

**HOW IMPORTANT IS THE ACCESS TO CREDIT AND OTHER FINANCIAL  
SERVICES TO THE DEVELOPMENT OF AN AREA:  
A CASE STUDY OF BUGADE SACCO KITYELERA SUBCOUNTY MAYUGE  
DISTRICT**

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**A RESEARCH REPORT SUBMITTED IN TO THE COLLEGE OF ECONOMICS  
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KAMPALA INTERNATIONAL UNIVERSITY**

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## DECLARATION

I hereby declare that the work submitted is original and from my own effort, any assistance rendered in its preparation is fully acknowledged and disclosed. This therefore certifies that this report is prepared especially for the partial fulfillment for the award of a degree in business administration of Kampala International University and it has never been presented by any other student in any institution or university.

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## **APPROVAL**

I certify that the research report satisfy the partial fulfillment of the requirement of the award of a degree in Business administration of Kampala International University.

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Signature.....

Date .....

## DEDICATION

I happily and humbly dedicate this wound full peace of work as a special vote of thanks to my beloved parents, brothers, sisters, friends and my lovely supervisors. I pray that may the almighty God abundantly for your restless participation and guidance towards my academic excellence.

May the almighty God reward you all abundantly!

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## LIST OF ABBREVIATIONS

SACCO	Savings and Credit Cooperative
BS	Bugade Sacco
PAP	Poverty Alleviation Project
CCUL	Cape Credit Union League
NGOs	Non Government Organizations
FAO	Food and Agricultural organization
ECS	Entandikwa Credit Scheme
EU	European Union
CCS	Corporative Credit Scheme
PFLS	Progressive Farmers Loan scheme
UCB	Uganda Commercial Banks
RDS	Rural Development Strategy
GOU	Government of Uganda
MOR	Micro Finance Outreach
PBU	Post Bank Uganda
MSCL	Micro Finance support Scheme
UCSCUL	Uganda Cooperative Saving and Credit Union Limited
RFIs	Rural Financial Institutions
BAAC	Bank of Agriculture and Agriculture Cooperative
BRI	Bank of Rakyat Indonesia
CDO	Community Development Officer
SPSS	Statistical Package For social Sciences

## **ABSTRACT**

This study examines how important is the access to credit and other financial services to the growth of an area with a case study of Bugade SACCO Kityelera branch kityelera Sub County (Mayuge District). The study objective studied included, to identify the activities of Bugade Sacco towards the development of Kityelera Sub county. To examine the role of Buganda Sacco towards poverty eradication in Kityelera Sub County, to determine the relationship between credit schemes and financial accessibility in Kityelera sub county.

In order to verify the above which was involved in the study, a sample of 200 respondents was randomly selected, interview and questionnaire guides were used to clarify some of the issues to do with contribution of Bugade Sacco to the development of Kityelera sub-county being the case study.

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Introduction

This chapter described the background to the study, statement of the problem, study objectives as well as the scope of the study that the researcher covered in the course of the research as stated above.

#### 1.2 Back Ground of the Study

This study was set to analyze the importance of credit schemes and other financial services to the development of an area for example for this case Kityelera sub county.

Ledger wood (1999) defines Savings and Credit schemes as institutions that are formed to provide financial support to the members; the institution accepts deposits from members and grants them loans at reasonable rates of interest in times of need. Village Service Co-operatives and Urban Cooperative Banks are examples of savings and credit schemes. Ledger wood goes on to define financial services as the provision of monetary services (deposits, loans, payment services, money transfers, insurance), and accepting a wider variety of assets as collateral to urban and rural poor and low-income households and their micro enterprises

Credit scheme and the financial services provided by BUGADDE SSACO aims at poverty alleviation to poor and low income families.

Credit schemes are becoming a beacon of hope to the developing countries like Uganda and this brings out the importance of credit scheme and other financial services. This institutions grant loans to members at reasonable rates of interest in times of need. The lent money helps entrepreneurs in impoverished societies to start essential businesses in their communities that's specifically in Kityelera sub county, (Guilford, 2007).

Savings and Credit Co-operative Organization (SACCO) first appeared in Germany in the 1870's. The idea moved to North America in 1900 with European immigration. Canada, the United States, Australia and Ireland have the most established movements. In many regions of these countries SACCOs are much larger than the commercial banks.

There are 28 countries in Africa that have established credit unions. Globally there are almost 100 million individual members in 60 countries around the world. (Savings and credit cooperative league) SACCO is a member of World Council of Credit Unions. Through this relationship SACCO enjoys a reciprocal relationship with member countries throughout Africa and throughout the world.

SACCO was formed in Germany in 1970's. It evolved from the Cape Credit Union League (CCUL), which was formed in 1981. At this time various Catholic Church parishes decided to form Credit Unions and CCUL was formed to help them to coordinate their activities and standardise their operations. At this time though the Credit Unions were formed as social organisations did not operate their co-operatives as businesses. This brought about a lot of problems. Because the Credit Unions did not pay good interest on savings but gave out loans very cheaply, members were not interested in saving with the SACCO, only getting loans from the SACCO. Without savings and shares the SACCOS were unable to grow. However, because members were enjoying the cheap loans, they did not want to change the way they operated. Without growth, it was inevitable the SACCOS would stagnate. Basing on earlier researchers, (Guilford 2007), a second problem that existed in those days was that people were scared to take up leadership positions as there existed a state of emergency in the country during that period. This resulted in the ministers of the parishes taking a leadership position in the SACCO. If the minister was transferred to another parish, it would depend whether the incoming minister had knowledge about a SACCO and whether he was interested in continuing its activities.

One process of micro lending that has been successful for people at both ends of the economic spectrum is a microfinance credit scheme. Socially conscious investors can go to Savings and credit schemes and invest whatever amount they want, and even choose the area where the money will go and what annual return they would like to earn on the money. Credit Schemes then distributes the investment to the micro lenders that service the chosen area or project. The money is lent to the impoverished entrepreneurs who use the money to start or finance businesses that enables them to rise up out of poverty. The entrepreneurs repay the loan with interest, and the original investor has helped raise

someone out of poverty and earns a return on his investment at the same time (Guilford, 2007).

According to the Uganda Microfinance Assessment study that was carried out by Association of Microfinance Institutions in Uganda (AMFIU) in 2008, Microfinance is not entirely a new phenomenon in Uganda. The industry has existed in the country for some time a, but it gained prominence in the 1980s championed primarily by foreign Non Government Organizations (NGOs). Over the last two decades, the government of Uganda has initiated, implemented and supported various micro credit schemes aimed at fighting poverty in the country. The main focus of these programs has been the provision of revolving funds for micro credit to households at the grass root level. Notable examples include the Poverty Alleviation Project (PAP), Entandikwa Credit Scheme (ECS), Bugade Sacco, the Masindi-Hoima– Kibaale District integrated project, the District Development services project and the European Union (EU)

It is therefore the responsibility of these SACCOs to finance and lead to the development of areas across the world, the study is purposely based in Uganda focusing on Bugade SACCO towards the development of Kityelera Sub County.

Bugade SACCO was started by a chain of 9 founder members in the year 2004 with its head offices located in Bugade Village, Kityelera Parish, and Kityelera Sub-county Mayuge district, currently Bugade Sacco has a total population of 22,386 of which 14,690 are male and 7,696 are females given by the population estimates currently.

It's made up of 9 (nine) branches and these includes, Bugade, Bwondha, Nango, Musita, and Nankoma, Idudi, Mayuge town, Namutumba, Musita and Buwaiswa branch, Bugadde being the head branch.

Bugadde SACCO has led to the development of Kityelera sub-county where a number of people within the area have got access to credit/loans and other financial s services being offered by it and have taken this advantage to invest and create more jobs for others hence poverty alleviation and thus improving on the standards of living and the economic status of Kityelera sub-county through massive construction and business boosting in Mayuge district.

### **1.3 Statement of the problem**

Despite the overwhelming ideas and developments like securing the long term competitors of the economy towards the community, key challenges like poverty is still a problem in Uganda and according to the Millennium Development Goals facts in the New Vision dated 3<sup>rd</sup> march 2011, 31 percent of Ugandans are still living below the poverty line. In the past the Government of Uganda brought some programmes to address this poverty like the Entandikwa Credit Scheme but did not address the problem as many people are still poor. (Micro support centre, 2007). Recently in 2006 under prosperity for all program, the government started an idea of having a Savings and Credit Cooperative Organisation (SACCO) at every Sub county so as to promote Rural Micro Credit Enterprises which encourages savings and development. However much the government has tried these initiatives, it is reported that 70 percent of the people have no access to financial services, (AMFIU, 2010). Therefore, among others have persisted in the area of its emphasis on SACCOs whose impact is perceived to likely disintegrate the development of the area. Therefore, it's on this note that the researcher thought to investigate on the role of credit and other financial services provided SACCOs towards the development rural areas.

### **1.4 Objectives of the study**

#### **1.4.1 General objective**

The study was carried out to investigate the importance of access to credit and other financial services to the development of areas of Kityelera Sub County being the case study

#### **1.4.2 Specific objectives**

- To identify the role of Bugade SACCO towards the development of Kityelera Sub county through the provision of credit and other financial services.
- To examine the factors affecting the performance of Bugadde SACCO in Kityelera Sub county in the attainment of its goal of developing Kityelera sub county Mayuge districts.

- To determine the relationship between SACCOS Bugade SACCO in particular and development of Kityelera sub county.

### **1.5 Research question**

- What are the roles of SACCOS Bugade SACCO being the case towards development of rural areas in Kityelera Sub County?
- What are the factors affecting the performance of Bugade SACCO in Kityelera Sub County in the attainment of its goal of developing Kityelera sub county Mayuge district?
- What is the relationship between SACCOS Bugade SACCO in particular and development of Kityelera Sub County?

