

CREDIT ACCESS AND POVERTY REDUCTION IN KABALE DISTRICT: A CASE STUDY OF UNIQUE SACCO

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EM15/BBUC/MBA/011

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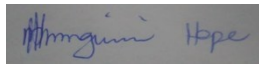
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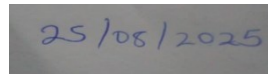
DECLARATION

I, Musinguzi Hope, do hereby declare that this dissertation titled Credit access and poverty reduction in Kabale District is my original work, except where acknowledged, and that it has never been submitted before to any other university or any other institution of higher learning for the award of a Master's Degree.

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Date



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APPROVAL

This research dissertation has been submitted for examination with my approval as her university supervisor.

Signature

A handwritten signature in blue ink, appearing to read 'Tindimwebwa Kenneth', written over a horizontal line.

Date: 25/08/2025

DR. TINDIMWEBWA KENNETH

SUPERVISOR

DEDICATION

This research work is hereby dedicated to my lovely mother for her relentless toil and sacrificial labour, financial input and spiritual motivation that gave me a solid academic foundation up to this point.

It is also devoted to my loving husband, Mr. Namanya Eridard for his diligent work of financially and educationally supporting me and being present always to ensure that am moving to greater heights.

I also dedicate this dissertation to my precious children: Ntare Victor Akatwijuka, Their names include Naome, Amanyia Providence, Emanzi Joseph Namanya and Namanya Jerusha Ushindi who stayed there to count on them whenever I had to renew.

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ABSTRACT

The study was conducted to establish the relationship between credit access and poverty reduction in Kabale District using UNIQUE SACCO as a case study. The study was guided by the following objectives; to assess the nature of credit accessed from SACCOs to reduce poverty amongst the members, to establish the impact of loans on education among the members, to establish the contribution of savings towards house hold asset accumulation among the members and to find out the relationship between credit access and house hold income among the member. The researcher used a cross section research design where both quantitative and qualitative data approaches and analysis were used. Out of the total sample of 207 respondents, 202 respondents participated in the study with the response rate of 97.5%. Of these, the findings of the study revealed an acceptance rate above 70% that indeed SACCOS play a crucial role in helping members' access credit at low interest rates to boost their fortunes at household level, start-up small business initiatives, invest in agricultural enterprises, take their children to school and acquire household assets. Besides this, the study revealed that 72% of the members had been trained, and a culture of saving, which is crucial to investment, had been inculcated in them because this is one sure, clear and fast way to access credit from SACCOs. From the study, it is recommended that community members need to embrace the culture of saving and investment, utilize the opportunity to access credit at low interest rates to ably support their holistic lifestyles at household and community levels. And since this initiative has been proved to be effective as revealed from the study, it is recommended that government increases the support to train stakeholders and sensitize members on how better to run these SACCOs and as well as

challenge to others to, despite the failures in some SACCOs, take up the initiative to join these engagements. Conclusively, SACCOs should be able to help members appreciate their present position and look in the future with optimism through encouraging savings and giving credible loans at low interest rates. Secondly, crucial time needs to be taken by the SACCOs to train and sensitize members and the community on the procedures of saving and equip them with business and financial management skills to fully realize the benefits of SACCOs.

CHAPTER ONE: INTRODUCTION

1.0 INTRODUCTION

This study assesses the influence of credit access on poverty reduction in Kabale District. This chapter therefore, covers the background of the study, the statement of the problem, the purpose of the study, the objectives of the study, the research questions, scope of the study, the significance, justification and operational definition of the terms and concepts.

Back ground of the study

1.1.1 Historical Background

Many scholars trace the historical roots of the modern credit and banking system to medieval and Renaissance Italy, particularly in some affluent cities like Florence and Venice led by the Bardi and Peruzzi families that dominated banking in 14th century (Hoggson,1926). In Africa, however, Muir(2009) citing Routledge and other scholars suggest that the Egyptian grain-banking system became so well-developed that it was comparable to major modern credit institutions and banks, both in terms of its number of branches and employees, and in terms of the total volume of transactions that the granaries were transformed into a network of banks centred in Alexandria, where the main accounts from all of the Egyptian regional grain-banks were recorded.

In mid 1990s, the government of Uganda developed the Poverty Eradication Action Plan (PEAP) because it had identified lack of financial services for the poor people as a key challenge in national economic development. Internationally this was the time when micro credit was gloried as the all-effective cure of poverty. According to the

Association for Microfinance Institutions in Uganda, in 1996 several stakeholders of microfinance industry came to realize that an association to coordinate the provision of microfinance in the country had become necessary. This view was keenly shared by donors who had experiences with more mature microfinance industries of Latin America and South East Asia (AMFIU,2024). Furthermore, the government then boosted microfinance activities through the Poverty Alleviation Project (PAP) that was funded by the African Development Bank. PAP was an apex for capacity building and wholesale loans to MFIs. In 1997 PAP joined AMFIU and paid membership fees for all its member MFIs till 1998 that were totaling to 40.

Of recent, according to the Micro Finance Support Centre (MSC *nd*), the government of Uganda through the Presidential initiatives on wealth creation has gradually stepped on the credit scene with such development intended and well sought of programs like *Entandikwa (1996)*, One SACCOS per Subcounty(Statehouse,2007), *Emyooga (2019)*, and the current Parish Development Model (2022) among others (SACCOS, GROW etc) to help Ugandans alleviate poverty, although, with each perceived intervention having mixed results.

1.1.2 Theoretical Background

This theory of Evidence and limitation by the Grameen Model (Yunus, 1989), made micro-credit more popular, specifically for women, and included for the first time a community approach to poverty reduction that challenged serious obstacles to borrowing, such as collateral, male guarantor or co-signer for female clients, and repayment modalities. A further development took place through some experiences in

Latin America, such as that of Americans for Community Co-operation in Other Nations (ACCION), which introduced a business approach to micro-credit, through cost-recovery and management as well as individual lending within the group (Berenbach and Guzman, 2009). Therefore, micro-credit evolved further into a development and poverty reduction mechanism based broadly on the Grameen model and other local experiences. The most commonly found micro-credit delivery channels in the low-income African countries are: profit making micro-finance institutions, credit unions, and village banks (Sethurama, et al, 2014). However, it is the MFIs that most of the times have a better rural and urban outreach network and more money to inject, due to their access to multiple fund sources.

1.1.3 Conceptual Background

Globally, according to the World Bank report, (World Bank,2024), almost 700 million people (8.5 percent of the global population) live in extreme poverty - on less than \$2.15 per day. Progress has stalled amid low growth, setbacks due to COVID-19, and increased fragility. Poverty rates in low-income countries are higher than before the pandemic. Of these, the World Bank (2024), notes that around 3.5 billion people (44 percent of the global population) remain poor by a standard that is more relevant for upper middle-income countries (\$6.85 per day), and the number of people living on less than this standard has barely changed since the 1990s due to population growth.

Furthermore, the World Bank Group notes that in 2024, Sub-Saharan Africa accounted for 16 percent of the world's population, but 67 percent of the people living in extreme poverty. Two thirds of the world's population in extreme poverty live in Sub-Saharan

Africa, including Uganda. About 72 percent of the world's population in extreme poverty live in countries that are eligible to receive assistance from the

International Development Association (IDA) where Uganda, as well, appears on the list.

According to the report from the Uganda National Household Survey, (UBOS,2024), and UNDP(2023), Uganda's poverty rates have reduced from 8.3 million Ugandans to 6.3 million Ugandans living below the poverty line with the national poverty rate falling from 20.3% in the 2019/2020 UBOS report to 16.1% in the 2023/2024 Ubos report signalling a notable reduction although this has not made Uganda to be stuck ff the list of countries eligible to receive donor support to reduce and or eliminate poverty.

According to Kabale District Council Report (2019), Kabale district is a highland district of Uganda lying in South West of the Republic of Uganda. The land of Kabale is heavily fragmented and the district is densely populated. Agriculture is the main occupation whereby 82% of the people produce at subsistence level and the rest are on semi commercial Agriculture. Due to increased population, there is a lot limited land access, natural resource degradation and general low incomes amongst the people. Furthermore, the topography of Kabale District being hilly and with high slopes presents unique challenges to the district such as hill sides being prone to soil erosion which limits fertility causing poor harvest from subsistence Agriculture and food shortage as well (USAID/Uganda, 2022).

The Kabale district Council Report (2019) identifies the poor as those with little or no education, lack of access to information, lack of institutional credit, and lack of access to investment opportunities for diversifying of enterprises. It is in this district that

Unique SACCO, a member owned and controlled organisation is located. This organisation does business of providing financial services mostly savings and credit to its members with the vision of being a successful SACCO that graduates from one level to another while offering competitive services to its members.

Unique SACCO was founded by fifteen men who were having a cash round and later included their wives to make a team of 30 founders on 23rd of July 2007 with the objectives of responding to the growing needs of the poor and finding solutions to the challenges of widespread unemployment, disease, ignorance, debt relief and poverty reduction. The institution gives different kinds of loans such as school fees loans to low-income earners both men and women without discrimination of race, culture, religion on an affordable rate (2% reducing monthly). It further offers other services to its members such as operating their savings accounts, carrying out client business and agricultural production training, loan management, savings for a purpose like asset accumulation, business planning and record keeping. The institution has one branch in Kabale Town.

1.1.4 Contextual Background

According to Kagoda,P,(2025) citing Akankwasa et al.,(2022), Savings and Credit Cooperatives (SACCOs) have become crucial financial institutions worldwide, especially in areas where access to formal financial services is limited. These cooperatives are designed to provide members with a safe space to save money and access affordable credit, which significantly enhances their financial inclusion and economic stability (Gracious, 2023, sighted in Kagoda, P, (2025)).

Credit is defined as the trust that allows one party to provide money or resources to another party where that second party does not reimburse the first party immediately but instead promise to repay or return those resources or other materials of equal value at a later date. It is a method of making reciprocity formal, legally enforceable and extensible to a large group of unrelated people. Credit access on the other hand is the ability of individuals and enterprises to obtain financial services such as credit deposit, payment insurance, and other risk management services (Demirguc. K.et al, 2016). Credit access promotes growth for individuals and enterprises to both new and existing businesses and this benefits the economy in the general acceleration of economic growth through intensifying competition, and also boosting demand for labor. Credit access helps enterprising individuals to launch and grow small businesses and also promotes stronger communities and local economies by supporting families and creating jobs and hence come out of poverty.

Jeni Wugman, (2002) while referring to the World Bank's 2000 world Development Report defines poverty as an acceptable deprivation in human wellbeing that can comprise of both physiological and social deprivation. Physiological deprivation involves the non-fulfillment of basic material and biological needs such as inadequate nutrition, health, education, and shelter. Social deprivation on the other hand includes vulnerability, risk, lack of autonomy, powerlessness, lack of self-respect. Poverty can either be absolute or relative. Absolute also called extreme/ abject poverty refers to the lack of means that are necessary to meet basic needs such as food, clothing and shelter (United Nations Development Programme, 2013). It is characterized by severe deprivation of basic human needs including food, safe drinking water, sanitation

facilities, health, shelter, education and information. Absolute poverty not only depends on income but also on access to services. Relative poverty on the other hand is a kind of poverty that occurs when a country does not enjoy a certain minimum level of living standards as compared to the rest of the population as put by Sabates, Ricardo (2008). This kind of poverty views poverty as an aspect of unequal social status and inequitable social relationships, expensed as social exclusion, dependency and diminished capacity to participate or to develop meaningful connections with other people in society, (Wanyama, 2009).

1.2. Statement of the problem

Since 2007 when Unique SACCO started in Kabale district it has done a lot of work to reduce poverty among the people of Kabale through provision of different types of loans like school fees loans, saving services like sight savings, fixed savings and saving for asset accumulation, different types of trainings like trainings on good health living, loan management and agricultural production to mention but a few. Their goal has been to be successful and graduate from one level to another while offering competitive services to its members through instilling a savings culture to members and equipping them with financial management skills and hence reduce poverty. This was due to the fact people were poor due to lack of access to credit. It was from this note that Unique SACCO came up with products like member training on agricultural production and other skills, different types of loans like school fees loans, commercial loans, and others all aiming at helping its members to easily attain education and also reduce poverty. Other products include savings mobilization through encouraging members to open saving accounts and save for a purpose like house hold assets, and credit management skills

to help them increase household income all of which was intended to help the members reduce poverty.

In as much as UNIQUE SACCO has provided good services to its members in helping them improve household incomes, household poverty has remained persistent. This is characterized by food insecurity in families due to low agricultural production, low levels of education whereby of the 63% people who have attained primary education in Kabale, only 2% have attained education above Senior six (UBOS, 2024) and the high level of school dropouts estimated to be at 11% Kabale Municipal Council (2018), poor asset ownership as reported by Uganda Bureau of statistics (2018) only 50% households in villages own both land and a house compared to 30% and 39% households in town that own land and a house respectively, low income levels all of which are rampant in Kabale District. This is the reason why the researcher intended to establish whether credit access has an impact on poverty reduction at house hold level. The study therefore, focuses to find out the nature of credit accesses from SACCOs, impact of loans to education, savings to house hold asset accumulation, credit to house hold incomes hence credit access and poverty reduction.

1.3. General objective

The researcher's general objective was to establish the influence of credit access on poverty reduction in Kabale District.

1.4. Objectives of the study

The study was guided by the following set of specific objectives;

- i. To assess the types of credit facilities accessed in effort to reduce poverty amongst the members of Unique SACCO.
- ii. To establish the influence of loans on education among the members of Unique SACCO.
- iii. To establish the influence of savings towards house hold asset accumulation among the members of Unique SACCO.
- iv. To assess the influence of credit access on house hold income among the members of Unique SACCO.

1.5. Research questions

The study had the following research questions

- i. What is the type of credit facility accessed in effort to reduce poverty amongst the members of Unique SACCO?
- ii. What is the influence of loans on education among Unique SACCO members?
- iii. What is the influence of savings on house hold asset accumulation among the members of Unique SACCO?
- iv. What is the influence of credit access on house- hold income among the members of Unique SACCO?

1.6. Scope of the study

This discussed the content, geographical and time scope of the study as shown below.

1.6.1. Content scope

The study established the influence of credit access on poverty reduction in Kabale District.

1.6.2. Geographical scope

The study was conducted in Kabale District. The members of Unique SACCO were from different sub counties in Kabale district. These sub counties were Kyanamira, Maziiba, Rubaya, Kitumba, Butanda, Kaharo and Kabale Municipality.

1.6.3. Time scope

The study about the influence of credit access on poverty reduction covered a time span of one year from January 2018 to December 2018.

1.7 Significance of the study

Results from the study will add to the existing knowledge about the influence of credit access on poverty reduction in Kabale district thereby providing a platform for further research and use of the findings by finance scholars.

The study will benefit Unique SACCO stakeholders; members, management boards, staff and supervisory organs to design programs that fit into members desires and also identify products and services and other opportunities for the members and then help them reduce poverty.

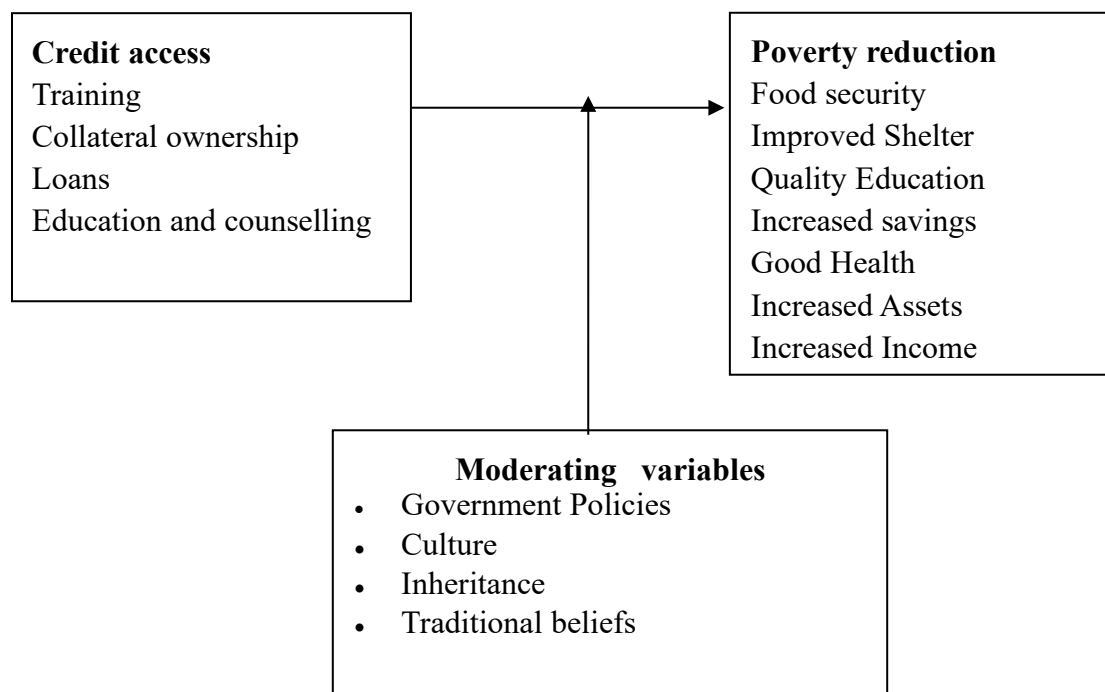
The study will also create an up-to-date literature on the influence of credit access on poverty reduction.

