

Sacco Non- Financial Services and Poverty Reduction among the Sacco Members in Greater Bushenyi

Daphin Nahikiriza¹, Dr Noel Kansiiime² Dr. Robert Mugabe³,

^{1, 2, 3} (Faculty of Business Economics and Governance, Bishop Stuart University, Mbarara Uganda)

(Corresponding author: Nakikiriza Daphin.

ORCID ID: <https://orcid.org/0009-0002-0846-1509>;

ABSTRACT: *The study examined the influence of Sacco's on poverty reduction. The aim of the study was establish the influence of Sacco non-financial services (entrepreneurial and skill development and financial literacy) on poverty reduction among the Sacco members in Greater Bushenyi, Uganda. A cross-sectional design was used, where both qualitative and quantitative research approaches were used. Quantitative data were obtained from the Sacco members whereas the Key informants were selected from Sacco's' management and leadership resource persons provided the qualitative data. Simple random sampling technique was used to select 397 from 61634 Sacco members and purposive sampling was used to select the 19 Key Informants from 250 Sacco's management and leadership. A self-administered questionnaire and a key informant interview guide were used to obtain the data from the Sacco members and the Key Informants respectively. The findings revealed that overall increase in rigour of non-financial services (entrepreneurial and skill development and financial literacy) leads to a higher likelihood of poverty reduction among the SACCO members in Greater Bushenyi. P-value of 0.81 at 95% confidence indicates that the influence of non-financial services on poverty reduction is not significant [$\beta = 0.594, p = 0.081$]. Therefore, non-financial services positively influence poverty reduction among the Sacco members in Greater Bushenyi. Thus, this study recommends that Sacco non-financial services to their members be enhanced and government to revisit the governance and fiscal policies to provide an enabling environment in which Sacco's can operate effectively.*

Keywords –Sacco non-financial services, poverty reduction, Greater Bushenyi, Uganda.

I. INTRODUCTION

Since the end of colonialism, most developing countries, including Uganda, have largely accepted cooperative and saving societies as important tools for reducing poverty. They have also supported the expansion of the co-operative movement. Kamulegeya (2016) noted a growth in the cooperative movement. As a result, there is one member of a co-operative or saving organization for every seven people, and the overall number of cooperatives has increased. The establishment of laws and policies that backed cooperatives as a means of promoting economic growth and development during the first phase of the cooperative movement was characterized by a strong, strict government control structure. The second era was marked by removing cooperatives from their current position of enjoying autonomy and running a business in response to market needs. At the individual, neighborhood, and national levels, access to financial services (including credit and savings) is viewed as a crucial instrument in reducing poverty. One of the most important strategies for reducing poverty is the creation of cooperative and saving organizations in Uganda, which has recently attracted considerable attention. It might be argued that it is anticipated that this approach results in community or citizen participation in developmental programs, and that it is considered as a crucial criterion that is likely to improve development outcomes by reducing poverty.

Action Aid Uganda has seen a sharp increase in rural microfinance during the past ten years, with the bulk of the population living in rural areas (Action Aid Uganda, 2013; Dieter & Gloria, 2019; Emmanuel, 2018). This has significantly improved the quality of life for Uganda's rural residents. However, there is conflicting empirical evidence about SACCOs' ability to reduce poverty (Wichterich, 2017; Kamulegeya, 2016; Nuwagaba, 2012; Kizza&Ssekibaamu, 2019) due to their continued vulnerability to shocks, as shown by the increase in poverty in 2016–2017 (Uganda Bureau of Statistics 2017; Waeyenberge&Bargawi, 2018).

Theoretical Framework

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

Political theory

In 2009, Brady developed the political theory of poverty. Political governance and governmental actions are to blame for poverty, claims the political theory of poverty. This viewpoint contends that institutions and power both exacerbate poverty. It also contends that political outcomes like poverty are the result of power dynamics and group decisions about resource allocation (Brady et al., 2016). Its foundation is the notion that group political actors assemble the less fortunate classes in support of their own individual goals. The mobilization of underprivileged groups is crucial since the allocation of political power and governmental policies by default favors a small group of elites. It also emphasizes the importance of a country's institutional rules, regulations, and policies and the fact that, if they are ineffectual, they may be a factor in some national regions' poverty.

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

The Theory of Financial Intermediation (Gurley and Shaw, 1960)

Gurley & Shaw (1960) evaluated the 1960s' financial system and economic growth. Gurley and Shaw (1960) asserted that during economic expansion, a country's financial system grows more swiftly than its total wealth. According to Goldsmith, the key factor in determining the relative size of a nation's financial system is how various economic organizations divide up the responsibilities of saving and investing. The fundamental tenet of this theory is that the financial system mediates and facilitates the movement of funds from savings to people and organizations wishing to invest in capital goods as well as those looking to finance investment projects. Financial intermediation is required for the distribution of funds for investments, liquidity, and consumption. Financial intermediation contributes to economic growth and improved public welfare. Owners provide borrowers money, who then invest it in the most profitable economic activities (King & Levine, 1993; Kadagi et al., 2015).

The traditional theories of intermediation, according to Allen and Santomero (1997), are based on transaction costs and asymmetric information. They are designed to take into consideration organizations that provide financial services to enterprises, accept deposits, and issue insurance policies. However, there have been numerous changes recently. Transaction costs and asymmetric information have dropped, but intermediaries have increased. New markets for financial futures and options are predominantly intermediary marketplaces rather than markets for individuals or companies. It is challenging to reconcile these adjustments with the traditional interpretations. As we discuss the function of intermediaries in this new environment, we put a lot of emphasis on risk trading and participation costs.

The four functions of the theory that this study determines to be its strongest aspects are the reduction of transaction costs, the decrease of liquidity risk, the accessibility of information, and debt renegotiation. Even while this isn't always required to promote the nation's economic development, a nation's financial system should be set up as a web that encourages interactions between financial institutions, financial markets, and financial products. The two theories, the political theory and the theory of financial intermediation, will reinforce one another and aid in overcoming any shortcomings that might arise from relying just on one of them. This theory is relevant to the investigation of SACCOs and poverty reduction in this study because of the bridging pool of financial resources, the reduction of transaction costs, the reduction of liquidity risk, and the provision of information. This theory will in addition be used because it explains very well the needed details for reducing poverty.

