

**INFLUENCE OF TABLE BANKING ON LIVELIHOOD OF WOMEN: A CASE STUDY  
OF JOYFUL WOMEN ORGANIZATION (JOYWO) IN UASIN GISHU COUNTY,  
KENYA**

**BY**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS  
ADMINISTRATION**

**SCHOOL OF BUSINESS AND ECONOMICS  
DEPARTMENT OF BUSINESS ADMINISTRATION**

**MASENO UNIVERSITY**

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## DECLARATION

### Declaration by the Candidate

I declare that this Project has not been published or presented for the award of any degree in any other university

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This project has been submitted for examination with the approval of my supervisor.

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## **ACKNOWLEDGEMENT**

I would wish to acknowledge the immense contribution of various persons whose input has led to the successful development and completion of this project. To begin with I sincerely thank the Almighty God in totally for spiritual nourishment both in strength, courage, ability and patience during the preparation and writing of this research report. His grace and mercies strengthened me day by day and enabled me to move forward with no doubt irrespective of the state at hand. Most sincerely I appreciate my supervisor Dr. Scholastica Achieng Odhiambo for her tireless guidance to the completion of this study. I would like to register my sincere and whole hearted gratitude to my loving family; my son, my Parents, husband for their moral support, prayers and material support which enabled me see this project. My humble thanks go to all other staffs in the School of Business and Economics–I also appreciate the Maseno University management who took their time to give me a number of reference materials. My gratitude’s also goes to my parents and brothers for both financial and spiritual support, Iris and Gertrude for their continuous encouragement. Really all are my inspiration, thanks and God bless you all.

## **DEDICATION**

I dedicate this piece of work to my son Alex, my husband Bernard, my parents, my brothers and my sisters.

## ABSTRACT

Table banking is one of the key strategic interventions in providing financial resources to women globally to engage in livelihood projects thus improving their lives and eradicate abject poverty both in rural and urban slums where poverty is so rampant. Despite the importance of women empowerment in economic growth and employment creation, empirical studies have not shown clearly the effects of table banking on the livelihood of women in Uasin Gishu County thus knowledge on their investment decisions are few and scanty in the Kenyan context. The purpose of the study was to analyze the influence of Table Banking on livelihood of women focusing on Joyful women organization in Uasin Gishu County, Kenya. The specific objectives guiding this study were: to determine how credit accessibility through table banking has affected livelihood of women, to determine the influence of capacity building through table banking on livelihood of women, to determine how table banking has influenced women to access markets for their business products and services, and to establish the influence of membership power in table banking on livelihood of women. The study was guided by social capital theory, empowerment theory and social network theory. The study employed correlation research design, and semi-structured questionnaires were used to collect primary data. The target population was 431 women self help groups in Uasin Gishu County beneficiaries of JOYWO. A sample of 81 women SHG was determined through simple random sampling where the women leaders of the groups were used as the main respondents. In the pilot testing, all the variables under study showed a cronbach's alpha of above 0.7, implying that all the variables were reliable this is evident by the estimated cronbach's alpha of 0.769 for credit accessibility, 0.848 for capacity building , 0.797 for market accessibility , 0.824 for membership power and 0.786 for livelihood. The data was analyzed through descriptive statistics, Pearson correlation and multiple regression analysis. From the determination coefficients, there is a strong relationship between dependent and independent variables given an  $R^2$  values of 0.849 and adjusted to 0. 845. This shows that the independent variables (credit accessibility, capacity building, market accessibility, and membership power) accounts for 84.5% of the variations in Livelihood of Women. the study found that holding credit accessibility, capacity building, market accessibility, and membership power, at zero Livelihood of Women will be 3.77. Also, a unit rise in credit accessibility, while holding (capacity building, market accessibility, and membership power) constant, will lead to a raise in Livelihood of Women by 0.782 ( $p = 0.003$ ). Further, unit raise in Capacity building, while holding (credit accessibility, market accessibility, and membership power) constant, will lead to arise in Livelihood of Women by 0.463 ( $p = 0.001$ ). A unit rise in market accessibility, while holding (credit accessibility, capacity building, and membership power) constant, will lead to a raise in Livelihood of Women by 0.473 ( $p = 0.005$ ). Moreover, unit rise in Membership power, while holding (Credit accessibility, Capacity building, Market accessibility) constant, will lead to a raise in Livelihood of Women by 0.532 ( $p = 0.004$ ). The study recommends that Women should endeavor to join table banking groups and engage in table banking programme to spur economic growth by engaging in entrepreneurship activities. The study also recommends that the government should embrace entrepreneurship education to women's and especially on table banking. A critical study of operationalization of table banking activity will help in determination of the influence of the groups' financial assets transactions, the influence of the groups' memberships, and the influence of groups' organizational cognition on the general levels of women's economic empowerment. It is hoped that information generated by the study will encourage investments in JOYWO to spur development in rural economies.

