference between ability to nourish the family and income poverty reduction. The mean difference of 1.820 shows that the performance on ability to nourish the family is poor.

Created new employment and off farm business had a mean of 1.77 and standard deviation of 0.743. This shows the members disagreed on the statement that they were able to create new employment and off farm business and there was less variation in their views. The p-value of 0.000 implies there is a statistical significant difference between creating new employment and off farm business and income poverty reduction. The mean difference of 1.773 shows that the performance of creating new employment and off farm business is poor. SACCOs services and employment have continually moved together. Majority (73%) of respondents stated that the drift of creating employment and opportunities have been enhanced correspondingly for the last five years. This shows that SACCOs credit services to the low-income borrowers have positive influence on employments creation (Getachew, 2022).

Approached financial services without fear had a mean of 4.41 and standard deviation of 0.687. This shows that the members agreed that they approached financial services without fear and there was less variation in their views. The p-value of 0.000 shows that there is a statistical significant difference between approaching financial services without fear and income poverty reduction. among members The mean difference of 4.413 shows that the performance for approaching financial services without fear is good. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs and said;

*“Members mostly join the SACCOs so as to have easy access to financial services that’s why they do not approach the services with any fear. Though*

*there are few who are afraid specially to take credit with fear of failing to pay back hence losing their properties” (KI02, 17 June, 2023).*

Advisory services on good savings practices had a mean of 2.84 and standard deviation of 1.232. this shows that the members disagreed on the statement that SACCOs offer them with advisory services on good savings services and there was much variation in their views. The p-value of 0.000 shows that there is a statistical significant difference between advisory services on good saving practices and income poverty reduction among members. The mean difference of 2.840 shows that the performance for advisory services on good saving practices is good. This is in line with the information that was obtained from key informants who were interviewed from Acak ki kuc and Ada pi Anyim SACCOs and said;

*“Most times we encourage them to save enough since savings is the collateral to accessing credit. So, if a member saves more, they can get a reasonable amount of credit. So members are forced to save” (KI05, 25 July, 2023).*

Advisory services on how utilize credit obtained from the SACCOs had a mean of 2.84 and standard deviation of 1.232. This shows that members disagreed on the statement advisory services on how to utilize credit obtained from the SACCOs and there was much variation in their views. The p-value of 0.000 shows that there is a statistical significant difference between advisory services on how to utilize credit obtained from the SACCOs and income poverty reduction. The mean difference of 2.840 shows that the performance of advisory services on how to utilize credit obtained from the SACCOs is good. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs and said;

*“Usually we don’t ask them why they are obtaining the credit but we advise them to use the credit properly and in developmental projects that will help them to pay back and many are doing so especially women” (KI01, 16 June, 2023).*

Members receive advisory services more than twice a year had a mean of 2.84 and standard deviation of 1.232. This implies that the members disagreed on the statement that they receive advisory services more than twice a year and there was much variation in their views. The p-value of 0.000 shows that there is a statistical significant difference between frequency of advisory services and income poverty reduction. The mean difference of 2.840 shows that the performance for frequency of offering advisory services to members is good. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs and said;

*“We advise them oftenly especially when one is obtaining credit and when they a misuse of credit obtained from the SACCOs. They advisory services are mainly offered when they see a serious need for it” (KI06, 8 July, 2023).*

Over all mean is 2.50 and standard deviation of 0.840. This shows the respondents disagreed that advisory services contribute to income poverty reduction among members. This implies that there is no significant contribution of advisory services to income poverty reduction and there was variation in their views.

Members have indicated that financial advisory services encountered such as investing in productive projects, saving with purpose, open saving account which generates interest, acquire credit, financial management, financial planning, and market extension. Respondents said that this financial advice assisted them in combat poverty and they indicated some changes due to advisory services (Kayiranga *et.al*, 2022).

#### **4.6 Training services and income poverty reduction**

The fourth objective was to examine how training services provided by SACCOs contributes to reduced income poverty in Gulu District. The study sought to find out if SACCOs offers training services to its members, methods of training, the frequency of training and the effectiveness of the training and the influence training has on income poverty reduction among members. The objective was assessed and analyzed as below;

**Table 4. 11: Descriptive statistics on training services**

<b>Responses</b>		<b>Frequency</b>	<b>Percent</b>
Does your SACCOs offer training services to its members?	Yes	150	100.0
Methods of training	Basic training	44	29.4
	Business field trainings	106	70.6
Time period of training	Annually	52	34.7
	Others, specify	98	65.3
Was the training effective?	Yes	28	18.7
	No	122	81.3
Does training services have a significant impact on income poverty reduction?	Yes	48	32
	No	102	68

**Source: Primary data, 2023**

Members were asked whether their SACCOs offer training services to its members and 100% said Yes implying that the SACCOs offers training services to its members. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs and said;

*“Yes, there are always training. At times we go for workshop. The biggest SACCOs are invited to attend and we always encourage members to go attend. However, these trainings are not organized by our SACCOs. However, Once a*

*year at the beginning of the new cycle. Members have a refresher training” (KI06, 8 July, 2023).*

The education on entrepreneurial skills is one of the provided services by Tandale SACCOs. The provided training specifically on enhancing the thoughts of members of the SACCOs groups on how to control finance, escape avoidable costs, multiply the revenue of the venture, gain from housing credit, and find new consumers in the business an individual is undertaking (Mshana, 2020).

On methods of training, 29.4% said basic training and 70.6% said business field training. This shows that majority of members said they were being offered business field training which included starting up a poultry project, growing and managing mushrooms among others. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs and said;

*“Skill training on project and different kinds of skills they train. They come from different ministries and come and train. They trained them on growing mushrooms and keeping poultry, and business orientation. Good farming skills, commercial farming” (KI05, 25 July, 2023).*

Time period of training had 34.7% respondents who said they were being trained annually and 65.3% said others specify. They specified that they were being trained once in a while and others said they were trained once ever since they joined the SACCOs. This is supported by information obtained from a key informant who was interviewed from Ada pi Anyim SACCOs who said;

*“There was some training which was done. It was a politician who is also a member of the SACCOs. It was done twice since the group started. The politician brought experts in the field of raring poultry and the training was for 3 days” (KI08, 15 July, 2023).*

Members of the SACCOs acquire opportune and convenient training for investment and entrepreneurship, saving and protections for health and resources (Oluyombo, 2016).