II. PROBLEM STATEMENT

Saccos provide access to non-financial (entrepreneurial and skill development and financial literacy) services, which are utilized to reduce poverty among their members (Ahimbisibwe, 2018; GBCDO, 2021; Thomas, 2017; UBOS, 2018). The general consensus is that by offering these services, members may grow their own microbusinesses, save money, raise their income, control their consumption, take calculated risks, and ultimately lessen their poverty (Kaggwa, 2012; Kamulegeya, 2016; Ahimbisibwe, 2018).

Greater Bushenyi is well known for having the majority of well-developed Sacco's (80%) in Uganda (UBOS, 2018; BDCDO, 2021; Thomas, 2017). Nevertheless, a sizable portion of Sacco members have remained susceptible to disease and poor health, illiteracy, a lack of proper housing, clothing, and food, restricted access to education, and appalling living conditions (Mwesigwa, 2018; UBOS, 2018; Economic Outlook, 2018). In addition, 40% of SACCO members live in poverty, which is higher than the 32% national average (GBDSR, 2016; Economic Outlook, 2018; UNHS, 2016/2017; GBDSR, 2020). Despite its significance, no conclusive connection has been made between the reduction of poverty among Sacco members in Greater Bushenyi and the financial or non-financial services provided by Sacco's (Mugerwa&Bigsten, 2011; Ndaguba; GBDSR, 2017; Ahimbisibwe, 2018; Lomazz, 2014).

More so, according to the literature currently accessible, there is no known research on Sacco's non-financial services and poverty reduction among Sacco members in Greater Bushenyi (GBDCDO, 2021; GBDSR, 2020; Bigsten, 2011). The studies in the literature on Sacco's non-financial services and poverty reduction have been conducted outside Uganda which even has contradictory results (positive and negative). In order to fill the gaps described above and provide pertinent advice for reducing poverty among Sacco members, the researcher will undertake a study to examine the influence of Sacco's non-financial services on poverty reduction among Sacco members in Greater Bushenyi, Uganda.

III. LITERATURE REVIEW

Entrepreneurial and skill development and poverty reduction

Many believe that Sacco programs for low-income families improve the lives of citizens in developing nations (Ghalib, Malki and Imai, 2015; Baye, 2013; Imai et al., 2012; Imai, Arun and Ananim, 2010; Imai and Azam, 2012). Transnational corporations (TNCs) and the international enterprise society or community are also heavily active in these efforts, in addition to donations paid by taxpayers. For instance, the food firm Mars (2015) aids Sacco projects in 15 cocoa-growing regions in nations including Indonesia and Côte d'Ivoire. Sacco's provides micro grants and loans to finance inputs across its supply chain in an effort to support female businesses (Mars, 2015). Sacco's projects are supported by Citibank through a number of its programs. It continues to collaborate with the Overseas Private Investment Corporation of the U.S. government, which provides funding for Sacco programs in emerging markets worldwide and has provided more than US\$417.4 million to 46 microfinance (Sacco) institutions in 24 countries. Additionally, it works together with the Philippine branch of the Asian Development Bank (ADB) to arrange local currency loans of up to US \$100 million to Sacco's (MFIs) in the Asia-Pacific area (Citibank, 2016: 80). The multinational project Kiva, which provides US\$977.9 million in microfinance for poverty alleviation in 83 countries, counts Hewlett-Packard, Google, and MetLife among its financial partners (Kiva.org, 2016). Of the estimated US\$34 billion in funding for financial inclusion, the World Bank's 2016 Cross-Border Funder Survey indicates that US\$9.4 billion (28%) originates from personal sources, with more than two thirds of total financial support utilized to fund lending portfolios (Dashi, Soursourian, and Dokle, 2016). Therefore, TNCs and the global business community are important participants in the discussion concerning the efficacy of microfinance (Sacco).

Similar to this, Ramath and Preethi (2014) note that SACCOS provide small loans and savings amenities to those who are financially banned or excluded from commercial or profitable services, which contributes to the development of a key strategy in poverty alleviation around the globe. Additionally, according to Bwana and Mwakujonga (2013) SACCOS contribute to the GDPS leaving the majority of people to depend on cooperative movements for their means of subsistence. An improved strategy would be the establishment of Sacco's focused on economic development and growth programs aimed at reducing poverty by enabling low-income earners, micro entrepreneurs, and poor citizens who cannot access similar services from formal banking institutions to access financial services (Edeme and Nkalu, 2019). Additionally, SACCOS contribute to broad-based development and poverty alleviation (Tsfay and Tsfay, 2013). Furthermore, Urassa and Kwai (2015) shown that SACCOS had a significant impact in reducing poverty. Microfinance (Sacco) programs can efficiently or successfully address material poverty, the physical deprivation of services and goods, and the income to achieve them (Urassa and Kwai 2015; Micro Finance Africa, 2018). Microfinance, also referred to as microcredit with a low interest rate, is a possible tool for promoting both current and future business prospects, which can subsequently produce more income, employment, and personal monthly income for all people, not just the poor (Townsend and Kaboski, 2012). Additionally, the poor requires accessibility to a variety of fiscal services such as credit, and microfinance and payment/transfer accounts and deposits accounts. It is noted that

these products or services can give households with consumption smoothing and avert income fluctuation (Akpanjar et al., 2013). Most notably Sacco borrowers often take enterprise loans and use it for other reasons but not limited to school fees, burial expenses, medical cost, Land purchase, burial and others, which makes them venerable (Chan and Lin, 2013).

Akonyi and Ilemona (2013) also conducted a study to evaluate the effect of entrepreneurship skill development on poverty in Nigeria's Kogi State. Akonyi and Ilemona (2013) used primary data that was acquired via a well-structured questionnaire that was given to recipients of entrepreneurship acquisition skills who were chosen at random from six local government areas in the state. The method of descriptive analysis was employed. According to the study's findings, 65% of the participants agreed that young people's lack of entrepreneurial abilities is to blame for Nigeria's high percentage of poverty. Similar to this, Boitumilo (1995) demonstrated how important entrepreneurial skills are for increased productivity and, ultimately, poverty reduction. Additionally, borrowers who possess these talents may be able to use the loans for more profitable investments than those who do not. Furthermore, according to Akonyi and Ilemona (2013), at least 60% of those who benefited from the skill development program are now able to take care of their basic needs. The studies were conducted in Nigeria and were quantitative in nature; this study adopted both qualitative and quantitative approaches, hence the geographical and methodological gap that this study intends to fill.