### **1.6 Scope of the study.**

#### **1.6.1 Geographical scope**

This study was limited to Bugade SACCO located in Eastern Uganda, Busoga region, Mayuge district along Kampala-Musita via Namayingo – Busia District Road. Various categories of respondent were covered within the study such as heads of department sub county councilors, administrative officers and members or beneficiaries of the services from Bugade SACCO.

#### **1.6.2 Content scope**

The study looked at the Contribution of Bugade SACCO towards development of rural areas especially within and around Kityelera sub-county, which entails looking at how it has contributed as far as poverty eradication is concerned and the development of these areas through the provision of credit and other financial services, the ease at which people access these credit other financial services as well as looking at the relationship between credit schemes and financial accessibility by Bugade SACCO within Kityelera sub-county.

### 1.6.3 Time scope

This study covered a period between 1<sup>st</sup> /January/2016 to 30<sup>th</sup>/12/2017 covering a period of two years from the initial date of the starting.

### 1.7 Significance of the study

This study added on the existing literature and helped the academicians by getting more reference in future when carrying out research on similar or related topics.

This study may market Bugade SACCO and its findings are helpful in the formulation of appropriate packages for its clients.

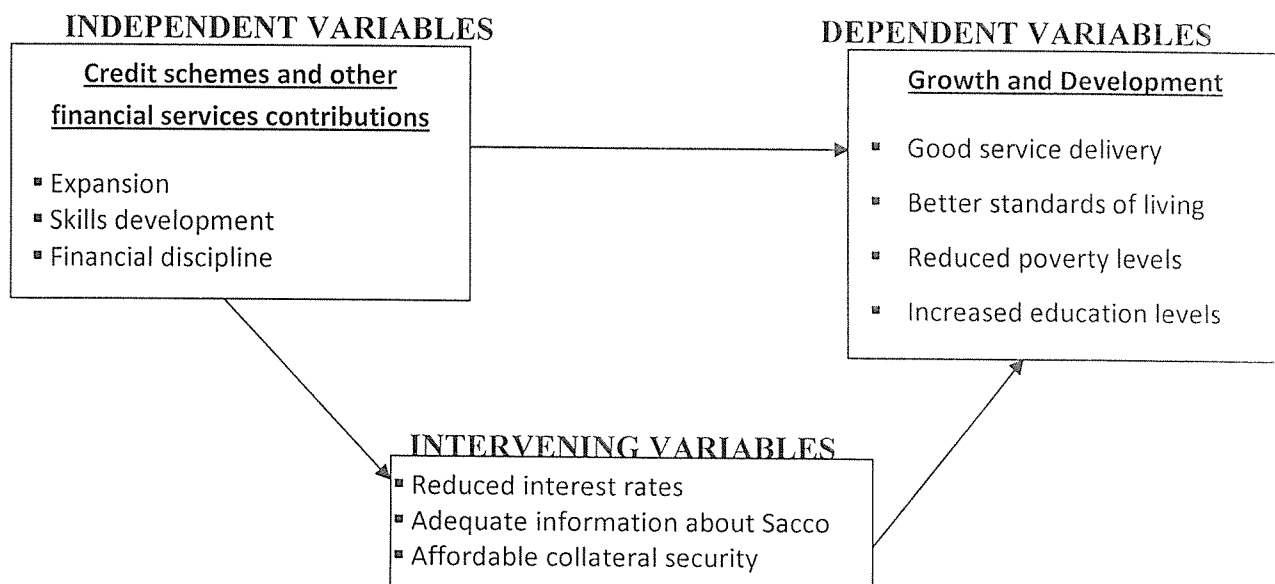
This was expected to provide relevant information across section of users that included the local administrators, government policy makers, residents and researchers.

The study equipped the researcher with real experience of scientific research and lead to attainment of an academic award.

The study also helped other related organization to overcome the problems and may also help upcoming public organizations to learn how to satisfy their staff; it also revealed areas of strength and weaknesses to management.

### 1.8 Conceptual frame work

Figure 1.1 Conceptual model



Source: Fieldwork

The conceptual frame work above portrayed both the dependent and independent variables, where the Bugade SACCO contributions stood for the independent variable and development of rural areas stood for the dependent variable in this study as illustrated in the conceptual model above. This is because Bugade SACCO leads to the development of many areas due to the increased levels of education, reduced poverty level, better standards of living and good service delivery through the provision of credit and other financial services like money lending, saving and many others which helped Bugade SACCO to be the well know SACCO in Mayuge sub county by its financial accessibility and the legal frame work being stimulated by reduced interest rate, adequate information about Bugade SACCO and Affordable collateral security was gathered.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

In this chapter, the researchers reviewed the previous literatures that were already looked at by others. The study being concerned with ascertaining the contribution of Bugade SACCO towards the development of rural areas the researcher reviewed literature about the meaning of SACCO's, roles of credit schemes and savings, financial accessibility as well as measures for financial accessibility among other things that the previous researchers talked and wrote.

#### **2.2 The role of Credit and other financial services**

According to Hanning (1997) edited in (2008) report on clients strategies, MFI 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.

Ndora (2005) recommends that participants in Microfinance institutions should be encouraged to save in every training session in a bid to promote clients' saving. According to him, business education and saving culture should be encouraged in every training session in a bid to promote clients' saving culture.

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 and improve their overall quality of life. The impact of micro lending is changing the economic landscape of the areas where it is most prevalent.

Magyezi (1999) viewed in Magambole. J. Karuhanga (2010) states that savings act as collateral security for the people to acquire more and bigger loans and different kinds of financial or acquire money on credit. He confirms that such practices promote financial growth and culture. The extent to which savers benefit from the savings remain unclear as the credit providers attach very low interest to it.

Mulira (1991) seen in Kabwangu. J. Hannington contends that what micro finance institutions do by establishing client's interests and facts and feeling through education is essential. He clarifies that education enhances learner's self motivation by developing inquiring mind, they gain proficiency in speaking, reading, and writing and can communicate effectively as individuals or as groups. He adds that business education develops attitudes for group work, social justice, cooperation, friendship and respect for humanity. Needham (1996) viewed in k. Gubahamu (2007) report on education strategies describe 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.

### **2.3 Financial accessibility (Expansion)**

According to Anupam et al (2004) Micro credit came into existence in the 1970s with programmes in Bangladesh and Brazil. This was based on solidarity group lending mechanism in which every member of the group guaranteed repayment of the loan by members. Early pioneers include Grameen in Bangladesh, Accion in Latin America and the self employed women's association in India. In Africa, Nigeria is the only African Country south of the Sahara of which it is documented that microfinance existed at least as early as 500 years before, namely in the form of rotating savings and credit associations. They are called Esusu among the Yoruba in Nigeria, now a lingua franca term in many West African countries. As a form of social capital, the esusu was transported during the slave trade to the Caribbean islands, where both the institution and the term still exist today; they are now being carried to major American cities by a new wave of migrants who are banked on their new environment (Hans Dieter Seibel, 2005).

According to Food and Agricultural Organization (FAO) Economic and Social Development Department (2002) in their document, "savings mobilization to microfinance: A historical perspective on Zimbabwe", it is stated that the first savings club in Eastern Africa was started by a Catholic missionary, Brother F. Waddelove, in 1963. This is certainly true of what came to be known as the savings movement in Zimbabwe. However the idea of developing means of saving amongst the poor in

Zimbabwe, pre-dates the savings movement, and can be traced to the emergence of burial societies from the early years of colonial rule.

were developed by migrant workers, often from outside of what was known as Rhodesia, namely Portuguese East Africa and Nyasaland, to both assist newly arriving migrants and assist with funeral arrangements of such workers. The average size of these societies was between 10 and 100. Most had a formal leadership structure of Chairman, Secretary and treasurer, with some producing formal constitutions even at this early stage. In terms of fees, family, members paid a joining fee and monthly subscriptions. In the event of a death in the immediate family, members were paid a lump-sum Payment.

### **2.3.1 Skills development**

According to Stiglitz and Weiss (1981) seen in Financial management report by the cape credit league (2004) interest rates charged by a credit institution are seen as having a dual role of sorting potential borrowers (leading to adverse selection), and affecting the actions of borrowers (leading to the incentive effect). Interest rates thus affect the nature of the transaction and do not necessarily clear the market. Both effects are seen as a result of the imperfect information inherent in credit markets. Adverse selection occurs because lenders would like to identify the borrowers most likely to repay their loans since the banks' expected returns depend on the probability of repayment. In an attempt to identify borrowers with high probability of repayment, banks are likely to use the interest rates that an individual is willing to pay as a screening device. However, borrowers willing to pay high interest rates may on average be worse risks; thus as the interest rate increases, the riskiness of those who borrow also increases, reducing the bank's profitability. The incentive effect occurs because as the interest rate and other terms of the contract change, the behavior of borrowers is likely to change since it affects the returns on their projects.

Stiglitz and Weiss further show that higher interest rates induce firms to undertake projects with lower probability of success but higher payoffs when they succeed (leading to the problem of moral hazard).