1.8 Conceptual Framework

In well-designed experimental research, the Dependant Variable (DV) is the measure of the effect of the independent variable (IV), on participants' responses. The measure is termed as dependent because it is expected to be influenced by or is dependent on

systematic variations in the independent variable. With appropriate experimental design, variations observed in the DV are attributable to the effects of variation of the independent variable and thus are fundamental to the attribution of cause.

Figure 1. Conceptual framework



Source (Sida 2017) modifies by the Researcher

In conceptual framework, poverty is often understood as a multidimensional issue, encompassing not only income and material resources but also access to opportunities, power, voice, and human security. This broader view recognizes that poverty is more than just a lack of money and acknowledges the social, political, and cultural factors that contribute to it. The conceptual framework illustrates how interrelated the independent, dependent and the moderating variables in the study on how credit access can influence poverty reduction at household levels although with an interplay of other crucial moderating factors like government policies, culture among others.

The independent variable in this study was credit access with indicators including savings, loans, collateral ownership and training to achieve financial goals through acquiring capital and utilizing it to the intended purpose both at short and long term. Whereas the dependent variable in this study was poverty reduction with indicators including food security, improved shelter, quality education, good health, increased assets and increased income. These variables have a somewhat direct influence on each other as the dependent variables (poverty reduction) and its indicators may never be realized unless other dependent variables (credit access) are in operation. In the same respect, it is urged that, besides these, other variables (moderating) may well be in place and given due consideration to realize the whole part of poverty reduction through access to credit from SACCOs. Such moderating variables may include but not limited to; government policies, culture, inheritance, traditional beliefs.

By adopting a multidimensional approach, conceptual frameworks provide a more comprehensive understanding of poverty and its root causes, which is crucial for developing effective poverty reduction strategies including financial and credit access by the stakeholders and or beneficiaries.

1.9 Operational Definitions

Household: According to UBOS (2014), a household consists of one (or more) people who live in the same dwelling and share meals. It may also consist of a single family or another group of people. A dwelling is considered to contain multiple households if meals or living spaces are not shared.

Solidarity Lending: Solidarity lending is a lending practice where small groups borrow collectively and group members encourage one another to repay. It is an important building block of microfinance.

CHAPTER TWO: LITERATURE REVIEW

2.0. Introduction

This chapter gives the literature on theories relating to credit access and poverty reduction and their implication to the study. This chapter presents the information from other researchers who have carried out research in this same field of the study and also highlights the gap that needs to be researched on.

2.1. Theoretical review

This study was guided by the theory of the Grameen bank and poverty alleviation: *The theory of evidence and limitation*. This theory suggests that credit can be provided to the poorest of the poor and improve their socioeconomic conditions. This theory tries to explain that the problem that brings about poverty is lack of credit to the poor. It further highlights that people are poor today because of failure of the financial institutions to support them in the past. This theory further brings into reality the philosophy that the poorest of the poor are the most deserving in the land and that given the opportunity they can lift themselves out of poverty. The proponent of this theory is Abu N.M Wahid in 1994 a visiting associate professor of Economics at Tennessee State University, Nashville. The theory brings out that if financial resources were made available to the poor at reasonable interest rates, they would be able to generate productive self-employment without external assistance. This theory has two principles and the first principle is that financial resources need to be brought near to the poor and the other principle is that the financial resources have a special role in helping the poor out of poverty.

This theory of Evidence and limitation by the Grameen Model (Yunus, 1989), made micro-credit even more popular, specifically for women, and included for the first time a community approach to poverty reduction and challenged serious obstacles to borrowing, such as collateral, male guarantor or co-signer for female clients, and repayment modalities. A further development took place in this model through some experiences in Latin America, such as that of Americans for Community Co-operation in Other Nations (ACCION), which introduced a business approach to micro-credit, through cost-recovery and management as well as individual lending within the group (Berenbach and Guzman, 2009). Therefore, micro-credit evolved further into a development and poverty reduction mechanism based broadly on the Grameen model and other local experiences. The most commonly found micro-credit delivery channels in the low-income African countries are: profit making micro-finance institutions, credit unions, and village banks (Sethurama, et al, 2014). However, it is the MFIs that most of the times have a better rural and urban outreach network and more money to inject, due to their access to multiple fund sources.

2.2. Type of credit facility accessed from SACCOs to reduce poverty in Households

According to Nyanja, W.(2017), through presidential poverty eradication initiatives, the government of Uganda took strides in supporting the establishment of new SACCOS all over the country and through the Micro Finance Support Centre, all newly formed SACCOS could freely apply for a start-up grant and interest free loans.

SACCOs play an important role in lower income groups through increasing their assets via establishing a credit relationship, establishing an enterprise, accessing working

capital, increasing income through business expansion, meeting household credit needs and increasing wealth through savings (Kyazze, 2010).

However, targeting the use of credit is not justified in terms of sustainability, administering and monitoring loan use is time consuming and difficult. In most cases the loan use and eligibility criteria does not meet the credit needs of poor women and men who may need to utilize their loans for a variety of purpose (Kabarwani, 2012).

Among many advantages, there are four primary strengths of microfinance institutions i.e. savings mobilization, services for lifetime asset growth, mixed outreach, and full services array of loan products. What distinguishes cooperatives from other non-bank financial entities involved in SACCOs is the ability of mass number mobilization of small, voluntary, savings account. These deposits can then be invested in rural production, housing, small scale enterprises and small business loans (Kabarwani, 2012).

AMFIU (2014/2015), while referring to the population and housing census of 2014, Uganda is a home of 34.9 million people whose greater percentage of 77% is estimated to be living in rural areas and mainly engaged in agriculture for livelihood. Though agriculture dominates the economy in terms of employment, its potential is largely untapped. According to the population and housing census, agriculture has a direct implication for growth, income, and unemployment and poverty reduction as well.

Agriculture (the growing of crops and rearing of livestock) is the backbone of Uganda's economy and it is identified as one of the priority sectors for investment due to its great multiplier effect of the economy. Majority of the households in Uganda practice

subsistence farming (growing of crops and rearing o animals for home consumption) which cannot get them out of poverty (UBOS, 2018).

Most rural people depend on agricultural activities as their main source of livelihood. However, they use improper farming practices and poor land use systems that reduce fertility of land due to lack of information and training. This consequently causes reduction in food production hence causing most families unable to meet their food needs during the hunger seasons. This shows that there is need for client training in improved techniques and farming as a business, strengthening market linkages and provision of agricultural in puts or access to credit for enhanced productivity and to help households to reduce food shortage and hence sustained income and breaking of the poverty cycle (IFAD, 2019).

Among the major characteristics of the poor is the fact that food is the most important item of expenditure followed by fuels, housing and clothing (Jeni Wugma, 2002). Farm and off farm entrepreneurs need timely information access to appropriately designed to take advantage of market and investment opportunities.

According to IFAD (2019), IFAD has been committed to fighting rural poverty through training rural farmers, agricultural technologies improvement, and market linkages to help farmers increase their production, increase and improve standards of living, food security and economic growth as well.

According to Guilford (2007) credit facilities enable impoverished persons to start businesses, rebuild after natural disasters like floods and hurricanes, and to receive both short- and long-term loans to meet their financial needs.

Magyezi (2009) states that savings act as collateral security for the savers to acquire more and bigger loans which can be invested and confirms that such practices promote saving culture.

Kato (2010) describes the need for education for developing participants' skills for transfer in the new and changing situations. It develops the creativity and potential for communication. He further explains that the participants apply a range of skills and techniques to develop a variety of ideas in the creation of new and modified products.

Kato (2010) says that, microfinance institutions today emphasize scale and depth of outreach of financial services to large numbers of the working poor through financially sustainable organizations. They offer a saving-first, self-sustainable approach to SACCOs that has already successfully met the needs of millions of low-income members around the world.

Membership and lending of SACCOs institutions are generally broadly diversified. Services to the unemployed are blended with service to a broader spectrum of the local population. Through serving the poor, these unions achieve sustainability by spreading their costs across loans of larger and medium sizes as well. In this manner these credit facilities can reach a large number of the poor on a sustainable basis which helps them engage in income generating activities and thus become self-employed (Nguyen, 2007).

Savings and credit cooperative unions encourage savings mobilization especially for the unemployed who use the money to engage in self-employed activities such as investments which makes the members employed. It is known that savings are key to investment, without them, investments are very hard to be realized (Munene and

Muturi, 2013) had this to say; the demand for liquidity is far more important to most rural citizens than the demand for credit. Savings mobilization is just as important as credit in meeting the financial needs of the rural population.

Nguyen (2007) confirmed that Savings and Credit Cooperative institutions play a great role in the provision of credit facilities. Some savings and credit cooperative unions offer solidarity group loans designed for lower-income or “down scale” small scale entrepreneurs (Kato, 2010). For many low income members most especially women and members who live in urban slum areas far from the cooperative union access to a local solidarity group provides them with a lower-cost method to access loan credit services. This is common here in Uganda, Bolivia, Philippines and Bangladesh. The above service makes it easier for the urban poor women to access the services. Micro credit programs such as Savings and Credit cooperatives extend small loans, often 75 or 100 dollars, to very poor people especially women, for starting or augmenting business so as to be in self-employment. The loan is usually paid back over a period of six months to a year (Kato, 2010).

Training and education given by SACCOs on how to use loans plays a very important role in the improvement incomes (MSC,2018). Many gain knowledge in management of businesses and saving skills plus capital, and can use it to start businesses and others to expand what they already have. The above can be a result of the training given before issuing out the loan. Thus those who don't join SACCOs may lose out on such benefits (Guilford, 2007).

In their original form and still nowadays, locally-based small financial cooperatives provide only basic products, that is, loans and savings. These products are often the

most important financial services for low-income households. Although financial cooperatives were originally established to facilitate credit for poor households (Fisher and Biyase,2017), savings services are also very important. Financial cooperatives provide safe facilities for savings, enabling savers to smooth consumption, prepare for emergencies, gradually accumulate financial resources, self-finance the purchase of durable goods, and make investments (Wanyama, 2009).

The literacy level of the borrowers may also affect access and effectiveness of small loan credit. Application forms and finance officers are not intellectually sensitive to the needs related to the literacy level of the male and female borrowers (Wilkinson, 1999). To mention also is the lending method used by the SACCO may affect the effectiveness and access of small loan credit group or individual lending in this case. SACCOs have failed to know which method best suits the type of borrowers they may have. Group lending is the main method used by most microfinance institution (Nkwocha et al., 2019) but this does not mean to close the doors for other alternatives. A lending method acceptable to customers should be opted for (Assenga, 2008).

SACCOS have played an essential role in improving access to formal financial services in rural areas. However, the urbans- rural gap remains and needs to be addressed. This is due to limited points to financials services and products available to individuals I rural areas, low awareness to the available products and low levels of financials literacy of the individuals (The Republic of Uganda, National inclusion strategy 2023-2028)

2.3 Loans and education

According to Anupam (2004), paying school fees to many families is a problem most especially where a family has many children. Parents face a problem of paying school fees and other school requirements like uniform, food, rent and shopping. Other parents only afford to pay part of the school fees which denies most children the opportunity to get school reports or even exam certificates making their whole year learning worthless. Alternatively, many children change schools every term building up dates wherever they go as they simply cannot afford to pay the schools dues. For this matter therefore is a need for loans to many parents and guardians in rural communities to educate their children

Demirguc. et al (2010) brings it out clearly that poor individuals and small enterprises need access to credit so as to invest in their education and businesses because when they rely on their personal wealth and internal resources to invest limit their full potential leading to the cycle of persistent inequality and diminished growth. This is due to the fact that according to Ministry of education and sports (2012), children of the poor who cannot afford to go to good schools cannot access higher education due to poor performance common in most rural schools.

Most parents view education of their children as an investment because they love their children to acquire productive abilities, skills and knowledge for them as individuals and the society as a whole. Thus most parents consider funding of their children's education the most important family financial goals. However the cost for educating children is increasing at a higher increasing rate than the rate increase of house hold incomes. This is due to fact many educational institutions are raising fees to cope with

the budgetary shortfalls as a result of the current economic conditions. However due to the costs involved, many students fail to attain universities and tertiary institutions while some already admitted fail to sit for examinations due to failure to pay the required fees (Ministry of education and sports, 2012).

Education attainment is one of the important indicators of the society's stock of human capital and level of social economic development. The higher the level of education attained, the more literate the members of the society and the more the opportunities to such individuals. Literacy refers to the ability to read with understanding and also to write a meaningful sentence in any language (Republic of Uganda Census, 2014)

Having recognized the need for increased access to higher education evidenced by failure of many students to attain higher education due to funding problems, the government of Uganda has introduced students financing scheme that provides credit to students to their educational costs and then the students pay back through their future incomes after education (Ministry of education and sports, 2012).

Education is one of the few ways to loosen the grip of poverty. It is the largest determinant of future economic status, self-reliance and also is a key to empowering communities and a direct way to economic growth. According to Ewert (2009), increased access to education helps to boost earnings, reduce crime all of which result into poverty.

Access to loans helps to equip vulnerable families, private school proprietors and students with financial tools to improve educational outcomes. Loans help school owners to grow schools in areas where education is demanded hence provide high

quality education to families that could have missed due to distance and cost of schooling. Loans further help parents to afford private education for their children.

Bakeine (2010), loans increase a households' expenditure on children education. This causes a decrease in primary school attendance among borrowers' children due to difficulties to pay school expenses alongside loans. This in turn leads to repetition of some classes, or even taking some of the children out of school due to repeated loans.

Scholars like Chebo and Dhliwayo (2024), Nachiket and Bindu (2008), assert that credit access from SACCO can help to enhance quality education of the children of the members and improve on household wellbeing only if accompanied with other complementary inputs: typically training and skill development interventions. This implies that small business operations require business skills and knowledge by the micro-entrepreneur for sustainability. Further, Kakooza Charles Tushabomwe (2006) also emphasized that for any business, no matter how small and humble, when started may grow over time depending on the determination and managerial skills of the entrepreneur. Here management is about planning, directing and controlling available resources to meet the desired results in any economic activity. Business management is guided by a vision or a set of policies and strategies and strategic planning. Most studies about business failure point to poor management as the main cause.

Access to credit is generally viewed as a good initiative to increase education support of the poor household members living in high poverty levels. However, one of the critical issues to ponder about is; if the poor are availed with affordable credit facilities, do they have the organizational and operating capacity to efficiently use the credit as

individuals or in groups so as to transform their lives. Firstly, it is imperative to examine the successful experience of the Grameen Bank (1970), with credit scheme through groups. According to Kalyango (2005), credit borrowing groups are referred to as “group based finance” or “solidarity groups” lending schemes, because group members are jointly liable for each individual’s loans, this represents a form of social networks (support) through social “collateral”. As opposed to physical collateral of land titles or assets, referees, bank commissions which formal sector services usually require; and which poor and property less do not have (Kalyango, 2005).