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

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

According to a study by Noah (2016), both urban and rural communities' official banking institutions have failed to support MSEs. Information asymmetry, poor financial management, and bank loan rationing all contribute to the financial issues that most MSEs face (Noah 2016). Kebede (2019) also made the point that banks are not required to lend to MSEs because the loans sought are too modest or small, and those banks find it more expensive to grant such loans. The establishment of MFIs like SACCOS in Ethiopia is additionally seen as the finest alternative source of financial services for low-income earners and their micro-small businesses as a means to enhance their revenue, hence lowering their poverty level and supporting the nation's economy (Noah, 2016).

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

In a similar vein, Kihwele and Gwahula (2015) investigated how Sacco's affect the reduction of poverty in Tanzania. The dependent variable of the study was poverty reduction, whereas the independent variables were entrepreneurship skills and microfinance services. 40 Sacco beneficiaries were utilized as a sample by Kihwele and Gwahula. According to their findings, Sacco services helped to reduce poverty by 50% as long as credits are capitalized or spent in profitable or productive endeavors. Furthermore, Sacco beneficiaries reported better social services, income, and self-employment (Kihwele and Gwahula, 2015). They

highlighted that Sacco's were also found to give entrepreneurship training, but at a low rate, as the majority of the training is focused on increasing members' awareness of saving/loan conditions and terms rather than building entrepreneurial abilities.

Financial literacy and poverty reduction

Han (2019) and World Bank Group (2020) claim that microfinance institutions (SACCO's) have shown the ability to provide dependable facilities or services to underprivileged consumers, which ultimately helps to reduce poverty. However, Mia, 2017; Railien&Sineviien, 2015 showed that Bangladesh now has the largest microfinance operations in the entire world. It has been noted that Sacco's have helped people in Bangladesh develop not only their material resources but also their human resources by ensuring improved access to education, health care, system, and general awareness among the people about their skill acquisition, rights, and responsibilities, health services, education, social capital, management, and financial education, all of which are argued to be crucial components of microfinance (World Bank Group, 2020; Mia, 2017; R, 2017). These services and products can be created to tackle many elements of competence gaps or deprivations with a multifaceted approach to poverty. For instance, financial education and training aimed at increasing consumers' knowledge of budgeting and cash management can greatly increase the competence of consumers to use savings and credit effectively and profitably. Additionally, social empowerment and health programs can dramatically improve consumers' competence while achieving positive social and empowerment results (Igelit, 2018; Sile, 2019; Ogundele& Bade, 2012; Wambua&Mwangi, 2016). Research from Bolivia and Sri Lanka that looks at how financial education affects financial behavior outcomes reveals improvements in product knowledge, loan evaluation skills, and a calculated rise in one's own debt capacity (Gray et al., 2009). According to Alicia Peter Mbagga's (2013) study on Sacco's and poverty alleviation, Sacco's did not make a significant impact on the fight against poverty. The findings showed that 12% of members attended entrepreneurial training, 28% attended training on managing loans and savings, and 60% of members did not attend any training sessions. This demonstrates that the majority of members did not attend any training sessions; as a result, the members spent their credits in unsuccessful projects because they lacked the skills and knowledge necessary for effective loan management and project initiation.

Additionally, Pimhidzai (2019) asserts that training can lower the high unemployment rate by giving participants the abilities and information required to successfully launch and operate small companies. However, training helps members develop entrepreneurial or problem-solving abilities they may employ to address business issues, so it's not just about pursuing financial goals. In addition to assisting in overcoming desperation and reliance, training that proactively prepares participants for an unpredictable world can also encourage the creation of an enterprising ethos that values independence, adaptability, self-efficacy, inventiveness, and self-sufficiency (Kim, 2018). Additionally, members perform better when training is consistent because it provides them control over their work and enables them to take advantage of possibilities (Kim, 2018). Kebede (2019) further said that training participants frequently develop their professional abilities and have a deeper comprehension of how businesses function. Kim and Kebede (2019) contend that it takes years for members to develop through education and training. According to Kim and Kebede (2019), ongoing training is necessary to equip members with the abilities they need to adapt to changes in the workplace. Regular corporate training fosters employee competence and confidence, according to Kim and Kebede (2019). Pimhidzahi (2019) emphasizes that training must be relevant on many levels, including to advance the culture and mission, improve client relationship management, foster innovative thinking, impart communication skills, guide employees in using technology, and develop future leaders.

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

As well, Urassa & Kwai (2015) investigated the role of SACCOs in the reduction of income poverty in Tanzania. Urassa&Kwai (2015) used multiple linear regression and the descriptive method to get their conclusions. The study used the multiple regression technique to compare family income as the dependent

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

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

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

H₀: There is no significant relationship between Sacco non-financial services and poverty reduction among the Sacco members in Greater Bushenyi.

H₁: There is significant relationship between Sacco non-financial services and poverty reduction among the Sacco members in Greater Bushenyi.

IV. METHODOLOGY

A cross-sectional design was used, where both qualitative and quantitative research approaches were used. Quantitative data were obtained from the Sacco members whereas the Key informants were selected from Sacco's' management and leadership resource persons provided the qualitative data. Simple random sampling technique was used to select 397 from 61634 Sacco members and purposive sampling was used to select the 19 Key Informants from 250 Sacco's management and leadership. A self-administered questionnaire and a key informant interview guide were used to obtain the data from the Sacco members and the Key Informants respectively. The questionnaire items for the continuous variables were anchored on a 6-point Likert scale. i.e., Strongly Disagree (SD), Disagree (D), Some What Disagree (SWD), Some What Agree (SWA), Agree (A) and Strongly Agree (SA). The "neutral" option gave survey takers an easy out, creating a temptation to breeze through the question without much thought. An even number of categories, as in a six-point Likert scale forced respondents to come down broadly "for" or "against" a statement. Questionnaires were distributed to 397 Sacco members and 19 key informants were proposed for interviews. Data was collected from 392 Sacco members and 17 key informants interview and the overall response rate 98%. This was a perfect response rate, higher than then minimum of 60% recommended by Fincham 2008.

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

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

$$= \frac{61634}{1 + 61634(0.05)^2}$$

$$= 61634$$

$$\frac{1+61634(0.0025)}{1+154155} = \frac{61634}{61634} = 397$$

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

Qualitatively, out of 250, a total of 19 respondents participated in the qualitative interviews. Specifically, these were board members, Sacco general managers, and credit officers. This unlike the quantitative methodologies where the sample sizes are predetermined, in this study the sample size was determined purposively majorly on key informants. These were purposefully chosen for the study due to their unique knowledge of Sacco's and poverty reduction in Greater Bushenyi. Therefore, a total number of 416 respondents were considered for this study, both quantitative and qualitative.

