

“Micro-Credit Work as a Recovery Instrument During and after Covid-19 Pandemic”: The Case of EMYOOGA SACCOs in Uganda

John Busingye

Ibada University, P.O. BOX 35, Ibada, Nigeria

Abstract: This paper summarizes the data collected from SACCOs and their clients to assess the role of Micro-Credit as a Recovery Instrument during and after Covid-19 Pandemic? Emyooga SACCOs and borrowers in Mbarara city, South Western Uganda, provided a conceptual setting of the study. The results show that while the pandemic touched all entrepreneurs in Uganda, the severity of its impact was marked differently by different entrepreneurs in some businesses to almost negligible in other businesses. However, all entrepreneurs faced some form of a lockdown which affected them in one way or the other.

Nevertheless, preliminary results show that traders in Mbarara city changed business to suit the prevailing conditions. For instance, some introduced on-line and delivery service means of reaching their clients. It was also established that Emyooga SACCOs provided start-up capital to enhance the poor to continue with business during the C-19 lock down.

Other findings are that Emyooga loans have a significant effect on the borrowers' change in income and asset acquisition. Some respondents reported to have acquired land while others had their business improved, particularly businesses dealing in food stuffs. Therefore, flexibility and diversification in business are commended, such that any problem with one line of business is saved by its sister business.

The study applauds governments intervention to extend more support to the self-employed and microentrepreneurs to allow them to sustain their business operations, and that SACCOs are in horrible need of a lender-of-last-resort funding body that can step in with emergency funding and provide financing when commercial banks are unable to do so.

The paper ends with a set of other specific recommendations for various stakeholders which would help the SACCO clients to stabilize and return to normality.

Key words: SACCOs, COVID-19, Pandemic, Emyooga

I. INTRODUCTION

One of the recent central obstacles to economic continuity and sustainability for small entrepreneurs is the impact of the COVID-19 pandemic which resulted in locking down the economies by different governments worldwide. Uganda was not exceptional. Traditional banks stopped giving loans due to uncertainties in the economy. The government of Uganda introduced Emyooga SACCOs, which tried to evade complications of Lock-down, working from home, lack of collateral, trading licenses and business records. Emyooga

SACCOs provided a mix of solutions which are user friendly, continued to offer loan packages to its members.

The focus of this study is one of the relatively less explored topic of the relevance of microcredit as a recovery instrument during and after a C-19 pandemic that has engulfed the whole world since 2019.

A number of studies have found positive effects of microcredit programs on borrowers' income, women and youth empowerment, (Aijukwe & Giles. 2009). This study therefore intends to investigate whether access to and utilization of loans from Emyooga SACCOs have had any impact on the development of peoples' lives in this catastrophic period of C-19.

Although, SACCOs are not a 'silver bullet', many agreed that Emyooga SACCOs are potentially a very significant capital contribution to economic transformation. In 2019, Ugandan government launched Emyooga SACCO programs- a poverty eradication program as part of the government strategy to transform 68 percent of Ugandan homesteads from subsistence farming to market oriented production.

To kick start the strategy, the Ugandan government, through the ministry of finance, so far has allocated shs 260 billion (New-vision Monday, October 4 2021), which is distributed to the beneficiaries through Emyooga Savings and Credit cooperative societies (SACCOs)

The above assumption is rooted in the belief that through Emyooga SACCOs, the entrepreneurs are able to access and utilize Emyooga funds and engage themselves into commercial production. In other words, these schemes have the potential to initiate a series of 'virtuous spirals' of self-employment resulting into economic transformation, which will hopefully increase production resulting into well-being for the household head and be able to cope with forces of uncertainties as a result of C-19 Pandemic.

Emyooga SACCOs give unemployed poor access to and utilization of small amounts of financial credit to assist them in economic activities so as to make life easy during this time of C-19 Pandemic.