According to Global Entrepreneurship Monitor Report (2004), it is also important to examine the individual borrowers’ operational capacity to use micro-credit sufficiently to support school fees payment for improved employment opportunities. According to Nkurunziza (2005), recent years have been a major resurgence of small (micro) business throughout the developed world. Small businesses have been the innovative backbone of most economies providing products and services to benefit the consumer with quality education. In this case most micro enterprises in Uganda are mobile businesses, with mostly unskilled and semiskilled labor in form of family businesses, such as market vendors, shops, saloons and restaurants among others. For instance the Global Entrepreneurship Monitor Report (2004) indicated that Uganda is ranked the second most entrepreneurial country in the world.

Beyond these results we break new ground by showing that the loans led to a large decline in school participation and an increase in labor supply of children aged 16 to

19.5. However, the labor supply and schooling of children below 16 was not affected. The increased labor supply of the 16-19 year olds may at first sound surprising if one believes that the loan would have alleviated a liquidity constraint, allowing children to increase schooling. However, the other force at play is the new opportunity to start or expand a business (Bakeine, 2010). Without enough liquidity the household will have to muster resources from elsewhere if the loan brings the business opportunity within reach. The children can wait for their pay until liquidity permits or can be paid more easily in kind. Internal labor may also be cheaper than hiring someone from the outside market either because of regulatory or supervisory costs. So there is both a price and a liquidity effect pushing in favor of internal labor and a reduction in schooling. The inefficiency can be magnified if the parents, who are the funding source for education, care more about their utility than their children and thus undervalue the future benefits of education relative to the value that the child would attach to it. In this case an unintended consequence of the microcredit intervention is to worsen the outcomes for children, while transferring resources to the parents. On the other hand, the inefficiency is mitigated if only those children with a low return to education are pulled from school now that an employment opportunity has arisen where there was none before. However, the effect is rather large and, in all likelihood, one would expect future returns to education to be quite high for many of these children in an economy with still very high potential for growth and catch-up with the rest of Europe (Van Santen, 2010).

Micro finance sector plays an important role in development by facilitating both the accumulation and mobilization of capital for investment and access to education. As development takes place, credit for instance helps poor entrepreneur to take advantage of the emergent entrepreneurial and education opportunities (Ewert, 2009). This process enables the working poor to become self-reliant and in turn, improve the lives of family members, community and society. Over time the microfinance industry recognized that the poor who lacked access to traditional formal financial services required a variety of products to meet their needs, not just micro credit and therefore micro credit evolved into microfinance (Muganga, 2010). In Kenya, micro finance has experienced considerable transformation over the past twenty years, growing from a fledgling industry dominated by a few donor and church based nongovernmental organizations to a vibrant sector increasingly driven by commercialization. Microfinance is now recognized as legitimate providers of financial services and has the key to unlocking economic growth for entrepreneurs and poor families (Demirguc, et al; 2010).

2.4 Savings and household asset accumulation

Savings are either formal or informal. Formal savings is the access of a savings account from a financial institution. Formal savings are a key component for long term growth and poverty mitigation. However a large percentage of the world's poor do not have access to formal saving accounts (Karlam and Zimmah, 2013). Furthermore, many poor households find it difficult to open and maintain such savings accounts due to the associated fees. Informal savings on the other hand are those savings made through keeping cash safe in the homes, forming saving groups with their peers, buying durable assets such as livestock and others (Adjei, 2011, Karlan and Morduch 2010). However,

informal savings may be difficult to accumulate as the people may be tempted to spend the kept cash when it is not necessary. For the formal savings account, when a household is able to make small and frequent payments on the account, it is most likely to accumulate saved income more efficiently.

According to the Uganda poverty status report (2014), household saving is the main domestic source of funds that is used to finance capital investment that fuels an economy's long term growth. It can ultimately translate into rising living standards and a more stable economic environment. According to this report, savings have a big impact on the individual households asset accumulation because they help in wealth accumulation which finances house hold long term goals. Savings further help to safeguard against uneven income streams due to seasonal variations. Savings are used to finance consumption expenditures during low income periods.

Adjei (2011) highlighted that asset accumulation is challenging to low and moderate income households because their costs are fixed and hence have limited ability to save. Fixed costs include expenses associated to housing such as rent, mortgage, taxes and utilities. Barriers to such households from saving include unpredicted shocks, low incomes, unemployment and chronic sickness multiple dependents big debts and making human capital investments and consumption the priority over savings.

According to Jeni Wugman ed (2002), policies that aim at improvement of distribution of income and assets within the society are very essential for the society. Such policies include, measures to increase the access to financial markets by the poor, land tenure reform, and pro-poor public spending among others.

Uganda poverty status report (2014), shows that despite the significant role played by microfinance institutions most especially SACCOS in reducing poverty, they have been constrained by a weak saving culture as most individuals prefer to access credit than to save. This is most common households that have many children in that such a family head is often unable to save money for development purposes since all his earnings are spent on basic requirements of the family. This inability to save implies that the household has few assets and thus would be unable to mitigate the impact of substantial shock. This report further points out that poor households have limited assets or productive capacities and for that matter cannot afford basic services.

Savings are an effective device used for households to accumulate assets, have more funds to address several financial shocks. Van Santen, (2010), stresses savings have immense benefits such as improved ability to accumulate assets, afford expenditures, avoid some expenses like taking up loans, mitigate income volatility and attain a certain income level that will help the household out of the poverty trap.

Anong and Devaney (2010) acknowledges that house hold saving is important because it affects the family's level of living emergency reserves and also the ability to meet financial goals like making purchases by cash other than credit. House hold assets are a proxy indicator for socio economic status and welfare; they are personal property of house hold members and they include; houses, land, bicycles, motorcycles, vehicles, TV, Radio, computer and many others (Republic of Uganda Census,2014). Ownership of household assets help to measure the quality of life of the household members.

Brannen (2010) suggested that access to credit help households to own their homes and make investments in the quality of their homes. It is necessary to save out of the current income for retirement security and also to help renters become home owners without excessive risks and for dealing with emergency situations (Yuh and Hanna 2010).

According to Desta (2010), there are three types of savings and these are: contractual, discretionary and residual savings. Contractual saving is where by the house hold makes routine installments for an asset say mortgage. In other words they are obligatory or forced savings. This type of saving is more efficient for home ownership and wealth accumulation. Discretionary saving is where whereby a house hold deliberately saves. Households engaged in such kind of saving save regularly with an intention of putting aside part of their income. Residual saving is referred to as irregular saving where by the household does not spend all their income and thus save whatever is left by default.

Yuh and Hanna (2010), points out some other factors that affect asset accumulation some which include age, wealth, income uncertainty, risk tolerance, home ownership, house hold composition, health status, education, race/ ethnicity, self-employment, un employment to mention but a few. According to him, savings increase with age, savings and incomes are positively related, uncertainty of the future income affects household savings and asset accumulation and households with high level of risk tolerance accumulate more non housing wealth than those with low risk tolerance.

Clement (2012) indicated that “the provision of micro-finance services can be facilitated by business development services. These services can help build financial and business management capacity of rural households, improve their asset holdings,

provide local support services for enterprises with emphasis on marketing, and establish linkages between forest communities and micro-finance services. Credit services should grow with the development of small-scale enterprises and cater to their evolving needs”. Examples of useful business development services for improving access to micro-finance are: training of rural households in funds management, loan application, bookkeeping and accounting; preliminary loan appraisal of small-scale enterprise financial planning; consolidation of small individual proposals into a bankable portfolio of forest-based enterprise plans; and support to micro-finance institutions for monitoring and supervising the implementation of small-scale enterprise activities (Auren and Krassowska, 2004). Business development services can also help microfinance institutions to assess risks related to small-scale enterprises. Embedded services such as training to producers and quality control, provided by buyers of commodities, can also positively improve access to micro-finance services by increasing micro-entrepreneurs' skills and the marketability of their products.

Edmiston and Kelly (2010) highlight that worldwide micro-finance experience has shown, access to safe and flexible savings services can play a critical role in poor people's strategies for minimizing risks, mitigating income fluctuations, facing unexpected expenditures and emergencies, and building a small asset base over time. In particular, the very poor living in rural areas, who may lack investment opportunities and safe ways of keeping their savings, greatly value access to safe savings services. Most poor families do save and often in a non-financial form, for example, small gold items or stockpiling goods, because they frequently lack access to good formal savings

facilities. In-kind savings are suboptimal options, because they are subject to fluctuations in commodity prices, and destruction by pests, fire and theft. While microfinance institutions offer both good loan services and good voluntary savings services, worldwide experience shows that there is usually more demand for savings than for loans. Better availability of safe savings facilities increases self-financing capacity and thus reduces the need to borrow, with its inherent risks. When a poor household needs a relatively large amount of money for an investment purpose, saving is a less risky way to obtain it than taking on a debt with a fixed repayment obligation (Biryabarema, 2008).

Traditionally, micro-finance mobilization of savings has taken place in the form of compulsory savings under group or individual lending methodologies. Often a percentage of the loan amount is required as mandatory savings and is meant to guarantee group loan repayment. Compulsory savings were also seen as a way to instill savings habits in poorer households (Edmiston, Kelly 2010). Experience has shown, however, that compulsory saving is not conducive to encouraging clients' saving habits, but rather is considered as one of the requirements for accessing loans. It is the mobilization of voluntary savings, ensuring safety, flexibility and accessibility, which can have the strongest impact on poor people's lives. With the right products and incentives, micro-finance institutions can rapidly mobilize very significant resources.

Ensuring the existence of safe and accessible savings services for forest-based smallscale enterprises should be a priority for any microfinance development programme. Possible ways for microfinance institutions to make the service available

at lower costs include mobile banking, microfinance officers visiting rural communities on market days, and facilitating groups in collecting and depositing individual voluntary savings (Voordeckers and Steijvers, 2011).

Clement (2012), indicates that mobilizing the savings of small-scale enterprises implies risk, however, and microfinance institutions allowed to do so should clearly show their capacity to mobilize savings safely. Accordingly, they should demonstrate strong governance and professional management, strength and reliability, adequate internal controls, financial management and information systems, the guarantee that deposits and savings are not used to cover their operating expenses and records of strong loan portfolio quality management. In most countries, mobilization of public savings is restricted to banks, where regulations should be in place for effective supervision. SACCOs are also a very important instrument for mobilizing savings, although generally limited to cooperative members. It is important that sound provisions regulating and supervising cooperatives' operations are in place to prevent governance weaknesses that would ultimately damage depositing members.

According to Edmiston, (2010) explained that SACCOs consists of small loans provided to poor households or micro-enterprises to improve their asset base. Micro-credit is normally characterized by standardized loan products with short maturities, limited amounts, fixed repayment schedules and high interest rates. Most micro-finance institutions require potential borrowers to save before applying for a loan in order to demonstrate their intention to develop a long-term banking relationship. When the

amount saved reaches a specific level, the lender will consider granting a certain amount as a loan. Although forced savings might be effective in helping to control moral hazard risks, they increase the effective interest rate and restrict potential borrowing. Small-scale enterprises, production, may need financing for larger investments that have prolonged amortization periods to enhance their asset holdings. Due to the gestation period, there is normally a significant time lag between the initial expenditures and the time when investment creates a positive cash flow and the enterprise can repay the loan.

Scholars like Nachiket and Bindu (2008), assert that access to credit can help to alleviate poverty and improve on household asset base only if accompanied with other complementary inputs: typically training and skill development interventions. This implies that small business operations require business skills and knowledge by the micro-entrepreneur for sustainability. Furthermore, Kakooza, (2006) also emphasized that for any business, no matter how small and humble, when started may grow over time depending on the determination and managerial skills of the entrepreneur. Here management is about planning, directing and controlling available resources to meet the desired results in any economic activity. Business management is guided by a vision or a set of policies and strategies and strategic planning. Most studies about business failure point to poor management as the main cause.

SACCOs provide similar products and services to their customers as formal sector financial institutions. The scale and method of delivery differ, but the fundamental

services of savings, loans, and insurance are the same. Notwithstanding, to date most efforts to formalize micro-finance have focused on enterprise lending (loans for enterprise formation and development) which remain by far today the dominant product offered by SACCOs. Kakooza (2006) remarked that “Increasingly today, SACCOs have begun to offer additional products, such as savings, consumption or emergency loans, insurance, and business education”. But Biryabalema (2008) reviews the context and rise of micro-finance products and argues there is a need for savings and insurance services for the poor and not just credit products. He goes on to argue that SACCOs need to provide tailored lending services for the poor instead of rigid loan products.

The Republic of Uganda, National inclusion strategy (2023-2028), while Uganda has made progress toward financial inclusion, a large proportion of (34%) of the population remains financially excluded or relies on informal financial services such as saving groups to access financial services.

2.5 Credit access and house hold income

According to Nguyen & Van den Berg (2011), credit and its access by poor households is an important condition that determines the ability to increase income by such households. Credit for capital causes a change of poor conditions of production by increasing development conditions for culture, arts and physical sport. Capital credit further helps poor household to operate their tiny businesses which is a chance for them to accumulate income and escape poverty. Desta (2010) puts it that one of the main problems that the poor face is lack of access to capital and credit. He therefore believes that by providing the poor the access to small amounts of credit; they become able to escape poverty through investing in businesses.

Credit access to the poor householders helps them to increase their incomes gradually because credit helps them to start small businesses, become self-reliant and in the long run escape poverty. Armendariz and Morduch J (2010) emphasize that credit helps the poor householders to access capital which is one of the significant factors of production. This helps to enhance production, through opening a new path to access new science and technology for production, improved accessibility to market knowledge and hence self-sufficiency and poverty escape.

Dugger (2007) concludes that there are other factors which affect household income other than credit access. Such factors include education, household size, household head, and ethnicity among others. According to him poor households headed by males will have higher income compared to females as for them they spend much of their taking care of the children, the sick, they are paid less for labor and are also subjected to prejudice and social inequality hence generating little income. Large scale households spend much on daily necessities with low income and invest the acquired credit in covering daily expenses instead of profitable manufacturing operations that generate and increase income to reduce poverty.

According to Armendariz and Morduch (2010), the dependency ratio and level of education also affect the income of the poor householders. High dependency means that the labor resources are inadequate, and reduces income per capita of the poor households. Level of education on the other hand implies that the higher level helps the poor household to easily comprehend and apply new technologies in manufacturing, have many opportunities to find good jobs with higher income and get out of poverty.

Nguyen & Van den Berg (2011) brings it out that most credit programs for rural development aim at helping the poor to improve their incomes, living expenses, housing, level of access to education, health care and hence reduces poverty. However, for the poor to borrow, they have to go through a lot such as several approval levels, waiting for long time for their case to be approved. They are further affected by lack of information, lower levels of education and they also possess limited relations ability. Thus they face a lot of difficulties to access credit.

In assessing the true relationship between microfinance services provided by SACCOs and poverty reduction, there is a need for looking on perception of the SACCOs beneficiaries; observing changes of member's income after embark on micro credits and establishing who has risen up from the poverty line (Assenga, 2008). The impact of financial services on welfare is likely to vary with accessibility to complementary inputs such as irrigation, education, and market services. In some environments access to microfinance may do no good, while for other groups it can make an important difference (Kasanga, 2005). The findings from the study area indicate that the majority 53.7% of the respondents perceived that no benefit is obtained for being a member or non-member of Unique SACCOs, 23.2% benefited only by doing saving in their SACCOs account due to the fact that there is no other financial service provider in the area, and 23.2% acknowledged that SACCOs benefited them through adding capital to their small-scale business and agricultural activities.

According to Nkurunziza (2005) SACCO facilities enable impoverished persons to start businesses, rebuild after natural disasters like floods and hurricanes, and to receive both short- and long-term loans to meet their financial needs and improve their level

of income. The impact of micro lending is changing the economic landscape of the areas where it is most prevalent. Karlam and Zimmah (2013) states that savings in SACCOs act as collateral security for the savers to acquire more and bigger loans. He confirms that such practices promote saving culture and boost household income. The extent to which savers benefit from the savings remain unclear as the credit providers attach very low interest to it. According to Karlam and Zimmah SACCO clients who attend business education and other co-curricular activities provided by Savings and Credit Schemes save on sustainable basis compared to those who do not attend.

Microfinance support centre (2007) recommends that participants in Microfinance institutions should be encouraged to save in every training session in a bid to promote clients' saving and level of income. According to microfinance support centre, business education and saving culture should be encouraged in every training session in a bid to promote clients' saving culture.