Bell (1990) written again in M.M. Wamulo (2008) report on contract enforcement demonstrates that incomplete information or imperfect contract enforcement generates the possibility of loan default and eventually problems of credit rationing. The result is

loan supply and implicit credit demand functions, both of which are simultaneously determined. The role of risk in allocation of credit through its effect on transaction costs, therefore, becomes important in incomplete credit markets. Accordingly, where default risk exists, with an upward sloping supply curve, lenders offer borrowers only a choice of points on the supply curve, and borrowers are restricted to these points. It is impossible to identify the loan demand schedule using the observed loan amounts since these only reflect the existing supply. The credit demand function can only be interpreted from the borrower's participation decision, i.e., the decision to borrow or not, and from which sector to borrow. Such a decision will depend on, among other things, the borrower's economic endowment and opportunities. The credit demand schedule identification problem therefore implies the existence of credit rationing. Commercial banks and other formal institutions fail to cater for the credit needs of smallholders, however, mainly due to their lending terms and conditions. It is generally the rules and regulations of the formal financial institutions that have created the myth that the poor are not bankable, and since they can't afford the required collateral, they are considered uncreditworthy (Adera, 1995). A copy reviewed in (2003) by Adera and G. Munoricheal. Hence despite efforts to overcome the widespread lack of financial services, especially among smallholders in developing countries, and the expansion of credit in the rural areas of these countries, the majority still have only limited access to bank services to support their private initiatives.

### **2.3.2 Financial discipline**

Credit programmes In Uganda can be traced as far back as the early 1960s to when two credit schemes namely the Cooperatives Credit Scheme (CCS) in 1961 and the Progressive Farmers Loan Scheme (PFLS) in 1964 respectively with a focus of transforming farmers from subsistence to commercial practitioners and as a strategy to reduce poverty. Another state directed credit programme, the Rural Farmer's Scheme (RFS) was launched under the support of the Uganda Commercial Bank (UCB) in April 1988 also with similar objectives as the two credit programmes already mentioned above. All the above three credit programmes failed and were suspended due to high default rates and their failure was attributed to reasons ranging from incorrect mechanisms used to choose credit beneficiaries, cumbersome appraisal procedures which resulted in

delayed disbursement, lack of sufficient staff to monitor the credit, the absence of readily available market for farmers' produce. Other reasons for the failure of these credit programmes were top-down deficiencies such as bureaucracies, questionable integrity of loan officers, poor disbursement policy (in-kind), high transaction costs, lack of security for the loans and political interference (Muhumuza, 2007).

Again in the last 20 years, government of Uganda has initiated, implemented and supported various micro credit schemes aimed at fighting poverty in the country with a focus of creating revolving funds for micro credit to households at the grass roots. Such interventions include the South-western smallholder's rehabilitation project, ECS and poverty alleviation action Plan (PAP). However some of these efforts have had little success and limited impact on addressing the needs of the targeted population due to design flaws, and management inadequacies (Microfinance support centre limited report, 2007). Out of the above mentioned government directed credit programmes, only PAP registered some success like a recovery rate of 93percent, training of intermediary agencies and clients in group dynamics, enterprise management and book keeping, generating material and social benefits for its beneficiaries, increased cooperation between group members, enhancement of beneficiaries welfare and formation of social networks. The PFA programme, which is planned to be achieved through the rural development strategy (RDS), emphasizes the need to enhance production, competitiveness Create and build a nation –wide network of rural financial infrastructure services. Assist the establishment of viable and properly managed savings and credit cooperative organizations (SACCOs) at every sub county. Ensure adequate regulation and supervision of these rural finance institutions so as to safe guard members' deposits.

Ensure that the population has access to financial services at affordable interest rates.

Ensure that all the households in the country can have a savings account.

To avoid duplication of effort among GOU (Government of Uganda) implemented programmes. Also under the RFSP, major GOU micro finance support programmes that provide wholesale credit and capacity building funds will be restructured. These programmes include RFSP which was formerly the microfinance outreach plan (MOP), MSCL, former support to feasible financial institutions and capacity building efforts and

Post Bank Uganda (PBU), which will result into an institutional arrangement, each of the players having defined roles as follows:

- a) Uganda cooperative savings and credit union limited (UCSCU) is responsible for mobilizing communities to form new SACCOs provide capacity building to SACCOs and supervise their performance. It is also responsible for developing and maintaining a data base on SACCOs.
- b) The MSCL is responsible for the provision of wholesale credit and business development services (Micro finance support centre, 2009).

#### **2.4 The relationship between credit, financial services and development of the areas**

Hulmes and Mosley (1996) seen in Sebstad and Snodgrass (2004) examination report on micro finance and also in the micro finance report on borrowers drafted in Indonesia (2005) found that there is a positive impact of the MFI (Micro Finance Institution) programmes on borrowers income (the poor), with an average increase over the control group ranging from 10percent-12percent in Indonesia, to around 30percent in Bangladesh and India. However, their study found that for the very poor, loan impacts on income are on average, small or negative in comparison to the control group. Sebstad and Snodgrass (2002) examined the impact of MF programmes on opportunities (income, assets, and employment), capabilities (education, nutrition), vulnerability (coping strategies and financial shocks), and employment (participatory decision making, self esteem, women's roles) at the individual levels, households, and enterprise levels. The study was based on three MFIs, namely; SEWA bank in India. Zambuko Trust in Zimbabwe and Accion Comunitaria del Peru, which offered loans to their clients with SEWA also offering voluntary savings services. The study revealed the overall impact of these MF programmes on the clients (comprising 46percent below world's Bank poverty line in SEWA, percent in Accion and 34percent in Zambumko) as very moderate.

Coleman (1999-2001) and (2002-2004) report found no evidence linking months of access to a village bank program on any asset or income variable and no correlation between loan access from village bank and increased productive activity, while Pitt and Khandker (1998) seen in 2007 poverty eradication report in Zimbabwe study estimated that 5 per cent of participants' households were pulled above the poverty line annually.

Overall, the impact of MFIs' credit programmes is positive among the middle to upper income poor but rather unclear to the very poor clients. Studies by Yaron et al. (1998), seen in Mugisha Ruhankuzi report on financial accessibility in rural areas 2008 Makerere University, depicting such Rural Financial Institutions (RFIs); GB in Bangladesh, Bank of Agriculture and Agricultural Co-operatives (BAAC) in Thailand, and Village Banks (Unit Desas, BRI-UD of Bank Rakyat Indonesia BRI) as being largely successful in achieving the primary performance objectives of outreach and self sustainability in poverty reduction. BAAC served about 76 per cent of borrowers of the Thai farming households, while the BRI-UD credit reached approximately 5 per cent of all the Indonesian households (1.9 million households) with as many as 14.5 million households' savers. These numbers grew to 2.5 million loan accounts and a phenomenon 16.2 million deposit account in 1996, evidenced in (2007) account deposits at Bugade Sacco. The GB had 2.06 million clients and provided an estimated 36 per cent of the total credit to the poor Bangladesh people.

## **2.5 Conclusion**

In the above literature much has been said about savings and Credit Schemes and how they lead to financial accessibility and development of the rural areas 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. This study mainly was concerned with finding out whether these credit schemes that were designed to reach rural people are doing so and the strategy that they use in delivering to the populace.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter gave detailed information about the research design adopted by the researcher, study population/ population under investigation, sampling design and size, data collection method, data analysis procedures or quality controls adopted by the researcher among others.

#### **3.2 Research design**

The researcher employed descriptive research design to describe the phenomenon as it existed, comparative research design to compare Bugade SACCO and development in Kityelera sub-county, associational research design to get the causal effect and the relationship between SACCOs basically Bugadde SACCO I and development of rural areas in Kityelera sub-county Mayuge district. Considering the nature of the stated research questions being qualitative in nature, qualitative method was also employed mainly in the collection of qualitative data. This was done to ascertain the contribution of Bugade Sacco towards the development of rural areas in Kityelera sub-county.

#### **3.3 Study area**

The study was carried on Bugadde SACCO about how its credit scheme and other financial services provided for the growth of areas in Kityelera sub county Mayuge district located in eastern Uganda. The above district is chosen because of the rampant poverty in the Area as result of SACCOs.

#### **3.4 Study population**

The samples were got from the members of Bugade Sacco, sub county officials i.e. counselors, CDO's, Parish chiefs and heads of department and the business community that's the residents of Kityelera Sub County. These various categories of people have different roles they play as far as Bugade SACCO is concerned in poverty alleviation and the provision of financial assistance basically. The community (beneficiaries) was also reached to get their opinions since they are also stake holders. Therefore the total number

of respondents who were involved in this study was 400 people as the sample population being interviewed during the collection of data.

### 3.5 Sample selection

The researcher used the following sampling techniques to collect data.

#### 3.5.1 Stratified Sampling

The researcher first studied the population and samples drawn from the areas selected in groups or struts.

#### 3.5.2 Purposive Sampling

The researcher used this on respondents who were most likely to give us the right information and the ones put into consideration. This enabled me as the researcher to get accurate and reliable information.

### 3.6 Sample size

According to Jlen Israel (1992) seen in Kanene Michael report on rural development strategy in western Uganda approved by Yakuti (2012) revealed that an appropriate sample size from a stated study population can be determined by a certain formula that the researcher used in the course of his research that is to say.

$$n = \frac{N}{1 + N(e)^2}$$

Where n=sample size, N=population under study e=level of precision and 1=being a constant.

From the above information available N=400, e=10%, which is=0.1.

$$\text{Therefore } n = \frac{400}{1 + 400(0.1)^2}$$

$$n = \frac{400}{1 + 400(0.1)}$$

$$n = \frac{400}{1 + 1} = 200$$

200.

From the formula, the research used 200 people as being his sample size.

### **3.7 Procedure of Data Collection**

The register of staff members collected and obtained from the human resource department. The first fourth name was selected and then the difference of four was used in an interval to select the rest of the respondents. Copies of the questionnaire were personally handed to respondents at their offices and from the different areas of Kityelera Sub County. After some minutes the researcher I personally collected the answered questionnaires because the respondents may forget to fill in the questionnaire or misplace them entirely after answering them as directed.