Members were asked whether the training was effective and 18.7% said Yes the training was effective while 81.3% of the respondents said no the training was not effective. This shows that majority of the members (81.3%) said the training was not effective. This is because majority of the members have not implemented the skills attained from the training due to lack of funds. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs and said;

*“The business skills are being used to develop their business. They are improving their business especially for those who didn’t know how to operate their business. However, very few members who attended the training actually did the implementation of what they were trained on. For example, very few have started a poultry farm despite being trained on poultry rearing. So, I can say probably the training was less effective” (KI07, 17 July, 2023).*

Whether training services has a major influence on income poverty reduction and 32% said yes while 68% said no. This shows that majority of the members said training services does not have a significant influence on income poverty reduction. This was because members did not have the finances to implement the training they have attained. This contradicts Mutua (2017) who revealed the impact of training by MFIs on poverty reduction showed that MFIs offer a conducive atmosphere that enables its members to improve talents and capacities and also acquire knowledge on the usage of MFI services. The trainings resulted to enhanced use of credit obtained from MFIs and also a rise in volume of savings.

**Table 4. 52 : Inferential Statistics on Training services and income poverty reduction**

Responses	Mean	Std. Deviation	t-score	df	p-value	Mean Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Training on savings for the SACCOs	2.84	1.232	28.232	149	.000	2.840	2.64	3.04
Training for the credits attained from the SACCOs	2.84	1.232	28.232	149	.000	2.840	2.64	3.04
Training by SACCOs on business start-up	4.23	.667	77.607	149	.000	4.227	4.12	4.33
Training by SACCOs on business initiation skills	4.20	.666	77.289	149	.000	4.200	4.09	4.31
Training on business administration skills by the SACCOs	2.84	1.232	28.232	149	.000	2.840	2.64	3.04
Trainings on good savings practices and entrepreneurship	2.84	1.232	28.232	149	.000	2.840	2.64	3.04
Use of appropriate training methods increases effectiveness of members	1.57	.638	30.192	149	.000	1.573	1.47	1.68
Enterprise education and training methods are the major means to reduce income poverty	1.57	.638	30.192	149	.000	1.573	1.47	1.68
Frequent training helps members to advance their entrepreneurial skills	4.21	.710	72.650	149	.000	4.213	4.10	4.33
Frequently training members gives them a mastery over their work hence improved performance	4.14	.751	67.506	149	.000	4.140	4.02	4.26
Frequently training members is necessary to arm them with the skills to meet the changes	4.01	.695	70.723	149	.000	4.013	3.90	4.13
Frequent training of members give experience on their venture over time due to attainment of skills	4.04	.694	71.298	149	.000	4.040	3.93	4.15
Basic training	3.63	1.354	32.809	149	.000	3.627	3.41	3.85

Business field trainings	2.38	.598	48.718	149	.000	2.380	2.28	2.48
Overall	3.24	0.881						

5=Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly Disagree

**Source: Primary data, 2023**

Results from table 4.7.2 shows that response SACCOs provide me with training on savings for the SACCOs had a mean of 2.84 and standard deviation of 1.232. This shows that members disagreed on the response SACCOs provide them with training on savings for the SACCOs. The p-value of 0.000 shows that there is a statistical significant difference between SACCOs providing members with training on savings and income poverty reduction. The mean difference of 2.840 shows that the performance of SACCOs providing members with training on savings for the SACCOs is good. This is in line with the information that was obtained from key informants who were interviewed from Acak ki kuc and Ada pi Anyim SACCOs and said;

*“We do not offer a special training to members on savings for the SACCOs. We normally just do encourage them to save with the SACCOs so the SACCOs can have the capacity to give out credit to its members when they ask for it. Also, for members as individuals, we encourage them to save so that they can qualify to access credit” (KI07, 17 July, 2023).*

According to the study, training has a significant multiplier effect on members' saving mobilization when SACCOs members are guided and motivated through groups and given reasons why saving may be necessary (Getachew, 2022).

Provided with training for the credits obtained from the SACCOs had a mean of 2.84 and standard deviation of 1.232. This implies that the members disagreed that they were provided with training for credit attained from the SACCOs and there was much variation in their views. The p-value of 0.000 shows there is a statistical significant difference between training members for the credit attained from the SACCOs and income poverty reduction among members. The mean difference of 2.840 shows that the performance for training member for the credit attained from the SACCOs is good. This is supported by information obtained from a key informant who was interviewed from Ada pi Anyim SACCOs who said;

*“We do not offer any kind of training to members regarding the credit that obtain from the SACCOs. We believe by the time they acquire the credit, they already have a plan on what to use the credit for” (KI01, 16 June, 2023).*



Education is a significant component that supports members to use the credit they obtained into feasible business projects hence reducing poverty (Mallya, 2020).

Provided training by SACCOs on business start-up had a mean of 4.23 and standard deviation of 0.667. This shows that the members agreed that they were provided training by the SACCOs on business start-up and there was less variation in their views. The p-value of 0.000 shows a statistical significant difference between training members on business start-up and income poverty reduction. The mean difference of 4.227 shows that the performance of training by SACCOs on business start-up is good. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs and said;

*“We have organized trainings so far on two businesses and how to start and operate the business. This includes poultry keeping, business orientation. Good farming skills, commercial farming and growing mushroom in green house. They were given skill training on these projects and different kinds of skills” (KI05, 25 July, 2023).*

Provided training by SACCOs on business initiation skills had a mean of 4.20 and standard deviation of 0.666. This implies that the members agreed that they were provided training by the SACCOs on business initiation skills and there was less variation in their views. The p-value of 0.000 implies a statistical significant difference between training by the SACCOs on business initiation skills and income poverty reduction among members. The mean difference of 4.200 shows that the performance of training by the SACCOs on business initiation is good. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs and said;

*“In addition to training on business start-up, members were also trained on business initiation skills. This included how to build a good foundation for the business through identify good business opportunities and exploiting these opportunities” (KI07, 17 July, 2023).*

Provided with the business administration skills by the SACCOs had a mean of 2.84 and standard deviation of 1.232. This implies members disagreed that there were provided with business administration skills by the SACCOs and there was much variation in their views. The p-value of 0.000 shows a statistical significant difference between being provided with business administration skills and income poverty

reduction among members. The mean difference of 2.840 shows that the performance of providing business administration skills by the SACCOs is good. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs and said;

*“Members were trained on how to operate their businesses. There were some members who opened up businesses but did not have the skills to manage and run the business smoothly and were always making loses and running bankrupt” (KI07, 17 July, 2023).*

Trainings on good savings practices and entrepreneurship had a mean of 2.84 and standard deviation of 1.232. This shows that members disagreed on the statement “trainings on good savings and entrepreneurship” and there was variation in their views. The p-value of 0.000 implies a statistical significant difference between trainings on good savings practices and entrepreneurship and income poverty reduction. The mean difference of 2.840 shows that the performance of training on good savings practices and entrepreneurship is good.