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## **ABBREVIATIONS**

**ASCA:** American School Counselor Association

**BRAC:** Bangladesh Rural Advancement Committee

**BRDB:** Bangladesh Rural Development Board's

**IGA:** Income Generating Activities

**JOYWO:** Joyful Women Organization

**MDG:** Millennium Development Goals

**MFI:** Monetary Financial Institutions

**NASFAM:** National Smallholder Farmers' Association of Malawi

**NGOs:** Non Governmental Organizations

**NHIF:** National Hospital Insurance Fund

**PEC:** Poverty Eradication Commission

**RD:** Rural Development

**SACCOs:** Savings and Credit Cooperatives Society

**SEWA:** Self Employed women's Association

**SHGs:** Self Help Groups

**SMEs:** Small and Medium Enterprises

**TB:** Table Banking

**UNDP:** United Nations Development Program

**VSL:** Village Savings-led and credit driven

**ROSCA:Rotating Credit And Savings Association**

## OPERATIONAL DEFINITION OF TERMS

- Empowerment:** An interactive process through which people experience personal and social change enabling them to take action to achieve influence over the organizations and institutions which affect their lives and the communities in which they live (Blanchard, Carlos & Randolph, 2001).
- Women's empowerment:** A bottom-up" process of transforming gender power relations, through individuals or groups developing awareness of women's subordination and building their capacity to challenge it
- Table banking** Table banking is a social banking concept that involves creation of funding by a community's internally self-driven approach through which group members save and borrow immediately from their savings on the table either as fixed term loans repayable at an interest. (Kenya-today.com/news; Evans, 2007)
- Membership Power:** A process that involves shared experience analysis and influence of groups on their own efforts (Hutchison, 1998)
- Financial resources:** Financial resources are ones that are to do with how a business/company is being financed. Examples of financial resources are: Bank loan, Mortgage, Overlease etc.
- Revolving fund:** A fund or account that remains available to finance an organization's continuing operations without any fiscal year limitation, because the organization replenishes the fund by repaying money used from the account. Revolving funds have been used to support both government and non-profit operations.
- Poverty:** Poverty is a pronounced deprivation in well-being, and comprises many dimensions. It includes low incomes and the inability to acquire the basic goods and services necessary for survival with dignity. Poverty also encompasses low levels of health and education, poor access to clean water and sanitation, inadequate physical security, lack

of voice, and insufficient capacity and opportunity to better one's life according to World Bank 2009



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## **CHAPTER ONE**

### **INTRODUCTION**

This section presents the background of the study, statement of the problem which will be the main focus of our study and the objectives behind it. The study is intended to give the prediction of the outcome of the research through formulation and testing of both the null and alternative hypotheses. The justification of the study and the conceptual framework model will also be given. The last part of the chapter comprises the scope and limitations of the research project.

#### **1.1. Background of the study**

Worldwide, the term women livelihood has dominated many agendas in the world (UNDP 2014). Women as micro and small entrepreneurs have increasingly become a key target group for micro-finance programmes. Providing access to micro-finance is considered a precondition for not only improving women livelihood, but also for women's empowerment. Women are increasingly being recognized as better borrowers, they are starting to become of interest also to regular financial institutions. But despite the proven positive impact of providing microfinance services to female entrepreneurs in the informal sector, microfinance is just one tool among others used to address the multiple causes of financial lack, unemployment and social exclusion (Micro-credit, 2005).

Table banking is a group funding strategy where members save and borrow immediately from their savings on the table, either in short term or long term loans (Brannen, 2010). Table-banking takes on the model of the Grameen Bank of Bangladesh and the village savings and loans schemes of Zanzibar (Ahlén, 2012). The members save and access loans for investments from their small contributions. This empowers themselves and eradicates poverty. Table banking concept is based on the belief that for the extremely poor, particularly women, the best approach is to begin by building their financial assets and skills through savings rather than debt (Kanyi, 2014). Besides, few institutions exist in the rural areas and informal settlements, and where institutions do exist they often have inappropriate products and services. The reality is most extremely poor households have neither the assets nor the skills to interact with formal institution, even those dedicated to reaching the poor.