The questions explained thoroughly to the respondents after copies of the questionnaire handed to them. The purpose was to help the respondents understand the relevance of the research and provide their independent views on the questionnaire items given them.

To have a valid and a reliable data, the researcher ensured that the questionnaires are well prepared to allow error minimization and proper collection of that regarding how important is the access to credit and the financial services provided by Bugadde SACCO to the growth of Kityelera sub county. The questionnaires were close-ended questions where respondents were asked to tick the appropriate answer or give brief answers. Some of the questions were open-ended which offered respondents the opportunity to express their views freely.

### **3.8 Research Instruments**

Open and closed-ended questionnaires were designed to be given to the respondents to aid in data collection. The questionnaires were divided into various sections to capture the critical areas spelt out in the objectives for the study.

The questionnaires were administered personally and the contents were explained to some staff who requested to be guided. A total of two hundred (200) questionnaires were sent out and distributed to administrative, academic and all the stake holders of the area of Kityelera that are the beneficiaries of the SACCO. In addition, interviews were conducted to help clarify and gain a deeper understanding of some of the responses of respondents. The response rate was 91% of the total questionnaires administered.

Structured interview guides were used to gather further information from respondents. The researcher also undertook the direct observation of work processes and procedures within the institution (Bugadde SACCO) and outside the institution with its hand to the development of the areas with Kityelera sub County of Mayuge Sub County.

### **3.9 Data Processing**

Data processing was through the following steps;

The interview, informal discussions and observation was noted and thereafter organized.

The questionnaires were thoroughly checked for purposes of detection and elimination of errors and ensuring accuracy and complexities from the information collected from the different respondents.

Data was compared to find out the similarities and differences between the data collected and the already existing information about the institution. Make interpretations, judgments, opinions, conclusions and recommendations’.

### **3.10 Data Analysis**

Analysis is a research technique for making replicable and valid references from data to their context. The researcher I personally searched for structures and patterned regularities in the text and made inferences on the basis of the regularities (Krippendor K., 1990).

The Statistical Package for Social Sciences (SPSS) was used to analyze the data collected. Tables and other statistical inferences were made from the data gathered. Representations like charts; pie charts etc were used to ensure easy and quick interpretation of data. Responses were expressed in percentages. Data from the completed questionnaire was checked for consistency. The items in the questionnaire were grouped basing on the responses to be given by the respondents and coded for easy usage of the Statistical Package for Social Sciences (SPSS). This method was used because it was the best instrument to identify, compare, describe and reach a conclusion.

The data was analyzed in consonance with the set objectives of the study as indicated in chapter one above:

### **3.11 Ethical considerations**

Professionally, the study was to ensure that all responses from the respondents were kept confidential and honestly, not to be revealed, but only for academic purpose. The research therefore conducted at high level of privacy and secrecy as per the codes of ethics. The researcher carried out this study being confidential to the respondents by showing them data collection letter from the university (being the representative to the Government of Uganda) and the permission letter from Bugade SACCO, thus to be offered with appropriate information for the completion of the study with no doubt.

### **3.12 Conclusion**

The above explained how data was gathered, processed there by coming up with information reliable as per the study in question as well as fulfilling justifications of the researcher as stated above.

## **CHAPTER FOUR**

### **DATA PRESENTATION, DISCUSSION AND ANALYSIS**

#### **4.0 Introduction**

This chapter contains presentation and interpretation of findings for all the study objectives, evidently reflected in chapter one of this report. This chapter clearly looked at what really was done in the field during the data collection period by the student.

#### **4.1 Response Rate**

Research revealed that out of 200 respondents proposed for the study sample, due to other circumstances it was unattainable and only 150 respondents participated in the study, of which out of these 120 of these respondents who were proposed were male and out of these only 90 responded to the study, and the remaining 80 were females respondents and out of these proposed in the study, only 60 respondents participated in the study.

This reflected that 60% of the responses were from male and only 40% of the responses were from the female respondents according to the research that was conducted.

#### **4.2 Characteristics of respondents**

Under this section, the researcher looked at the characteristics of the respondents in terms of: Age, Occupation, Gender, Marital status and. Education levels as presented in details below basing on how they answered the questionnaires that were given to them during the time of data collection.

##### **4.2.1 Age group of respondents**

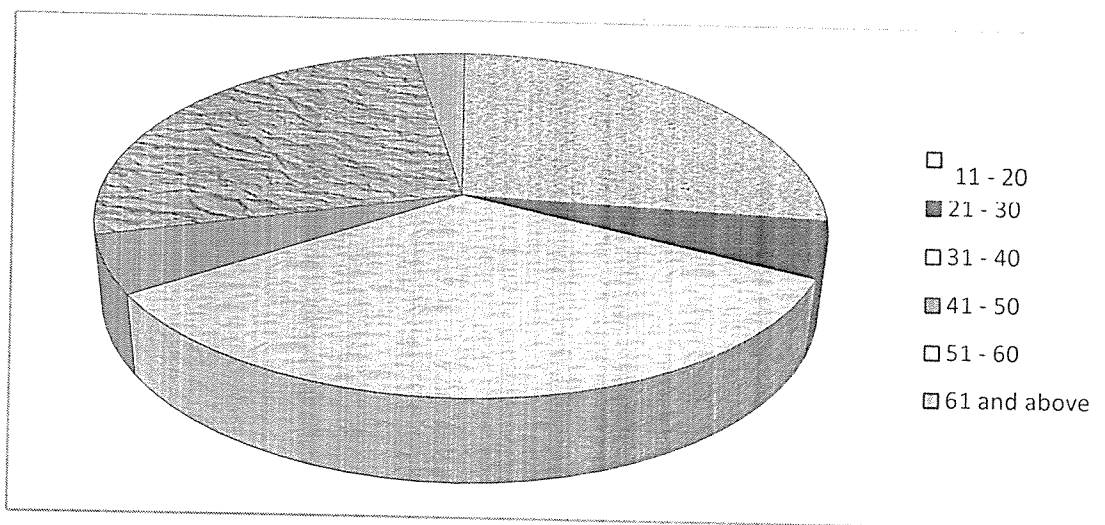
In an effort to get a rich background of the population under investigations, the respondents were asked when they were born and their current age in complete years. This was detailed through cross tabulation of the results as reflected in table 4.1 that displays the age distribution of the respondents in 10 years age group.

**Table 4.1: Age group of respondents**

Group	Age group	Frequency	Percentage
A	11-20	40	27
B	21-30	8	5
C	31-40	50	33
D	41-50	8	5
E	51-60	40	27
F	61 and above	4	3
	<b>Total</b>	<b>150</b>	<b>100.0</b>

Source: field work

**Figure 4.2 Pie chart showing age group of respondents**



The above table and pie chart shows that out of the 150 respondents selected for the study, 40 respondents represented by 27% of the total sample size were in the age range of 11-20 years, 8 respondents represented by 5% of the total sample were in the age range of 21-30 years, 50(fifty) respondents represented by 33% in the age range of 31-40 years, 8 respondents represented by 5% were in the age range 41-50 years, 40respondents represented by 27% were in the age range of 51-60 years. Lastly, 4 respondents represented by 3% were in the age range of 61 years and above.

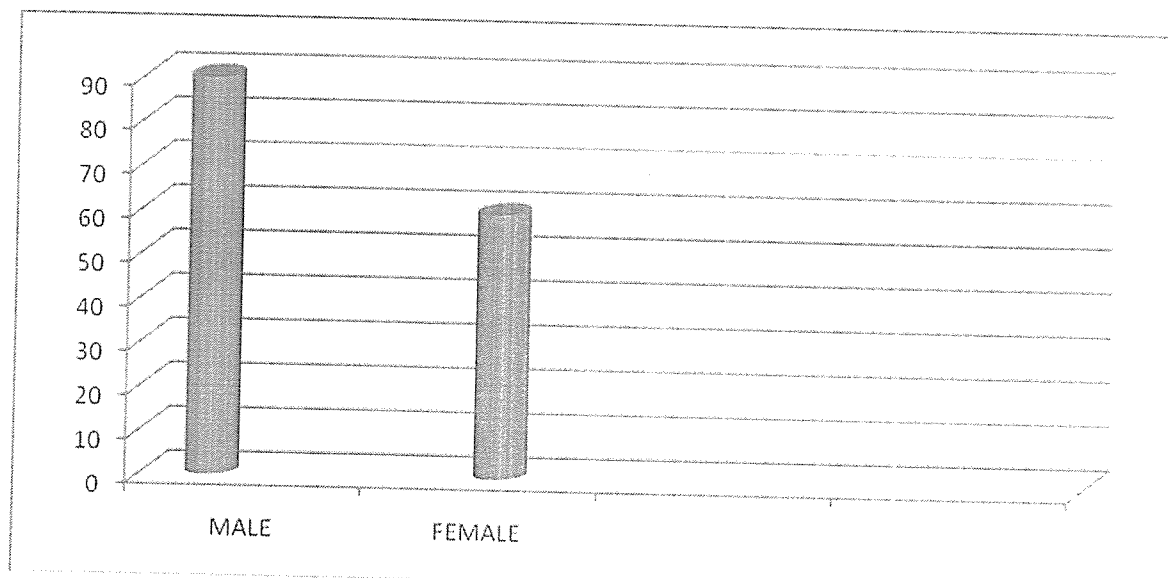
From the above findings therefore, the researcher I personally established that there were many more respondents in the age range of 31-40 years who took part in the study according to the findings above. These participated by filling questionnaires, availing time for face to face interview and holding discussions with the researcher during the course of data collection. However, this was the age bracket of people who form the biggest percentage of sub-county residents, bidders, and former members of board, sub-county officials and Sacco members among others. The least group of respondents being in the age range of 61 and above which was only 3% of the total sample size. These were basically expatriates in Kityelera sub-county for whom services are intended such as education services through consultancy works.