The quantitative data was cleaned and captured into SPSS 16, cleaned further, from where AMOS 23 retrieved it for analysis with SEM. It was also exported to MS Excel and STATA version 13. Both descriptive and inferential statistics were generated for analysis. , the qualitative data was analyzed using Atlas.ti version 7. To determine the impact of non-financial services (entrepreneurial and skill development and financial literacy) on poverty reduction, correlation analysis was done.

V. RESULTS

The objective of this study was to examine the influence of Sacco non-financial services on poverty reduction among the Sacco members in Greater Bushenyi. In view of this objective, the following hypotheses were generated: H_0 : "There is no significant relationship between Sacco non-financial services and poverty reduction among the Sacco members in Greater Bushenyi," and H_1 : "There is significant relationship between Sacco non-financial services and poverty reduction among the Sacco members in Greater Bushenyi." Pearson correlations were conducted to test the hypotheses. The correlation results are presented in as indicated in table 1

Table 1: Correlations between Sacco non-financial services and poverty reduction

	pr	nonfin_serv	esd	fl
pr	1.0000			
nonfin_serv	0.5331*	1.0000		
esd	0.5750*	0.9271*	1.0000	
fl	0.3920*	0.9063*	0.6818*	1.0000

Where:

- pr – poverty reduction
- nonfinserv - non-financial services
- esd – entrepreneurship skills development
- fl - financial literacy.

Table 1 shows that there was moderately fair significant positive relationship between Sacco non-financial services and poverty reduction among the Sacco members in Greater Bushenyi. ($r = 0.5331$, $p < 0.00$). This implies that overall increase in a unit of Sacco non-financial services, poverty reduction among the Sacco members in Greater Bushenyi was likely to increase by 0.5331 units and vice versa. Consequently, the first null hypothesis of this study, stating: "There is no significant relationship between Sacco non-financial services and poverty reduction among the Sacco members in Greater Bushenyi," was rejected. The alternative hypothesis, stating: "There is significant relationship between Sacco non-financial services and poverty reduction among the Sacco members in Greater Bushenyi," was accepted.

Qualitative Analysis for SACCO non-financial services and poverty reduction

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

Sub Theme 2: Financial Literacy

Sub Theme 1: Entrepreneurial and Skills Development

Sub Theme 3: Provide Employment

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

Sub Theme 5: Indicators of Poverty Reduction

Key Informants were asked as to what were non-financial services that Sacco's offered to members that aimed at poverty reduction. They are depicted in figure 1.

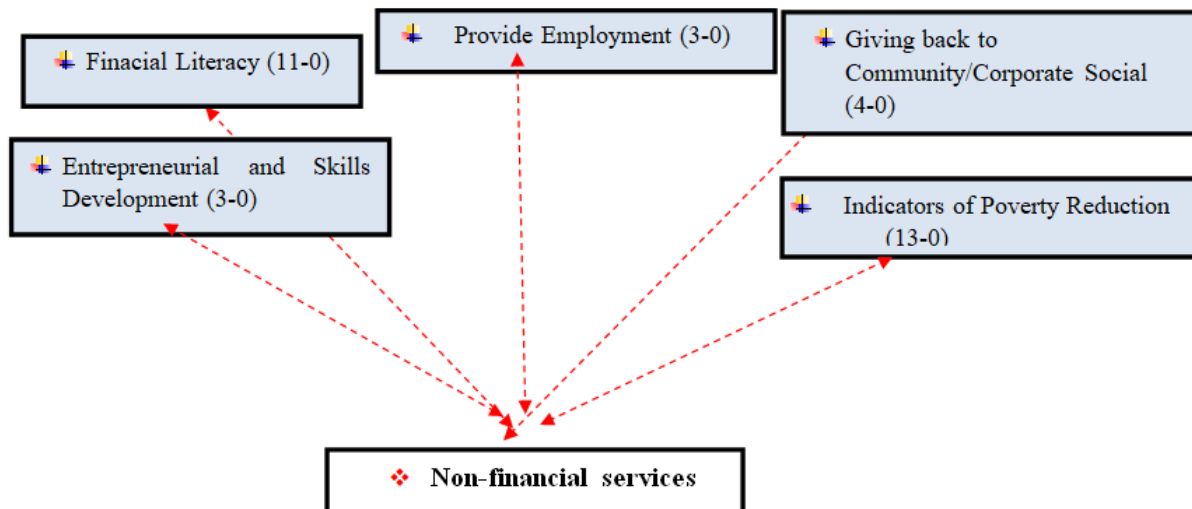


Figure 1: Network view showing non-financial services that Sacco's offered to members aiming at poverty reduction

Source: Field data, 2023.

Sub-theme 1: Financial Literacy

From the views that Key Informants elicited regarding how SACCO's provide non-financial services to their member towards poverty reduction through financial literacy as shown in the verbatims. Celebrating Sacco financial services' success would have been remarkable by teaching its members financial literacy. Sacco's train their member in handling finances so they can grow. They teach their member at least basic financial practices like recording and booking in the income generating activities. Sacco's teach their members to aware of the cost of inputs into their income-generating active so as get profits. The majority of the Key Informants elicited financial literacy (11 responses) as one of the non-financial services that Sacco offered to their member towards poverty reduction. Some of views are here-below.

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

"Sacco's offer financial literacy trainings where they train their members on how to use acquired finances effectively, which helps reduce the use of the finances in unproductive activities and sometimes increases their productivity"

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

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

Basing on **Key Informant 17, Male aged 40 Male aged 51**;

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

Key Informant 14, Female aged 32 noted that;

Sacco's offer training to their members on the various services offered by the Sacco's and basically also give financial literacy, which helps the members use the acquired funds productively and eventually reduce their poverty. For example to start businesses, buy bodabodas, pay fees for their children, buy assets like cars, land, buy manure to put in their gardens which in the end all help in reducing their poverty" .

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

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

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

"The financial literacy offered helps the members utilize funds acquired in productive activities like improving on their agriculture, buying assets like land, paying fees for their children who later assist

their families after completion of their studies, starting businesses among others that help them get out of poverty”

Key Informant 13, Female aged 38 propounded that;

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

From the above quotations, it can be said that Sacco members appreciated the Sacco’s as having been instrumental in reducing poverty in the light of financial literacy trainings that Sacco’s offer. It can also be deduced that since Sacco’s are since in Greater Bushenyi Sacco’s are populated by agricultural households, it Sacco’s’ financial literacy that has commercial agricultural among the area’s farmers.

