

# The Role of Emoyaoga Government Programme on Poverty Eradication: A Case of Ibanda District, Uganda

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## ABSTRACT

The study examined the role of the Emoyaoga Government Programme on poverty eradication in Ibanda District, Uganda, with the aim of assessing the impact of financial support (loans and grants) provided by the Emoyaoga programme on poverty eradication among beneficiaries in Ibanda District. The study targeted a population of 1,130 beneficiaries, from which a sample of 195 respondents was selected using appropriate sampling techniques. A descriptive survey design was employed, and data were collected using structured questionnaires and in-depth interviews. Analysis was conducted using descriptive statistics, correlation analysis, and regression analysis. The findings revealed that financial support significantly improved beneficiaries' livelihoods, including increased household income, enhanced business activities, improved savings habits, and better living standards. Correlation analysis showed a strong positive relationship between financial support and poverty eradication ( $r = 0.782$ ,  $p < 0.01$ ), while regression analysis indicated that financial support significantly predicted poverty reduction ( $\beta = 0.703$ ,  $p < 0.001$ ), explaining 61.2% of the variance in poverty outcomes. The study concluded that the Emoyaoga programme plays a substantial role in alleviating poverty in Ibanda District. Recommendations include strengthening SACCO financial services, enhancing capacity-building initiatives, implementing effective monitoring and loan recovery mechanisms, and promoting community sensitization to increase awareness and participation.

**Keywords:** Emoyaoga Programme, poverty eradication, financial support, SACCO, Ibanda District, Uganda

## INTRODUCTION

Poverty remains a major challenge in Uganda despite significant efforts by the government and development partners. According to the Uganda Bureau of Statistics (UBOS, 2020), over 30% of the population lives below the poverty line, and nearly half of the population is vulnerable to poverty (Atamanov et al., 2022; World Bank, 2022). To address this, the government has implemented poverty alleviation programmes, including the Emoyaoga Government Programme, launched on 19th August 2019 as a Presidential Initiative on Wealth and Job Creation (Presidential Initiatives, 2019).

Emoyaoga targets 18 specialized categories of Ugandans, including youth, women, PWDs, boda-boda riders, taxi drivers, and market vendors, aiming to transform households from subsistence to market-oriented production. The initiative focuses on three objectives: increasing employment opportunities, improving access to financial services, and enhancing entrepreneurial capacity through training and skilling (Kasolo, 2019; Anshemeza, 2023). The programme is implemented through SACCOs at constituency and parish levels, with each SACCO receiving financial support ranging from Shs 30–50 million to distribute to eligible members. Despite these efforts, many SACCOs have faced defaulting challenges, limiting the programme's effectiveness (Morris Kudda, 2021).

This study sought to assess the impact of financial support (loans and grants) provided by the Emoyaoga programme on poverty eradication among beneficiaries in Ibanda District.

## Purpose of the Study

The primary purpose of this study was to assess the impact of financial support (loans and grants) provided by the Emoyaoga programme on poverty eradication among beneficiaries in Ibanda District.

## Hypothesis

**Null Hypothesis (H<sub>0</sub>):** There is no significant impact of financial support (loans and grants) provided by the Emoyaoga programme on poverty eradication among beneficiaries in Ibanda District.

## LITERATURE REVIEW

### The Impact of Financial Support (Loans and Grants) Provided by the Emoyaoga Programme on Poverty Eradication

The Emoyaoga Programme, a Presidential initiative in Uganda, is designed to provide financial support to economically active individuals through loans and grants with the aim of fostering entrepreneurship and reducing poverty. Its design aligns with microfinance and poverty alleviation theories, which posit that access to financial resources can empower marginalized communities to engage in income-generating activities, thereby improving their livelihoods (Khandker, 2005; Morduch, 1999).