Microfinance support centre (2007) contends that what SACCOs do by establishing clients' interests and feeling through education is essential. He clarifies that education enhances learners' self-motivation by developing inquiring mind; they gain proficiency in speaking, reading, and writing and can communicate effectively as individuals or as groups. Muhumuza (2007) adds that business education develops attitudes for group work, social justice, cooperation, friendship and respect for humanity. Muhumuza (2007) further describes the need for education for developing participants' skills for transfer in the new and changing situations. It develops the creativity and potential for communication. He explains that the participants apply a range of skills and techniques to develop a variety of ideas in the creation of new and modified products.

Micro-credit institutions take aggressive measures to smooth mobilization and improvement on household's level of income. Despite stringent conditions and restrictions imposed on them by the legal framework. There is literature from different scholars and other researchers to try evaluating the strategies. Loans at market rates of interest are the central services provided by the village banking methods. Loans are offered to low-income micro entrepreneurs because at the cost of their poverty is lack of opportunity, not lack of desire to work (Muhumuza, 2007). While many poor families have ideas for fostering their own employment by creating small businesses; few can access capital they need to begin and improve their level of income. By virtue of being poor; they are cut off from this type of support because of lack of collateral or credit ratings. Though a small loan could stimulate productivity enabling the micro entrepreneur to build assets and purchase inventory at the best prices.

By saving, investing and repaying the loan and increasing his or her business as a result, the borrower instead deeps an additional reward and self-esteem through self-help (Nkurunziza, 2005). Loans are renewable resources, which can impact on the level of income of entire communities. A loan is borrowed, invested and repaid after which it can be used to stimulate yet another fledging business as these loans circulate throughout low income communities until their effect is multiplied many times. Therefore the communities develop as a result of having their business expand through fruitful investment opportunities being sourced by loans (Anupam, 2004).

Credit access is generally viewed as a good initiative to increase the level of income for the poor household members. However, one of the critical issues to ponder about is; if

the poor are availed with affordable credit facilities, do they have the organizational and operating capacity to efficiently use the credit as individuals or in groups so as to transform their income levels. Firstly, it is imperative to examine the successful experience of the Grameen Bank (1970), with credit scheme through groups. According to AMFIU (2010), credit borrowing groups are referred to as “group based finance” or “solidarity groups” lending schemes, because group members are jointly liable for each individual’s loans, this represents a form of social networks (support) through social “collateral”. As opposed to physical collateral of land titles or assets, referees, bank commissions which formal sector services usually require; and which poor and property less do not have. The poor resort to informal means through formation of group solidarities (Kasanga, 2005). The “peers in groups” monitor each other’s to reduce lending risks and defaulting. The model for credit delivery in the Grameen Bank is structured in groups of five self-selected members (men and women’s groups separate), membership is restricted to those with asset worth less than half an acre of land, loans are made to two members at a time and must be repaid in equal installments over fifty weeks and the group is ultimately responsible for repayment if the individual defaults. This is one of the strength for the success of the Grameen bank borrowers. Indeed as a result of the Grameen experience, social collateral was and is used by many world MFIs and this has made easy access to credit by many poor people. For example in Uganda, finance service providers like FINCA Uganda, Uganda Finance Trust, BRAC and Pride Microfinance Ltd also offer group loans in addition to other financial services. This arrangement seems to suit most poor people, as social collateral is easier than physical (Microfinance support centre, 2007).

Micro-credit services through SACCOs across the globe and particularly in the third world countries have experienced explosive growth since the 1980s, and have been discovered to have the potential to alleviate poverty among the marginalized poor populations especially in the rural areas (Clement, 2012). Micro-credit is an essential input to increase productivity at household level. Many scholars in the development field argue that MFIs globally improves the borrowers' well-being; boost income levels and increase employment of household members (Assenga, 2008).

2.7 Summary of the reviewed literature and identification of research gaps In the above literature, much has been said about credit access from SACCOs and how they lead to poverty reduction but none of the writer's talks about whether the savings and credit schemes are serving the people satisfactorily and using the best strategy which reaches mostly rural people to reduce poverty. This study was mainly concerned with finding out whether people access credit and the strategy that they use in obtaining the services. Also literature reviewed in the above sub-sections have looked on access to credit and poverty reduction in different areas of the world and Uganda but little has been highlighted on how access to credit from SACCOs can contribute to poverty reduction through improved savings, education attainment, level of income and asset accumulation at household level in households of Kabale Municipality. Therefore the researcher intended to fill the identified gaps.

CHAPTER THREE: METHODOLOGY

3.0 Introduction

This chapter focuses on how the study was conducted. It presents the research design, the study population, sample size and selection, sampling technique and procedures, data collection methods, data collection instruments, data validity and reliability, procedure for data collection, data analysis, measurement of variables and ethical consideration.

3.1 Research Design

The study employed the descriptive research design with a particular reference to the case study methods. A case study research design was used to provide in-depth understanding of credit access and poverty reduction in Unique SACCO. Both qualitative and quantitative approaches were adopted at the same time as it was the best way for the researcher to get sufficient and relevant information concerning credit access and poverty reduction.

Qualitative approach of data collection was used to emphasize the meaning of experiences and description. It was further used to understand how people feel, their perceptions, and even what goes on in their daily life situations. Quantitative approach on the other hand was used to allow applications of techniques and measure which produce discrete numerical and qualifiable data needed to answer research questions.

3.2 Scope of the study

Geographical sample of the study

The study was conducted in Kabale District in south western Uganda. This district was selected because it has many microfinance institutions and also most of its people are poor.

3.3 Study population

Study population refers to the entire group of people considered as the subjects of the research (Amin 2005). The study focused on UNIQUE SACCO management, staff and its members. The target population of the study was 619 participants.

3.4 Sample size and selection

This study used purposive sampling and simple random sampling. Purposive sampling included the choice of subjects who had firsthand experience or living with experience hence most advantageous in providing the information required. The population size of the study was composed of 619 respondents, who were derived from the available population, of which 561 was the population accessible and the sample size was 207 participants (Taro Yamane, 1967). The category of respondents included the Board of Directors, employees and the members of the institution. For more details of the study population, sample size and sampling techniques table 1 below presents the details.

Table 1: Showing population, sample size and sampling technique

Respondents' category	Population	Accessible Population	Sample size	Sampling technique
B.O.D	9	5	4	Purposive
Employees				
Manager	2	2	1	Purposive
Loan officers	2	2	1	Purposive
Cashiers	2	2	1	Purposive
Members of the institution	604	400	200	Simple random
Total	619	561	207	

Source: Researcher (2017) guided by Taro Yamane (1967)

$$n = \frac{N}{1 + Ne^2}$$

n=sample size N=total

population

e=level of significance =0.05

3.5 Sampling Techniques

The study mainly used two strategies. These included purposive and simple random sampling strategies.

3.5.1 Purposive sampling

Purposive sampling is a deliberate non-random method of sampling, which aims to sample a group of people or settings, with a particular characteristic, usually in qualitative research designs. This is also sometimes called judgment sampling where respondents are selected because they have knowledge that is valuable to the research process. Purposive sampling was used to select SACCO Staff who were willing to give information relating to the study under investigation. Purposive sampling assisted the researcher to remain focused on the key respondents (staff members and administrators) with adequate knowledge that is valid for the study.

3.5.2 Simple Random Sampling

Simple random sampling is used in a situation when each respondent has an equal chance of being selected to participate in the study. SACCO beneficiaries (members and non-members) were selected using simple random sampling to ensure equal chances of being selected. The process of simple random sampling involved writing all names of categories of respondents involved in the sample on pieces of paper which was folded, put in a container and mixed up together. One paper was picked at random without replacement. The name of a person on the picked paper was the one to include in the study.

3.6 Data collection methods

The researcher employed both quantitative and qualitative methods of data collection in this study and incorporated collection of both primary and secondary data.

The methods which were used include; administering questionnaire, interviews, and documentary reviews. Primary data was collected through personal interview and questionnaires. The questionnaires were administered to selected Board members, employees and members of Unique SACCO Kabale district. Also, some individuals selected from B.O.D, staff and members of Unique SACCO were interviewed.

3.7. Data collection instruments

3.7.1 Questionnaire survey

The main instrument for gathering data was structured questionnaire titled Credit access and poverty reduction in Kabale District. Self-administered close ended questionnaires structured with the objectives of the study in mind were used to collect primary data from the B.O.D, staff and members of Unique SACCO. The questionnaire was used to obtain information of quantitative nature which cannot be observed such as views, perceptions, opinions, and feelings of the respondents. The questionnaire survey method was preferred because it facilitates easy collection of data from a large sample size in a short time and it produces more dependable and reliable results and it also offers assurance of confidentiality to respondents. They are also filled at the respondent's convenience hence increasing chances of getting valid information.

3.7.2 Interviews

Face to face personal interviews were conducted to gather qualitative primary data from the selected key informants. This method was helpful as it allowed in-depth data collection. It also helped the researcher capture meanings beyond words. The interview method further facilitated clarifications, probing, and body language analysis.

3.7.3 Documentary review

This was used in gathering secondary data. This involved reviewing policies and procedure, institutional manuals, reports, such as staff meeting minutes, financial reports, and progress reports which helped to reveal the gist of the research topic.

3.7.4 Observation

Observation method was used to supplement data collected using other methods.

3.8 Quality control (Validity and Reliability)

3.8.1 Validity

The researcher developed research instruments, discussed them with the supervisors, and pre-tested them on selected respondents under similar characteristics.

Validity is the degree to which results obtained from analysis of the data actually represent the phenomenon under study. For easy identification and correction of deficiencies like unclear or ambiguous questions, insufficient space to write responses, cluttered questions and wrong numbering, there is need for pre-testing the instrument, (Babbie, 2007).

3.8.2 Reliability

This is the measure of the degree of which a research instrument yields consistent results after repeated trials. The reliability of the instrument is increased by reviews of instruments by more experienced people and field tests on appropriate population. The researcher used questionnaires to different people in an area that had similar characteristics as the area of the study. This was intended to minimize errors and

increase reliability of the data collected through taking corrective action based on the pre-test results.

3.9. Procedure of data collection

The researcher obtained an introductory letter from the department of research and post graduate studies and presented it to staff and members of Unique SACCO. Before administering questionnaire and documentary reviews, the respondents were informed about the research objectives, benefits and assured of confidentiality. Data collection instruments were developed and data collected was assessed, to help the researcher revise, refine and improve the instruments.

3.10 Data Analysis

According to Amin (2005), the aim of data analysis is to reduce and to synthesize information to make sense, and to an inference about the population. After data have been collected, the researcher checked for the completeness of the questionnaires. Data was analysed with the aid of Statistical Package for Social Sciences (SPSS) version 22.0. This program was appropriate because it could not be analysed manually. It was necessary to calculate the extent of responses in each item in order to help draw conclusions. The responses to the five Likert scale were coded as: Strongly Disagree (1), Disagree (2), Undecided (3), Agree (4) and Strongly Agree (5). However, responses at strongly agree and agree imply agreement while responses at disagree and strongly disagree imply disagreement.

Data was analysed using descriptive statistics for example the mean of the responses on each variable. The computation was in form of frequencies and percentages.

Interpretation was based on the percentage response and the extent was measured based on George and Mallery (2003). Qualitative data obtained through face-to-face interviews was transcribed into verbatim reports. Then the data was organized according to the major themes reflecting the research questions. The interpretation of the means obtained was based on the ranking by George and Mallery (2003) as given below:

Mean Range	Interpretation
4.00-5.00	Very high Influence
3.00-4.00	High influence
2.00-3.00	Moderate influence
1.00-2.00	Low influence

3.10 Measurement of variables

The nominal and ordinal scales of measurement were used in the questionnaire. The nominal scale was used on demographic items such as gender, age, sex for purposes of identification.

3.11 Ethical consideration

The respondents were briefed about the aims, significance and use of the study findings. The respondents were assured of confidentiality on their responses, and care was exercised to protect their rights. Human dignity was respected and also the names of the respondents were not disclosed.

3.12 Limitations of the study

Feedback: It was difficult to receive filled questionnaires from the institution members and management. Some questionnaires were not returned completely while other respondents demanded for new copies after failing to tress the already given. Also were inadequate funds for financing research and balancing time for work, research, and family.

CHAPTER FOUR: PRESENTATION AND ANALYSIS OF DATA

4.0 Introduction

In this chapter, the researcher presented, analysed and interpreted study findings. The findings included the response rate of the respondents and demographic characteristics. The analysis and interpretation of the results were done objective by objective.

4.1 Response Rate and Demographic Characteristics of the Respondents

This section presents the response rate and demographic characteristics of the respondents who participated in the study. The information got is presented and analyzed below.

4.1.1 Response Rate

Respondents' category	Expected Respondents	Actual respondents	Percentage of respondents
B.O.D	4	4	100
Manager	1	1	100
Loan officers	1	1	100
Cashiers	1	1	100
Members of the Institution	200	195	94.2
Total	207	202	97.5%

Source: Field Data, 2018

According to table 4.1, the response rate in the study was 97.5% because five of the members (clients) in the SACCO were not reached. According to Amin (1970), a minimum of 70% is adequate to regard a study valid. Accordingly, therefore, this study qualifies to have been a valid study basing on the response rate of 97.5%.

4.1.1 Gender of the Respondents

In this section, the researcher asked the respondents to indicate their Gender. The figure below summarizes the respondents' gender characteristics.

Table 4.2: Showing of Gender of respondents

GENDER		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	104	51.2	51.5	51.5
	Female	98	48.3	48.5	100.0
	Total	202	99.5	100.0	

Source: Field data, Nov 2018

Table 4.1 above show that majority of the respondents 104 (51.2%) were males while females were 98 (48.5%). Although the female respondents were slightly fewer to the proportion of the male respondents, the number was a fair representation of the gender in an environment where such responsibility overwhelmingly rested more on the male.

This is a bit contrary to the report by Alberto Posso and Quanda Zhang (2017) who argued that more microcredit in developing nations is clearly good news for women. Since gender inequality is measured as composite indices of health, education and income indicators, it's natural to conclude that greater access to credit in women's hands will mean greater access to education and health as well as income-generating opportunities. Given these positive outcomes, governments and international organization's in developing nations should continue to promote microcredit institutions to indirectly empower women but as well keep in mind that microfinance does not automatically empower women because Country-specific and cultural factors play a key role in determining how microfinance interacts with gender inequality (Alberto Posso and Quanda Zhang, 2017).

4.1.2: Age of the Respondents

The table below gives the age categories of the respondents who participated in the study.