Sub theme 2: Entrepreneurial and Skill Development

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

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

“Sacco’s offer training services to their members, and because of these trainings, members have been able to start businesses, improve their agricultural activities, and utilize funds productively, thereby reducing poverty”

Basing on Key Informant 6, Female aged 38

“They offer no financial services like financial literacy and entrepreneurial skill development services that help members start businesses”

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

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

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

Provide employment

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

Key Informant 17, Male aged 40 noted that;

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

Key Informant 12, Male aged 56 pointed that;

“The level of unemployment has reduced because these Sacco’s have provided jobs to their members”.

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

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

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

Giving back to Community/ Corporate Social Responsibility

Like a number of other organisations and business entities, in their deliberate efforts to serve their member for societal development, Sacco reach out to individual and household in form or another. This is in the spirit of corporate social responsibility. In this regard, another response was Sacco’s giving back to community (**4 responses**).

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

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

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

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

Key Informant 6, Female aged 38 pointed out;

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

Key Informant 9, male aged 55 noted that;

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

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

Indicators of Poverty Reduction

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

Households not struggling to provide for their families (6 responses)

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

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

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

“Sacco members have acquired education due to school fees loans, youth unemployment has reduced due to bodaboda loans, and even getting jobs to work in these very Sacco's, and also a lot of developments have been done at home, such as good shelter, setting up businesses, electricity facilities, clean water, good clothes, good food, and cars, among others. Children who have acquired education through school fees, loans, and bursaries provided by these Sacco's are now helping their parents, and most of them have improved the incomes and welfare of their families” – (Key Informant 8, male aged 46).

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

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

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

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

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

Individuals and households property acquisition and job and wealth creation form a circular flow. The poor, as a

section of the society that Sacco's serve, would be the straggling to meet basic needs. In this light, they would be having little entitlements to such property as land, homes, vehicles, heating lighting in the home, to mention but a few. However, Key Informants' views proved evidence of Sacco member's property acquisition (5 responses)

Key Informant 5, Male aged 51 noted that;

"The rate at which people are buying vehicles, motorcycles, land, and building good homes, the increased capacity to access basic needs, and the rate at which people are starting some businesses as signs of poverty reduction due to the services provided by Sacco's"

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

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

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

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

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

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

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

"Through the monitoring that they do, they have found out that their members have acquired assets like land, cars, motorcycles, and bicycles; they have built good homes; the youth have employment; they have clean water; they have good lighting systems, especially solar; women are now seriously involved in business and many other activities; they have taken their children to school, among others, which all indicate poverty reduction"

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

Women empowerment(6 responses)

Women empowerment is a form of empowerment that reduces poverty. Agriculture is the backbone of Greater Bushenyi area and women constitute the highest on farm work force. Most such women offered subsistence labour. Most women face land and other property ownership challenge. Traditional this seen them exclude from services of traditional financial services for acquisition of loan facilities. Sacco's have changed this story. Women form groups that provide a form security for Sacco's to give them group loans. Sacco's of have come up loan product called Rural mix loan for targeting women home improvement as well buy appliances. These considerations for women by Sacco's have empowered them greatly, to which the Key Informants **have elicited below.**

"... Sacco give loans of different types, such as agricultural loans, school fees loans, business loans, and rural mix loans to women.... Sacco's are now helping their parents, and most of them have improved the incomes and welfare of their families"—(**Key Informant 8, male aged 46**).

"The empowerment of women, where very many women are now involved in business, can manage to pay fees for their children, and have a say in their families due to the loans given to these women" — (**Key Informant 6, Female aged 38**).

"The number of members saving has increased, the number of people taking loans and being able to pay them back is increasing, members have good housing facilities, women have been empowered and are doing businesses and other productive works, ..." — (**Key Informant 7, male aged 39**).

"... women are now seriously involved in business and many other activities; they have taken their children to school, among others, which all indicate poverty reduction" — (**Key Informant 17, Male aged 40**).

"... women are seen as being empowered in their families, for example through the acquisition of loans from these Sacco's" — (**Key Informant 14, Male aged 41**).

"... women have been empowered through rural mix loans and other credit services offered" — (**Key Informant 9, male aged 55**).

"Many women have been empowered through acquiring financial services and have also started

businesses that have developed around them” – (Key Informant 12, Male aged 56).

Another response was increase incomes (3 responses) as the following view portray.

“...people's incomes have increased, members have acquired basic needs such as food and shelter, and many have acquired assets such as land and cars, among others, which manifest poverty reduction” – (Key Informant 2, male aged 43).

The Key Informant 9, male aged 55 pointed out that women have been empowered in number of ways. For example, an individual or women a group that started taking a loan of 5 million, they are now taking like 10 or 15 million, signifying an increase in income. Another, Key Informant 14, Female aged 32, said that agricultural output, where women are the participants in greater proportions compared to their men counterparts, has increased, unemployment has reduced, and woman have bought assets such as land and household properties.

A. 4.5 Regression analysis for SACCO non-financial services and poverty reduction

This study's second objective was to examine the influence of Sacco non-financial services on poverty reduction among the Sacco members in Greater Bushenyi. The regression output of the influence of no-financial services on poverty reductions is presented in table 2.

Table 2: SPSS regression output for non-financial services

Variable	Model				
	B	SE	B	T	Sig.
Constant	38.436	3.104		12.384	.000
Entrepreneurship skills development (ESD)	1.587	.166	.563	9.570	.000
Financial literacy (FL)	.042	.149	.017	.283	.778
R		.575 ^a			
R ²		.331			
AdjR ²		.327			
Std. Error of the Estimate		15.819			

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

N = 392

a. Dependent Variable: Poverty reduction

The results in Table 2, the model for predicting the influence of non-financial services poverty reduction show that for each additional increase in overall rigour of entrepreneurship skill development, poverty reduction was likely to get an average increase of 1.587 units ($\beta = 1.587$, $p = 0.000$). This implies that overall increase in rigour of entrepreneurship skill development is likely to lead to a higher likelihood of poverty reduction among the SACCO members in Greater Bushenyi. Non-financial service (Entrepreneurship skills development (ESD) and financial literacy (FL)) explained 33.1% of the total variance of poverty reduction ($r=0.575$). The final model for predicting the influence of non-financial services (Financial literacy (FL) and Entrepreneurship skills development (ESD) on poverty reduction is:

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

Where:

PR – is Poverty reduction

FL – is Financial Literacy

ESD - is Entrepreneurship skills development

B_0 - is the regression coefficient for the intercept

B_1 - is the regression coefficient for the Entrepreneurship skills development

From Table 2, the prediction model is:

$PR = 38.436 + 1.587ESD$

VI. DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

Discussion

The research question of this study sought to examine the influence of Sacco non-financial services on poverty reduction among Sacco members in Greater Bushenyi. Under the non-financial services constructs of application of entrepreneurship skills development and financial literacy were investigated. The results of the investigation of non-financial services indicated that there was a significant positive relationship between non-financial services and poverty reduction among the Sacco members in Greater Bushenyi. An increase in overall non-financial services was likely to cause a fairly large increase in poverty reduction caused by Sacco's

entrepreneurship skills development and financial literacy services to the members. These findings were depicted by correlation and regression analysis to generate a model for predicting the influence of non-financial services on poverty reduction among the SACCO members in Greater Bushenyi. Non-financial services were found to positively enhance poverty reduction among the SACCO members in Greater Bushenyi. The second null hypothesis of this study, stating: "*There is no significant relationship between Sacco non-financial services and poverty reduction among the Sacco members in Greater Bushenyi,*" was rejected. The alternative hypothesis, stating: "*There is a significant relationship between Sacco non-financial services and poverty reduction among the Sacco members in Greater Bushenyi,*" was accepted. The findings of the quantitative analysis were supported by the views of key informants.

The views of the key informants were supportive of the influence of Sacco non-financial services on poverty reduction among Sacco members. Such findings are in agreement with arguments that emphasize poverty reduction among the Sacco members and that SACCO's non-financial services have a positive coefficient, proving that SACCO's non-financial services made by SACCOs have a hopeful or advantageous impact on reducing poverty (Akonyi and Ilemona, 2013; Boitumilo, 1995; Kihwele & Gwahula, 2015; Pimhidzai, 2019; Kim, 2019; Kebede, 2019; Kyale, 2013; Ogundele, 2012; Mia, 2017; World Bank Group, 2020; Raillien & Sineviien, 2015).

The key informants' views support the findings of the SACCO Member's quantitative analysis of the accepted alternative hypothesis stating: "*Sacco non-financial services influence poverty reduction among the Sacco members in Greater Bushenyi*". Findings in this section suggest that the offering of non-financial services by Sacco's to its members has played a role in their poverty reduction.

VII. CONCLUSIONS

Objective of this study sought to examine the influence of Sacco non-financial services on poverty reduction among Sacco members in Greater Bushenyi. Based on the findings, it was concluded that Sacco non-financial services had a fair positive influence on poverty reduction among the Sacco members in Greater Bushenyi, which included entrepreneurship skills development and financial literacy. Non-financial services result in increased poverty reduction.

Recommendations

The Sacco members are encouraged to continue and increase offering the non-financial services, training and financial literacy, to the members. This would strengthen chance of reaping higher profits from the loan facilities that Sacco members seek and get from Sacco's - that has seen Sacco members construct good dwellings for their households, acquire solar lighting - encouraging for green economy and accumulate individual and house assets on properties, be able to send their children to school, and like, which all factor a great deal in poverty reduction.

coming together and pooling resources through saving, and seeking loan facilities to start businesses and improve the existing ones as well as engaging in agricultural income activities since the backbone of the economy of Greater Bushenyi is agricultural. This is what will see the Sacco members making great strides in their poverty reduction endeavours.

The Sacco's in the Greater Bushenyi are equally encouraged to continue and increase offering non-financial services to their members. They steady and firmly grow Sacco member through attracting new members, which will see even poorer section of the communities come aboard the Sacco ship cruising as a poverty reduction vehicle.

The Government is recommended to support Sacco's non-financial services, including entrepreneurship skills development and financial literacy as they have steadied youths' self-employment both in farm and off-farm business and income generating activities, thereby furthering Uganda Government's stance and call to the youth to start their own jobs for self-employment. The Sacco services of financial literacy contribute and will enhance greatly the healthiness of youths' businesses and their sustainability.

REFERENCES

- [1]. ActionAid Uganda (2013). The cooperative movement and the challenge of development. A search for alternative wealth creation and citizen vitality approaches in Uganda
- [2]. Adebisi, I. M., Abubakar, T., Aremu, B., Emmanuel, I. A. & Sidikat, S. (2020). Cooperative Societies and Households Poverty Reduction Nexus. A study of Minna metropolis, Niger State, Nigeria. Kampala International University Journal of Social Sciences. Vol 6, No 2. <http://repository.futminna.edu.ng:8080/jspui/handle/123456789/7527>.
- [3]. Ahimbisibwe, P. (2018). 70% boarding schools substandard, says government. Daily Monitor. <https://www.monitor.co.ug/News/National/70-percent--boarding-schools-substandard-government/688334-4861680-mueg6d/index.html>

