

**EFFECTS OF COVID-19 CONTROL MEASURES ON PERFORMANCE  
OF SAVINGS AND INTERNAL LENDING COMMUNITY GROUPS  
(SILCGs), KISUMU COUNTY, KENYA**

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**A**

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# DECLARATION

## 1. THE STUDENT

I, **Beatrice Atieno Ouma**, do hereby declare that this thesis is my original work and has not been submitted for the award of a degree or diploma in any other University or college.

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## 2. THE SUPERVISORS

We, the undersigned, confirm that this thesis has been submitted for examination with our approval as

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## ABSTRACT

Savings and Internal Lending Communities Groups (SILCGs) provide crucial financial services in rural areas where formal options are limited. The COVID-19 pandemic disrupted these groups' operations, as control measures hindered regular meetings essential for transparency and accountability. There were several studies undertaken too early into the pandemic that mostly looked at effects of the pandemic on households, informal workers and formal workers. The studies lacked pre COVID data hence relied on self-reported information that could have led to study bias. The studies did not compare trends of savings, welfare kitty uptake and loaning before, during and post pandemic periods, hence limited in empirical data. Findings on savings, welfare uptake and loan behaviors were mixed, with some groups showing stability, especially those receiving external support. More comprehensive research was needed to fully understand the long-term implications of COVID-19 pandemic on savings groups among SILCGs in Kisumu County. This study analyzed the effects of COVID-19 control measures on SILCGs in Kisumu County, Kenya. It examined changes in saving trends, social welfare kitty performance, and loaning trends before, during, and after the pandemic, as well as exploring coping mechanisms. The study adopted mixed methodology research design and targeted 176 registered and self-managed SILCGs. Yamane formula was applied in determining the sample size of 122. Stratified random sampling was employed to select SILCGs that were included in the study. Primary data was collected using researcher-administered questionnaire for SILCGs leaders while secondary data was collected using a data extraction form that captured financial statements for the SILCGs from January 2019 to December 2022. The tools were pretested for validity and reliability. Quantitative data was analyzed through use of statistical packages for social sciences (SPSS) software to yield descriptive and inferential statistics. Qualitative data analysis was done through use of NVivo software to generate themes for the study. To address ethical issues the researcher sought clearance from relevant authorities. It was revealed that group savings dropped by 32% during the pandemic and picked up by 12% after the lifting of the COVID-19 protocols while the welfare kitty uptake increased by 35% and dropped by 33% after lift of the COVID-19 control measures. Loan uptake increased by 34% during the pandemic and dropped by 5.3 % after the lifting of COVID-19 protocols. Further the results indicate that SILCGs revised their guidelines and adapted Information Communication Technology (ICT) to cope with the effects of enforcement of COVID-19 control measures. The study concludes that COVID-19 control measures reduced savings, increased uptake of social welfare kitty, increased loan uptake and necessitated restructuring of SILCGs policies, guidelines and operations to cope with the pandemic. In line with sustaining savings, the study revealed workable strategies for groups instrumental in the event of future pandemic. In addition, the workable strategies in sustaining welfare support in similar circumstance will ensure that the governments and partners strengthen safety net policies. The study revealed workable strategies that ensured continued loaning and loan payments. Such will guide SILCGs in partnering with other financial institutions to improve on investment opportunities. The established coping mechanisms will enable stakeholders come up with conducive policy environment and guidelines under which groups should operate during pandemics. Researchers will also benefit from recommendations on study areas such as SILCGs and digitalization and male involvement.