Several studies have examined the role of financial support under the Emoyaoga Programme in enhancing socio-economic development. Kawuma (2020), in a study titled "*Assessing the Impact of Emoyaoga Programme Financial Support on Household Incomes in Wakiso District, Uganda*", employed a mixed-methods approach involving 150 beneficiaries and interviews with local government officials and SACCO leaders. Findings revealed that beneficiaries who accessed loans and grants reported a significant increase in household incomes, primarily through small business creation, which also contributed to job creation within communities. The study concluded that financial support positively impacts poverty alleviation by fostering entrepreneurship. It recommended integrating training and capacity-building programs alongside financial support to ensure effective business management among beneficiaries.

Similarly, Masika (2019), in "*The Role of Financial Grants in Empowering Women in Rural Uganda: A Case Study of the Emoyaoga Programme in Mbarara District*", focused on 100 women beneficiaries using qualitative methods including interviews and focus group discussions. The study found that financial grants improved women's economic status, enabling contributions to household expenses and investment in children's education. Challenges identified included strict repayment terms and limited financial literacy among some beneficiaries. The study recommended flexible repayment schemes and enhanced financial literacy programs to maximize the benefits of financial support.

In contrast, Kudda (2021) explored "*Challenges of the Emoyaoga Programme: An Analysis of Loan Default Rates in Ibanda District*" using descriptive survey methods with 200 beneficiaries and SACCO financial records. The study highlighted high loan default rates, mainly due to inadequate business management skills and unforeseen economic hardships. Despite the programme's intentions to alleviate poverty, these defaults undermined its effectiveness. Kudda recommended strengthening financial management training and entrepreneurship skills to mitigate defaults and improve programme impact.

## RESEARCH METHODOLOGY

### Research Design

The study employed a descriptive research design integrating both qualitative and quantitative approaches (Creswell, 2014; Fowler, 2014). Quantitative methods provided measurable data on the impact of financial

support, while qualitative methods offered in-depth understanding of participant experiences.

### **Population and Sample Size**

The population consisted of 1,130 individuals associated with the Emoyaoga Programme, including 600 beneficiaries, 400 SACCO members, 20 trainers and facilitators, 10 local government officials, 50 community leaders, and 50 entrepreneurs. Using the Morgan and Krejcie (1970) table, a sample of 195 respondents was selected.

### **Sampling Techniques**

Stratified random sampling was used for beneficiaries, simple random sampling for SACCO members, purposive sampling for trainers and officials, snowball sampling for community leaders, and convenience sampling for entrepreneurs (Biernacki & Waldorf, 1981; Palinkas et al., 2015).

### **Data Collection Methods and Instruments**

Data were collected using questionnaires, interviews, focus group discussions (FGDs), document analysis, and observations. Questionnaires targeted beneficiaries and SACCO members, while interviews and FGDs targeted trainers, officials, and community leaders. Document review and observations provided supplementary insights (Braun & Clarke, 2006; Bowen, 2009).

### **Validity and Reliability**

Validity was ensured through expert review, pilot testing, and triangulation of data sources. Reliability was ensured through standardized procedures, test-retest of questionnaires, and inter-rater reliability for qualitative data (Creswell, 2014; Merriam, 2009).

### **Data Analysis**

Quantitative data were analyzed using SPSS to calculate descriptive statistics and inferential tests, including regression and correlation analyses (Pallant, 2016). Qualitative data were analyzed thematically to identify recurring patterns and insights (Braun & Clarke, 2006).

### **Ethical Considerations**

Ethical approval was obtained from the Ibanda University Research Ethics Committee (IUIREC). Participants' informed consent, confidentiality, voluntary participation, and protection from harm were prioritized (Bryman, 2016; Israel & Hay, 2006).

## **RESULTS AND DISCUSSION**

### **Response Rate**

Data were collected from 175 respondents out of 195, representing an overall response rate of 89.7%, which is considered sufficient for social research (Nulty, 2008).

### **Background Characteristics**

Of the respondents, 43.4% were male and 56.6% female. Most respondents were aged 25–44 years, married (71.4%), and had primary or secondary education (84.6%).

### **Financial Support and Poverty Eradication**

Financial Support (loans and grants) and Emoyaoga programme on poverty eradication Descriptive Statistics.