Usage of suitable training techniques increases effectiveness of members had a mean of 1.57 and standard deviation of 0.638. This shows that members strongly disagreed that usage of suitable training techniques increases effectiveness of members and there was less variation in their views. The p-value of 0.000 shows a statistical significant difference between use of appropriate training methods increasing effectiveness of members and income poverty reduction. The mean difference of 1.573 shows that the performance of use of appropriate training methods increasing effectiveness of members is poor. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs and said;

*“The methods which were used were practical and face to face. And this is believed to be among the effective methods. We did business filed training as well but still members have not implemented. We believe it’s not the training methods affecting the effectiveness but other factors such as income to implement them” (KI03, 19 June, 2023).*

Education and training techniques are the key ways to reduce income poverty had a mean of 1.57 and standard 0.638. This shows that members disagreed on education and training techniques being the key ways to reduce income poverty and there was less variation in their views. The p-value of 0.000 shows a statistical significant difference

between education and training techniques being key ways to reduce income poverty. The mean difference of 1.573 shows that the performance of education and training techniques being key ways to reduce income poverty is poor. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs and said;

*“Enterprise education and training methods can never be the major means to reduce income poverty. The major means could be training members with the required skills and giving them income to implement what they were trained on”*  
(KI<sub>04</sub>, 22 June, 2023).

Frequently training members supports them to develop their entrepreneurship skills had a mean of 4.21 and standard deviation of 0.710. This implies members agreed that frequently training supports them to develop their entrepreneurship skills and there was less variation in their views. The p-value of 0.000 shows a statistical difference between frequently training supporting them to develop their entrepreneurship skills and income poverty reduction. The mean difference of 4.213 shows that the performance of training members frequently hence advancing their entrepreneurship skills is good.

Frequently training members offers them experts over their work resulting to enhanced performance had a mean of 4.14 and standard deviation of 0.751. This shows that respondents agreed that frequently training members offers them experts over their work resulting to enhanced performance and there was less variation in their views. The p-value of 0.000 shows a statistically significant difference between frequently training members offering them experts over their work resulting to enhanced performance and income poverty reduction. The mean difference of 4.140 shows that the performance of training members frequently offering them experts over their work resulting to enhanced performance is good.

Frequent training of members is essential to provide them with the skills to meet the changes had a mean of 4.01 and standard deviation of 0.695. This shows that respondents agreed that frequent training of members is essential to provide them with the skills to meet the changes and there was less variation in their views. The p-value of 0.00 implies a statistical significant difference between necessity of frequently training members to prepare them with the skills to meet the changes and income poverty reduction. The mean difference of 4.013 shows that the performance of frequent

training of members necessarily prepare them with the skills to meet the changes is good.

With frequent training, members develop experience on their business over time due to attainment of skills and knowledge had a mean of 4.04 and standard deviation of 0.694. This implies members agreed that with frequent training, members develop experience on their business over time because of attainment of skills and knowledge and there was less variation in their views. The p-value of 0.000 shows a statistical significant difference between frequently training members thus develop experience on their business over time because of attainment of skills and knowledge and income poverty reduction. The mean difference of 4.040 shows that the performance of frequently training members thus developing experience on their business over time because of gaining skills and knowledge is good.

On the effectiveness of the training, members were asked to rate on a maximum scale of 5 implying very effective and 1 implying very ineffective. Basic training had a mean of 3.63 and standard deviation of 1.354. This shows that members said basic training was effective and there was much variation in their views. The p-value of 0.000 shows that there is a statistical significant difference between the effectiveness of basic training and income poverty reduction. The mean difference of 3.627 shows that the performance of basic training is good.

Business field training had a mean of 2.38 and standard deviation of 0.598. This shows that members said business field training was ineffective and there was less variation in their views. This is because they never implemented the training acquired. The p-value of 0.000 shows that there is a statistical significant difference between effectiveness of business field training and income poverty reduction. The mean difference of 2.380 shows that the performance of business field training is poor.

The overall mean of 3.24 and standard deviation of 0.881 shows that members were neutral of whether training services contributes to income poverty reduction or not and there was much variation in their views. This is in line with the information that was obtained from a key informant who was interviewed from Acak ki kuc SACCOs and said;

*“We believe training members can equip them with the skills they need to venture in various IGAs and this will help to increase their income level hence reducing income poverty reduction” (KI<sub>03</sub>, 19 June, 2023).*

Binywera (2019) found out that financial training services are not substantially connected with the reduction of poverty in Jinja municipality. Urassa and Kwai (2015) indicates the influence of training members, the more they gain skills of operating projects efficiently, the more their income increase is which imply that SACCOs training play a significant role in income poverty reduction. Education partakes a vital role in providing awareness to people and thus suitable for economic production; implying that training provided by SACCOs contribute significantly to social and community progress of members (Mallya, 2020).

According to Pasha *et al.* (2018), the availability of trainings in entrepreneurship and financial management had a statistically significant impact on the income of pineapple growers. Trainings help small-holder farmers become better managers of their farms and other sources of income, which has a favorable effect on their quality of life. According to Ashfaq *et al.* (2015), farmers can increase awareness and develop abilities to manage their income-generating activities more effectively and sufficiently to guarantee their livelihood status through capacity building.

#### 4.7 SACCOs services and income poverty reduction

The main objective of the study was to assess the contribution of SACCOs Services on income poverty reduction in Gulu District. The study sought to find out if SACCOs services significantly contributes to reduced income poverty among its members. These was assessed in terms of increase in income. The objective was assessed and analyzed as presented as below;

**Table 4. 63 : Descriptive Statistics on SACCOs services and income poverty reduction**

Responses		Frequency	Percent
Have you started any new business or expended on your existing business	No	20	13.3
	Yes	130	86.7
What was your average monthly income level before joining the SACCOs (in UGX)	<50000	18	12
	50000-200000	77	51.3
	200001-1000000	48	32
	>1000000	7	4.7
What is your average monthly income level after joining the SACCOs (in UGX)	<50000	13	8.7
	50000-200000	50	33.3
	200001-1000000	80	53.3
	>1000000	7	4.7

**Source: Primary Data, 2023**

Results in table 4.8.1 shows that 13.3%) of the respondents said they did not start any new business or expanded the existing one while 86.7% said they have started new businesses or expanded the existing one. This shows that majority of the respondents

were able to start new business or expand the existing one. This is supported by information obtained from key informants who were interviewed from Ada pi Anyim and Acak ki Kuc SACCOs who said;

*“From credit acquired from the SACCOs, members mainly invest them in their business hence increasing the capacity of their business. The profits are invested back the real income is paid back to the SACCOs” (KI<sub>07</sub>, 17 July, 2023)*

This correlate with Matua (2017) who showed that majority of members reported an increase in monthly income because of expansion of business after obtaining credit from the MFIs. Mshana (2020) revealed that majority of members who acquired credit from Tandale and WAT SACCOs have used the credit for the planned reason and have benefited several economic gains and have succeeded to start other IGAs. Income is the major thing to activate any business action within SACCOs. Income in terms of savings and credit are invested in businesses. When a member's income rises, a saving habit forms, which in turn improves the member's standard of living. Therefore, money is crucial to the success of SACCOs and their members.