- [4]. Akpandjar GM, Quartey P, Abor J (2013). Demand for financial services by households in Ghana. *International Journal of Social Economics* 40(5):439-457
- [5]. Ali, D.A. and Ali, Y.S. (2013). Entrepreneurship Development and Poverty Reduction. Empirical Survey from Somalia. *American International Journal of Social Sciences* Vol. 2, PP. 107-112
- [6]. Awojobi ON (2019). Microcredit as a strategy for poverty reduction in Nigeria: a systematic review of literature. *Global Journal of Social Sciences* 18(1):53-64.
- [7]. Banerjee, A., Duflo, E., Glennerster, R., & Kinnan, C. (2015). The miracle of microfinance? Evidence from a randomized evaluation. *American Economic Journal: Applied Economics* ,7(1),2253.
- [8]. Bendig, M., Giesbert, L. and Steiner, S. (2009). Savings, Credit and Insurance: Household Demand for Formal Financial Services in Rural Ghana, Working Paper 94, German Institute of Global and Area Studies
- [9]. Boitumilo, S.M. (1995). Access to Credit for Non-Formal Micro-Enterprises in Botswana" *Journal of Development Studies*, Bradford. Vol. 31, No.6.
- [10]. Brady D, Blome A, Kleider H. (2016). How Politics and Institutions Shape Poverty and Inequality. In *The Oxford Handbook of the Social Science of Poverty*, ed. D Brady, LM Burton, pp. 115-139. New York: Oxford University Press.
- [11]. Brady D. 2009. *Rich Democracies, Poor People*. New York: Oxford University Press
- [12]. Bwana, K. and Mwakujonga, J. (2013). Issues in SACCOs Development in Kenya and Tanzania. The Historical and development perspectives: Developing countries studies, Vol. 3, No.5
- [13]. Chan SH, Lin JJ (2013). Financing of Micro and Small enterprises in China: An exploratory study. *Strategic Change* 22:431-446.
- [14]. Churk JP (2015). Contributions of savings and credit co-operative society on Improving Rural Livelihood in Makungu Ward Iringa, Tanzania. Proceedings of the second European Academic Research Conference on Global Business, Economics, Finance and Banking (EAR15 Swiss Conference). Zurich-Switzerland, 3-5 July 2015 Paper ID: Z550
- [15]. Dieter, S. H. & Gloria, A. (2019). Women and Men in Rural Microfinance: The Case of Uganda. https://www.econstor.eu/bitstream/10419/23705/1/2002-4_UG_Microfinance.pdf.
- [16]. Edeme & Nkalu. (2019). Microfinance and Household Welfare: Cambodia Policy Note.
- [17]. Elem EO (2018) Sustainable Security in Nigeria through poverty reduction: Issues and Challenges. *South East Journal of Political Science* 4(2):265-277.
- [18]. Ghaliba, Asad K., Issam, Malki, & Katsushi, S. Imai. (2014). Microfinance and household poverty reduction: Empirical evidence from rural Pakistan. *Oxford Development Studies*, 85–100.
- [19]. Ghaliba, Asad K., Issam, Malki, & Katsushi, S. Imai. (2014). Microfinance and household poverty reduction: Empirical evidence from rural Pakistan. *Oxford Development Studies*, 85–100.
- [20]. Gray, B., M. Gash, S. Reeves, and B. Crookston (2009), 'Microfinance: A sustainable platform for non-financial services' *Progress in Economics Research*, Volume 20, 163-182
- [21]. Gurley, J.G. & Shaw, E.S. (1960). Money in a theory of finance. Brookings.
- [22]. Gurley, J.G. & Shaw, E.S. (1960). Money in a theory of finance. Brookings.
- [23]. Han, J., Wang, J., & Ma, X. (2019). Effects of Farmers' Participation in Inclusive Finance on Their Vulnerability to Poverty: Evidence from Qinba Poverty Stricken Area in China. *Emerging Markets Finance and Trade*, 55(5), 997-1014.
- [24]. Han, J., Wang, J., & Ma, X. (2019). Effects of Farmers' Participation in Inclusive Finance on Their Vulnerability to Poverty: Evidence from Qinba Poverty Stricken Area in China. *Emerging Markets Finance and Trade*, 55(5), 997-1014.
- [25]. Imai, Katsushi, Raghav Gaiha, Ganesh Thapa and Samuel Annum. 2012. "Microfinance and Poverty: A Macro Perspective." *World Development* 40(8): 1675-1689.
- [26]. Imai, Katsushi, Thankom Arun and Samuel Annum. 2010. "Microfinance and Household Poverty Reduction: New Evidence from India." *World Development* 38(12): 1760-1774.
- [27]. Kaboski JP, Townsend RM (2012). The impact of credit on Village Economies. *American Economic Journal: Applied Economics* 4(2):98-133.
- [28]. Kamulegeya, F. (2016). SACCOs start paying tax on their profits. *Daily Monitor* Tuesday April 12.
- [29]. Kebede, M., & Regassa, N. (2019). Women's Access to Microfinance Services in Southern Ethiopia: Assessing the Promises, Impacts, Challenges and Gaps. In *Efficiency, Equity and Well Being in Selected African Countries* (pp. 149-165). Springer, Cham.
- [30]. Kihwele, E.A. & Gwahula, R. (2015). Impact of savings and credit cooperative societies in poverty reduction. Empirical evidence from Tanzania. *European Journal of Business and Management*, 7(23), 103-112
- [31]. Kim, N. T., Long, L. H., & Sang, N. M. (2018). Evaluating the Efficiency of Microfinance Institutions

