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Examining the Socio-economic Factors Affecting the Performance of Savings and Credit Co-operative Societies: A Case Study of Koboko United Savings and Credit Co-operative Society

The study was on examining the socio-economic factors affecting the performance of Savings and Credit Co-operative Societies (SACCOs) which was conducted in Koboko district. Koboko united SACCO, one of the well-established one's in the district was used as a case study for research in order to get a clear understanding of the socio-economic factors affecting the performance of the SACCOs in Koboko. The main objective of the study was to identify the major socio-economic factors affecting the performance of SACCOs in Koboko district. The specific objectives were; to identify the major social factors affecting the performance of SACCOs; to establish the major economic factors affecting the performance of SACCOs; to know the extent to which the socio-economic factors affect the performance of the SACCOs; and to suggest strategies to improve the performance of SACCOs. The data were collected from both primary and secondary sources. Secondary data were obtained from text books in which the review of related literature was established. Other important documents such as minutes of meetings, audit reports, budgets were also consulted. Primary data were collected using questionnaires, observation and interviews. The data were analysed using; question by population data analysis, narrative account and ethno-statistics methods of data analyses. The research established that: the SACCOs are performing relatively well, though amidst many socio-economic problems which included high rates of loan defaulting; lack of sensitisation; poor methods of loan recovery; lack of knowledge about SACCOs and loan business; high interest rates; competition from other banks, among others. The research concluded that the factors affecting the performance of SACCOs needed an intervention which should so much focus on education and sensitisation of the people about SACCOs and their benefits which would eventually improve the performance of the SACCOs. The recommendations of the study were that; banks should be called upon to improve on the culture of saving through offering affordable savings accounts to the people, rural electrification programmes be extended to all rural areas among others. It is suggested that further research on the effect of loans on people's businesses should be done.

Keywords: Performance of Savings and Credit Co-operative Societies, Socio-economic Factors