Members were asked their average monthly income before and after joining the SACCOs and the results are; before joining the SACCOs, 12% of the members said their average monthly income was <50000, 51.3% were earning between 50000-200000 32% said they were earning between 200001-1000000 and 4.7% said >1000000. This indicates that majority of the respondents 51.3% had an average monthly income between 50000-200000.

After joining the SACCOs, 8.7% had an average monthly income <50000, 33.3% had an average monthly income between 50000-200000, 53.3% had between 200001-1000000 and 4.7% had >1000000. This shows that majority of the respondents 53.3% were earning on average between 200001-1000000. This indicates an increase in average monthly income as compared to before joining the SACCOs. This is supported by information obtained from key informants who were interviewed from Ada pi Anyim and Acak ki Kuc SACCOs who said;

*“I can gladly say that joining the SACCOs have greatly increased income of the members. The savings and credit obtained from the SACCOs are invested in IGAs thereby increasing their income” (KI<sub>03</sub>, 19 June, 2023).*

Hailu (2020) indicates an increase in members' income after joining the SACCOs. Addisu (2016) indicates that the influence of SACCOs 77% of members who had their life income compared before and after joining SACCOs reported improved results. The study's findings reveal that credit and saving both have a substantial impact on reducing poverty. Urassa and Kwai (2015) showed that the influence of SACCOs in income poverty reduction is significant which indicates that SACCOs has a vital contribution in income poverty reduction.

SACCOs are regarded as a drive to promote a belief of saving and acquiring credit for low-income earners that do not have access to commercial financial organization services (Mcebo, 2016). However, this contradict Chimdi *et.al* (2020) who found that the influence of involvement in SACCOs on individuals' income was reported insignificant.

**Table 4. 74 : Significant change in Income**

	Mean	Std. Deviation	t	Sig. (2-tailed)
Average Monthly income level after joining the SACCOs - Average monthly income level before joining the SACCOs	133300.000	204134.708	7.998	.000

**Source: Primary data, 2023**

Results in table 4.14 shows that on average members' income increased by 133300 UGX after joining the SACCOs. The p-value of 0.000 shows that there is a statistically significant difference in change in income before joining the SACCOs and after joining the SACCOs.

**Table 4. 85 : Inferential Statistics on SACCOs services and income poverty reduction**

Responses	Mean	Std. Deviation	t-score	df	p-value	Mean Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Business diversification	4.48	.730	75.144	149	.000	4.480	4.36	4.60
Access to education	4.27	.768	68.183	149	.000	4.273	4.15	4.40
Build or renew a house	4.03	.835	59.060	149	.000	4.027	3.89	4.16
Increase in household income	4.15	.775	65.643	149	.000	4.153	4.03	4.28
Access to basic needs with ease	4.04	.776	63.750	149	.000	4.040	3.91	4.17
Able to save surplus money for development projects	4.07	.783	63.615	149	.000	4.067	3.94	4.19
Income Poverty levels in my community have reduced over the last 1 years	4.03	.750	65.724	149	.000	4.027	3.91	4.15

Overall	4.15	0.774
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5=Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly Disagree

**Source: Primary data, 2023**

Results in table 4.8.2 shows that business diversification had a mean of 4.48 and standard deviation of 0.730. This shows that members agreed that they were able to diversify their business and there was less variation in their view. The p-value of 0.000 shows a statistical relationship between business diversification and income poverty reduction. The mean difference of 4.480 shows that the performance of business diversification is good. This is supported by information obtained from key informants who were interviewed from Ada pi Anyim and Aca ki Kuc SACCOs who said;

*“Previously I was running a retail shop of cereal and grains. When I joined the SACCOs, I was able to start commercial farming, I also started taking my goods to different markets and not sitting in one place. I also started a foundation for building rentals which will add to my income source” (KI07, 17 July, 2023).*

Access to education had a mean of 4.27 and standard deviation of 0.768. This shows that members agreed that there is access to education and there was less variation in their views. The p-value of 0.000 shows a statistical difference between access to education and income poverty reduction among members. The mean difference of 4.273 shows that the performance of access to education is good. This is supported by information obtained from key informants who were interviewed from Ada pi Anyim and Aca ki Kuc SACCOs who said;

*“I had a very big challenge of paying schools for my children. They are all in expensive schools and they used to be sent home for school fees on a termly basis. But now, I can borrow from the SACCOs and pay school fees on time and they are now having good education” (KI05, 25 July, 2023).*

Build or renew a house had a mean of 4.03 and standard deviation of 0.835. this shows members agreed that they were able to build or renew a house because of SACCOs services and there was variation in their views. The p-value of 0.000 shows a statistical significance between build or renew a house and income poverty reduction among members. The mean difference of 4.027 shows that the performance of build or renew a house is good. This is supported by information obtained from key informants who were interviewed from Ada pi Anyim and Aca ki Kuc SACCOs who said;



*“I had a started a building long about 10 years ago and I had failed to finish it because of lack of money. When I joined the SACCOs, I was able to borrow credit which helped me to finishing the building successfully without any challenge in a very short period of time” (KI01, 16 June, 2023).*

Concerning investment resources, participants launched business/investment with the credit from SACCOs. The findings indicate that majority of the members used their credit farming and others used it for constructing a house, buying motorcycle/car, buying land and establishing small businesses like shops, market and stationaries (Mallya, 2020).