**Table 4.2 Gender of respondents**

Sex	Frequency	Percentage (%)
Male	90	60
Female	60	40
<b>Total</b>	<b>150</b>	<b>100</b>

Source: fieldwork

**Figure 4.3 a bar graph showing the gender of respondents**

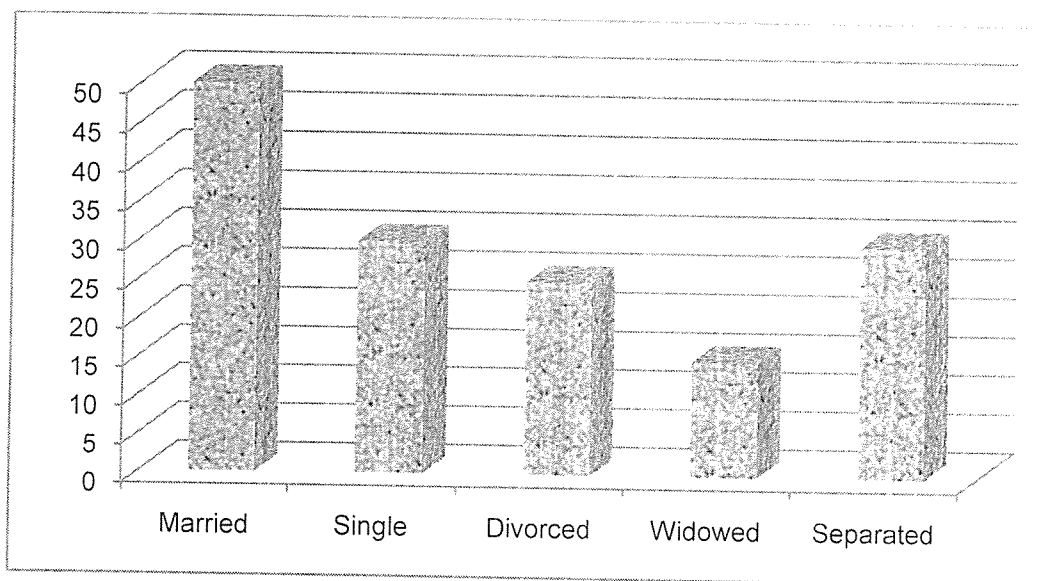


From the table bar graph above, it is indicated that more males took part in the study and there were male 90 respondents represented by 60% of the total sample size as per the table and by a bar as per the bar graph. Only 60 respondents were females represented by 40% of the total sample size selected for the study as reflected in the table and a red bar as per the bar graph. The study therefore revealed that more male respondents were ready to avail their time for face to face interviews, discussions, and they were also ready and willing to fill the questionnaire during the process of data collection than females respondents.

**Table 4.3: Marital status of the respondents**

Marital status	Frequency	Percentage (%)
Married	50	33
Single	30	20
Divorced	25	17
Widowed	15	10
Separated	30	20
<b>Total</b>	<b>150</b>	<b>100</b>

**Figure 4.4 A bar graph showing the marital status of the respondents**



From table 4.3 and bar graph above, it is established that out of the 150 respondents selected that responded positively towards study, 50 respondents represented by 33% of the total sample size were married, 30 respondents represented by 20% of the total sample size were single, 25 respondents represented by 17% of the total sample size were divorced, 15 respondents represented by 10% of the total sample size were widowed. Lastly 30 respondents represented by 20% of the total sample size had separated.

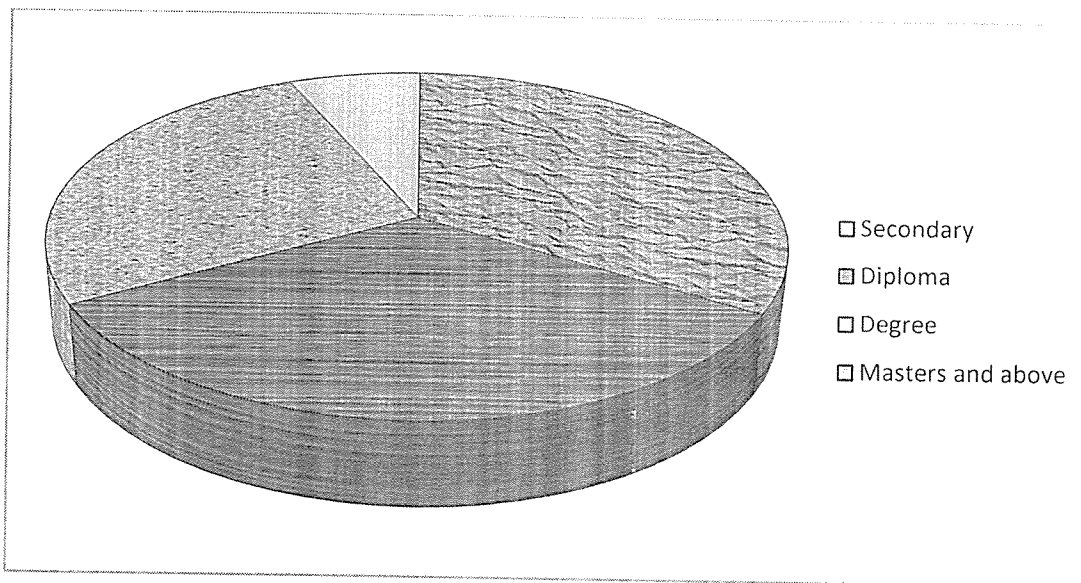
From table 4.3 and bar graph above, it was established that respondents who had ever got married but had either separated, divorced or those who were still married were 120 represented by 80% of the total sample size and respondents who were single were only 30 represented by 20% of the total sample population. All the above respondents as indicated in the 4.3 above participated in the study by availing their time for the face to face interviews, through discussions with the researcher. Some of the respondents filled the questionnaires which were given to them by the researcher during the process of data collection.

**Table 4.4: Education levels of the respondents**

Education level	Frequency	Percentage (%)
Secondary	50	33
Diploma	50	33
Degree	40	27
Masters and above	10	7
<b>Total</b>	<b>150</b>	<b>100</b>

Source: fieldwork.

**Figure 4.5 A pie chart showing the education levels of respondents**



From the table and pie chart shown above, out of the 150 respondents selected that the study, 50 respondents represented by 33% of the total sample size were educated up to secondary level. The table further revealed that 50 respondents represented by 33% of the total sample size were educated up to diploma level, 40 respondents represented by 27% of the total sample size were educated up to degree level, and 10 respondents represented by 7% of the total sample size were educated up to masters and above.

From the statistics available in table 4.4 above, it's evident that the diploma and secondary level holders who took part in the study formed the majority of the respondents who participated in the study represented by 66% of the total sample population.

They participated by availing their time for face to face interviews, discussions and by filling the questionnaires which were given to them by the researcher during the course of data collection. This was followed by degree holders who were presented by 27%.

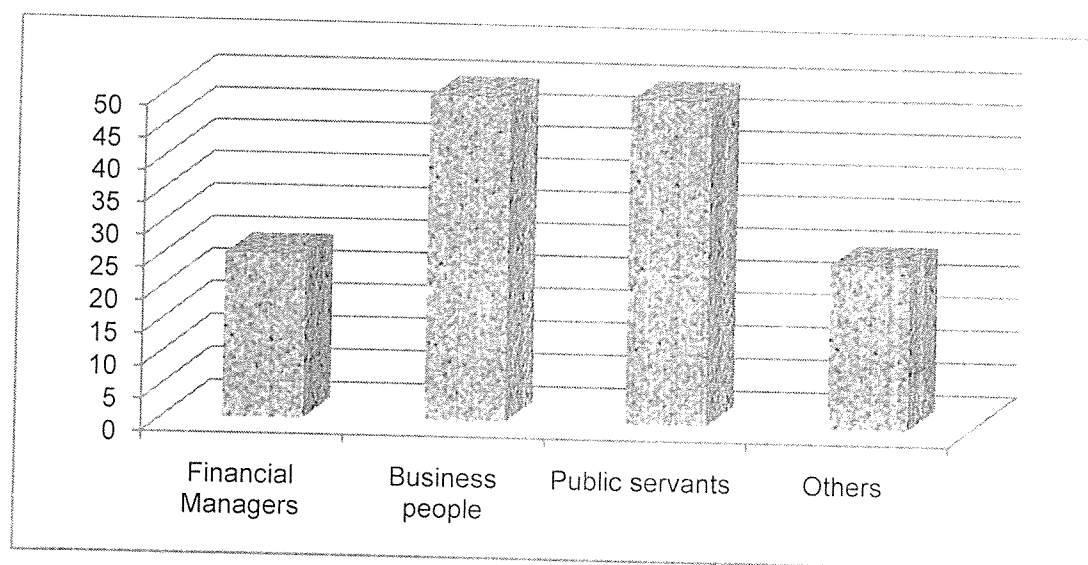
Findings further revealed that very few respondents with Masters' degree and above participated in the study and these were represented by 7%.