Table 4.3: Age Group of the Respondents

Age of Respondents		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-29	34	16.7	16.8	16.8
	30-39	74	36.5	36.6	53.5
	40-49	69	34.0	34.2	87.6
	50 and above	25	12.3	12.4	100.0
	Total	202	99.5	100.0	

Source: Field data, Nov 2018

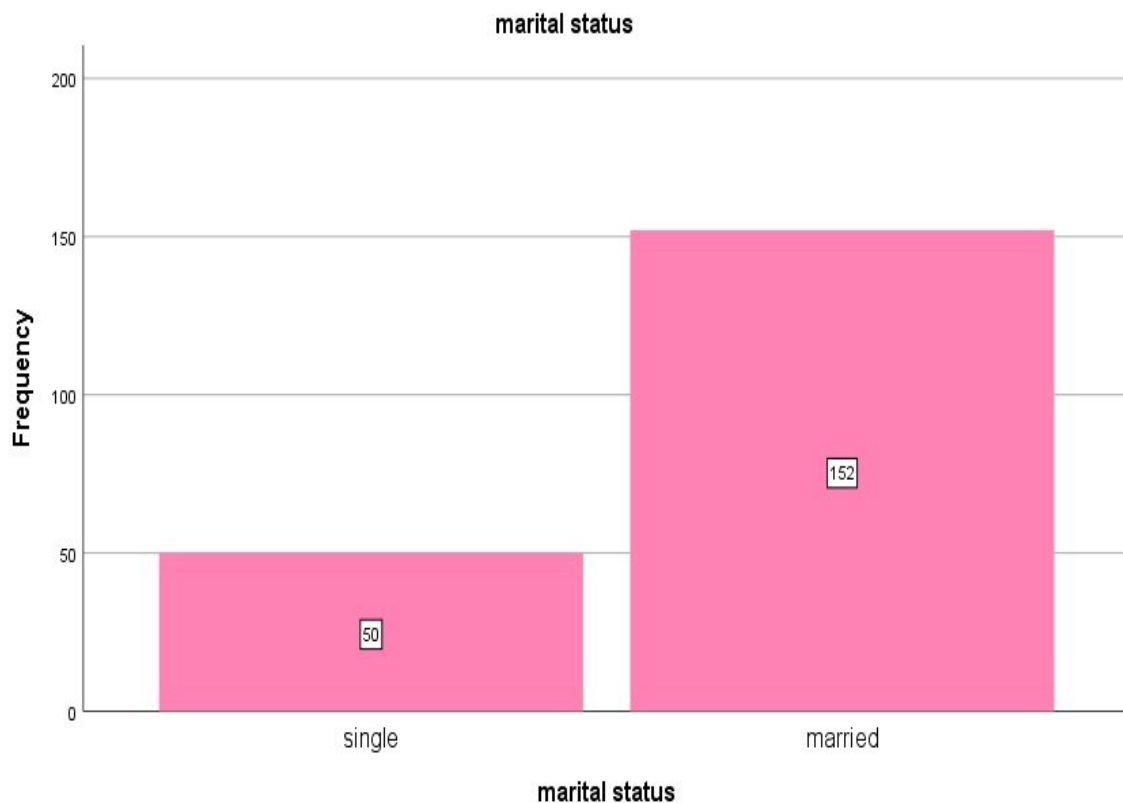
Table 4.2 above show that the majority of the respondents 74 (36.6%) were aged between 30-39 years, 69 (34.2) were aged between 40-49 years, 34(16.8%) were aged between 18-29 years while the minority 25(12.4%) were aged between 50 years and above. This implies that the data was collected from respondents who were adults and were mature enough to understand the variable that were investigated. It can therefore be concluded that their responses gave credibility to the findings and were true reflection of what goes on. Secondly, this too, may imply that most of the respondents in the age groups of 30-39 of age and 40-49 of age (71%) were in the midterm of their careers in private organizations and some on their business initiatives who needed

crucial support from SACCOs. For those aged 50 years and above, it is communally accepted that most of them have lost the ability to dream and initiate and they are trying to wind down their life as they may not be able to contain with the pressures of loans (Jacinta C. Nwachukwu, Aqsa Aziz, Uchenna Tony-Okeke & Simplice A. Asongu, 2018).

4.1.3 Marital Status

Respondents were asked to identify their marital status and results were presented in figure 4.1 below

Figure 4.1: Marital status of the respondents



Source: Field data, Nov 2018

Study findings in Figure 4.1 indicate that the majority of the respondents were married 152(57.2%) while the minority 50(24.8%) were single. Marital status was important in determining the stability of the respondents in as far as decision making was concerned. Therefore, majority of the respondents were married. Working in a SACCO calls for patience and tolerance as both staff and clients come to access the services from different settings where some of these settings can make them to behave in strange ways contrary to organizational ethics. Accordingly, married couples have flexibility when it's time to apply for a mortgage. If spouses apply for a loan together, they can use both of their incomes. Lenders might then be able to approve them for a larger loan (Consumer Finance, 2016).

4.1.4 Level of Education attained

In this section, the researcher asked the targeted respondents their respective levels of education. The information got is summarized in Table 4.3 below.

Table 4.4: Showing level of education

Education Background		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary	48	23.6	23.8	23.8
	Secondary	68	33.5	33.7	57.4

Tertiary	86	42.4	42.6	100.0
Total	202	99.5	100.0	

Source: Field data, Nov 2018

Results from Table 4.3 above show that majority of the respondents 86(42.6%) had tertiary level of education with diploma, bachelor’s and Masters’ Degree, 68(33.5%) had secured secondary level of education while 48(23.6%) had primary level of education. This finding showed that all the respondents were educated though in varying capacities. By their level of education, they were at least in position to understand and give information related to the variables of this study and being stakeholders in the UNIQUE SACCO, they were as well capable of undertaking business decisions to utilise services from the SACCO.

4.2 Objective One: Assessing the types of credit facilities accessed in effort to reduce poverty amongst the members of Unique SACCO

The first objective of the study aimed at soliciting respondents’ views on the types of credit facilities accessed in effort to reduce poverty amongst the members of Unique SACCO in Kabale Municipality. Owing to the fact that UNIQUE SACCO has a number of products at its disposal depending on the clients’ tastes, this question was responded to by both the staff from Unique SACCO and the clients in the SACCO to reduce poverty amongst the members. The responses are presented in Tables 4.5 - 4.9.

4.2.1 Types of Credit facilities assessed from Unique SACCO

Table 4.5: Types of credit facilities accessed from Unique SACCO by the members

S/N	Product	Preference by clients	Reason Why
1	Agricultural loans	2	95 % of the clients are farmers
2	Small business loans	3	Interest in business and self-employment
3	Asset Financing	5	Low interest in them by the clients because they have their own assets already
4	Group Loans	4	Most groups members don't trust each other
	Medical loans	6	Isolated cases of emergency
6	Emergency Loans(1	People Value Education for their children

Source: Unique Sacco Loan Accounting Manual, 2016

4.2.2 Credit Access from SACCOs enables beneficiaries to meet housing credit needs and increasing wealth through savings

Table 4.6 Credit access from SACCOs enable beneficiaries to meet housing credit needs and increasing wealth through savings

	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	82	40.4	40.6	40.6
Strongly Agree	60	29.7	29.7	70.3
Undecided	8	3.9	4.0	74.3

Disagree	32	15.8	15.8	90.1
Strongly Disagree	20	9.9	9.9	100.0
Total	202	99.5	100.0	

Source: Field data, Nov 2018

Majority of the respondents (70.2%) agreed that credit access from SACCOs enable beneficiaries to meet housing credit needs and increasing wealth through savings, contrary to 26% who disagreed while 4% of the respondents were undecided. This finding largely agrees with Kyazze (2010) and AMFIU (2024) who noted that SACCOs play an important role in lower income groups through increasing their assets via establishing a credit relationship, establishing an enterprise, accessing working capital, increasing income through business expansion, meeting housing credit needs and increasing wealth through savings. However, Kabarwani (2012), on the contrary argues that in most cases the loan use and eligibility criteria does not meet the credit needs of the poor who may need to utilize their loans for a variety of purposes besides the original intention as there are funds diversions left and right. Regardless, though, this indicates that people access credit from the SACCO which enables them to smoothly run their activities at household levels.

4.2.3 Access to loans helps to equip families and businesses and rebuild after natural disasters

Table 4.7: Showing responses on how access to loans helps to equip families and businesses and rebuild after natural disasters

	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	80	39.4	39.6	39.6
Strongly Agree	62	30.6	30.6	70.2

Undecided	4	1.9	2.0	72.2
Disagree	16	7.9	7.9	80.1
Strongly Disagree	40	19.7	19.9	100.0
Total	202	99.5	100.0	

Source: Field data, Nov 2018

The findings presented in this table indicate that 70.2% of the respondents agree that credit access enable impoverished persons to start businesses and rebuild after natural disasters like heavy winds, rain and sunshine. This view, indeed, is shared by Guilford (2007) who notes that credit facilities enable impoverished persons to start businesses, rebuild after natural disasters like floods and hurricanes, and to receive both short- and long-term loans to meet their financial needs. In rural agricultural economies where cultivation is reliant on weather (UDHS,2014 &2020), it is indeed of crucial significance to appreciate the role played by small scale loans coming from SACCOs like Unique SACCO in helping to turn around the fortunes of members who have agreed to save and borrow from there to rebuild their lives.

On the other hand, 28% of the respondents disagreed to this thought. One of the respondents who disagreed with this thought was quoted to have noted that, *“It is true SACCOs can help some people reconstruct their lives after a disaster but on the whole, their support is so minimal because if I lost my five gardens of irish potatoes worth*

thirty million, I don't think a SACCO can support me with that money to plant again. The highest I can get is ten million Uganda Shillings after buying shares of around two million which is drop of salt in a drum"

It is therefore pertinent to realise that while others can acknowledge the support from SACCOs to turn around their fortunes (notwithstanding the 2% who were undecided), there are those who feel there is little or nothing that can change with this support.

4.2.4 Solidarity group loans are designed for lower-income small scale entrepreneurs to improve their business growth

Table 4.8: Showing responses on how group loans improve small scale entrepreneurs

	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	104	51.2	51.5	51.5
Strongly Agree	44	21.7	21.8	73.3
Undecided	6	2.97	3.0	76.3
Disagree	34	16.8	16.8	93.1
Strongly Disagree	14	6.9	6.9	100.0
	202			

Total	99.5	100.0	
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Source: Field data, Nov 2018

This finding shows that 73.2% of the respondents accept that funding from Unique SACCO inform of solidarity group loans designed for lower-income small scale entrepreneurs' helps them to improve their business growth. According to one of the respondents, *“if these funds were not put in place, most of the women and some men you see doing business and harnessing substantial funds for their households would not be there because these funds have helped these people a lot and if you look for poor or broke people, they may not be counted among”*

This view is agreed to by Nguyen (2007) and Kato (2010) who argue services from these SACCOs to the unemployed and the poor help to reach a large number of the poor on a sustainable basis which helps them engage in income generating activities and thus become self-employed and self-reliant. Since it is known that savings are a key to investment and therefore, without savings, investments are very hard to be realized Munene and Muturi, (2013) especially in most rural communities, not excluding Kabale.

On the contrary however, 24% of the respondents felt that solidarity group loans are not the solution to pull them out of poverty and improve their businesses as *“there have been high cases, still in court and at police stations of members that have defrauded other members of their saving or borrowed funds for group businesses and relocated to other places”*. Indeed, in as much as some groups have benefited from these facilities, Yiwen and Guangwen ,(2016)) a couple of others have had regrettable moments having joined SACCOs and also having learnt from failed group loans because

”when members of the group fail to pay, the others members of the group are compelled to pay for them as many group members who default end up escaping and leaving their fellow members to pay for them” due to lack of group cohesion.

Table 4.9 Means Ranking for the responses of the type of credit facilities accessed to reduce poverty in Households

	Mean	Interpretation	Ranking
Items for Respondents (n=195)			
Credit access from SACCOs enable beneficiaries to meet housing credit needs and increasing wealth through savings	2.17	Moderate Influence	3
Members access credit to boost their agricultural production to reduce poverty	3.07	High Influence	6
Credit access enable impoverished persons to start businesses and rebuild after natural disasters	2.03	Moderate Influence	1

Borrowers usually access these credit facilities for starting and expanding their businesses	2.13	Moderate Influence	2
Access to credit in this SACCO enables poor households to boost savings services	2.18	Moderate Influence	4

Credit access inform of solidarity group loans are designed for lower-income entrepreneurs to improve their business growth	2.29	Moderate Influence	5
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Overall Average	2.18		Moderate Influence
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Field Data, 2018

Results in Table 4.19 showed that the means ranking of responses for the Nature of credit accessed from SACCOs to reduce poverty in households in Kabale District. It is observed that among the measures or items, the suggestion that members in UNIQUE SACCO access credit to boost their agricultural production to reduce poverty (mean of 3.07) is the most prominent reason. This is followed by the agreement to the fact that credit access inform of solidarity group loans are designed for lower-income entrepreneurs to improve their business growth and help them alleviate poverty (mean of 2.29). And this is followed by the agreement that access to credit in UNIQUE SACCO enables poor households to boost savings services teachers being given duty schedules (mean of 2.18). The least measure or item is on how credit access enables

impoverished persons to start businesses and rebuild after natural disasters (mean of 2.03).

Overall, there is a moderate influence on how credit access from SACCOs enable beneficiaries to meet housing credit needs and increasing wealth through savings in Kabale District (with overall mean of 2.17).

Table 4.10 Pearson correlation coefficient results

		1	2	3	4	5
1. Nature of credit accessed from SACCOs to reduce poverty in Households	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	207				
* . Correlation is significant at the 0.05 level (2-tailed).						
** . Correlation is significant at the 0.01 level (2-tailed).						

Source: Results of statistical analysis of primary data

The results in Table 4.10 indicate that there is a significant relationship ($r=0.584$, $p<0.05$) between credit accessed from SACCO and reduction of poverty in households in Kabale district.

4.3 Objective Two: Establishing the influence of loans on education among the members of Unique SACCO

The second objective of the study sought to solicit respondents' views on the influence of loans that have been advanced towards the members for the education of their children and below are the findings as per this objective presented and discussed in Tables 4.10 - 4.14.

4.3.1 Credit access in this SACCO assist members to provide education services to their households

The researcher asked the respondents to give their views on the impact of credit access on education among the members of UNIQUE SACCO.

Table 4:11 showing responses on credit access for education purposes

	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	48	23.7	23.7	23.7
Strongly Agree	111	55.0	55.0	78.7
Undecided	9	4.4	4.4	83.1
Disagree	8	4.0	4.0	87.1

Strongly Disagree	26	12.9	12.9	100.0
Total	202	100.0	100.0	

Source: Field data, Nov 2018

78% of the respondents believed that credit access in this SACCO assist members to provide education services to their households, while 16% objected and four percent 4% were not decided. For the 78% who acknowledged the impact of loans towards education, the following voices were captured;

“When the time comes for schools to open, you are going to see how people run here early to apply for loans to take their children back to school” (KI)

“I have so many loan files awaiting the loans committee to approve for this is our busiest period as children go back to school”(KI)

“For the last two years, I have relied on SACCOs to support my children getting back to school in time” (RESPONDENT)

Indeed it is crucial that the interventions of UNIQUE SACCO in the education of the members’ children cannot be underestimated. According to Anupam (2004), paying school fees and other school requirements like uniform, food, rent and shopping to many families is a problem most especially where a family has many children. This, according to Anupam (2004), necessitates the need for loans to many parents and guardians in rural communities to educate their children. This view is similarly shared

by Nachiket and Bindu (2008), who assert that credit access from SACCOs can help to enhance quality education of the children of the members.

However, for the section that felt that loans cannot help them in children education at household level, they believe that amount of loans may be good but only for children in primary and lower secondary where the demands for fees is low. Their argument is that” *for quality higher education, you cannot rely on the loan from a SACCO because we pay a lot of money per term and which loan period one cannot manage to have finished UNIQUE SACCO loan to qualify for another*” This view is accordingly shared by another respondent who felt that “*these loans cannot do much especially to those of us who have larger families with many children whose fees demand clocks millions of shillings in a term*”

4.3.2 Access to loans helps to equip vulnerable families, private school proprietors and students with financial tools to improve educational outcomes

Table 4.12: showing access to loans to vulnerable families and school proprietors

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Agree	74	36.6	36.6	36.6
Strongly Agree	80	39.6	39.6	76.2

Undecided	8	3.96	4.0	80.2
Disagree	28	13.8	13.8	94.0
Strongly Disagree	12	5.9	6.0	100.0
Total	202	199.86	100.0	

Source: Field data, Nov 2018

The findings presented in the above table indicate 76% of the respondents agreed that access to loans helps to equip vulnerable families, private school proprietors and students with financial tools to improve educational outcomes, while 20% disagreed with the view and four percent 4% remained undecided. To the majority of the respondents, it was made clear that loanable funds accessed from SACCOs do play a pivotal role in helping entrepreneurs and proprietors of private schools, students and their parents to success financial support and bridge the gap between capital requirement for building, fees and equipment for school completion. This view is clearly shared by Demirguc. K. et al (2010) who emphasises that poor individuals and small enterprises need access to credit so as to invest in their education and businesses because when they rely on their personal wealth and internal resources to invest limit their full potential leading to the cycle of persistent inequality and diminished growth. This view is backed by the fact that the Ministry of education and sports (2012) underscored in specifying that children of the poor cannot afford to go to good schools and access higher education due to poor performance common in most rural schools.

Finally, Ewert (2009) winds this up by stressing that Micro finance sector plays an important role in development by facilitating both the accumulation and mobilization of capital for investment and access to education. As development takes place, credit for instance helps poor entrepreneur to take advantage of the emergent entrepreneurial and education opportunities Ewert, (2009).

On the contrary however, there is the bias that although the loans given seem to be small, there are a lot of hidden cost and that unless put to good use, these loanable funds have hidden costs that plummet the whole loan and the would be beneficiaries end up losing property to some of these SACCOs. According to Bakeine (2010), loans increase a households' expenditure on children education and this leads to a decrease in primary school attendance among borrowers' children due to difficulties to pay school expenses alongside loans. This in turn leads to repetition of some classes, or even taking some of the children out of school due to repeated loans.