To drum in this new era to a wider audience, the Uganda Government has adopted micro-credit program known as

Emyooga SACCOs as one of their key strategies to national development. Emyooga SACCOs means the coming together of the people who practice the same economic and professional activity to form a savings and credit association. In Uganda, they may include the hair saloon practitioners, Taxi and Bus Drivers and operators associations, Food vendors associations, Farmers associations, milk vendors associations, Car repairs and washers associations, market vendors roadside traders, herbalists, Welders teachers and lecturers, among others. The majority of who are unemployed.

The word Emyooga simply means a professional skill gained as a result of experience. The professional meant by this study is not the one gained from a high school or college or university, but something you do regularly to gain income or earn a living. Emyooga is different from say professionalism. Professionalism is the course you study in school for a long time. While 'Emyooga' is a skill gained outside the formal training institution. In developing countries like Kenya, Nigeria took the same position of funding its citizen who practice similar businesses grow together in business. To crown it all, Micro-credit offers a pivotal opportunity for the international community to engage in a shared commitment to meet this challenge to end poverty, a better future for families and to ensure economic empowerment". This study therefore investigates the impact of microfinance as a recovery instrument during and after COVID-19 Disaster.

The study examines the Emyooga SACCOs as a strategy of economic recovery and enhancing production for the Ugandan market economic growth against the pandemic. The economic participation in Uganda is commended and supported by the private sector and ruling government- the main sponsor of Emyooga SACCOs. The objective of this study is to uncover the causes of suffering people in spite of the huge economic contributions of government drive to economic. This study also explores the positive and negative effects of SACCOs programmes in Uganda in the face of C-19, taking into account the relatively high number of people 'locked' at home and a few involved in economic activities.

This is why an important recovery instrument is a necessity in form of loans provided by SACCOs. With due respect to donations and charity, credit has the advantage that it propagates the financial flow and re assures investment continuity. It is important to notice that C-19 was complemented by fluidity crushes since, in spite of a boom in credit demand due to the need to restore lingering and dwindling economic activities, SACCOs are often forced to engage user friendly methodologies to the majority of the poor in Uganda who formed risk-sharing networks by working together in the form of professions like saloon operators SACCO, Market Vendors SACCO, Taxi operators SACCO, teachers BODA BODA raiders SACCO women SACCOs among others. The problem with them is that they acquire funds together as members' of similar businesses but share the loan and use it as individuals in their respective business. It therefore remains small capital to transform them into market

oriented production. Nevertheless it's very paramount for the governments in developing countries to recapitalize SACCOs after C-19. The contemporary chronological signal confirms that microcredit programs contributed to condense the vulnerability of the poor by helping them to re-build assets and by providing emergency assistance loans to help them restart businesses. There are many examples of SACCOs active in post-conflict and post-disaster countries whose loans have been claimed to be a useful recovery instrument. The wide- spread diffusion of SACCOs in Uganda and Kenya, among other countries in the recent economic is a clear torch.

Studies about the coping strategies adopted by rural households during the 1998 flood in Bangladesh and a positive impact on the peoples' welfare (Khandker 2007) The study determines that "the manifestation of microcredit programs increased the amount of borrowing and coping strategies. Household borrowing also increased household welfare by raising both consumption and asset holding Kamua (2014), using data from Bangladesh, finds that BRAC's micro-credit program may increase participating households' abilities to cope with economic hardships following floods and other natural disasters(Khandker 2007).

On the other hand, the scholar concludes that "further research to establish more reliable information needs to be conducted about microcredit program before conclusive outcomes can be stretched." The purpose of this study is to contribute in the filling in this gap.

The specific focus of this study is to investigate whether Emyooga SACCOs in Uganda can avert the serious damages caused by C-19 to the business of a large part of its nationals by transforming them from subsistence incomes to market oriented production amidst C-19 pandemic. The recapitalization program was aimed at providing the SACCOs with the capital necessary to grant small loans to the affected Ugandans supporting them to start back their economic activities by accessing loans in their professional groups. My goal is to assess whether such intervention acts as an effective liquidity injection for the damaged borrowers enabling them to restore their economic activity and to significantly improve their economic conditions with respect to the immediate post C-19 'lock down' impact.