Increase in household income had a mean of 4.15 and standard deviation of 0.775. This implies the members agreed that there was increase in their household income due to SACCOs services and there was less variation in their views. The p-value of 0.000 shows a statistical significant difference between increase in household income and income poverty reduction among members. The mean difference Of 4.153 shows that the performance in terms of increasing household income is good. This is supported by information obtained from key informants who were interviewed from Ada pi Anyim and Aca ki Kuc SACCOs who said;

*“Because of the savings and credit acquired from the SACCOs, I was able to expand and diversify my income generating activities. The business started bringing a lot of profit because of the big investment. Diversification of my income sources helped me to continue earning even when one source of income is not making money” (KI06, 8 July, 2023)*

A study in Ethiopia and other African countries showed that SACCOs has been a structure for investment at individual level (Sebhatu, 2017). Is also indicated that SACCOs services allows households to venture in activities that are possibly to generate greater future income and, thus increase household income.

Your SACCOs has enabled you to have access to basic needs with ease had a mean of 4.04 and standard deviation of 0.776. This implies members agreed that their SACCOs has enabled them to have access to basic needs with ease and there was less variation in their views. The p-value of 0.000 shows a statistical significant difference between SACCOs enabling members have access to basic needs with ease and income poverty reduction. The mean difference Of 4.040 shows that the performance of SACCOs enabling members have access to basic needs with ease is good.

You are now able to save surplus money for development projects had a mean of 4.07 and standard deviation of 0.783. This implies members agreed that they are now able to save surplus money for development projects and there was less variation in their views. The p-value of 0.000 shows a statistical significant difference between members' ability to save surplus money for development projects and income poverty reduction among members. The mean difference of 4.067 implies the performance of members' ability to save surplus money for development projects is good. This is supported by information obtained from key informants who were interviewed from Ada pi Anyim and Aca ki Kuc SACCOs who said;

*“Savings invested in income generating project generates more projects and give members ability to save the surplus. The credit obtained from the SACCOs are also invested which brings in profit and some are saved and other are invested back in the projects” (KI02, 17 June, 2023).*

Income Poverty levels in my community have reduced over the last 1 years had a mean of 4.03 and standard deviation of 0.750. This implies members agreed that income poverty levels in their community have reduced over the last 1 years and there was less variation in their views. The p-value of 0.000 shows the significance of reduction in income poverty levels in the community. The mean difference of 4.027 shows that the performance of income poverty reduction in the community is good.

The overall mean of 4.15 and standard deviation of 0.774 implies that members agreed that SACCOs contributes to income poverty reduction and there was less variation in their views. Kayiranga *et.al* (2022) defines the contribution assumed by respondents that were realized due to SACCO Services. Assisted them to start new business, ability to nourish their family, growth in investment, built or renewed their houses, diversified their business, purchased household assets, expanded their market and had easy access to education, purchased vehicle to ease transport, managed their expenses and cost, had money security and increased their savings. Kwai and Urassa (2015) shows that services and products provided by the SACCOs to its members assisted them to develop their farm production resulting to increased incomes. The rise in income stated was important in enhancing the members' level of welfare and poverty reduction.

**Table 4. 96 : Multiple linear regression on SACCOs services and income poverty reduction**

Variables	Unstandardized Coefficients		t	p-value.	95.0% Confidence Interval for B	
	B	Std. Error			Beta	Lower

						<b>Bound</b>	<b>Bound</b>
(Constant)	-230810.283	177075.821		-1.303	.194	-580793.483	119172.917
Savings	.149	.008	.835	19.200	.000	.134	.165
Credit	.062	.026	.102	2.351	.020	.010	.113
Advisory	14304.034	21134.871	.029	.677	.500	-27468.184	56076.251
Training	16347.484	39332.576	.018	.416	.678	-61391.761	94086.730

**a. Dependent Variable: average income**

**Source: Primary data, 2023**

Table 4.15 shows the combined influence of savings, credit, advisory and training services on income poverty reduction among members. Savings and Credit indicates a statistical significance level of 5% with p-values of 0.000 and 0.020 respectively. This implies that there is a significant impact of savings and credit in explaining the income poverty levels of members. The coefficients of the variables are all positive, indicating a positive relationship between the independent and dependent variables. This shows that as the independent variables changes per unit, the dependent variable also changes by that corresponding value (coefficient of parameter) of independent variable.

The estimated coefficient of variable credit was 0.149 and the standard error was 0.008 while its p-value was 0.000. The implication of this result is that per unit change of UGX in savings the percentage of income also increases to 14.9 when other variables are held constant. The estimated coefficient of variable credit was 0.062, the standard errors was 0.026 while p-value was 0.020. This signifies that per unit change of UGX in credit the percentage of income increases to 6.2 per unit change of UGX.

#### 4.7.1 Multi-collinearity Test

**Table 4. 17: Testing for multi-collinearity of Independent variables**

<b>Variable</b>	<b>VIF</b>	<b>1/VIF</b>
Savings	1.089	0.92
Credit	1.487	0.67
Credit period	9.465	0.11
Interest rate on the credit	8.228	0.12
Advisory	1.015	0.99
Training	1.018	0.98
Mean	3.717	0.63

**Dependent variable: Income**

**Source: Primary Data, 2023**

The variable inflation factor (VIF) for all variables ranged between 1.015 and 9.465, which was between the suggested range of 1 and 10, showing that there was no multi-collinearity. The collinearity tolerance (1/VIF) for all predictor variables were more than 0.1 (10%). Thus, it was determined that the estimators were reliable.

**Table 4. 18: Model Summary on SACCOs services and income poverty reduction**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.861 <sup>a</sup>	.741	.734	315983.736	.741	103.765	4	145	.000

**a. Predictors: (Constant), training, credit, advisory, savings**

**Source: Primary data, 2023**

The result on goodness of fit indicates a correlation value of 0.861 as this shows a strong positive correlation between the dependent and independent variables. The findings indicate that the R-square value is 0.741. This shows that the independent variables of savings, credit and advisory and training explained the dependent variable of income poverty by 74.1% and only 25.9% is explained by other variables which are not in the model. This shows that our model fits the data.

**Table 4. 109: Analysis of Variance (ANOVA)**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41464133606527.734	4	10366033401631.934	103.978	.000 <sup>b</sup>
	Residual	14455641768472.270	145	99694081161.878		
	Total	55919775375000.000	149			

**a. Dependent Variable: Increased income**

**b. Predictors: (Constant), savings, credit, advisory, training**

**Source: Primary data, 2023**

ANOVA is a group of statistical models used to evaluate the variances between group means and their linked procedures (such as "deviation" among and between groups), established by statistician and evolutionary biologist Fisher. The findings ANOVA test gave an f-value of 103.978 which was significant at p value of 0.000. This explains that the model is significant at 95% confidence level. That is, has less than 5% possibility of misrepresentation.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0 Introduction**

This chapter presents the following; summary of the study findings, the conclusions of the study, recommendations of the study, and areas for further study.