**Table 4.5: Occupations of respondents**

Occupation	Frequency	Percentage (%)
Financial managers.	25	17
Business people (bidders)	50	33
Public servants	50	33
Others (Specify)	25	17
<b>Total</b>	<b>150</b>	<b>100</b>

Source: fieldwork

**Figure 4.6 A column graph showing the occupation of respondents**



From the table 4.5 and column graph above, it was revealed that 25 respondents represented by 17% of the total sample size were financial managers, 50 respondents represented by 33% of the total sample population were business people (bidders) and 50 respondents represented by 33% of the total sample were public servants. The table further revealed that 25 respondents represented by 17% of the total sample were doing other jobs other than those mentioned above which included among others drivers, hawkers, housewives and students.

Basing on the statistics in table 4.5, it is evident that majority of the respondents who took part in the study by answering the questionnaires and also through the face to face interviews were public servants and the Business people (bidders. These were 100 respondents represented by 66% of the total sample population.

### 4.3 Activities of Bugade Sacco in Kityelera sub-county

**Table 4.6: Responses on whether the people of Kityelera sub-county are involved in the activities of Bugade SACCO in Kityelera Sub-county**

<b>Comment</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	68	45.3
Agree	60	40.0
Not sure	6	4.0
Disagree	10	6.7
Strongly disagree	6	4.0
<b>Total</b>	<b>150</b>	<b>100.0</b>

**Source: Primary data**

Cross tabulation of the results evidently revealed that 45.3 percent and 40 percent strongly agreed and agreed respectively with the opinion that they are involved in the activities of Bugadde SACCO which has changed their standards of living in the rural areas of Kityelera sub-county as presented in Table 4.3.1 above. 4% had no opinion and only 10.7% were in disagreement and others strongly disagreed with the opinion thus representing the least percentage of the total number of respondents. Hence research shown that Bugadde SACCO involved most of its people in all SACCO activities conducted within and outside Bugade SACCO, thus making easy access of the basic necessities of life and improving their standards of living.

**Table 4.7: Responses on whether Bugade SACCO through its activities do support low income groups to build savings.**

Comment	Frequency	Percentage
Strongly agree	75	50.0
Agree	50	33.3
Not sure	12	8.0
Disagree	10	6.7
Strongly disagree	3	2.0
<b>Total</b>	<b>150</b>	<b>100.0</b>

**Source: Primary Data**

Research findings evidently revealed that Bugadde SACCO has helped rural people of Kityelera sub-county to build savings. This is evidenced by the higher response rate of 83.3 percent of the respondents who either strongly agreed or agreed as shown in Table 4.3.2 above. Giving evidence that Bugadde SACCO act as a channel through which low income rural people pass to build their savings which helps them to develop.

**Table 4.8: Whether Bugade Sacco mobilize funds for its members as one of the activities conducted.**

Comment	Frequency	Percentage
Strongly agree	60	40.0
Agree	50	33.3
Not sure	21	14.0
Disagree	9	6.0
Strongly disagree	10	6.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

**Source: Primary Data**

According to Table 4.8 above 73.3 percent agreed that Bugade Sacco mobilizes funds for its members while only 26.7 percent was not sure or disagreed with the statement.

This revealed that Bugadde SACCO mobilizes funds and uses them in giving loans to its members. When reviewing the books of Accounts, the researcher found that the SACCO had received funding in form of wholesale lending from Uganda Cooperative Alliance.

This shows that the SACCO is fulfilling one of its activities of mobilizing funds for its members to use and develop.

**Table 4.9: Responses on whether Bugade Sacco facilitates small enterprises with subsidized loans for development as one of its major activities.**

Comment	Frequency	Percentage
Strongly agree	80	53.3
Agree	50	33.3
Not sure	11	7.3
Disagree	9	6.0
Strongly disagree	0	0.0
<b>Total</b>	<b>150</b>	<b>100.0</b>

**Source: Primary Data**

The research found that Bugade Sacco was giving subsidized loans to its beneficiaries this is evidenced by the higher response rates of 53.3 percent to those who strongly agreed and 33.3 percent for the ones who agreed. This meant that Bugade Sacco supports low income earners and also wants to ensure that the scheme continues performing since many rural people will continue access funds. Only 7.3% had no opinion about this issue and no one rejected the opinion that, hence research shown that Bugade Sacco provides subsidized loans to its members for development within Kityelera Sub County.

**Table 4.10: showing whether Bugade Sacco has helped members to improve their financial position to the extent that some have become self employed.**

Comment	Frequency	Percentage
Strongly agree	70	46.7
Agree	50	33.3
Not sure	11	7.3
Disagree	9	6.0
Strongly disagree	10	6.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

**Source: Primary Data**

Tabulation of the results found out as according to Table 4.10 above showing that Bugadde SACCO has helped many people to improve their financial position as it's evidenced that some have even become self employed. It's also clearly represented by 80% of the total number of the respondents who were in agreement with the opinion that Bugade Sacco has really improved their financial positions through its strong activities in the sub-county. Only 12.7% were in disagreement with the opinion that Bugade Sacco has totally done nothing towards improving their financial position and only 7.3% had no opinion. Thus basing on the opinion raised by each said cross tabulation of the results shown that members with in Kityelera sub-county are hard working and have acquired entrepreneur skills of managing their businesses profitably hence developing.

**Table 4.11: Table showing whether Bugade Sacco has created a conducive environment for development of businesses**

<b>Comment</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	60	40.0
Agree	50	33.3
Not sure	20	13.3
Disagree	15	10.0
Strongly disagree	5	3.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

**Source: Primary Data**

The research found that to a large extent, Bugadde SACCO has helped in the provision of a conducive environment for development of businesses in the rural area of Kityelera sub-county as presented in Table 4.11 above by 40 percent and 33.3 percent that strongly agreed and agreed respectively. This meant that many members do access loans with in limited time that make them develop and manage their businesses with ease, due the least number of respondents who were in disagreement with the opinion which was represented by only 13.3% and the rest had no clear information about the issue raised.

**Table 4.12: showing whether Bugadde SACCO in Kityelera sub-county is the source of revenue which small investors use to finance their social-economic project.**

Comment	Frequency	Percentage
Strongly agree	70	46.7
Agree	53	35.3
Not sure	10	6.7
Disagree	12	8.0
Strongly disagree	5	3.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

**Source: Primary Data**

According to Table 4.12 above, 46.7 percent strongly agreed and 35.3 agreed that believed that Bugade SACCO has helped small investors to finance their social-economic Projects in Kityelera sub-county evidenced in the table above by 82% of the respondents in agreement with the opinion and only 11.3% of the respondents were in disagreement with the opinion meanwhile only 6.7% were not sure. Thus this shown that Bugade Sacco loan terms are fair and favorable to rural people of Kityelera sub-county.

**Table 4.13: Responses whether Bugade SACCO has encouraged team work**

Comment	Frequency	Percentage
Strongly agree	75	50.0
Agree	55	36.7
Not sure	10	6.7
Disagree	5	3.3
Strongly disagree	5	3.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

**Source: Primary Data**

Study findings according to Table 4.13 shown that the activities of Bugade SACCO encourages team work among its beneficiaries as evidenced by the positive response rates of 50 and 36.7 percent totaling to 86.7% of the respondents who strongly agreed and agreed respectively with the opinion. This also shown that there is sharing of knowledge among members which brought about rural development and also helping members to

invest loans received into appropriate ventures. Only 6.6% disagreed with the opinion showing a least rejection to the opinion since the rest of the members represented by only 6.7% were not sure about this opinion.

**Table 4.14: showing whether Bugadde SACCO offers affordable loans.**

Comment	Frequency	Percentage
Strongly agree	61	40.7
Agree	49	32.7
Not sure	25	16.7
Disagree	10	6.7
Strongly disagree	5	3.3
<b>Total</b>	<b>150</b>	<b>100</b>

**Source: Primary Data**

According to Table 4.14 the study revealed that Bugadde SACCO in KityeLera sub-county offers affordable loans to its clients as it was agreed and strongly agreed by 32.7 and 40.7 percent respectively. This shows that Bugadde SACCO is fulfilling its activity of extending credit facilities to the rural people with in Kityelera sub-county under Bugadde SACCO. Only 10% were in disagreement with the opinion of the institution offering loans at affordable rates.

**Table 4.15: showing whether Bugade Small savings and credit schemes in Kityelera sub-county provide advisory services to the members of this sub-county.**

Comment	Frequency	Percentage
Strongly agree	90	60.0
Agree	47	31.3
Not sure	5	3.3
Disagree	3	2.0
Strongly disagree	5	3.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

**Source: Primary Data**

The research found that Bugadde SACCO also provides advisory services to its members, 60 percent and 31.3 percent strongly agreed and agreed respectively on this as presented in Table 4.15 above. And only 5.3% were in disagreement with the opinion. And the rest had nothing to say thus represented by 3.3% of the total no of respondents. These advisory services helped in the development of enterprises hence boosting development in Kityelera sub-county by Bugadde SACCO.

#### 4.4 Roles of Bugadde SACCO in poverty eradication in Kityelera sub-county.

**Table 4.16: Responses whether Bugade Sacco has played a significant role in the provision of loans for the development of Kityelera sub-county as a rural area.**

Comment	Frequency	Percentage
Strongly agree	110	73.3
Agree	30	20.0
Not sure	2	1.3
Disagree	3	2.0
Strongly disagree	5	3.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

**Source: Primary Data**

According to Table 4.16 and pie chart figure 4.5 of the study found that Bugadde SACCO is the main source of loans to the rural people of Kityelera sub-county as 73.3 percent strongly agreed and 20 percent agreed. This shows that Bugade Sacco plays a significant role in the offering of affordable loans and hence acting as a conduit through which low income rural people can pass to access funds hence playing a favorable role in the financial accessibility of the members in Kityelera sub-county under Bugadde SACCO.