II. STATEMENT OF THE PROBLEM

Social distancing and other restrictions aimed at reducing the spread of Covid-19 has caused harsh declines in economic activity as some businesses were ordered to close and employees stay at home, although some of them continued working on a limited scale. For an extended period of time people were required to isolate and avoid participation in public gatherings.

These radical and abrupt actions pondered heavily on the home demand for goods and services and reduced the domestic supply. They have disproportionately affected the

self-employed and micro-entrepreneurs who are the dominant Emyooga SACCOs in Uganda.

Micro-credit as a tool for poverty reduction and economic transformation came in Uganda as an intervention strategy supported and encouraged by the government, civil society organizations, MFIs and NGOs (Arulrajah, & Philip, 2011). This was premised on the fact that the marginalised unbankable poor populations would get increased household incomes, economic transformation from subsistence production to market oriented production.

Nevertheless, access to and utilisation of micro-credit services is compounded by the C-19 pandemic rendering to lingering economic opportunities by the poor. While authors such as Kamua (2014) and Anke (2015) assert that access to micro-credit leads to economic empowerment and transformation. There is limited empirical evidence to suggest so during the COVID-19 pandemic.

Studies undertaken in Uganda on SACCOs have concentrated on access to credit with none addressing the impact of micro-credit as a recovery instrument during and after COVID-19 Disaster in relation to Emyooga SACCOs in the country, yet the country has been affected by COVID-19 Pandemic for almost two years to-date. This study there analyses the effectiveness of micro-credit as a recovery instrument after seriously damaged economy by the COVID-19(C-19) pandemic as conceptualized in Mbarara City, South Western Uganda.

III. HISTORICAL PERSPECTIVE

Micro-credit is no stranger to pandemics, but the COVID-19 and subsequent lockdown are different. Unlike previous depressions which originated from financial markets, the COVID-19 pandemic is spread through an undistinguishable virus which is difficult to contain and control. The virus not only adversely affects businesses; it also kills people in big numbers. It creates common disruption and changes the way we accustomed to live and work. In 2008, the crisis began with turmoil in the US real estate and financial markets and only spread to financial and real economy in the rest of the world after a certain time delay (Kinga Dąbrowska, Piotr Koryński, Justyna Pytkowska 2020). The COVID-19 pandemic is exerting a more radical and abrupt effect and spread very fast. It has pushed the real economy out of action immediately suffocating market supply and demand concurrently. Various micro- and small businesses were ordered to stop operating or use alternative channels to communicate with clients and sell their products and services on-line or delivery service vans. Many small businesses, including clients of Emyooga SACCOs in Uganda, have suspended, or closed down their economic activities, leaving the owners and workers without income and employment. This strained SACCOs which themselves faced their own internal challenges to maintain their core activities during the government and ministry of health mandated lockdowns and social distancing guidelines. This study paper explores the

role of Micro-Credit as a Recovery Instrument during and after Covid-19 Pandemic.

pandemic without other complementary interventions or change in the macro-economic growth agenda through enabling the borrower's decisions about savings and credit use, enabling the business people to set up microenterprise both online and physical, increasing incomes under their control. It is also assumed that increased economic empowerment helps the people to recover from the pandemic shock. This may however not be the case due to African people for different hidden reasons including paying bride price, marrying the second wife, wedding, birth day parties and graduation (Nuwagaba & Rutare 2012). These cannot improve welfare, recovery and economic transformation whatsoever.

IV. METHODOLOGY

In order to explore the impact of micro-credit as a recovery instrument during and after COVID-19 lock down, the study was limited to Emyooga SACCO beneficiaries, SACCO managers, credit officers and the principal city commercial officer, whose office provided a list of Emyooga SACCOs in the city.