On the whole, however, there is increasing support to show that loans from SACCO have had a tremendous impact on both the recurrent and development expenditure of the individuals, families and proprietors.

4.3.3 Credit access from SACCO help to enhance quality education of the children of the members and improve on household wellbeing.

Table 4:13 showing responses on access to credit from SACCO on enhancement of quality education and improved household wellbeing

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Agree	80	39.6	39.6	39.6
Strongly Agree	52	25.7	25.7	65.3
Undecided	8	3.96	4.0	69.3
Disagree	28	13.8	13.9	83.2
Strongly Disagree	34	16.8	16.8	100.0
Total	202	99.86	100.0	

Source: Field data, Nov 2018

From the table and figure above, majority of the respondents totaling to 63% acknowledge that credit access from SACCOs can help to enhance quality education of the children of the members and improve on household wellbeing. This is contrary to 31% who refused to accept the statement as true while 14% remained neutral and undecided.

In fact, among those that agreed to the influence of loans provided by the SACCOs, one of them noted that; “

“You see, these SACCO products encourage the poor and non-salaried people to save and start businesses from the small savings and to receive both short- and long-term loans to meet their school needs and improve education status of their children. They are generally viewed as a good initiative to increase the level of income for the poor household members to enable them meet their schools dues. Every month they are supposed to save at least 5,000= (compulsory savings) which they can convert into buying shares which qualify them for a loan or can be accumulated and withdrawn for any purpose”.

Another respondent brightly agrees that;

“What SACCOs do by establishing clients’ interests and feeling through education is essential because education enhances learners’ self-motivation by developing inquiring minds; gaining proficiency in speaking, reading, and writing and can communicate effectively as individuals or as groups because these loans come at a low rate of interest and are offered to low income and micro entrepreneurs who desire to work and stimulate productivity enabling the micro entrepreneur to build assets and purchase inventory at the best prices”

Demirguc, et al; (2010) agrees with the above finding when they underscore that because of the role played by these SACCOs, Microfinance is now recognized as legitimate provider of financial services and has the key to unlocking economic growth for entrepreneurs and poor families’ holistic needs, education inclusive.

On the contrary, however, there is an assertion that supports the respondents who disagreed with the question owing to the fact advanced by Bakeine (2010) and Van Santen (2010) that with insufficient liquidity the household will have to muster resources from elsewhere if the loan brings the business opportunity within reach. So there is both a price and a liquidity effect pushing in favor of internal labor and a reduction in schooling. The inefficiency can be magnified if the parents, who are the funding source for education, care more about their utility than their child's and thus undervalue the future benefits of education relative to the value that the child would attach to it. In this case an unintended consequence of the microcredit intervention is to worsen the outcomes for children, while transferring resources to the parents. The poor are thus left more helpless increasing the chances of higher poverty levels among the family members.

Table 4.14 The influence of credit access on education among the members

Items for Respondents (n=195)	Mean	Interpretation	Ranking
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Credit access in this SACCO assist members to provide education services to their households	3.52	Very High Influence	5
Parents and guardians in this SACCO need credit to educate their children	3.01	High Influence	4
Access to loans helps to equip vulnerable families, private school proprietors and students with financial tools to improve educational outcomes	2.74	High Influence	2
Credit access help school owners to grow schools in areas where education is demanded	2.43	Moderate influence	1
	2.93	High influence	3

Credit access from SACCO

can help to enhance quality
education of the children of
the members and improve

on household wellbeing

Overall Average

2.74

High Influence

Field Data,2018

Results in Table 4.26 showed the means ranking of responses for the impact of credit access on education among the members. It is observed that among the measures or items, responses on how credit access in UNIQUE SACCO assists members to provide education services to their households the way teachers properly organize their classes to create harmony and discipline among students (mean of 3.52) has the very high influences on credit access in this SACCO ranked five (5). This is followed by the responses to the fact that parents and guardians in UNIQUE SACCO need credit to educate their children(mean of 3.01) ranked four (4) a high influence on credit access in the SACCO. The least measure of influence is on how credit access helps school owners to grow schools in areas where education is demanded (mean of 2.43) with a moderate influence. Overall, there is a high influence of responses on how access to loans helps to equip vulnerable families, private school proprietors and students with financial tools to improve educational outcomes (with overall mean of 2.74). Therefore, there is impact of credit access on education among the members in UNIQUE SACCO in Kabale District.

Table 4.15 Pearson correlation coefficient results

		1	2	3	4
1. Impact of loans on education among the members of Unique SACCO	Pearson Correlation	.209*	1		
	Sig. (2-tailed)	.016			
	N	207	207		
* . Correlation is significant at the 0.05 level (2-tailed).					
** . Correlation is significant at the 0.01 level (2-tailed).					

Source: Results of statistical analysis of primary data

According to the above results in Table 4.15, a moderate positive significant relationship ($r=0.530$, $p<0.05$) on the relationship of impact of loans and education among the members of Unique SACCO in Kabale district. Thus, it shows that there is significant impact of loans advanced to members for purposes of educating their children.

4.4 Objective Three: Establishing the influences of savings towards household asset accumulation among the members of Unique SACCO

This objective aimed at establishing respondents views on the way Unique SACCO members have been able to access credit and utilise it to accumulate assets at household level. The finding under this objective are presented and discussed below using in Tables 4.14 - 4.17.

4.4.1 How savings contribute to household accumulating assets

Table 4.16: How savings contributes to household accumulating assets

	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	62	30.6	30.7	30.7
Strongly Agree	90	44.5	44.6	75.3
Undecided	2	0.99	1.0	76.3
Disagree	16	7.9	7.9	84.2
Strongly Disagree	32	15.8	15.8	100.0
Total	202	99.7	100.0	

Source: Field data, Nov 2018

Results from the field indicated that majority of the respondents 75% believe that SACCOs have helped them to accumulate and improve their household asset level. On the other hand 23.7% of the respondents thought otherwise while only one percent (1%) was undecided.

The respondents that believe that SACCOs help them attain household assets ascribe this to the fact that *“SACCO support to us has been handy and easy to access to buy land, cows, goats, sheep, sofa sets and dining tables, television, vehicles, motorcycles*

and others because the procedures are not complicated like commercial banks and their interest rates are not like those of money lenders yet the repayment periods for SACCO funds are flexible". In support of this, one of the sampled respondents noted that *"if you visited the homes of most of these members, you will be surprised at how much assets they have accumulated from savings they make with us and the small loan funds that we keep on advancing them from time to time"*. In agreement with this view, Adjei (2011), Karlan and Morduch (2010), Anong and Devaney (2010) all emphasise that both formal and informal savings through saving groups with peers at community level and legally organised groups, although difficult to accumulate, have helped members to buy durable assets such as livestock, houses, land, bicycles, motorcycles, vehicles, TV, Radio, computer among others in their households thus curtailing household poverty because these household assets are personal properties which are proxy indicators for socio economic status and welfare UDHS (2014).

On other hand, however, some respondents felt that SACCOs have contributed to loss of household items. They ascribe this basing on the fact that some of them have lost their valuable assets to SACCOs because of the inability to pay the advanced loans and as well as the SACCO refusal to extend the grace period. Their voices were clear that *"if you went around some cells, you will see a house written on 'For Sale, Bank Loan' or if you go to SACCO offices you will find their domestic items like chairs, dinning sets, TV and Radio sets, bicycles all piled there because their legible owners failed to pay the loans"*. It is against such backgrounds that some members feel that little or nothing has been done by the SACCO to increase on asset acquisition at household level.

Interestingly, Yuh and Hanna (2010), seem to agree with some respondents who seemed rather undecided as they point out that some other factors, besides credit from SACCOs, affect asset accumulation and these may include age, wealth, income uncertainty, risk tolerance, home ownership, house hold composition, health status, education, race/ethnicity, self-employment, unemployment to mention but a few. According to him, savings increase with age, savings and incomes are positively related, uncertainty of the future income affects household savings and asset accumulation and households with high level of risk tolerance accumulate more non housing wealth than those with low risk tolerance.

On the whole, however, what needs to be concluded is that in as much as SACCOs have an impact on asset accumulation at household level, there have been clear examples where there has been a negative impact on assets at household level, besides the fact that assets in some homes have been accumulated purely from other means and with little or no support from credit from SACCOs.

4.4.2 Access to credit from microfinance institutions encourage savings and investment promoting greater asset accumulation

Table 4.17: Access to credit from microfinance institutions encourage savings and investment which later promotes greater asset accumulation

	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	91	45.0	45.0	45.0
Strongly Agree	64	31.6	31.7	76.7
Undecided	7	3.4	3.5	80.2
Disagree	32	15.8	15.8	96.0
Strongly Disagree	8	3.9	4.0	100.0
Total	202	99.7	100.0	

Source: Field data, Nov 2018

The findings above show that majority of the respondents (77%) greatly accepted that access to credit from microfinance institutions encourage saving and investment which later promotes greater asset accumulation as opposed to the 20% who opposed while three percent (3%) were undecided. Interestingly, it was revealed from the field findings that *“to be a member in the SACCO, one has to save and buy shares which are translated into the determining factor for the amount of loan one needs to acquire*

from the SACCO". Similarly, it was also found out that "the backbone of SACCO operations is the ability to encourage members to have a culture of saving even as low as 1000 Uganda shillings per week which, with consistency, multipliers and strengthens ones capacity to borrow from a group".

The above can be true basing on the fact that most micro-finance institutions require potential borrowers to save before applying for a loan in order to demonstrate their intention to develop a long-term banking relationship. When the amount saved reaches a specific level, the lender will consider granting a certain amount as a loan. Increasingly today, SACCOs now offer additional products, such as savings, medical or emergency loans, insurance, and business education Kakooza (2006) and Biryabalema (2008). These all argue that there is a need for savings and insurance services for the poor and not just credit and rigid loan products.

On the contrary, of the 20% of the respondents did not concur with the statement, these believed that "*the small savings are not sufficient enough to encourage transformation because no community realizes realistic transformation from such savings*". Although forced savings might be effective in helping to control moral hazard risks, they increase the effective interest rate and restrict potential borrowing. Smallscale enterprises, may need financing for larger investments that have prolonged amortization periods to enhance their asset holdings (Edmiston, 2010). Similarly, Clement (2019) indicates that mobilizing savings of small-scale enterprises implies risk, however, and microfinance institutions allowed to do so should clearly show their capacity to mobilize savings safely.

Conclusively, in view of the above findings, including the undecided respondents, it is important to acknowledge that in as much as SACCOs may not be the springboard for transformation through encouragement of small savings; they have to a large extent helped many beneficiaries learn how to save and access credit to improve on their household incomes.

4.4.3 Members of UNIQUE SACCO engaged in agricultural production obtain financing for larger investments

Table 4.18: Showing members responses on the benefits in credit obtained for agricultural production

	Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Agree	40	19.8	19.8	19.8
	Strongly Agree	110	54.4	54.4	74.2
	Undecided	12	5.9	6.0	80.2
	Disagree	24	11.8	11.9	92.1
	Strongly Disagree	16	7.9	7.9	100.0
	Total	202	99.8	100.0	

Source: Field data, Nov 2018

The findings also indicate that majority of the respondents 150 respondents (74.2%) accepted that household members engaged in agricultural production obtain financing for larger investments from SACCOs that have prolonged amortization periods to enhance their asset holdings, while 40 (19.8%) rejected the idea and 12 respondents (6%) where undecided. Looking at these responses, there is a clear indication that loans given to agriculturalists, which come at low interest rates, help to facilitate effective performance of farming and or agricultural activities of these members and as a result, improves on asset holdings. One of the responses indicated that *“just like school fees, SACCO credit facilities have been a big revelation to farmers as they are able to obtain small loans at low interest rates to buy seedlings, pesticides, garden tools and funds to*

open their land before cultivation. When you come here during months of planting season, you will find us very busy issuing loans to farmers while others withdraw their savings for the same cause.” Indeed in an economy which is 75% relying on agriculture UBOS (2028), it is vivid to acknowledge that SACCO support is very crucial for rural transformation in these communities.

However, it is also important to stress that not all farmers rely on loans from SACCOs for agricultural financing as there are pretty other means that farmers get to fund their farming activities. It was evident from the field that *“For some of us, we do not need to run to SACCOs to acquire credit for farming purposes because we plan for our seeds and pesticides to help us into the new planting season by selling of part of the produce to fund the next season of planting”*. Coincidentally, another respondent noted that *“I surely cannot go for agricultural loan because our small scale subsistence farming relies on nature and so should the season change, what we can do with the funds that we have borrowed and invested in agriculture? This thing is unreliable and that is why people loose buildings and other assets to SACCOs and banks”*. Looking through these findings and responses it is clear that some farmers have a right to reject the agricultural credit from SACCOs because of the risks involved in this sector where 92% relies on natural support UBOS (2018) while some banks as well are skeptical giving loans to them New Vision, January (2016).

Table 4.19 Means ranking for responses on the access to credit and household asset accumulation

Items for Respondents (n=195)	Mean	Interpretation	Ranking
Credit access help to build financial and business management capacity of households hence improving their asset holdings	2.84	High Influence	4

Access to credit from SACCOs in this community mitigate income fluctuations which builds a small asset base over time among households	2.72	High Influence	3
Access to credit from microfinance institutions encourage savings and investment which later promotes greater asset accumulation	2.15	Moderate Influence	2
Members of unique Sacco engaged in agricultural production obtain financing for larger investments that have prolonged amortization periods to enhance their asset holdings	1.97	Moderate Influence	1

Results in Table 4.35 showed the means ranking of responses on the access to credit and household asset accumulation. It is observed that among the measures or items, how Credit access helps members to build financial and business management capacity of households (mean of 2.84) is the most prominent influence. This is followed by the way on how access to credit from SACCOs in this community mitigate income fluctuations which builds a small asset base over time among households (mean of 2.72) still with a high influence. The least measure of influence (moderate influence) is on the way members of UNIQUE SACCO engaged in agricultural production obtain financing for larger investments that have prolonged amortization periods to enhance their incomes (mean of 1.97). Overall, there is a moderate influence on how access to credit from microfinance institutions encourage savings and investment which later promotes greater asset accumulation (with overall mean of 2.15).

Table 4.20: Pearson correlation coefficient results

		1	2	3	4
3. Contribution of credit accesses towards household asset accumulation	Pearson Correlation	-.096	.023	1	
	Sig. (2-tailed)	.266	.789		
	N	207	207	207	
*. Correlation is significant at the 0.05 level (2-tailed).					

According to Table 4.20, there is a moderate positive significant relationship ($r=0.688$, $p<0.01$) between credit access from Unique SACCO and household asset accumulation at household level in Kabale district. This result suggests that if many people joined SACCOs, they will realise an increase in their asset base at household level.

4.5 Objective Four: Finding out the influence credit access and house hold income among the members of Unique SACCO

The fourth objective of the study aimed at finding out the relationship between credit access and household income among the members of Unique SACCO. Data concerning this objective was collected from the sampled respondents and below are the findings of the study. The responses are presented in Tables 4.18 - 4.20.

4.5.1 Credit access enables members to attain services and products to households to boost their level of income

Table 4.21: Showing responses on how Credit access enable members to attain services and products to households to boost their level of income

	Frequency	Percent	Valid Percent	Cumulative Percent
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Valid	Agree	112	55.4	55.4	55.4
	Strongly Agree	48	23.7	23.8	79.2
	Undecided	5	2.4	2.5	81.7
	Disagree	31	15.3	15.3	97.0
	Strongly Disagree	6	2.9	3.0	100.0
	Total	202	99.7	100.0	

Source: Field data, Nov 2018

Majority of the respondents totaling to 160 (79.2%) agreed that SACCOs provide services and products to rural households to boost their level of income as opposed to 37 (18.3%) while five (2.4%) felt undecided. Different products offered by these SACCOs are indeed designed in such a way that different clients can be able to choose a product from the SACCO depending on their levels of income or saving capacity. It was found out that *“Unique SACCO has different products tailored to the utility of clients according to their tastes and preferences, putting into consideration the income levels of the clients who end up accessing different credit facilities to meet their needs”*. Along the same line, another respondent noted that *“What SACCOs do by establishing clients’ interests and feeling through education is essential because education*

enhances learners' self-motivation by developing inquiring mind; they gain proficiency in speaking, reading, and writing and can communicate effectively as individuals or as groups. Then loans given to them at low rates of interest are the central services provided by the SACCOs because at the cost of their poverty is lack of opportunity, not lack of desire to work and when they work, they accumulate incomes”.