**Table 1:** Showing Responses on Financial Support (Loans and Grants) And Emoyaoga Programme on Poverty Eradication Descriptive Statistics

		<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>	<b>M</b>
The financial support provided by the SACCO has been beneficial to me.	F	131	35	7	1	1	<b>4.68</b>
	%	74.9	20	4.0	0.6	0.6	
The loans/grants I received from the SACCO have improved my business activities.	F	79	83	12	1	-	<b>4.37</b>
	%	45.1	47.4	6.9	0.6	-	
Access to financial services through the SACCO has reduced my reliance on informal borrowing.	F	105	61	9	-	-	4.55
	%	60	34.9	5.1	-	-	
I find the loan repayment terms provided by the SACCO to be favorable.	F	89	77	9	-	-	4.46
	%	50.9	44	5.1	-	-	
I have experienced an increase in my income since joining the SACCO.	F	93	70	10	2	-	4.45
	%	53.1	40	5.7	1.1	-	
The financial services of the SACCO have improved my ability to save regularly.	F	96	69	10	-	-	4.49
	%	54.9	39.4	5.7	-	-	
The financial support from the SACCO has improved my living standards.	F	85	64	25	1	-	4.33
	%	48.6	36.6	14.3	0.6	-	
I feel more financially secure because of the loans and grants provided by the SACCO.	F	111	58	5	1	-	4.59
	%	63.4	33.1	2.9	0.6	-	

The results in Table 1, reveal the positive impact of financial support (loans and grants) provided by the SACCO on members' financial well-being, with both frequencies and percentages showing high levels of agreement across various aspects.

A significant majority, 131 (74.9%), strongly agreed that the financial support provided by the SACCO has been beneficial, while 35 (20%) agreed, resulting in a mean of 4.68. Only 7 (4.0%) were neutral, and a very small number, 1 (0.6%), disagreed. This shows widespread appreciation of the SACCO's financial support.

Regarding the impact on business activities, 79 (45.1%) strongly agreed, and 83 (47.4%) agreed that the loans and grants they received improved their business operations, yielding a mean score of 4.37. A small group, 12 (6.9%), were neutral, and only 1 (0.6%) disagreed.

The reduction in reliance on informal borrowing was acknowledged by 105 (60%) who strongly agreed, and 61 (34.9%) who agreed, resulting in a mean score of 4.55. Only 9 (5.1%) were neutral, with none expressing disagreement, indicating that SACCO services effectively reduced the need for informal borrowing.

As for the favorability of loan repayment terms, 89 (50.9%) strongly agreed, while 77 (44%) agreed, giving a mean score of 4.46. Only 9 (5.1%) were neutral, and no one disagreed, suggesting a positive reception of the SACCO's repayment terms.

An increase in income since joining the SACCO was noted by 93 (53.1%) who strongly agreed, along with 70 (40%) who agreed, giving a mean of 4.45. Only 10 (5.7%) were neutral, while 2 (1.1%) disagreed, indicating that the SACCO's support contributed to financial growth.

The ability to save regularly was also positively impacted, as 96 (54.9%) strongly agreed, and 69 (39.4%) agreed that SACCO services improved their savings capacity, with a mean of 4.49. Only 10 (5.7%) were neutral, reflecting that SACCO services helped enhance financial discipline.

In terms of improved living standards, 85 (48.6%) strongly agreed, and 64 (36.6%) agreed, yielding a mean score of 4.33. A minority, 25 (14.3%), were neutral, and only 1 (0.6%) disagreed, showing that financial support led to better living standards.