- in Vietnam and the Impact of this Efficiency on Poverty Reduction. In *Global Tensions in Financial Markets* (pp.167-181). Emerald Publishing Limited..
- [32]. Kipasha, E.F. (2013). Production and Intermediation Efficiency of Microfinance Institutions in Tanzania.
- [33]. Kizza, J. & Ssekibaamu, A. (2019). The contribution of luweero teachers' saving and credit cooperative organization to the socio-economic welfare of teachers in luweero district, Uganda.
- [34]. Kyale, M.S. (2013). Impact of microfinance institutions on growth and development of SMEs in Machakos town. Unpublished PhD thesis, university of Nairobi.
- [35]. Lomazzi, M., Borisch, B & Laaser, U. (2014). The Millennium Development Goals: experiences, achievements and what's next. National Library of Medicine.
- [36]. Magali, J. J. (2013). Impacts of Rural Savings and Credits Cooperative Societies (Saccos') Loans on Borrowers in Tanzania. Author Detail: Joseph John Magali. *International Journal of Management Science and Business Research*, 2(12), 31–47.
- [37]. Makori, O.G. & Sile, I. (2019). Effect of credit appraisal practices and credit monitoring on profitability of deposit taking Sacco's in Nairobi County. *Journal of Entrepreneurship and Project Management*. 1 (1), 46-60.
- [38]. Mars. (2015). Mars Chocolate: Women's Empowerment Plan. <http://www.mars.com/global>.
- [39]. Mbagga, V. (2013). Impact Assessment of SACCOS in Nepal Hill District. *Findings of an action research centre for Micro finance (pvt) Limited* Kathmandu, Nepal.
- [40]. Mbeki, M. 2005, 'Perpetuating Poverty in Sub-Saharan Africa: How African Political Elites Undermine Entrepreneurship and Economic Development'. International Policy Network, London.
- [41]. Momanyi OJ, Njiru A (2016). Financial Risk Management and Performance of Savings and Credit Co-operative Societies in Nakuru East Sub-County, Kenya. *International Journal of Research in Business Management* 4(4):56-66.
- [42]. Msuya, R. I. (2020). Savings and credit co-operative societies' impact on poverty reduction in rural Tanzania: the case of Mwanza and Tabora regions. *Journal of Co-operative and Business Studies (JCBS)* Vol. 5, Issue 2, ISSN: (online) 2714-2043, (print) 0856-9037
- [43]. Mugerwa, K. (2011). *Developing contract farming systems in Uganda | World Agriculture*. <http://www.world-agriculture.net/article/developing-contract-farming-systems-in-uganda>
- [44]. Mwesigwa, D. (2018). *Using farmer groups to empower small-holder rural farmers in Hoima district, mid-western Uganda*.
- [45]. Ndaguba, E. A., Ndaguba, D.C.N. & Okeke, A. (2015). Assessing the Global Development Agenda (Goal 1) in Uganda: The Progress Made and the Challenges that Persist.
- [46]. Noah, H. (2016). Impact of SACCOS on the performance of Small and Medium Enterprises in Ethiopia: The case of DECSI in Ganta-Afeshum Woreda of Eastern Tigray. Master Thesis, Addis Ababa University: Addis Ababa, Ethiopia.
- [47]. Obadia, M.T. (2014). Contributions of Savings and Credit Cooperative Societies (SACCOS) on the Growth Sustenance of Small Businesses in Tanzania: The Case of Mbeya City. Unpublished Master of Business Administration dissertation. Open University of Tanzania
- [48]. Ogundele, O and Bade, W.A. (2012). *Entrepreneurship Training and Education as Strategic Tools for Poverty Reduction in Nigeria*. *American International Journal of Contemporary Research*, Vol.2, pp.116-156
- [49]. Owolabi, O. E. (2015). Microfinance and Poverty Reduction in Nigeria: A Case Study of LAPO Microfinance Bank. Submitted in accordance with the requirements for the degree of Doctor of Philosophy, Leeds University Business School, the University of Leeds. Oxford Poverty and Human Development Index (OPHI) (2019) Policy – a multidimensional approach – what is multidimensional poverty? <https://ophi.org.uk/policy/multidimensional-poverty-index/>. Accessed 22 Aug 2019
- [50]. Patel, R., Patel, M., & Patel, N. (2018). Impact of microfinance on poor women: Lessons from North Gujarat. *Prabandhan: Indian Journal of Management*, 11(2).
- [51]. Pearlman S (2012). Too Vulnerable for Microfinance? Risk and vulnerability as determinants of microfinance selection in Lima. *The Journal of Development Studies* 48:1342-1359.
- [52]. Pimhidzai, O., Tong, K., Anantavasilpa, R., Popovic, A., Mel, S., & Sanchez Martin, E. (2019). Microfinance and Household Welfare: Cambodia Policy Note.
- [53]. Railienė, G., and Sinevičienė, L. (2015). Performance Valuation of Credit Unions Having Social and Self-sustaining Aim. *Procedia - Social and Behavioral Sciences*, 213(2015), 423–429.
- [54]. Ramath, P. and Preethi, P. (2014a). Microfinance in India for poverty reduction. *Nirmala College of Women, India*.
- [55]. Rheload (2011). Brand name suggestiveness and growth of the enterprise. *International Journal of Research in Marketing*, 2(3) 4-12.

- [56]. Sinha, M., Mahapatra, S. S., Dutta, A., & Sengupta, P. P. (2019). Microfinance and Women Empowerment: An Empirical Analysis. In *Handbook of Research on Microfinancial Impacts on Women Empowerment, Poverty, and Inequality* (pp. 5264). IGI Global.
- [57]. Swain, R. B., Nguyen, V. S., and Vo, V. T. (2009). Microfinance and poverty reduction in the Mekong Delta in Vietnam. *African and Asian Studies*, 7(2/3), 191–215.
- [58]. Turvey, C. G., and Kong, R. (2010). Informal lending amongst friends and relatives: Can microcredit compete in rural China? *China Economic Review*, 21(4), 544–556.
- [59]. UBOS (2017). Statistical Abstract. (Kampala, Government of Uganda)
- [60]. UBOS (2018). Uganda National Household Survey 2016/2017. Kampala, Uganda: UBOS. Available at: http://sun-connect-ea.org/wp-content/uploads/2018/12/2017_UNHS_26092017-Final_Presentation.pdf
- [61]. *Uganda Economic Outlook 2018*. (n.d.). 16. Uganda Legal Information Institute. (n.d.). *Cooperative Societies Act 1991 | Uganda Legal Information Institute*. Retrieved June 9, 2020, from <https://ulii.org/ug/legislation/consolidated-act/112>
- [62]. Urassa, J.K. & Melania, D.K. (2015). The contribution of savings and credit cooperative societies to income poverty reduction: A case study of Mbozi district, Tanzania. *Journal of African Studies and Development*, 7(4), 98-110
- [63]. Urassa, J.K. & Melania, D.K. (2015). The contribution of savings and credit cooperative societies to income poverty reduction: A case study of Mbozi district, Tanzania. *Journal of African Studies and Development*, 7(4), 98-110
- [64]. Waeyenberge, E. V. & Bargawi, H. (2018). Macroeconomic policy, inclusive growth and productive employment in Uganda. *Employment*, Working Paper No. 244. Employment and Labour Market Policies Branch.
- [65]. Waeyenberge, E. V. & Bargawi, H. (2018). Macroeconomic policy, inclusive growth and productive employment in Uganda. *Employment*, Working Paper No. 244. Employment and Labour Market Policies Branch.
- [66]. Wambua, L. & Mwangi, E. (2016). Factors influencing performance of SACCOs in Kenya: A case of UNAITAS Sacco. *European Journal of Business and Strategic Management*, 1(1), 21-37
- [67]. World Bank (2013). World Bank Annual Report 2013. Washington, DC. World Bank
- [68]. World Bank Group. (2021). Uganda economic update: Strengthening Social Protection to Reduce Vulnerability and Promote Inclusive Growth. Retrieved from <http://documents1.worldbank.org/curated/en/571011581515307951/pdf/Uganda-Economic-Update-14th-Edition-Strengthening-Social-Protection-to-Reduce-Vulnerability-and-Promote-Inclusive-Growth.pdf>.
- [69]. Yamane, T. (1967). *Statistics, An Introductory Analysis*. New York: Harper and Row.
- [70]. Zott, S. & Amit, E. (2013). Effects of SACCO services on performance of members enterprises in Nigeria. *Asian Economic and Financial Review*. Covenant University, Nigeria. Pp12- 17.

***Corresponding author: Nahikiriza Daphin**

¹(Faculty of Business Economics and Governance. Bishop Stuart University Mbarara, Uganda.