Owing to the different products in these SACCOs, most poor families do often save in a non-financial form, for example, small gold items or stockpiling goods, because they frequently lack access to good formal savings facilities. In-kind savings are suboptimal options, because they are subject to fluctuations in commodity prices, and destruction by natural hazards, fire and theft. While micro-finance institutions offer both good loan services and good voluntary savings services, worldwide experience shows that there is usually more demand for savings than for loans which incidentally, builds income generation (Biryabarema, 2008).

4.5.2 Credit access to the poor households help them to increase their incomes gradually because credit helps them to start small businesses

Table 4.22: Showing responses on how access to credit by the poor households help them to increase their incomes gradually and to start small businesses

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Agree	74	36.6	36.6	36.6
Strongly Agree	80	39.6	39.6	76.2

Undecided	4	1.9	2.0	78.2
Disagree	20	9.9	10.0	88.2
Strongly Disagree	24	11.8	11.8	100.0
Total	202	99.8	100.0	

Source: Field data, Nov 2018

The majority of the respondents 154 (76.2%) agreed that credit access to the poor households help them to increase their incomes gradually and launch them to start small businesses, while 44 respondents (21.7%) disagreed with the suggestion and four respondents (2%) were undecided. Indeed, as the finding suggest, savings through SACCOs have enabled the clients to start small business engagements in fresh foods restaurants, hairdressing and saloons, ‘boda boda’ transport services among others. These have been made possible because of the members’ willingness to save a substantial amount of money on a weekly basis. Refereeing to this, one of the respondents noted that” *it has not been easy starting this business because we started with account opening and saving small amounts of cash weekly and then when I qualified for a small loan of 500,000 Uganda Shillings, I was able to start up buying fresh vegetables, then gradually opened a grocery and I am still growing*”. While another respondent added that” *it is because of the clients savings that is why we are able to issue out small but productive loans to them to help them start-up productive*

business in restaurants, hair dressing and transport business and indeed they are employed and earning an income that supports their families. You see, these SACCO products encourage the poor and non-salaried people to save and start businesses from the small savings and to receive both short- and long-term loans to meet their financial needs and improve their level of income”.

Indeed Edmiston, Kelly (2010) agree to this when they argue that compulsory savings are seen as a way to instill savings habits in poorer households because they encourage clients' saving habits, and as one serious way of the requirements for accessing loans. It is the mobilization of voluntary savings, ensuring safety, flexibility and accessibility of credit which can have the strongest impact on poor people's lives when they start their own businesses, regardless of the size of the business. With the right products and incentives, micro-finance institutions can rapidly mobilize very significant resources (Edmiston, Kelly 2010). A loan is borrowed, invested and repaid after which it can be used to stimulate yet another fledging business as these loans circulate throughout low income communities until their effect is multiplied many times. Therefore, households and communities are able to develop as a result of having their business expand through fruitful investment opportunities being sourced by loans.

It should be noted, however, that whereas business have been set-up with savings from SACCOS, a lot still has been left to be desired because some of the clients who have set-up business enterprises hardly clock six months before closure and this accounts for most of the respondents who disagreed (21.7%) as the following two voices can attest, *”due to my low savings I was not able to buy the required shares for me to qualify for the two million loan which I required to procure hair dressing equipment. I was*

compelled to borrow from somewhere else where they did not require pre loan deposits and before I realised, I was drowning in a pool of debts yet my business had not picked up and thus before six months, it had closed”. Incidentally, another respondent noted that *“savings and loans are not enough to help these people start and stabilize businesses but they need to be given enough business training and entrepreneurial skills to survive and grow their business as most of them save only targeting loans and apply for loans hurriedly with no time for some elementary training and before you realize, crash!!”*

Clement (2012) seems to consent to this when he stresses that mobilizing savings of small-scale enterprises implies risk, however, and microfinance institutions allowed to do so should clearly show their capacity to mobilize savings safely. Accordingly, clients must be trained, equipped and be able to demonstrate strong governance and professional management, strength and reliability, adequate internal controls, financial management and information systems, the guarantee that deposits and savings are not used to cover their operating expenses and records of strong loan portfolio quality management. In most countries, mobilization of public savings is restricted to banks, where regulations should be in place for effective supervision. SACCOs are also a very important instrument for mobilizing savings, although generally limited to cooperative members. It is important that sound provisions regulating and supervising cooperatives' operations are in place to prevent governance weaknesses that would ultimately damage depositing members and the loans that they have accessed.

Conclusively, though, it is imperative to note that a lot can be realised and businesses can grow up if the creditors are properly assessed and given sufficient training and

refresher trainings for them to realise the value of the credit that they access from SACCOs through their saving portfolios.

Table 4.23 Means ranking for responses on the credit access and household income among SACCO members

Items for Respondents (n=195)	Mean	Interpretation	Ranking
Credit access enable members to attain services and products to households to boost their level of income	2.54	High Influence	4
Access to credit from SACCOs in this area promote clients' savings which improves their level of income	2.42		3
Access to credit from microfinance institutions encourage savings and investment which later promotes greater asset accumulation	2.03	Moderate Influence	2
Credit access from Saccos in this area take aggressive measures to smooth mobilization and improvement on household's level of income I have sufficient knowledge in the area of students' time management	1.85	Moderate Influence	1

Results in Table 4.35 showed the means ranking of responses to how credit access has a hold on household income among SACCO members. It is observed that among the measures or items, how credit access enable members to attain services and products to households to boost their level of income (mean of 2.54) is the most prominent influence followed by the way access to credit from UNIQUE SACCO promote clients' savings which improves their level of income (mean of 2.42) which is a moderate influence. The least measure of influence is on how members' credit access from the SACCO take aggressive measures to smooth mobilization and improvement on household's level of income (mean of 1.85). Overall, there is a moderate influence of

how access to credit from UNIQUE SACCO promote clients' savings which improves their level of income (with overall mean of 2.42). Therefore, credit access has a moderate influence on household incomes among UNIQUE SACCO members in Kabale District.

Table 4.24: Pearson correlation coefficient results

		1	2	3	4
3. Relationship between credit access and house hold income	Pearson Correlation	-.096	.023	1	
	Sig. (2-tailed)	.266	.789		
	N	207	207	207	
*. Correlation is significant at the 0.05 level (2-tailed).					
**. Correlation is significant at the 0.01 level (2-tailed).					

Source: Results of statistical analysis of primary data

According to Table 4.24, there is a moderate positive significant relationship ($r=0.688$, $p<0.01$) between credit access from Unique SACCO and household income among the members. These results, accordingly, suggest that if many people joined SACCOs, they will realise in household incomes.

CHAPTER FIVE: DISCUSSION AND INTERPRETATION OF FINDINGS

5.0 Introduction

This chapter is about discussion of the findings. These followed the study objectives which included; to find out the nature of credit accessed from SACCOs to reduce poverty amongst the members of Unique SACCO, to establish the impact of loans on education among the members of Unique SACCO, to establish the contribution of savings towards house hold asset accumulation among the members of Unique SACCO and to assess the relationship between credit access and house hold income among the members of

Unique SACCO. Thus the study investigated the impact of credit access on poverty reduction among households of Kabale District.

5.2 Discussions of the findings of the study

5.2.1 Type of credit facilities accessed in effort to reduce poverty amongst the members

From the study findings, it was noted that the majority of the respondents 150 accounting for 74.3% of the total number of the contacted respondents agreed and strongly agreed with the statements regarding the nature of credit accessed from SACCOs to reduce poverty amongst the members. It was agreed that; credit access from SACCOs enable beneficiaries to meet housing credit needs and increasing wealth through savings, members access credit to boost their agricultural production to reduce poverty, Credit access enable impoverished persons to start businesses and rebuild after natural disasters like heavy winds, rain and sunshine, the borrowers usually access these credit facilities for starting and expanding their businesses thus acquiring wealth, Access to credit in this SACCO enable poor households to boost savings services thus leading to improved incomes and that credit access inform of solidarity group loans are designed for lower-income or “down scale” small scale entrepreneurs to improve their business growth thus reducing poverty.

From the results of the study, it was revealed that credit accessed from SACCOs to reduce poverty in Kabale District range from agriculture loans, business loans, school fees loans, savings, and credit to purchase small assets. This is supported by findings according to Kyazze, (2010) who realized that credit access from SACCOs play an

important role in lower income groups through increasing their assets via establishing a credit relationship, establishing an enterprise, accessing working capital, increasing income through business expansion, meeting housing credit needs and increasing wealth through savings.

In my suggestion, SACCO institutions encourage savings mobilization, services for lifetime asset growth, mixed outreach, and full services array of loan products. What distinguishes cooperatives from other non-bank financial entities involved in SACCOs is the ability of mass number mobilization of small, voluntary, savings account. These deposits can then be invested in rural production, housing, small scale enterprises and small business loans.

Also the study findings is supported by findings according to Kabarwani, (2012) who noted that there are four primary strengths of microfinance institutions i.e. savings mobilization, services for lifetime asset growth, mixed outreach, and full services array of loan products. Munene and Muturi, (2013) added that the demand for liquidity is far more important to most rural citizens than the demand for credit. Savings mobilization is just as important as credit in meeting the financial needs of the rural population.

In the same view, IFAD, (2012) confirmed that most people depend on agricultural activities as their main source of livelihood. However, they use improper farming practices and poor land use systems that reduce fertility of land due to lack of information and training. This consequently causes reduction in food production hence causing most families unable to meet their food needs during the hunger seasons in Kabale District where poverty is most common in rural households. This shows that

there is need for client training in improved techniques and farming as a business, strengthening market linkages and provision of agricultural inputs or access to credit for enhanced productivity and to help households to reduce food shortage and hence sustained income and breaking of the poverty cycle.

Kato, (2010) says that, microfinance institutions today emphasize scale and depth of outreach of financial services to large numbers of the working poor through financially sustainable organizations. They offer a saving-first, self-sustainable approach to SACCOs that has already successfully met the needs of millions of low-income members around the world. Nguyen, (2007) also confirmed that Savings and Credit Cooperative institutions play a great role in the provision of credit facilities. The borrowers usually access these credit facilities for starting and expanding their businesses and these are the problems common in Kabale District where unemployment is high. This therefore shows that different credit is accessed from SACCOs to reduce poverty amongst the members.

5.2.2 The influence of loans on education among the members

Study findings from the majority of the respondents 168 (83.2%) agreed and strongly agreed that credit access in this SACCO assist members to provide education services to their households. This was proved by the respondents who agreed and strongly agreed that credit access in this SACCO assist members to provide education services to their households, parents and guardians in this SACCO need credit to educate their children and attain employment, access to loans helps to equip vulnerable families, private school proprietors and students with financial tools to improve educational outcomes, credit access help school owners to grow schools in areas where education is demanded

hence provide high quality education to families, credit access from SACCOs can help to enhance quality education of the children of the members and improve on household wellbeing and that access to credit is generally viewed as a good initiative to increase education support of the poor household members living in high poverty levels.

In my opinion, in most cases, parents face a problem of paying school fees and other school requirements like uniform, food, rent and shopping. Other parents only afford to pay part of the school fees which denies most children the opportunity to get school reports or even exam certificates making their whole year of learning worthless. Alternatively, many children change schools every term building up dates wherever they go as they simply cannot afford to pay the schools dues. In the related suggestion, Demirguc. K. et al (2010) brings it out clearly that poor individuals and small enterprises need access to credit so as to invest in their education and businesses because when they rely on their personal wealth and internal resources to invest limit their full potential leading to the cycle of persistent inequality and diminished growth.

In the related findings, a study by Ministry of education and sports, (2012) revealed that most parents view at education of their children as an investment because they love their children to acquire productive abilities, skills and knowledge for them as individuals and the society as a whole. Thus most parents consider funding of their children's education the most important family financial goals. However the cost for educating children is increasing at a higher increasing rate than the rate of increase of house hold incomes. This is due to the fact that many educational institutions are raising fees to cope with the budgetary shortfalls as a result of the current economic conditions.

A study by Ministry of education and sports, (2012) noted that having recognized the need for increased access to higher education evidenced by failure of many students to attain higher education due to funding problems, the government of Uganda has introduced students financing scheme that provides credit to students to their educational costs and then the students pay back through their future incomes after education. Education attainment is one of the important indicators of the society's stock of human capital and level of social economic development. The higher the level of education attained, the more literate the members of the society and the more the opportunities to such individuals.

Bakeine (2010) further noted that access to loans helps to equip vulnerable families, private school proprietors and students with financial tools to improve educational outcomes. Loans help school owners to grow schools in areas where education is demanded hence provide high quality education to families that could have missed due to distance and cost of schooling. Loans further help parents to afford private education for their children. However, Bakeine (2010), loans increase a households' expenditure on children education. This causes a decrease in primary school attendance among borrowers' children due to difficulties to pay school expenses alongside loans. This in turn leads to repetition of some classes, or even taking some of the children out of school due to repeated loans.

According to Kalyango, (2005) access to credit is generally viewed as a good initiative to increase education support of the poor household members living in high poverty levels. However, one of the critical issues to ponder about is; if the poor are availed

with affordable credit facilities, do they have the organizational and operating capacity to efficiently use the credit as individuals or in groups so as to transform their lives. Therefore, it is also important to examine the individual borrowers' operational capacity to use micro-credit sufficiently to support school fees payment for improved employment opportunities. This shows that credit access has a significant impact on education among the members which answers the second question of this study.

5.2.3 Savings and household asset accumulation

Findings from the majority of the respondents indicate 162 (80.2%) who agreed and strongly agreed that credit access from microfinance institutions encourage savings and investment which later promotes greater asset accumulation. It was agreed and strongly agreed by the majority of the respondents that SACCOs help to build financial and business management capacity of rural households hence improving their asset holdings, SACCOs mitigate income fluctuations, minimizes unexpected expenditures and emergencies which builds a small asset base over time among rural households, they enhances savings and investment which later promotes greater asset accumulation, SACCOs consist of small loans provided to poor households or microenterprises at low interest rate to improve their asset base and that households engaged in agricultural production obtain financing for larger investments from SACCOs that have prolonged amortization periods to enhance their asset holdings hence increased asset accumulation. It was revealed by the majority of the respondents that savings help households to own their homes and make investments in the quality of their homes thus building asset base.

From the findings, majority of the respondents that savings have a significant contribution on asset accumulation among members of the SACCO in Kabale District. This is in line with Auren and Krassowska, (2004), who put forward that the provision of micro-finance services can be facilitated by business development services. SACCO products can help build financial and business management capacity of rural households, improve their asset holdings, provide local support services for enterprises with emphasis on marketing, and establish linkages between forest communities and micro-finance services.

According to the Uganda poverty status report (2014), household saving is the main domestic source of funds that is used to finance capital investment that fuels an economies long term growth. It can ultimately translate into rising living standards and a more stable economic environment. According to this report, savings have a big impact on the individual households' asset accumulation because they help in wealth accumulation which finances house hold long term goals. Savings further help to safeguard against uneven income streams due to seasonal variations. Savings are used to finance consumption expenditures during low income periods.

According to Brannen (2010) suggest that access to credit help households to own their homes and make investments in the quality of their homes. It is necessary to save out of the current income for retirement security and also to help renters become home owners without excessive risks and for dealing with emergency situations. This has assisted members to grow their asset base thus reducing poverty. Also Anong and

Devaney (2010) highlight that house hold saving is important because it affects the family's level of living emergency reserves and also the ability to meet financial goals like making purchases by cash other than credit. House hold assets are a proxy indicator for socio economic status and welfare; they are personal property of house hold members and they include; houses, land, bicycles, motorcycles, vehicles, TV, Radio, computer and many others.

In the related findings, Scholars like Nachiket and Bindu (2008), assert that access to credit can help to alleviate poverty and improve on household asset base only if accompanied with other complementary inputs: typically training and skill development interventions. This implies that small business operations require business skills and knowledge by the micro-entrepreneur for sustainability. Biryabalema, (2008) went on to explain that SACCOs need to provide tailored lending services for the poor instead of rigid loan products to enhance their asset base. Therefore opinion, access to SACCO services can also help to reduce poverty and improve on household asset base only if accompanied with other complementary inputs ie training and skill development interventions. This implies that small business operations require business skills and knowledge by the micro-entrepreneur for sustainability.