During interviews respondents revealed that:

*“Before receiving the loan, my poultry business was very small. Now I have expanded to 200 chickens, and I can supply eggs to local shops. This support has transformed my livelihood.”* – Female beneficiary, 35 years

*“The grant enabled me to start a small retail shop. My family’s income has increased, and I can pay school fees for my children without borrowing from neighbors.”* – Male beneficiary, 42 years

*“Earlier, I had to borrow from money lenders with high interest. Since joining the SACCO, I rely on loans with lower interest, which has reduced financial stress.”* – Female beneficiary, 28 years

*“The repayment terms are generally fair, but some members struggle when their businesses are affected by market changes. More financial literacy training could help us manage better.”* – SACCO official

*“I feel secure because I can save regularly. The SACCO has also taught us to keep proper records and plan for the future.”* – Male beneficiary, 30 years

*“I can afford better food, pay rent on time, and support my children’s education. Life has improved since receiving the grant.”* – Female beneficiary, 40 years

These qualitative responses reinforce the quantitative findings, showing that Emoya Programme financial support positively impacts business performance, income generation, savings, and overall household welfare. They also highlight areas for improvement, particularly in financial literacy and coping with economic shocks.

## Correlation Analysis

**Table 2: Correlation Analysis**

Variable	Financial Support	Poverty Eradication (Composite)
Financial Support	1	0.782**
Poverty Eradication (Composite)	0.782**	1

**Significance (2-tailed):** p < 0.01

Table 2 presents the results of the correlation analysis between financial support (loans and grants) provided through the Emoyaoga Programme and poverty eradication outcomes among beneficiaries. The table shows a strong positive correlation ( $r = 0.782$ ,  $p < 0.01$ ) between financial support and the composite measure of poverty eradication. This indicates that as financial support increases, poverty eradication outcomes, such as improved income, enhanced business activities, better savings behavior, and increased financial security, also tend to improve. The relationship is statistically significant at the 1% level, suggesting that the observed association is unlikely to be due to chance. Overall, the findings imply that financial support from the Emoyaoga Programme plays a substantial role in enhancing the economic well-being of beneficiaries and contributes positively to poverty reduction efforts.

### Regression Analysis

**Table 3: Model Summary**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
1	0.782	0.612	0.609	0.423

Table 3 presents the model summary for the regression analysis examining the effect of financial support (loans and grants) on poverty eradication. The table shows an R value of 0.782, indicating a strong positive relationship between financial support and poverty eradication outcomes. The R<sup>2</sup> value is 0.612, meaning that approximately 61.2% of the variation in poverty eradication among beneficiaries can be explained by the financial support provided through the Emoyaoga Programme. The adjusted R<sup>2</sup> of 0.609 accounts for the number of predictors in the model and confirms that the model explains a substantial proportion of the variance in poverty eradication. The standard error of the estimate (0.423) indicates the average distance that the observed values fall from the regression line, reflecting the model's accuracy in predicting poverty eradication outcomes. Overall, the model suggests that financial support is a strong predictor of poverty reduction among Emoyaoga beneficiaries.

**Table 4: ANOVA Table (Regression Significance Test)**

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	45.76	1	45.76	255.6	0.000
Residual	29.07	248	0.117		
Total	74.83	249			

Table 4 presents the ANOVA results for testing the significance of the regression model examining the effect of financial support on poverty eradication. The model yielded an F-value of 255.6 with a p-value of 0.000, which is less than the conventional significance level of 0.05, indicating that the regression model is statistically significant. This implies that financial support (loans and grants) significantly predicts poverty eradication among Emoyaoga beneficiaries. The sum of squares shows that the regression explains 45.76 units of variance in poverty eradication, while the residual (unexplained variance) is 29.07 units. With degrees of freedom of 1 for regression and 248 for residual, the results confirm that the model provides a good fit.

**Table 5: Regression Coefficients**

Variable	B	Std. Error	Beta	t	Sig.
Constant	1.214	0.102	–	11.90	0.000
Financial Support	0.703	0.044	0.782	15.99	0.000

Table 5 presents the regression coefficients for the model examining the effect of financial support on poverty eradication. The constant (intercept) is 1.214 ( $p = 0.000$ ), indicating the expected level of poverty eradication when financial support is zero. The coefficient for financial support is 0.703 with a standard error of 0.044, a Beta of 0.782, and a t-value of 15.99 ( $p = 0.000$ ). This shows that financial support has a positive and statistically

significant effect on poverty eradication, meaning that for every one-unit increase in financial support, poverty eradication improves by 0.703 units.