The study also targeted legally registered mainstream Emyooga SACCOs which were operating in Mbarara city as early as 2019 to 2021 who providing SACCO services to Particular professionals in Mbarara city. The principal commercial officer Mbarara city provided a list of Emyooga SACCOs. They were 40 in number by the time of the study (Principal Commercial officer, Mbarara city) SACCOs managers, credit officers and commercial officers were targeted in the study because these were key in the study as informants with data on Emyooga SACCO beneficiaries.

The study was grounded on Krejcie and Morgan sample size determination method (1970) in determining the sample size. Table 1:1 shows the sample size determination.

Table 1:1 sample size determination

NATURE OF EMYOOGA SACCOs	Population size	Sample size
SALOON OPERATORS	71	35
TEACHERS/LECTURERS	43	21
MARKET VENDORS	162	79
MBARARA CITY WOMEN ENTREPRENEURS SACCO	29	14
MBARARA CITY NORTH PRODUCE DEALERS EMYOOGA SACCO	38	19
BATAKA KAKOBA TRADERS SACCO	66	32
TOTAL	409	200

Krejcie and Morgan's (1970) sample size determination (**Modified**)

V. PRESENTATION OF RESEARCH FINDINGS

This study intends to unearth whether micro-credit can work as a recovery instrument during and after COVID-19 pandemic? Emyooga SACCO borrowers in Mbarara city provided a contextual setting of the study. The point of emphasis is that; credit innovation ideally should improve on the welfare of users, especially the poor, during the world COVID -19 pandemic. Findings revealed that there are several outcomes attributed to using small loans as a recovery instrument; in form to physical assets and abstract outcomes such as prestige and networking as a result of on-line business as people could not come into physical contact with others during the lock down.

Emyooga credit beneficiaries were asked to explain how they have manipulated the C-19 pandemic and lock down. Micro-credit officials were also asked to explain how the services offered by their institutions have impacted on the socio-economic development during C-19. The findings were presented using voices of respondents that were recorded during the phone call interviews. Respondents in physical attendance reported a number of outcomes which included: improved agriculture, home improvement, improved sales through networking, diversion of business from distant to home based business and family –employment

The table next presents the voices of the respondents:

<p>“My business was unlocked by lock down. I was given Emyooga loan which I used to buy a smart phone during COVID-19 lockdown. I started sharing my knowledge and love for plants on face book, WhatsApp and instagram, I searched for the most popular plants and their market prices. Within a month or two, I learnt how to graft plants but also helped my clients to plant them from their homes at cost/pay. I also started growing various ornamental plants. I injected 1,000,000 Uganda shillings about 30 Us Dollars which I got from the SACCO. Today my business has grown to about 5,000,000 Uganda shillings about 150 US.Dollars. It personally earn about 1,000,000 Uganda shillings or 30 dollars per month. I use my earnings from business to finish the plastering of my house during lock down. Thanks to my SACCO and the emyooga members for giving me all the money we got as a group. I can now boast of a good home and business”. (phone Interview: Salon operator, December , 2021)</p>
<p>“I have nothing bad to say about Emyooga SACCOs. Our SACCO gave me a loan and I now work from home in Katete. I no longer have to pay rent and transport for my business and am self-employed. I also used a loan to buy solar panel and now our home lights and we charge phones for our neighbours who also pay some money”. (phone call Interview: a member of Teachers’ SACCO, November , 2021)</p>
<p>“When schools were closed in march 2020 to stem the spread of COVID-19, I got an emyooga loan from my SACCO and ventured into baking. I set up my own bakery to make cookies, bread, cakes and scones. These were highly demanded and we delivered them to our customers using a delivery van which I also bought using savings from the business. My customers are my family members, friends, relatives and members of my group in the SACCO” . (phone call Interview: a market vendors, November , 2021))</p>
<p>“I am a civil servant(primary school teacher) who earns government salary. Since the lock down was imposed in march 2020, my business has been flowing ofcourse using loans from SACCO to run my piggery and poultry farm in Mbarara city. I have constructed residential house, bought land in Katete at 6m Uganda shillings and I will soon start developing it. I have bought a truck to deliver to my clients but also to transport my staff to the</p>