Findings from Edmiston, (2010) explained that micro-finance mobilization of savings has taken place in the form of compulsory savings under group or individual lending methodologies. Often a percentage of the loan amount is required as mandatory savings and is meant to guarantee group loan repayment. Compulsory savings were also seen as a way to instill savings habits in poor households. Experience has shown, however,

that compulsory saving is not conducive to encouraging clients' saving habits, but rather is considered as one of the requirements for accessing loans. It is the mobilization of voluntary savings, ensuring safety, flexibility and accessibility, which can have the strongest impact on poor people's lives. In addition, Voordeckers and Steijvers, (2011) further noted that ensuring the existence of safe and accessible savings services for small-scale enterprises should be a priority for any microfinance development programme to develop asset base. This indicates that savings have a significant contribution on asset accumulation among the members which gives an answer to the third question under this study.

5.2.4 Credit access and house hold income among the members of Unique SACCO

From the study findings, it indicated that the majority of the respondents 160 (79.2%) agreed that credit access has an impact on house hold income among the members of the SACCO in Kabale District. It was noted that credit access contributes to house hold income among SACCO members in a number of ways; credit access enables members to attain services and products to households to boost their level of income, credit and its access by poor households is an important condition that determines the ability to increase income by such households, access to credit from SACCOs in this area promote clients' savings which improves their level of income, credit access to the poor households help them to increase their incomes gradually because credit helps them to start small businesses, credit access from SACCOs in this area take aggressive measures to smooth mobilization and improvement on household's level of income and that credit access is generally viewed as a good initiative to increase the level of income for the

poor household members which was proved by the majority of the respondents agreeing and strongly agreeing with the statements.

Findings above are supported by Nguyen & Van den Berg (2011), credit and its access by poor households is an important condition that determines the ability to increase income by such households. Credit for capital causes a change of poor conditions of production by increasing development conditions for culture, arts and physical sport. Capital credit further helps poor household to operate their tiny businesses which is a chance for them to accumulate income and escape poverty. Armendariz and Morduch J (2010) emphasize that credit helps the poor householders to access capital which is one of the significant factors of production. This helps to enhance production, through opening a new path to access new science and technology for production, improved accessibility to market knowledge and hence self-sufficiency and poverty escape.

Dugger, (2007) concludes that there are other factors which affect household income other than credit access. Such factors include education, household size, household head, and ethnicity among others. According to him poor households headed by males will have higher income compared to females as for them they spend much of their time taking care of the children, the sick, they are paid less for labor and are also subjected to prejudice and social inequality hence generating little income. Large scale households spend much on daily necessities with low income and invest the acquired credit in covering daily expenses instead of profitable manufacturing operations that generate and increase income to reduce poverty.

In addition, Microfinance support centre, (2007) recommends that participants in Microfinance institutions should be encouraged to save in every training session in a bid to promote clients' saving and level of income. According to microfinance support centre, business education and saving culture should be encouraged in every training session in a bid to promote clients' saving culture. Muhumuza, (2007) further describes the need for education for developing participants' skills for transfer in the new and changing situations. It develops the creativity and potential for communication. He explains that the participants apply a range of skills and techniques to develop a variety of ideas in the creation of new and modified products. Muhumuza, (2007) adds that business education develops attitudes for group work, social justice, cooperation, friendship and respect for humanity.

Also findings according to Clement, (2012) revealed that credit access through SACCOs across the globe and particularly in the third world countries have experienced explosive growth since the 1980s, and have been discovered to have the potential to alleviate poverty among the marginalized poor populations especially in the rural areas. SACCOs improve the borrowers' well-being, boost income levels and increase employment of household members.

Kasanga, (2005) highlighted that credit access from MFIs is generally viewed as a good initiative to increase the level of income for the poor household members. However, one of the critical issues to ponder about is; if the poor are availed with affordable credit facilities, do they have the organizational and operating capacity to efficiently use the credit as individuals or in groups so as to transform their income levels. This

shows that credit access greatly contribute to the level of household income among members of UNIQUE SACCO which answers the fourth question of this study

CHAPTER SIX: SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.0 Introduction

This chapter is about conclusion of the findings and recommendations which are drawn from the findings of the study in line with the specific objectives. The study investigated the impact of credit access on poverty reduction among households of Kabale District.

6.2 Summary from the findings of the study

6.2.1 Types of credit facilities accessed in effort to reduce poverty amongst the members

From the study findings, it is noted that the majority of the respondents accepted that most of them access credit from SACCOs to reduce and deal with the biting poverty and demands at household levels.

It was clear that credit access from SACCOs enables the beneficiaries to meet housing credit needs and increasing wealth through savings and as well as boost agricultural production, as another measure to contain poverty.

It was also revealed that credit access enables impoverished persons to start businesses and rebuild after natural disasters like heavy winds, rain and sunshine.

Similarly, it was also realised that some borrowers usually access these credit facilities for starting and expanding their businesses from scratch and grow them into bigger business entities.

6.2.2 The influence of loans on education among the members

It was indeed revealed by the study that loans in this SACCO assist members to provide education services to their households. Loans from SACCO assist members to provide education services to their households as parents and guardians need credit to educate their children and attain employment.

The other impact worth mentioning was that access to loans helps to equip vulnerable families, private school proprietors and students with financial tools to improve

educational outcomes. Loans help school owners to grow schools in areas where there is high demand for quality education.

The impact of loans on education can be seen in enabling parents to afford scholastic materials for their children in form books, uniforms, and school shoes among others.

6.2.3 Savings and household asset accumulation

Findings from the study indicated that credit access from microfinance institutions encourage savings and investment which later promotes greater asset accumulation. Such assets included household items like houses, sofa sets, television and radio sets, cupboards, motorbikes among others. In this respect, the contribution of savings in such households cannot be taken lightly.

The ability of SACCOs to enhance savings and investment as a way of promoting greater asset accumulation out of small loans provided to poor households or micro-enterprises at low interest rate to improve their wellbeing was highly pronounced among the majority of the clients in the SACCO.

6.2.4 Credit access and household income among the members of Unique SACCO

It was indeed clear from the findings that despite a few squabbles, majority of the respondents had realized an impact on household income through a number of ways like improvement in their purchasing power and ability to respond to needs and emergencies at a short notice.

Another area of household income was epitomized by the demands from the SACCO on the members to save through buying of shares on a weekly basis. The secret, according

to findings, was that the more one saved, the more opportunities that they had to borrow from the SACCO.

In addition, in as much as credit access from this SACCO took different shapes from aggressive measures to smooth mobilization, it nevertheless had an improvement on most household level of income as revealed from the findings of the study.

6.3 Conclusion of findings

Having critically looked at the findings, it is pertinent that some conclusions have got to be drawn in line with the objectives of the study as presented below;

6.3.1 Types of credit facilities accessed in effort to reduce poverty amongst the members

Credit access from the SACCO plays a crucial role in reducing poverty among the members at household level.

This SACCO enables the beneficiaries to meet housing needs and increasing wealth through savings and as well as boost agricultural production as a way of containing poverty.

Credit access enables impoverished persons to start businesses and rebuild after natural disasters like heavy winds, rain and sunshine.

Some borrowers usually access credit facilities for starting and expanding their businesses from scratch and grow them into bigger business entities.

6.3.2 Influence of loans on education among the members

Credit access in this SACCO assists members to provide education services to their households by helping parents and guardians take their children to school, acquire scholastic materials and obtain crucial skills for employment in future.

Access to loans helps to equip vulnerable families, private school proprietors and students with financial tools to improve educational outcomes.

Loans help school owners to grow schools in areas where there is high demand for quality education.

6.3.3 Savings and household asset accumulation among members of the SACCO

Credit access from microfinance institutions encourage savings and investment leading to asset accumulation like houses, sofa sets, television and radio sets, cupboards, motorbikes among others.

SACCOs have the ability to enhance savings and investment and promote greater asset accumulation out of small loans provided to poor households at low interest rate to improve their wellbeing.

6.3.4 Credit access and household income among the members

Credit access has an impact in improving the household purchasing power and gives members the ability to respond to needs and emergencies at a short notice.

SACCO encourage members to save for investment through buying of shares on a weekly basis because the more one saves, the more opportunities that they have to borrow from the SACCO.

6.4 Recommendations of the study

6.4.1 Policy Recommendations

The study gives the following recommendations as a result of the major findings and discussions in chapter four and as discussed in section (5.2) of this chapter structured specifically into individuals, organizations, government authorities.

Individual Members and beneficiaries

The study recommends that beneficiaries be sensitized on the financial credit products of available in the organisation and encouraged to borrow.

Secondly, since some members may not be accessing credit facilities due to lack of collateral security like physical assets, the study recommends the need for alternative means of considering stakeholders without collateral securities like group members acting as collateral or even doing credit rating so as to hedge against the credit risk and ensure that they serve all people without segregation.

Thirdly, the study recommends that stakeholders get involved in the review of the service terms to make them favorable to enable them to obtain credit on reduced interest rates to help them generate income for poverty reduction in households.

The Organization, Unique SACCOS

SACCO administrators should allow its members to withdraw their savings as needed and the minimum balance should be friendly to the members. This will assist them cater

for emergencies like purchase of assets and other small term investment for guaranteed income.

Interest rates on savings should always be communicated to members and the same members should be aware of how interest is calculated and the method used in calculating it. This will enable members to understand the value of obtaining credit from the SACCOs and would ensure better use of the borrowed money in order to reduce household poverty.

Amount borrowed should be negotiable in respect to any other acceptable security other than savings and the same amount borrowed should always graduate to bigger amounts depending on successful payment of the previous loans.

Government departments and CSOs

Since some members had little financial literacy due to less exposure to credit and financial education, the study recommends that government entities and Civil Society Organizations (CSOs) work with SACCOS to provide adequate and appropriate financial literacy to the beneficiaries. This will assist them understand better ways to reduce poverty in their households.

6.4.2 Areas recommended for further Research

Further research should be conducted under the following;

- i. Relationship between credit terms and financial accessibility in rural households,
- ii. Impact of loan recovery and performance of credit schemes,
- iii. Effects of education

on performance of small scale entrepreneurs in rural communities iv. Relationship between credit policies and credit repayment in SACCOs in Kabale

District.

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APPENDICES

Appendix I: Questionnaire for the Respondents

(BOD Staff and SACCO Beneficiaries/Members)

Section A

Dear respondent,

I, am **Musinguzi Hope** a student of Uganda Christian University pursuing a Master's Degree in Business Administration. Currently I am carrying out a research study on the relationship between credit access and poverty reduction in Kabale District. This questionnaire is therefore intended to seek information on the above subject matter. The information is purely for academic purposes and all the answers will be handled with utmost confidentiality. I therefore humbly request that you complete this questionnaire correctly in the spaces provided or options given. (Please, tick the appropriate answers where options are given).

Thanks for your anticipated cooperation

Section B: Demographic Characteristics of Respondents (Tick in the boxes provided)

1. Gender of respondent

Male

Female

2. Age bracket of the respondent

18-29 years

30-39 years

40-49 years

50 years and above

3. Marital status of the respondent

Single

Married

4. Education Background of the respondent

Primary

Secondary

Tertiary

5. Position Held in the SACCO

BOD staff

SACCO Member (Shareholder)

Section C

In this section you are required to provide a tick under the provided scales to represent your response:

Use 1 - Agree 2 -Strongly Agree 3 - Undecided 4- Disagree 5 - Strongly disagree

THEME I: Type of credit facilities accessed in effort to reduce poverty in Households

Q1. To what extent do you agree with type of credit facility accessed from SACCOs to reduce poverty among members of UNIQUE SACCO, Kabale Municipality?

SN	Variable	Response
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	Credit accessed from SACCOs to reduce poverty	1	2	3	4	5
1	Credit access from SACCOs enable beneficiaries to meet housing credit needs and increasing wealth through savings					
2	In this SACCO, members access credit to boost their agricultural production to reduce poverty					
3	Credit access enable impoverished persons to start businesses and rebuild after natural disasters like heavy winds, rain and sunshine					
4	The borrowers usually access these credit facilities for starting and expanding their businesses thus acquiring wealth					
5	Access to credit in this SACCO enable poor households to boost savings services thus leading to improved incomes.					

6	Credit access inform of solidarity group loans are designed for lower-income or “down scale” small scale entrepreneurs to improve their business growth thus reducing poverty					
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THEME II: The influence of loans on education among the members

Q2. To what extent do you agree with the following statements regarding the influence of credit access on education among the members of UNIQUE SACCO?

SN	Variable	Response				
	Credit Access and Education	1	2	3	4	5
1	Credit access in this SACCO assist members to provide education services to their households					
2	Parents and guardians in this SACCO need credit to educate their children and attain employment					
3	Access to loans helps to equip vulnerable families, private school proprietors and students with financial tools to improve educational outcomes					

4	Credit access help school owners to grow schools in areas where education is demanded hence provide high quality education to families					
5	Credit access from SACCO can help to enhance quality education of the children of the members and improve on household wellbeing					
6	Access to credit is generally viewed as a good initiative to increase education support of the poor household members living in high poverty levels					

THEME III: Savings and household asset accumulation

Q3. To what extent do you agree with the statements regarding the contribution of credit access towards household income for the SACCO members?

SN	Variable	Response				
		1	2	3	4	5
	Savings and household asset accumulation					
1	Savings help to build financial and business management capacity of households hence improving their asset holdings					

2	savings from SACCOs in this community mitigate income fluctuations which builds a small asset base over time among households					
3	Savings from microfinance institutions encourage savings and investment which later promotes greater asset accumulation					
4	SACCOs consists of small credit facilities provided to poor households or micro-enterprises at low interest rate to improve their asset base					
5	Members of UNIQUE SACCO engaged in agricultural production obtain financing for larger investments that have prolonged amortization periods to enhance their asset holdings					
6	Savings help households to own their homes and make investments in the quality of their homes thus building asset base					

THEME IV: Credit access and house hold income among SACCO members

Q4. To what extent do you agree that credit access contribute to house hold income among SACCO members?

SN	Variable	Response				
		1	2	3	4	5
	Credit access and house hold income					
1	Credit access enable members to attain services and products to households to boost their level of income					
2	Credit and its access by poor households is an important condition that determines the ability to increase income by such households					
3	Access to credit from SACCOs in this area promote clients' savings which improves their level of income					
4	Credit access to the poor households help them to increase their incomes gradually					

	because credit helps them to start small businesses					
5	Credit access from SACCOs in this area take aggressive measures to smooth mobilization and improvement on household's level of income					
6	Credit access is generally viewed as a good initiative to increase the level of income for the poor household members					

Thank You for Your Time and Cooperation

Appendix II: Interview Guide for Respondents (SACCO Manager and Staff)

Name of the respondent..... Gender

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In this section you are required to provide a tick under the provided scales to represent your response:

Use 1 - strongly agree, 2 - Agree, 3 - Undecided 4- Disagree, 5 - Strongly disagree

S N	Variable	Response				
		1	2	3	4	5
	Credit accessed from SACCOs to reduce poverty					
1	Credit access from SACCOs by interested households reduces poverty in this community					
2	SACCOs consists of small agricultural loans provided to poor households to improve on household income					
3	Access to credit in a SACCO enables poor households to boost savings services thus leading to improved incomes					
4	Credit access in a SACCO assist members to provide education services to their households					

5	Access to credit in this SACCO enable poor households to boost savings services thus leading to improved incomes.					
6	Credit access from a SACCO can help to enhance quality education of the children of the members and improve on household wellbeing					
7	Access to credit from microfinance institutions encourage savings and investment which later promotes greater asset accumulation					
8	SACCOs in this area provide short term loans to the members to enable them improve on asset base					
9	Credit access enables members to attain services and products to households to boost their level of income					
10	Access to credit from this SACCOs in this area promote clients' savings which improves their level of income					

How does access to credit by members of this area improve their levels of incomes?

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How do members in this area boost their savings and improve household incomes with credit from a SACCO?

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How does credit contribute to poverty reduction among members of this SACCO?

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Thank You for Your Time and Cooperation