**Table 4.17: showing whether Bugade SACCO play an important role in the control of unaffordable charges on interest rates of its members.**

Comment	Frequency	Percentage
Strongly agree	100	66.7
Agree	27	18.0
Not sure	5	3.3
Disagree	13	8.7
Strongly disagree	5	3.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

**Source: Primary Data**

Findings of the study in Table 4.17 revealed that Bugade SACCO plays an important role in the control of charges on unaffordable interest rates to its beneficiaries. According to the table above 66.7 percent strongly agreed and 18 percent agreed. Many people responded that Bugade Sacco plays an important role on the provision of the loans through controlling interest rates during its operations of issuing out its loans to its clients. Which could be the reason why people are going for loans to Bugade SACCO hence favoring financial accessibility in the rural place of Kityelera sub-county.

**Table 4.18: showing whether Loan processing in Bugade Sacco is simple and easy to access due to the employment of friendly and professional officers.**

Comment	Frequency	Percentage
Strongly agree	90	60.0
Agree	38	25.3
Not sure	12	8.0
Disagree	5	3.3
Strongly disagree	5	3.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

**Source: Primary Data**

As shown in Table 4.18 above, 60 percent strongly agreed and 25 percent agreed that in Bugade SACCO, loan processing is simple and easy due to the availability of friendly and professional officers in the loan section. Many people like to go for services from

places which are convenient and favorable to them and therefore they would be encouraged to borrow quite often since it takes them short time to acquire loans in Bugade SACCO.

**Table 4.19: Responses showing whether Bugadde SACCO plays a role in the training and facilitation of capacity building in Kityelera sub-county.**

Comment	Frequency	Percentage
Strongly agree	120	80.0
Agree	20	13.3
Not sure	5	3.3
Disagree	3	2.0
Strongly disagree	2	1.3
Total	150	100.0

**Source: Primary Data**

Study findings as presented in Table 4.19 above show that 80 percent strongly agreed and 13.3 agreed that Bugadde SACCO plays a role in the training and facilitation of capacity building in Kityelera sub-county. This has an implication in that when people are given a favorable credit period that they can be able to use their credit/loans well and have ample time to carry out many investments through the training skills and facilitation done to the members of Bugade Sacco. Thus showing that people are usually able to access funds through the tactical training skills and facilitation of the loan services since there is not usually pressurized to pay back.

**Table 4.20: showing whether Bugadde SACCO members pledge collateral security for a loan.**

Comment	Frequency	Percentage
Strongly agree	120	80.0
Agree	20	13.3
Not sure	5	3.3
Disagree	5	3.3
Strongly disagree	0	0.0
Total	150	100

**Source: Primary Data**

According to the findings of the study as presented in Table 4.20 above, a larger percentage of respondents (80%) strongly agreed and 13.3 agreed that members of Bugade Sacco pledge collateral security for a loan. This meant that some of the people who would be willing to acquire a loan are discouraged as they do not have enough property to pledge as collateral security and some fear for their property of being attached because of failure to pay back as represented by the 3.3%, 3.3% and 0.0% respectively.

**Table 4.21: Whether rural people of Kityelera sub-county are aware of Bugadde SACCO services because of its significant role in the effective mobilization of the members around Kityelera sub-county.**

Comment	Frequency	Percentage
Strongly agree	80	53.3
Agree	48	32.0
Not sure	12	8.0
Disagree	5	3.3
Strongly disagree	5	3.3
<b>Total</b>	<b>150</b>	<b>100</b>

**Source: Primary Data**

The study found out that people in Kityelera sub-county were aware of Bugadde SACCO because of its effective mobilizations, as presented in the Table 4.21 above, 85.3 percent agreed on this statement and the remaining percentage are not sure, disagree and strongly disagree respectively. Mobilization does a vital role in bringing together people. Organizations and communities that have good mobilization skills usually get many people to follow their ideologies. Meaning that Kityelera sub-county rural people are able to access funds because they are aware of where these funds can be accessed from.

**Table 4.22: Whether members Bugadde SACCO use the profits acquired to service the loans received.**

Comment	Frequency	Percentage
Strongly agree	70	46.7
Agree	48	32.0
Not sure	20	13.3
Disagree	10	6.7
Strongly disagree	2	1.3
<b>Total</b>	<b>150</b>	<b>100</b>

**Source: Primary Data**

The study revealed that many members used the profits got from the loans to service/paying back their loans as presented in Table 4.22 above. The findings show that 46.7 percent strongly agreed and 32 percent agreed with the statement 13.3 percent are not sure, 6.7 percent disagree and the 1.3 percent strongly disagree with the statement. This meant that Bugade Sacco is providing good business skills through education to its members and they are able to use the loans efficiently and effectively and hence loan servicing is easy which encourage people to borrow more funds. Only 8% of the respondents were in disagreement with the opinion as the rest didn't have clear information about the issue raised.

**Table 4.23: whether Loans department is approachable and Bugadde SACCO to the rural people of Kityelera sub-county.**

Comment	Frequency	Percentage
Strongly agree	115	76.7
Agree	21	14.0
Not sure	10	6.7
Disagree	2	1.3
Strongly disagree	2	1.3
<b>Total</b>	<b>150</b>	<b>100</b>

**Source: Primary Data**

Findings of the study according to Table 4.23 shows that 63.3 percent strongly agreed and 26.7 percent agreed that loans department staffs are usually approachable whenever people want loans. This meant that whenever officers are approached, they can explain and advise people on issues concerning loan handling and hence people get encouraged to come to them for loans which lead to increase in financial accessibility. Only 2.6% of the respondents were in disagreement with the opinion when added up as a percentage and the 6.7 percent are in disagreement with the opinion.

#### **4.5 Relationship between Bugade SACCO and development in Kityelera sub-county.**

**Table 4.24: Responses on whether Member involvement in Bugadde SACCO has greatly changed their saving culture.**

<b>Comment</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	95	63.3
Agree	40	26.7
Not sure	10	6.7
Disagree	3	2.0
Strongly disagree	2	1.3
<b>Total</b>	<b>150</b>	<b>100</b>

**Source: Primary Data**

As presented in Table 4.24 above, 63 percent strongly agreed and 26 percent agreed that people's monthly savings increased after becoming members of Bugadde SACCO. This meant that members got involved in services like education that Bugade Sacco offered to them and hence able to appreciate value of saving. Only 3.3% were in disagreement with the opinion and the 6.7 percent are not sure.

**Table 4.25: whether Members of Bugadde SACCO have accumulated more property due to their involvement in the activities of this SACCO.**

Comment	Frequency	Percentage
Strongly agree	95	63.3
Agree	33	22.0
Not sure	15	10.0
Disagree	6	4.0
Strongly disagree	1	0.7
<b>Total</b>	<b>150</b>	<b>100</b>

**Source: Primary Data**

Study findings as presented in Table 4.25 above show that 63.3 percent strongly agreed and 22 percent agreed that people have accumulated more property because of being involved in Bugade SACCO. Thus showing that people have used loans, skills and knowledge they got from Bugade Sacco effectively and thus being able to develop themselves. Only 4.7% were in disagreement with the opinion and the 10 percent being not sure about the opinion.

**Table 4.26: showing a relationship between credit schemes and financial accessibility in Kityelera sub-county.**

		Credit schemes	Financial accessibility
Credit schemes	Pearson Correlation	1.000	.790**
	Sig.(2tailed)		.000
	N	150	150
Financial accessibility	Pearson Correlation	.790**	1.00
	Sig.(2tailed)	.000	
	N	150	150

**\*\*correlation is significant at the 0.01 level (2-tailed)**

According to Table 4.26 above, the research revealed that there is a strong positive relationship between Bugadde SACCO small savings and credit scheme and financial accessibility in Kityelera sub-county where ( $r=0.790$ ). This meant that small savings, credit scheme and other financial services have portrayed their importance in regard to their accessibility.

#### **4.6 Conclusion**

This chapter dealt with presentation and discussion of findings/ data collected from the field. The research found out that Bugade SACCO has played a vital role in Kityelera sub-county through organizing the rural people and involving them in the activities of the organization, thus making it easy for them to access credit facilities and other financial services and these credit facilities have changed the lives of people positively. However some loopholes were identified for example the vulnerable people especially the aged, widowed and the divorced were less involved in the SACCO's activities, also the SACCO less favored the adolescents who would be instead be considered because if they are left out they will be redundant and hence end up in drug abuse, alcoholism and later would turn into criminals of Uganda tomorrow which may not look good to the people of Kityelera sub-county.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.0 Introduction**

The study was aimed at establishing the relationship Bugade small savings and credit schemes and financial accessibility in Kityelera Sub County-Mayuge District. This chapter presents summary of the findings, conclusion and recommendations.

#### **5.1 Summary of factor findings**

##### **5.1.1 Activities of Bugadde SACCO in Kityelera sub-county**

Cross tabulation of the results revealed that small savings as some of the listed other financial services and credit scheme (Bugade Sacco), due to its involvement of all its members in the activities of the SACCO is of a great importance to the rural people of Kityelera sub-county as it has helped them in mobilizing funds for loans since fund mobilization is one of the activities of this SACCO, supporting low income groups to build savings, supporting small scale enterprises with subsidized loans to the extent that many people were now self employed, financing socio-economic projects, giving business views and skills like book keeping skills, numerical skills project identification skills and communication skills to its members, offering affordable loans and offering financial advisory services to its members all are activities conducted under Bugade savings and credit cooperative which have greatly uplifted the standards of living of the members within Kityelera sub-county.