field. His business has produced two other business- Metal and fabrication and carpentry works that started in 2020 and 2021 respectively”. (phone call Interview: Mbarara City North Produce Dealers EMYOOGA SACCO , November , 2021))
 DECEMBER 2021)

Source: Field Data, judgments, 2021

VI. DISCUSSION OF FINDINGS

According to a study by Appah, Sophia and Wisdom (2002), loans improve the welfare of users in such a difficult time. Yet, a study by Nuwagaba, A & Rutare. K. (2012) in Kampala-Uganda found out that loan service is another intervention to deeply sink the poorest of the poor in a pool of poverty. In a related study, Kamau. p.w.(2014) in Kenya, the scholar found out that household income tended to increase at a decreasing rate, as the debtors’ income and asset position improve. None of these studies investigated any pandemic situation. Therefore this study raises a serious concern about the borrowers using b micro-credit loan services as an instrument to remedy the COVI-19 pandemic.

It is important to assess the usage of micro-loan intervention with a view that not all times and to all people small loans yield positive results to the borrowers. During the phone call interviews, the study found out that beneficiaries have indeed reaped from using small loans during and after COVID-19 pandemic, but on the hand others reported to have made losses from the business started as a result of borrowings. Therefore, the analysis of the outcome of micro-loan intervention to the wellbeing of people should not be seen in one direction as only being positive during difficult period (Mugabi, 2010).

In his study, in Iganga District, Mugabi concluded that micro-credit has the potential to contribute to empowerment no matter the natural circumstance. The study by Mugabi (2010) also revealed that the needy play an active role of borrowing and using micro-credit loans within the household, The people poor have increasingly engaged themselves directly in micro-credit utilisation and control over credit, although this is not always on a ‘silver plate’ due to the COVID-19 pandemic where peoples’ business activities are constrained by announced by various governments as a result of COVID- 19 pandemic.

Business which were not locked down, especially in agriculture and online business are now actively engaged in productive micro-enterprises because of using small loans from Emyooga SACCOs as reported during the discussion. The study applauds that this has contributed to poverty reduction and empowerment of borrowers in the household and generally in the community. The lock down challenge is one such challenge to further weaken human economic activities as well as improve activities of those who engaged themselves in online services by use of social media platforms like whatsapp, twitter, facebook and instagram among others, Similarly, there are those who delivered the goods and services to their customers. In view of this development it is

as challenging to those who were not flexible enough to tune to the online business using socio media. To those who embraced online businesses positioned themselves well and monopolized the business structure in the public domain.

The other valid issue is that micro-credit boosts small and medium businesses and increases the productive capacity of the entrepreneurs. The found out that micro-credit contributes to people's economic and social wellbeing and empowerment through networking. But this does not negate the fact that the outcome of micro-credit usage during and after COVID-19 pandemic is not universal and is always only quantitative.

Respondents who advanced flexibility in business by moving from their historical and professional businesses and source of income to another as shown in table above showing voices of respondents indicates that it helps them to develop further in business. For instance, a male Credit Officer with Mbarara City North Salon Operators Emyooga SACCO Limited noted that;

“Our clients are Salon operators, so they get credit to improve on their business capital. Some get start-up loan to start salons in the city centre while others get loans to buy salon materials and move to clients homes for home based salon services like hair plating, nail cutting among other services” ... (Kakoba Bataka market vendor, december 2021).