#### **5.1 Summary of the study findings**

This study was carried out in Gulu District, northern Uganda and intended to evaluate the contribution of SACCOs Services on income poverty reduction among members. The study utilized 150 SACCOs members. A questionnaire and an interview guide were employed to gather information from primary and secondary sources. The summary of the findings are as follows:

##### **5.1.1 Saving services and income poverty reduction**

The study found that members invest in savings so as to access credit and other SACCOs services. The savings facilities available were a safe meeting environment and a bank account where savings were given out as credit and the remaining amount are banked for safety purposes. The study also found that the amount of savings in the first year is less than the savings in the second and current year. The longer a member stays, the more their savings increases yearly. This was attributed to the fact the members were able to borrow credit from the SACCOs and expand their income generating activities hence increasing their income and increase in savings. The study found that there was no fixed amount of interest rate on savings. The interest rate depended on amount of savings. The bigger your savings, the bigger the interest on savings. The study found that saving services has a significant impact on income poverty reduction among members at 95% confidence level with a p-value of 0.000. This was because members used their savings for various activities that helped to increase their income. These activities included, accessing credit, paying schools fees for their children, expanding their businesses, starting new business, building a permanent house, acquiring land/car among others.

##### **5.1.2 Credit services and income poverty reduction.**

The study revealed that SACCOs provide credit to its members and majority (97.3%) confirmed that they have accessed credit from the SACCOs. The study found out that the volume of credit in the first year is less than the amount of credit accessed now. This was because in the first-year members had little savings. The types of credit offered by

the SACCOs were; main credit, project credit and welfare credit. Credit period for main credit were 3 months (between 300000-190000) and 4 months (2000000), project credit (maximum 200000) had a period of 1 month and welfare credit (maximum 50000) had a period of 2 weeks. The findings showed that the payment of the credit was either in instalments before the credit period elapses or at once before or on the deadline. The interest rate on credit were; 10% for main credit, 5% for project credit and welfare credit had no interest rate charge. These rates were revealed to be far lower than rates from other financial institutions. The purpose of obtaining the credit were revealed to be for consumption purposes (paying school fees, acquire land, build house etc), investing in business/farming and starting a new business. The findings revealed that credit services have a significant impact on income poverty reduction among members. This was shown by the p-value of 0.020 at 5% level of significance.

### **5.1.3 Advisory services and income poverty reduction**

The study indicated that most (64.7%) of the respondents were not being offered advisory services by the SACCOs. The findings of the study show that members (66%) indicated a non-significant impact of advisory services on income poverty reduction. This was shown by the p-value of 0.50 far above 0.05. This implies there is no significant contribution of advisory services to income poverty reduction among members.

### **5.1.4 Training services and income poverty reduction.**

The study shows that members (100%) agreed that the SACCOs was offering training to them. The training being offered were basic training (29.4%) and business field training (70.6%). The study indicated that 34.7% of members said the training were offered annually while 65.3% said it was once in a while. The findings show that the trainings were not effective as 18.7% of the members said yes while 81.3% said no. The study indicates that 32% of members said there is a significant impact of training services offered by the SACCOs on income poverty reduction while 68% said there is no significant impact of training services offered by the SACCOs on income poverty reduction. This is seen in the p-value of 0.678 far above 0.05 implying there is no significant contribution of training services offered by the SACCOs to income poverty reduction among members.

### **5.1.5 SACCOs services and income poverty reduction**

The study findings indicated most (86.7%) of the members were able to start a new business or expanded on their existing business as a result of the SACCOs services. The

study also shows that there was an increase in average monthly income of the members before and after joining the SACCOs. The findings show that members were able to diversify their business, access to education, build or renew a house, increase in household and income, access to basic needs with ease and save surplus. These are all income poverty reduction indicators. Further, also revealed that income poverty level in the community reduced in the last one year. The study shows a significant contribution of SACCOs services to income poverty reduction among members as seen by the overall mean of 4.15 and standard deviation of 0.774.

The findings from the regression table shows that SACCOs services of savings and credit have a significant contribution to income poverty reduction of members. This was shown by the p-values of 0.000 and 0.020 respectively.

## **5.2 Conclusions**

Income poverty rate in northern Uganda stands at 42% far above the national rate of 21.4% despite several programmes that have been implemented to help reduce this rate, it still remains high. SACCOs are being reinvented in the region expecting it would resolve the problem of income poverty in the region including Gulu, District. This study therefore sought to find out if SACCOs through its services are contribution to income poverty reduction among members in Gulu, District.

Members were putting aside a part of their income in the SACCOs with the plan of investing in IGAs and gaining interest on their savings. such IGAs included; paying school fees, building a house, starting a new business among others. Interest gained on savings increases income, the members saving habit develops, when saving habit of members develop, the members' livelihood is improved and income poverty is reduced. The study concludes that saving services have a significant contribution to income poverty reduction among members in Gulu District.

Credit obtained from the SACCOs at a low interest rate were used for IGAs which later increased their income and their savings also increased. The study concludes that credit services offered by the SACCOs has a significant contribution to income poverty reduction among members in Gulu District. The study concludes a none significant relation between advisory services and income poverty offered by the SACCOs in Gulu District. The shows that SACCOs members were not influenced by the advisory services offered by the SACCOs. In spite of SACCOs training majority of the members, specifically in the business skills, many have not implemented what they were trained

on and do not have strong comprehension of the starring role played by training in income poverty reduction. The study therefore concludes a non-significant association between training services and income poverty reduction among members in Gulu District.

Grounded on regression analysis outcomes from independents and dependent variables; savings services and credit services and poverty reduction which indicate the relationship between variables and the p-values lay under 0.05. Advisory and training services showed no contribution to income poverty reduction. the researcher concludes as the results of findings showed that the members of SACCOs in Gulu District have improved their income and started new businesses/expanded existing business where the members can support their families with food security, they pay school fees for their children, their savings improved, they have land and built a house, they created new investment and expanded the existing among others. Therefore, SACCOs services has had an important contribution to its members, it helped them to move out of income poverty by offering to them saving services and credit services.

### **5.3 Recommendations of the study**

Although several members acquire credits to invest in IGA but the realism is that not all of them use the credit in IGAs. SACCOs should initiate other credits like, housing credit, land credit, insurance credit, school fees credit and others to allow the members realize their purposes for acquiring the credits.

It was noticed that not many people in Gulu District are not in SACCOs. The members are commended to work as heroine to other people who have not joined any SACCOs.