##### **5.1.2 Roles of Bugadde SACCO in poverty eradication in Kityelera sub-county.**

Research revealed that Bugadde savings and credit cooperative plays significant roles in the development of Kityelera sub-county by impacting and facilitating credit accessibility and other financial services in the Sub County through charging affordable interest rates, making loan processing easy, giving favorable credit periods to its members, mobilizing people for credit facilities and having approachable loans' officers and accessible offices

among other roles which has greatly helped the people of Kityelera sub-county under Bugade savings and credit cooperative .

### **5.1.3 Relationship between Bugadde SACCO and financial accessibility in Kityelera sub-county.**

The study findings revealed that there is a strong positive relationship between small savings and credit schemes and financial accessibility ( $r=0.790$ ). This meant that Bugadde SACCO has a positive great contribution on financial accessibility among the rural people of Kityelera sub-county.

### **5.2 General conclusion**

Basing on the findings of the previous chapters, the study conclude that the activities of Bugadde small savings and credit scheme has played a positive role on the development of Kityelera sub county, Bugadde small credit and Savings scheme has led to rural financial accessibility of the Rural people within Kityelera sub-county who have accessed financial services from Bugadde SACCO and used them well to make profits which has boosted their business and improved their financial status. Hence boosting development and improving their standards of living.

### **5.3 Recommendations**

Basing on the findings of the study, the following recommendations were suggested if Bugade SACCO is to fully bring financial accessibility and development in Kityelera Sub County through its strong activities conducted.

1. Findings of the study revealed that vulnerable people like the widowed, elderly and adolescents were being less considered in Bugade SACCO activities. These vulnerable groups need attention because they are poor and yet have responsibilities. This calls for a joint effort where special attention like subsidized loans and loans in form of farm-inputs need to be thought about so as to cater for these groups of people.
2. The study found that there were still some members who did not know how to read and write. This call for a need to have adult literacy education programmes and it is known that uneducated people do not understand/get things quickly when they are group

seminars as compared to educated ones therefore there is a need to design modules of how these people will be facilitated during these trainings.

3. According to the researcher's analysis it was found that some people may not be accessing credit facilities due to the lack of collateral security. This calls for alternative means of considering people without collateral securities like; group members acting as collateral security or they do credit rating so as to hedge against the credit risk and ensure that they serve all people without segregation.

4. According to the research findings, nothing like organizational learning was looked at therefore there is need for Bugade SACCO to introduce this system into its members so that they improve their skills and level of understanding to run the activities of the organization smoothly.

#### **5.4 Areas of further studies**

1. The researcher didn't look at the significance of SACCO towards development of rural areas therefore, there is need to make a study on such issue for the proper management of Bugade Sacco in Kityelera sub-county.

2. According to the study finding, the researcher didn't look at peoples' perception towards SACCOs in Kityelera Sub-county; therefore, there is need for a study on the people's perception towards the establishment of Bugade Sacco in Kityelera sub-county.

3. There is also need to look at the effect of collateral security towards loan accessibility in Bugadde SACCO

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## APPENDICES

### APPENDIX I

#### SELF ADMINISTERED QUESTIONNAIRES FOR THE RESPONDENTS

Dear Respondent,

Am KYEWALYANGA AMOS WATEMA a student from Kampala international university Conducting a study on the contribution of SACCOs (Bugade SACCO) basing on the importance of access to credit and other financial services to the growth and the development of an for this case areas Kityelera sub-county in particular and this case study is of Bugade Sacco found in Kityelera Sub-county Mayuge District. It is conducted for the award of a Bachelors degree in Business Administration at Kampala international university. You have been carefully selected and requested to contribute to this study and your answers will be kept as confidential information. Therefore you are required to provide the most appropriate answers by ticking or writing in the space provided below or refer to the guide lines below while filling in these questionnaires.

#### **Guidelines for answering the questioners:**

- 1 Read through the questionnaires carefully before answering.
- 2 The letters abbreviated as below in the questioners stands for:
  - a) SA.....Strongly Agree.
  - b) A.....Agree.
  - c) NS.....Not sure.
  - d) D.....Disagrees.
  - e) SD.....Strongly Disagree.
- 3 It is not necessary to write your name on the questionnaire.
- 4 Answer all the questions
- 5 If any item is not applicable to you insert (not applicable or n/a)
- 6 If space provided is not enough use the attached sheets behind and number clearly the question you are answering.

### Section: A Bio data

1. Sex: Female ☐ Male ☐

2. What is your age group?

a) 11-20 years ☐ (b) 21-30 years ☐ (c) 31-40years ☐ (d) 41-50years ☐

e) 51-60 years ☐ (f) 61 and above ☐

3. What qualifications do you posses?

(a) Secondary ☐ (b) Diploma ☐ (c) Degree ☐

d) Masters and above ☐

4. What is your marital status?

a) Married ☐ (b) Single ☐ (c) Divorced ☐ (d) Widowed ☐ (e) Separated ☐

### SECTION B: Activities of SACCOs in Kityelera Sub County

1) The people of Kityelera Sub County are involved in the activities of Bugade Sacco in the sub-county.

SA	A	NS	D	SD

2) SACCO through its activities do support low income groups to build savings in Kityelera Sub County.

SA	A	NS	D	SD

3) Bugade Sacco mobilizes funds for its members as one of the activities conducted in the sub-county.

SA	A	NS	D	SD

4) Bugade Sacco facilitates small enterprises with subsidized loans for development as one of its major activities.

SA	A	NS	D	SD

5) Bugade Sacco has helped it's members to improve their financial position through its strong saving activities carried out to the extent that some have become self employed.

SA	A	NS	D	SD

6) SACCOs in Kityelera Sub County for example Bugade Sacco are sources of revenue which small investors use to finance their social and economic project.

SA	A	NS	D	SD

7) There is conducive environment for the development of business created by Bugade Sacco in Kityelera Sub County.

SA	A	NS	D	SD

8) Activities carried out under Bugade Sacco have encouraged people to work as a group (team work) which has helped members to share business views and skills.

SA	A	NS	D	SD

9) Bugade Sacco offer loans to its members.

SA	A	NS	D	SD

10) Small savings and credit schemes of Kityelera Sub County provide advisory services to the members of this sub-county.

SA	A	NS	D	SD

### **Section C: Roles of SACCOs in poverty eradication in Kityelera Sub County.**

11) Bugade Sacco has played a significant role in the provision of loans for the development of Kityelera Sub County as a rural area.

SA	A	NS	D	SD

12) Bugade Sacco plays an important role in charging its members with affordable interest rates on the loans provided.

SA	A	NS	D	SD

13) Loan processing in Bugade Sacco is simple and easy to access due to the employment of friendly officers.

SA	A	NS	D	SD

14) Bugade Sacco plays a role in the training and facilitation of capacity building to Kityelera Sub County.

SA	A	NS	D	SD

15) Bugade Sacco gives favorable credit periods to the rural people with in Kityelera Sub County.

SA	A	NS	D	SD

16) Bugade Sacco members pledge collateral security for a loan.

SA	A	NS	D	SD

17) Rural people of Kityelera Sub County are aware of Bugade Sacco services because of its significant role in the effective mobilization of the members around the area.

SA	A	NS	D	SD

18) Bugade Sacco use the profits acquired to service the loans received.

SA	A	NS	D	SD

19) Loans department is approachable and co-operative to the rural people of Kityelera Sub County.

SA	A	NS	D	SD

#### **Section D: Relationship between SACCOs and development of rural areas in Kityelera Sub County**

20) Member involvement in Bugade Sacco has greatly changed their saving culture.

SA	A	NS	D	SD

21) Members of Bugade Sacco have accumulated more property due to their involvement in the activities of this SACCO.

SA	A	NS	D	SD

22) There is a strong relationship between credit schemes and development in Kityelera Sub County.

SA	A	NS	D	SD

**Thanks for your cooperation.**

## APPENDIX II

### INTERVIEW GUIDE

- a) Does Bugade SACCO support low income groups to build savings ideas strong through involving team in every activity.
- b) If yes, which activities do support low income groups in the Kityelera sub-county.
- c) Of what importance is mobilization of funds by Bugade Sacco to its members?
- d) Of what significance is the role of provision of loans to the members of Bugade Sacco?
- e) Are the loan interest's rates affordable to the members of Bugade Sacco?
- f) Has the Bugade Sacco changed the membership savings culture?
- g) If yes, of what importance is savings to the members of Bugade Sacco?
- h) Have you, as members of Bugade Sacco developed through its activities.

### APPENDIX III

#### A BUDGET FOR PROPOSAL AND RESEARCH REPORT WRITING

ITEM	QUANTITY	RATE	TOTAL COST
Ream of paper	3	14,000/=	42,000/=
Pens	10	700/=	7,000/=
Proposal Typing and Printing	3 copies	20,000/=	60,000/=
Transport	-	-	120,000/=
Research Assistants	2	50,000/=	100,000/=
Dissertation typing, printing and binding	4	40,000/=	160,000/=
<b>TOTAL</b>			<b>489,000/=</b>

## APPENDIX IV

### TIME FRAME

June 2019- August, 2019

Time Frame

Activity	June	July	August
<b>Preparation</b> <ul style="list-style-type: none"> <li>Identifying the topic</li> <li>Choosing a case study</li> </ul>			
<ul style="list-style-type: none"> <li>Submitting proposal</li> <li>Visiting the case study</li> <li>Literature Reviewing</li> <li>Designing the study methodology</li> <li>Designing the questionnaires and interviews</li> </ul>			
<ul style="list-style-type: none"> <li>Proposal writing</li> <li>Printing</li> <li>Printing 1<sup>st</sup> draft</li> <li>Submitting Report</li> </ul>			

**APPENDI V**  
**DATA COLLECTION LETTER**