In a similar development, another 32-year-old woman participant in Mbarara City North Salon Operators Emyooga SACCO Limited noted that;

“I got an individual loan from our SACCO to enhance my businesses, I buy artificial hair and mixed oil for women, move house to house offering salon services since most women are at home due to lock down. Today my customers call me for booking, I make schedules for them” (Interview Participant, Mbarara city, December, 2021).

Likewise, another business woman in Mbarara North Division during interview said that;

“I got an agriculture loan from Emyooga SACCO (Farming as a Business), they gave us money as a group to buy farming items, seeds and materials. We got the money and shared it amongst ourselves as members of the group...and after harvesting our pineapples; we were able to pay back the money in four months of lockdown without difficulties” Interview Participant November, 2021).

It was observed that there were variations in respondents' reasons for borrowing micro-loans during during COVID -19 pandemic. The reasons mentioned by respondents were hinged on their respective business(s), although there are other reasons for borrowing, and at a glance business was one such outstanding reason mentioned by respondents. As reported during the phone interview with the member of Mbarara city women entrepreneurs' SACCO, credit for business is important because it ensure sustainability of the loan service,

as the borrower is able to realize some profit from business during and after pandemic. Credit access fills the depression of the financial inadequacy as reported by the majority of the low income people during the phone call interviews. As a result, it was concluded that credit access revamps the productive capacity of people during and after a pandemic. The implication is that micro-loans empower poor people to take part in income generating activities during any catastrophe like C-19. As a result this improves on welfare of the low income earners in our society as well as entrepreneurship activities and life goes on. The study findings are confirmed by the previous studies carried out by Khandker (2007) on the coping strategies adopted by rural households during the 1998 flood in Bangladesh and assesses their impact on welfare. The author concludes that “the presence of micro- credit programs increased the amount of borrowing coping. Household borrowing also increased household welfare by raising both consumption and asset holding”. Hoque (2008), using data from rural Bangladesh, finds that BRAC's micro-credit program may increase participating households' abilities to cope with economic hardships following floods and other natural disasters.

Indeed, the study applauds the intervention of small loans from Emyooga SACCOs and the intervention of government of Uganda , probably, many people would not be able to start-up businesses, meet the physiological needs like medical care, food among others as reported during the phone call interviews.

Respondents further enumerated various business ventures such as market vending, saloon, retail shop, food eating places, charcoal selling, trade in second hand clothes and agriculture among others that have benefited as a result of Emyooga micro-credit. Studies elsewhere also show that low income people engaged in several income generating ventures during this difficult times. In recent years, emphasis has been placed on economic rehabilitation, empowerment through micro-credit schemes. This is based on the notion that empowerment is about people taking control over their own lives: setting their own agendas, gaining skills, building self-confidence, solving basic problems and developing self-reliance. For example, Mogabi (2010) in his thesis report about the role of microfinance in poverty reduction in Iganga District argue that; microfinance loans enable small micro-enterprise owners to enhance their business volume and improve on business opportunities to diversify their business portfolio during the crisis

Further, a study in Nigeria by Anyanwu (2014) revealed that over 78 per cent of SACCOs financed trading activities, 14.1 per cent of the total funding was for farming activities and only 3.5 per cent went into manufacturing during and after the flooding periods. Micro-enterprises generate income for the household and improve on the welfare of household members as the poor actively participate in production and service provision. Likewise, Aijukwe, (2009) argued contends that micro-credit enables peasants to expand and develop income

generating activities and supporting payment of other necessities like food, health and water charges during the economic crisis

Increased household incomes as a result of investment in daily income generating business activities: From table responds voices above, one respondent from Mbarara city used a loan to complete the plastering of his resident and bought land in Katete during C-19. Similarly, another respondent started a bakery business, delivered cakes and bread to the neighbours and relatives. She created self-employment, employed family members who also provided market for the bakery. Respondents in both cases consented that they were able to improve their household incomes during C-19 and; Another respondents stated that he was able to increase household income as a result saving by investing micro-credit loans from Emyooga SACCO into daily business activities. The respondent had this to say:

“I obtained a loan facility of Uganda shillings one million (1,000,000) from teachers’ SACCO in the year 2020, I used the loan to add on my stock in my small restaurant sellingsnacks in town. Am paying the loan without any difficulty, am currently serving my 6th loan cycle. Sincerely speaking, I have acquired many assets as a result of my involvement in micro-credit during lock down. My children are able to go back to school when the president eases lock down on schools in the near future. I bought a banana plantation in the village and I no longer buy matooke, Today, my husband and the community respects me than when I used to be a primary school teacher in Government Aided schools” (:Interview Participant, Mbarara city south, December, 2021).

Accordingly, access to and utilization of micro-credit have played a significant role creating self confidence in the changing environment as a result of C-19. Borrowers were in position to provide basic household needs like food, clothing and medical care for their children. Loans empowered them, breadwinners gained respect from both the community and their family members. They developed personal confidence and are in position to make personal decisions on matters concerning their way of life during COVID-19 pandemic. The poverty alleviation paradigm by Mayoux (2005) advocates for the expansion and development of skills and capabilities that increase peoples’ economic empowerment. Mayoux further defines people economic empowerment as shifting from one social class to another. For example, a primary school teacher in a government Aided primary school feels more respected today as a business man than when she was a primary school teacher before COVID-19 pandemic following the lock down on schools to-date in Uganda. A 14 year old girl who testified to have left school to open up a bakery thereby creating future self-employment and gaining skills.

The study found out that micro-credit clients in Mbarara city are engaged in urban farming, street vending, market vending, retail shops, petty trade in fresh produce sold in daily markets or along the road sides, selling used clothes and shoes as

reported during the phone call interviews. This has resulted into increased household income.

The findings were in agreement with the earlier study by Aarulrajah & Phillip (2011) in Bangladesh who concluded that micro-credit loans increased the borrowers’ income through income generating projects during natural disasters

The other studies to confirm this study findings on micro-credit were found by Anyanwu (2014) in India, while Anke Johan and Ophem, (2015) consent that outcome of micro-credit income empowers women in Ivory Coast. The authors found out that micro-credit loans led to improved household income by helping people in flooded areas to start and manage projects in Ivory Coast.

Social networking as a result of online business during and after lock down was inevitable. People were made to stay at home, do business at home or deliver to their respective clients. This changed the traditional format of sitting in shops and waiting from the gardens for clients for those dealing in farm produce. .

Imai, & Azam, (2010) further indicate that micro-credit programs assist clients’ borrowers to insure themselves against crises by building up household assets and such assets can be sold off to increase household income or used as a mortgage to access a loan facility for further micro-credit borrowing to expand the borrowers’ businesses after natural disasters. Although, Hernando (2000) argues that most property possessed during natural disasters are in defective form (unregistered property) because government offices are not operating normally. The study found out that most properties acquired during this COVID-19 period are not registered in the owner’s names. According to Kamau (2014), such property cannot attract loans for future orientations and thus cannot be mortgaged for further borrowing lending as lending institutions consider them to be fake without proper ownership.

VI. CONCLUSION

This paper investigates whether micro-credit can effectively work as a recovery instrument during and after COVID-19 pandemic.

During the phone call interviews, respondents reported to have acquired land while others had their business improved, particularly businesses dealing in foodstuffs and herbal drugs.

Policy Recommendations

Based on the study findings, the study recommends further governments intervention in times of such pandemics to protect the businesses of their citizens. The declining economy after C-19 pandemic was such that it is hard to imagine that private business could have continued to operate without intervention by government through loans. There is need to create a financial granary to get prepared with the funding that may help during and after such pandemics.