Savings is the key spring of income for the SACCOs. Without enough savings, SACCOs cannot function. Members are therefore, commended to carry on with their saving to allow SACCOs to have adequate ability to work for all proficiently. They are also commended to acquire credit and consume it for the planned reasons and warrant its payment promptly.

The government under the department of Co-operatives is recommended help SACCOs to have IT infrastructure.

Considering the contribution of SACCOs in income poverty reduction, The District leaders should organize societies to form SACCOs groups as a drive for resources creation in addition to bases of credits for growth and development.



#### **5.4 Areas for further study**

This study evaluated the role of SACCOs services on income poverty reduction among members in Gulu District. The findings of this study conveyed the forefront valuable concepts for execution although it has also pointed out aspects that can construct the foundation of forthcoming study. Areas that may perhaps be investigated for further research include:

- (a) Use Quasi-Experimental study design
- (b) Cover more SACCOs with a larger sample size
- (c) Contributions of SACCOs in public involvement and competence.

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## APPENDICES

### Appendix 1: Data Collection Tools

#### Questionnaire for SACCOs Members

Dear Respondent,

I am *Juliet Marango*, a student at Moshi Cooperative University pursuing a Master Degree in Business Management and as a requirement to completing my studies; I am carrying out a study titled: *Savings and Credit Cooperatives (SACCOs) Services and Income Poverty Reduction among members in Gulu District, Northern Uganda*. You have been chosen to participate in this study to enable me complete my studies but also contribute to the knowledge on the role SACCOs services play income poverty reduction among members in Gulu 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

#### Section A: Socio-Demographic Characteristics of the Respondent

Questionnaire No			
Name of SACCOs			
Gender of the respondent	1. Male 2. Female		
What is your age category (in Years)	1. 20-29 2. 30-39 3. 40-49 4. 50+		
What is your marital status	1. Single 2. Married/co-habiting 3. Divorced 4. Widow/Widower		
What is your family size (In number)	1. 0-5 2. 6-10 3. 11-15 4. 16+		
What is your education level	1. No education 2. Primary 3. Secondary 4. Institution/University		
Main source of income	1. Salary 2. Small business 3. Farming 4. Carpentry, tailoring etc.		

	5. Others, specify
Position in the SACCOs	1. Board member 2. Manager 3. SACCOs executive 4. Member
How long have you been a member of the SACCOs (in Years)	1. 0-4 2. 5-10 3. 11+

### Section B: Savings Services

<b>No</b>	Do you have access to saving services	1. Yes 2. No
	Initial savings in the first year (in UGX)	
	Amount of savings per year (in UGX)	
	What is the interest rate on savings?	
	Activity performed by the savings	1. Pay school fees of children 2. Access to loan 3. To buy land 4. To buy domestic animals 5. To have a shelter 6. To hold social ceremonies 7. Invest in income generating activities 8. Open new business 9. Expand existing business 10. Others, specify
	<b>Choose the correct answer</b>	<b>1</b> <b>2</b> <b>3</b> <b>4</b> <b>5</b>
	My savings to the SACCOs are adequately kept safe	
	Financial cooperatives provide safe facilities for savings, enabling savers to smooth consumption	
	SACCOs members usually invest in savings/deposits in the SACCOs	
	The bigger the amount of savings of each member in a SACCOs, the stronger the member economically	
	The level of investment for each member determines the size of loan which such a member will qualify for	
	SACCOs savings is considered successful in income poverty reduction among members	
	You believe SACCOs savings will effectively reduce income poverty	

**Section C: Credit Services**

I attain credit from the SACCOs	1. Yes 2. No					
If no, why? If yes, skip to Qn. 3						
Amount of credit in the first year (in UGX)						
Amount of credit accessed per year (in UGX)						
What is the credit period? (in months)	1. Less than 1 2. 1-3 3. 4-6 4. 7-9 5. 10-12 6. Above 12					
What is the interest rate on the credit						
Purpose of obtaining the credit	1. Consumption purpose (buying food, paying school fees, acquire land, etc.) 2. Invested in business/farming 3. Others, specify					
Type of credit obtained						
How did the credit help you in income poverty reduction						
<b>In your opinion, please choose the correct option.</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	
Growth in SACCOs credit facilitates members in income poverty reduction						
My credits from the SACCOs has increased during the last 5 years						
The SACCOs facilitate growth in credit for members						
The first credit by a member from a SACCOs is smaller than the subsequent loans						
The credit processing by the organization is fast enough to my satisfaction						
The credit interest rate for SACCOs is lower than for commercial banks						
There is no collateral security required for the attainment of capital						
SACCOs supports poor people to increase their capital						
The members have easy access to finances in this SACCOs						
Credit received through SACCOs helps to increase income						
SACCOs provide credit to poor people so that they may improve their existing IGAs, or develop new ones						
Lending out funds from the SACCOs brings good profits for members to share						
Poor people have little or no access to credit through SACCOs						
Credit through SACCOs creates indebtedness and leads to poverty traps						

Extent of credit issued by the SACCOs on income poverty reduction	<ol style="list-style-type: none"> <li>1. Not at all</li> <li>2. Low extent</li> <li>3. Moderate</li> <li>4. Great extent</li> <li>5. Very great extent</li> </ol>
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### Section D: Advisory Services

Does your SACCOs provide advisory services to its member?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> </ol>				
<b>Choose the correct answer</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
I was able to diversify my business					
I owned a land and shelter					
I were able to nourish well my family ( food sufficiency)					
I approached financial services without fear					
I created new employment and off farm business					
I were able to investment in agribusiness					
I gained ability to save for Purpose and no fear for Loan					
Advisory services on good savings practices					
Advisory services on how utilize credit obtained from the SACCOs					
Members receive advisory services more than twice a year					
Does your SACCOs creates a conducive environment for its members to access advisory services? If no, why?					
Do advisory services have a significant impact on income poverty reduction? If yes, how? If no, why?					