Table-banking methodology is not based on assessing the material possession of a person; it is based on the potential of a person. Table-banking believes that all human beings, including the

poorest, are endowed with endless potential. Unlike other financial institutions, table-banking looks at the potential that is waiting to be unleashed in a person and owned by poor members. Through table banking women in groups would pool formidable resources and loan it to a well-trained entrepreneurial women whose investments would give them good returns enough to save (Masinde, 2013). Table banking has more structure than in many arrangements popularly called “merry-ground” where people have no repayment schedule. Often they just pay interest on the loan and the group cannot lend again because the capital is tied up. With table banking the group has to set rules for lending and repayment. Having shares requires rules and gives people “ownership”. They have to be more businesslike and assess the capability of an applicant to repay. They also have to separate “compassionate” handouts or loans (sickness and funerals) from the real “banking” business (Abuga, 2014).

Currently, the Government has re-launched the system with the aim of helping rural women access their own funds to start income generating projects (Kanyi, 2014). Over 13 counties in Kenya have embraced and benefited from the table banking system (Abuga, 2014). Unlike micro-finance which charges exorbitant interest rates on loans ranging from 12 percent in a year all the way to 48 percent with a lot of hidden charges, table banking charges members very little interest. The objective of table-banking is to bring financial services to the poor, particularly women and the poorest to help them fight poverty, stay profitable and financially sound. It is a composite objective, coming out of social and economic visions. Table-banking is based on group guarantee and house-hold collateral. Table-banking is founded on the principle that credit should be accepted as a human right, and builds a system where one who does not possess anything gets the highest priority in getting a loan.

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others used to address the multiple causes of financial lack, unemployment and social exclusion (Micro-credit, 2005).

There are distinct characteristics of table banking that makes it different from the “merry go rounds” or loans from micro finance and other conventional banks apart from the interest charged on the loans which are usually very high ranging from 16%-26% Table Banking does not require much of tangible collaterals as banks and micro finance do since table banking you will be guaranteed by your group members and few household items such as TV sets, chairs which literally can be found in each household. On the same note, Table Banking gives priority to the poor as compared to banks and micro finance they first check on your ability to pay hence no poor person may afford or qualify to get a loan, thus the poor have a chance to improve their financial status. Table banking is founded or believes that all human beings, including the poorest, are endowed with endless potential. We may have a number of poor entrepreneurs who have brilliant ideas and are looking for money to pursue their dream hence check on your potential to grow (Shukran, 2011).

Advantages of table-banking is that: all the money belongs to the group; members’ savings are not taken away but instead used for loaning; ability to mobilize savings among the poor; interest earned remains with the group; periodic bonus and dividends; education and agriculture booster; capacity building of the groups on group dynamics, entrepreneurship, business skills, record keeping and many other areas relevant to our area of operation and, banking at the convenience of members’ homes or table(Masinde 2013). The above benefits have enable women, own property, gain knowledge on areas of interests, and engage in businesses that enable them generate income hence enhancing their livelihoods. Majority of women entrepreneurs have benefited from affordable, reliable and available credit services that they were unable to access from formal bank (Allen 2006).

According to Besley, (1995) without adequate access to this credit facilities women entrepreneurs will be subjected to negative shocks and factors such as poor production levels in their businesses, lack of growth and generally poor performance of the business. According to Schmidt and Kropp, (1987) the main problem among the formal lending and saving institutions is caused mainly by the policies they put in place regarding access to loan facilities. Capacity-building efforts tend to focus on some combination of four major strategic areas: leadership

development, community organizing, organizational development, and fostering collaborative relations among organizations. Often, these broad strategies are brought together under the umbrella of a local governance mechanism that guides initiative planning and implementation, and that tends to take on the more expansive role of speaking for and acting on behalf of the neighborhood more broadly (Chaskin and Garg 1997).

Goods markets summarize both the market for inputs into production processes and outputs from production processes. Markets for goods and inputs, like other markets, are frequently regulated. A variety of factors may impede access to goods markets or increase the cost of entry: Lack of permission or certification to trade in certain markets will prevent market entry. Information may not be readily available about the type of goods sold or the prices at which they are sold. Finally, collusive activity on the part of buyers or sellers may squeeze out competitors and prevent outsiders from gaining access to certain goods markets. Some of these barriers to entry or costs of participation may be uniquely gendered (Allen 2006).