Further still this study commends flexibility and diversification in business operation. According to this study many borrowers changed to other forms of business abandoning their former business that were affected by the C-19 pandemic following the subsequent total lock down. While other forms of business were locked down, agriculture and health were left to operate. Flexibility and diversification in business are commended, 'never put all your 'eggs' in one 'basket', such that any problem with one line of business is saved by its sister business. It's unwise to continue operating a business where you don't get profits and still you to proceed with it. Change and get going because business life is a continuous process whereby if one fails you shift swiftly to another. During the interview with borrowers, many of them reported to have changed their business during C-19 so as to suit the prevailing conditions.

Online business and virtual meetings between sellers and buyers were for the first time brought on board. Hitherto, online business and virtual meetings were regarded as something at the international level of business, but C-19 pandemic saw a shift to online operate within countries.

REFERENCES

- [1] Anke (2015). How microfinance empowers women in Cote d'Ivoire: Abidjan, Ivory Coast
- [2] Aijukwe, Giles. (2009). "How to Use a Loan to Grow Your Business." Monitor Publications
- [3] Anyanwu .C.W. 2014. "MicroFinance Institutions in Nigeria Policy, Practice and Potential" Paper Presented at the G24 Workshop on Constraints to Growth in Sub Saharan Africa. Pretoria, South Africa 29-30-2004.
- [4] Appah, E., M. John, M. Sophia and S. Wisdom (2012). "An Analysis of Micro-credit and Poverty Reduction in Bayelsa State of Nigeria". Kuwait Chapter of Arabian Journal of Business and Management Review. 1(7): 38-57.
- [5] Arulrajah, J,A, and Philip, P, G, (2011), Equality and Personality Development of Women-
- [6] Headed House Hold: The Role of INGOs and NGOs in Women Headed House Hold in Manmunai South West D.S Division of Batticaloa.
- [7] Hernando,D. (2000). The mystery of capital: Why capitalism Triumphs in the west and fails everywhere else: Newyork: Basic Books'.
- [8] Imai, S. K., & Azam, M. H. (2010). Does Micro-credit Reduce Poverty in Bangladesh? New Evidence from www.ccsenet.org/ass Asian Social Science Vol. 10, No. 1; 2014 Household Panel Data, Discussion Paper, DP2010-24, Kobe University, September., pp. 39.
- [9] Kamau. p.w.(2014), Gender Relations in Access, Control and Utilisation of Micro-credit Resources: A Case of Women in Kiharu Constituency, Kenya, Kenyatta University Kane, E. (1996).Seeing Yourself. Research Handbook for Girls Education in Africa.Washington, D.C.: The World Bank.
- [10] Khanalkar, P. (2005). Assessing the impact of micro – credit on poverty and vulnerability in Addis Ababa. Policy Research working paper 2145, Washington,
- [11] Khandker, S. R. (2005). Microfinance and Poverty: Evidence Using Panel Data from Bangladesh. The World Bank Economic Review, 19(2), 263–286.
- [12] Kinga Dąbrowska, Piotr Koryński, Justyna Pytkowska (2020): Impact of COVID-19 Pandemic on the Microfinance Sector in Europe: Field Analysis and Policy Recommendations. www.mfc.org.pl/covid19
- [13] Krejcie, R.V. and Morgan, D.W. (1970). Determining Sample Size for Research Activities. In Hill, R. (1998). "What Sample Size is 'Enough' in Internet Survey Research"? Interpersonal Computing and Technology: An electronic Journal for the 21st Century. <http://www.emoderators.com/ipct-j/1998/n3-4/hill.html> Accessed on 20/12/2021:
- [14] Mayoux, L. (2005) Women's Empowerment through Sustainable Micro-credit: Rethinking Best Practice. Discussion Draft: 1-25.
- [15] New vision Monday October 4, 2021, local news paper printed and published in Uganda
- [16] Nuwagaba, A & Rutare. K. (2012). Tackling poverty and under development in Africa. Net media publishers, Kampala Uganda
- [17] Yogendrarajah, R. (2013). Challenges faced by women in accessing credit from Micro-credit institutions in Srilanka. The international journal of Economics and business management. East Publications