### Section E: Training services

Does your SACCOs provide training services to its members?	<ol style="list-style-type: none"> <li>1. 1. Yes</li> <li>2. No</li> </ol>				
<b>Choose the correct answer</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
SACCOs provide me with training on savings for the SACCOs					
I am provided with training for the credits attained from the SACCOs					
I am provided training by SACCOs on business start-up					
I am provided training by SACCOs on business initiation skills					
I am provided with the business administration skills by the SACCOs					
trainings on good savings practices and entrepreneurship					
Methods of training	<ol style="list-style-type: none"> <li>1. Basic training</li> <li>2. Business field trainings</li> <li>3. Others, specify</li> </ol>				
Effectiveness of Training Methods in reducing					

income Poverty among members					
Basic training					
Business field training					
Others, specify					
Effect of Training Methods in reducing income Poverty	<b>1</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>5</b>
Use of appropriate training methods increases effectiveness of members					
Use of appropriate training methods increases efficiency of members					
Enterprise education and training methods are the major means to reduce income poverty.					
Time period of training	1. Monthly 2. Annually 3. Others, specify				
Effect of Training Frequency in reducing income Poverty	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Frequency in training allows better use to be made of opportunities					
Training members frequently helps them to advance their entrepreneurial skills					
Training members frequently gives them a mastery over their work leading to improved performance					
Frequent training of members is necessary to equip them with the skills to encounter the changes					
Frequent training builds competence among the enterprise					
With frequent training, members become experienced on their venture over time due to acquisition of skills and knowledge.					
Was the training effective?	1. Yes 2. No				
Does training services have any significant impact on income poverty?	1. Yes 2. No				

**Section F: SACCOs Services and Income Poverty Reduction**

	What was your Monthly average income level before joining the SACCOs (in UGX)					
	What is your Monthly average income level after joining the SACCOs (in UGX)					
	Have you started any new business or expended on your existing business	1. Yes 2. No				
	<b>Choose correct answer</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	Business diversification					
	Increase of investment					
	Creation of new investment					
	Access to education					
	Build or renew a house					
	Purchase of household materials					
	Increasing savings					
	Increase in household income					
	Your SACCOs has enabled you to have access to basic needs with ease					
	You are now able to save surplus money for development projects					
	Income Poverty levels in my community have reduced over the last 5 years					
	How has SACCOs services offered by the SACCOs; saving services, credit services, advisory services and training services benefited you socially and economically?					

### **Key Informant Guide**

1. Name and contact of respondent
2. Position in the SACCOs
3. Name of SACCOs, Sub county, Parish and village
4. Year of establishment
5. Ownership of the SACCOs
6. Status of formal registration with responsible authorities
7. What type of SACCOs is this?
8. Number of registered and active SACCOs members

### **Saving services and income poverty reduction**

1. Does your SACCOs offer saving services to its member?
2. What savings facilities does the SACCOs have? How does it contribute to the savings habit and reduction in income poverty reduction?
3. What is the average amount of savings per year? How is it utilized to help members reduce their level of income poverty?
4. What is the interest rate on savings?
5. Do you consider savings services successful in income poverty reduction among members, and why?

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

1. Does your SACCOs give out credits?
2. What is the procedure for a member to obtain a credit? What are the requirements to be met?
3. What are types of credits that the SACCOs provide to its members?
4. What is the shortest and longest credit period?
5. How do members repay the credit?
6. What is the interest rate on credit obtained?
7. Do the credits given to members help in income poverty reduction? If yes, how? If no, why?

### **Advisory services and income poverty reduction**

1. Does this SACCOs offer advisory services to its members? If yes, what kind of advisory services does it offer?
2. How do the advisory services offered contribute to income poverty reduction?



**Training services and income poverty reduction**

1. Does this SACCOs Offer member education/training as a way of building capacity? Probe for the kind of training offered
2. What is the effectiveness of the training offered? How does it contribute to income poverty reduction?
3. What is the frequency of the training?
4. What are methods used to deliver the training? How effective are these methods to income poverty reduction?

**SACCOs services and income poverty reduction**

1. What are the SACCOs services offered by the SACCOs to its members?
2. What is the trend of SACCOs services in the last 5 years?
3. What are the requirements to access the SACCOs services?
4. How has does these SACCOs services provided contribute to income poverty reduction of its members in the district?

**Thank you for your time**

**Appendix 2: Work plan**

ACTIVITIES	DURATION IN MONTHS		
	Sept	Oct	Nov
Presentation of Findings			
Incorporation of Comments			
External Examination			
Oral Presentation			
Incorporation of final comments			
Submission of the Final approved Research Report			

**Appendix 3: Research Budget****Summary of Cost**

<b>COST ITEM</b>	<b>CURRENCY</b>	<b>AMOUNT</b>
Professional Fees	TSHS	2,400,000
Direct Field costs	TSHS	1,098,000
<b>Total Cost</b>	TSHS	<b>3,498,000</b>

**Professional Fees**

<b>Name of Expert</b>	<b>Position</b>	<b>No. of Days</b>	<b>Daily Fee Rate (TSHS)</b>	<b>Total Fee (TSHS)</b>
Juliet Marango	Team Leader/Researcher	30	50,000	1,500,000
Research Assistant	Data Collection	30	30,000	900,000
<b>TOTAL</b>				<b>2,400,000</b>

**Field and Reporting Cost**

<b>Description</b>	<b>Quantity</b>	<b>Unit of Measure</b>	<b>Rate</b>	<b>No of Days</b>	<b>Total Fee</b>
Note books	2	Books	8,000	1	16,000
pens	4	Piece	500	1	2,000
Transport Refund	2	days	10,000	30	600,000
Facilitation & Mobilization of Focus Group Discussions	<b>Lump Sum</b>				100,000
Communication Expenses (Internet & Airtime) for 5 consultants	<b>Lump Sum</b>				50,000
COVID - 19 related expenses	<b>Lump Sum</b>				30,000
Printing and photocopying of reports	<b>Lump Sum</b>				300,000
<b>TOTAL</b>					<b>1,098,000</b>

## Appendix 4: Research Permit


**GULU DISTRICT LOCAL GOVERNMENT**  
 OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER

  
 P.O. Box 2  
 GULU - Uganda

Tel: 77281262 (Direct)  
 77288819 (Fax)

If correspondence to the  
 Please guide: CR/114

Date: 15<sup>th</sup> June, 2023

Juliet Marango  
 Moshi Co-operative University

Dear Sir/Madam,

**RE- LETTER OF NO OBJECTION.**

Please refer to your letter dated 15<sup>th</sup> June, 2023 asking for permission to conduct research in Gulu District Local Government.

This is therefore, to formally grant you permission to conduct your study in Gulu District. During the period you will be attached to Trade, Industries and Local Economic Development Department under the District Commercial Officer Gulu.

You should however note that, no financial support shall be provided by the District.

Wishing the best during your stay with us.

  
**CHIEF ADMINISTRATIVE OFFICER - GULU**

Ochengel Ismail  
 CHIEF ADMINISTRATIVE OFFICER/GULU

**Copy:**

- The District Chairperson Gulu
- The Resident District Commissioner/Gulu
- Research Coordinator Moshi Co-operative University/~~Kenya~~ Tanzania
- The Principal Human Resource Officer/Gulu
- The District Commercial Officer/Gulu