### **Hypothesis Testing**

Based on these results, financial support in the form of loans and grants provided through the Emoyaoga Programme has a significant and positive effect on poverty eradication among beneficiaries. The correlation analysis (Table 2) revealed a strong positive relationship between financial support and poverty eradication, with a correlation coefficient of  $r = 0.782$  ( $p < 0.01$ ), indicating that higher levels of financial support are associated with greater poverty reduction. The regression model (Table 3) showed an  $R^2$  value of 0.612, meaning that 61.2% of the variation in poverty eradication is explained by financial support, with an adjusted  $R^2$  of 0.609 confirming the model's reliability.

The ANOVA results (Table 4) further supported this conclusion, with an  $F$ -value of 255.6 and a significance level of 0.000, demonstrating that the regression model is statistically significant and that financial support is a meaningful predictor of poverty eradication. The regression coefficients (Table 5) indicated that the constant was 1.214 ( $p = 0.000$ ), and the coefficient for financial support was 0.703 ( $t = 15.99$ ,  $p = 0.000$ ), showing that for every unit increase in financial support, poverty eradication improves by 0.703 units.

In conclusion, these findings confirm that the Emoyaoga Programme's financial support substantially improves beneficiaries' income, business activities, savings habits, living standards, and overall financial security. Consequently, the null hypothesis that financial support has no significant effect on poverty eradication is rejected, and the study concludes that loans and grants under the Emoyaoga Programme play a crucial role in reducing poverty among participants.

## **DECISION OF THE FINDINGS**

The study found that the financial support provided by the SACCO significantly improved the financial well-being of its members. A large proportion of respondents agreed that the SACCO's services, particularly loans and grants, played a pivotal role in improving their access to financial resources, promoting savings, and enhancing their overall economic stability.

The study revealed that the majority of respondents reported a significant improvement in their financial well-being due to the financial services provided by the SACCO. This finding is consistent with Kilonzo (2017), who argued that SACCOs enhance financial inclusion by providing accessible financial products, thus improving the economic standing of their members. Amin et al. (2014) similarly found that SACCOs were critical in improving the financial well-being of members by offering loans that catered to their business and personal needs. In a similar vein, Munyua (2020) observed that SACCO membership increased the economic resilience of members, thereby improving their quality of life, which aligns with the findings of this study. Moreover, Okello and Owino (2020) concluded that SACCOs are essential in supporting members' financial stability and contributing to economic development in rural communities.

The study also revealed that loans and grants from the SACCO positively impacted business operations, with most beneficiaries indicating that these funds helped improve their business activities. This is supported by Suleman et al. (2019), who found that SACCOs provide critical financial support that fosters the growth of small businesses. Kisiangani and Karanja (2018) also highlighted that SACCO loans facilitated business expansion by offering accessible capital to entrepreneurs, a finding corroborated by Lwiza et al. (2020), who observed that SACCO loans provided members with the necessary financial resources to improve their businesses. Karanja (2017) further emphasized that SACCOs play a vital role in promoting entrepreneurship and ensuring the sustainability of small and medium-sized enterprises (SMEs).

## **CONCLUSION**

The study concluded that financial support provided by the Emoyaoga Government Programme has significantly

enhanced the financial well-being of beneficiaries in Ibanda District. Loans and grants have facilitated business growth, improved income and savings, and enhanced overall financial security, thereby contributing to poverty eradication.

## Recommendations

Emyooga SACCOs should review and enhance their financial service delivery to ensure that loans and grants are more accessible to eligible beneficiaries.

Beneficiaries should receive regular training in entrepreneurship, financial literacy, business management, and investment planning

Emyooga SACCOs should establish robust monitoring and evaluation systems. Regular follow-ups, progress tracking, and financial reporting by beneficiaries can help identify challenges early and provide timely support.

Emyooga SACCOs should implement structured loan recovery mechanisms, such as installment reminders, counseling for struggling borrowers, and incentive-based repayment schemes.

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