A study from Bangladesh confirms improvements in women's physical mobility, economic security, ability to make own purchases, freedom from family domination and violence, political and legal awareness and public participation, as a result of a more stable integration into microfinance circuits (Schuler and Hashemi, 1994); a success story of the Grameen bank model. According to Zeller, (2000) individuals and families having access to credit facilities from Grameen bank, 48% rose above the poverty line. Chambers and Conway (1991) the assets, or capitals, that people draw upon to make a living is categorized into the following five groups: human, social, natural, physical and financial.

Despite the important contribution to economic growth by SMEs they continue to face numerous challenges including; inadequate infrastructural facilities, challenges with attracting skilled manpower, high rate of enterprise mortality, lack of a facilitative operating environment, restricted market access, and onerous regulatory requirements (Oteh, 2010). However, one of the main areas of concern is access to funding for investment growth. SMEs require adequate financing to meet needs at each stage of their life cycle, from creation through operation, development, expansion and beyond. Financing is necessary to help them set up and enhance

their operations, develop new products, and invest in new staff or production facilities (Kilonzo, 2011).

Traditionally, the firm's market value and real decisions were considered to be unaffected by its financial structure and financing policies, since in the theoretical context generated by Modigliani and Miller's theorem (1958), capital markets were perfect, fiscal neutrality reigned and, therefore, external funds (shares, bonds and debt) and internal funds (self-financing) were perfect substitutes for each other. This led to an approach to investment theory in which the firm's problem of intertemporal optimization is solved without reference to financial factors, or including them on the basis of assumptions valid in a context of perfect capital markets. Given the hypothesis that all firms have the same access to the capital and information markets and the cost of capital is exogenous, in traditional models the dominant notion is of the "representative firm" (Brannen, 2010).

Savings and investments by SMEs are as vital to financial well-being and security as to a healthy economy. People with in table banking are better able to weather economic shocks such as a loss of income, to build assets for the future, and are less reliant on credit to cover unexpected expenses. Informal saving clubs also enable further welfare enhancing actions such as entrepreneurial activities and access to education and training. At the macroeconomic level, saving/investment clubs such a table banking drive growth by enabling SMEs to lend to businesses, and by financing – directly or indirectly – investment in companies (Bauer, et al 2008). The ways in which SMEs operate can range from holding surplus income as cash, through simple informal saving mechanisms such as savings and loan clubs, to complex investments, or non-financial saving such as property or livestock. Some of these approaches are more suited to short-term investments and income smoothing, whilst others provide long-term investments. Innovations such as smart cards and mobile phone banking have opened up access to formal saving opportunities for SMEs who previously lacked access to financial services. SMEs, thus, increasingly buy even quite complex investment products online, including across borders. SMEs shift their investment portfolios into less risky, more liquid, financial assets in times of instability, although this effect may be muted by low short-term rates of return (Nahmias, 2012).

In Uasin Gishu County, teams meet themselves into groups and start to save as low as Ksh.50 per month, take loans and pay back at low interest rates. Table banking is a model of banking

whereby members come together to save money. The money is given to individuals as short and long term loans to enable them develop or engage in entrepreneurship activities that empower the people economically. Members trade with the money and return it with profit on the table banking day according to their rules (Okello, Osamba and Parsitau, 2015).

Gugerty (2007) noted that individuals especially women prefer informal banking groups for instance the village savings and credit associations for economic and social needs in Africa. This is because such informal banking groups charge friendly interest rates on borrowing and hence borrowers are able to service their loans without difficulty. In fact the author noted that women obtain credit to meet household needs and for precautionary purposes in times of disasters or illnesses since they cannot afford insurance premiums. In addition the credit obtained from this community banking models were used to finance the micro entrepreneurs.

Asseto (2014) noted that small and medium enterprises groups in Kenya have adopted table banking concept in order to empower themselves as it has enabled them to save and access loans for investments from their contributions. Empowerment in these groups it achieved through running several income generating projects, vocational training and education for the adults. Self-help groups are small voluntary groups formed by people related by affinity for a specific purpose for mutual support (Brody, Dworkin, Dundar, Murthy & Pascoe, 2013). The authors further argue that self-help groups have been formed mainly to change development landscape especially among women and act as a central ground for women's activism and participation. The concept of self-help group is argued to be based on the self-help approach pioneered in India in the 1980s. Further, the concept stresses on group ownership, control and management of goals and processes of concern.

Warue (2012) underscored the importance of group cohesiveness among the self-help groups in repayment of loans. The author argued that group conflicts, refusal to participate in group activities, weak group leadership were the major factors that fuelled non repayment of loans to the groups. Group Asseto (2014) claim that the main objective of table banking is to bring financial services closer to the poor and the very poor and especially women to empower them to fight poverty, stay financially sound and operate profitably. The author further maintains that the system is grounded on group guarantee and household collateral. Group guarantee and joint liability lending has been favored by most lending institutions in a bid to curb credit risk and

default risk (Olila 2014). Such institutions advance loans only to individuals organized in development groups as thus act as a guarantee that the loan would be serviced as required. This is based on the assumption that members of a group come from the same community or setting, share similar values and beliefs and therefore would exert pressure on one another in such cases of loan repayment.

Poverty has been an issue in less developed areas partly due to the high interest rate that is imposed on the loans by financial institutions. As such there is limited economic empowerment in these places; an issue that has greatly hampered development. However, there has been renewed interest in searching for financial models that can be used to deliver sustainable financial services to the rural poor in Kenya. This quest has been motivated by the failure of formal and/or centralized financial institutions to reach remote and rural areas (Johnson, Malkamaki, & Wanjau, 2006). Economic disempowerment not only does it affect development of the affected areas but it directly depletes the livelihoods of millions of Kenyans who are disadvantaged relative to accessibility of financial services from the mainstream institutions. The far reaching implications of economic empowerment necessitates the need to understand the link between table banking, which is common in these areas, and economic development of self-help groups practicing this kind of banking.

## **1.2. Problem statement**

Several studies have indicated that low-income households notably encounter limited access to financial services from formal financial institutions to meet their working and investment needs, but also face high costs for transacting basic financial services through check cashers and other alternative financial service providers. As a result, households find it more difficult to save and plan financially. Few women own land and properties in the county; this limits their eligibility to acquire capital to finance enterprises and to improve living standards. Policy and institutional arrangements in Kenya spearheaded by the ministry of devolution have been strengthened to promote women's participation in developments. Savings-led and credit driven (VSL) schemes are increasingly being adopted by self-help organization especially in developing rural areas to empower women. The National Human Development Report of 2009 (UNDP, 2010) revealed that Baringo County remains one of the poorest in Kenya, where women still suffer cultural prejudices, domestic violence and economic alienation, which have serious implications on their

health and economic status (UNDP, 2010). Table banking having emerged as the viable alternative financier of unbanked women from low income households across Kenya, has been randomly reported on to have positive effect evident from community members' testimonies on livelihood improvement. Empowering women in developing countries is essential for reducing global poverty considering women's representation as the world's most poor population. The IMF report on economic effects of gender inequality denotes women's capacity to fully contribute to global economic growth and prosperity; deductions show that women's equal access to income earning opportunities as men would raise country GDP growth rates by: 34% in Egypt, 12% in UAE, 9% in Japan, and 5% in USA. The potential gains in raising women labor market participation on economic performance include: higher incomes for women directed at household spending on children's education for faster long-term growth; providing companies with large talent pool – potentially increasing innovation, creativity and productivity; and, help counteract the impact of shrinking workforce to mitigate the cost of aging population especially in developed countries. The challenge of accessing financial resources especially to the needy has been greatly boosted by the invention to Table banking hence giving financial freedom to the poor. Savings-led and credit driven (VSL) schemes are increasingly being adopted by self-help organization aspiring livelihood of women, especially in developing rural areas countries, where millions of unbanked accords with evidence the shallow outreach of formal –sector banks to the poor. Table banking having emerged as the main financier of unbanked women across Kenya has been randomly reported on to have positive effect evident from community members' testimonies on livelihood improvement. However, findings on the performance of table banking in Uasin Gishu County are unclear and poorly documented. This has had significant constraints in policy formulation intended to promote the development of VSL schemes. Various models of ASCAs are known to participate in table banking, posing a dire need to establish the reliable information existing models as well as provide scholars and practitioners with supplementary knowledge on their operationalization to determine success of the units.

### **1.3 Objectives of the Research**

The main objective if the study was to determine the effects of table banking on the livelihood of women in Uasin Gishu County.

The specific objectives included



- i. To determine the influence of credit accessibility through table banking on livelihood of women
- ii. To determine the influence of capacity building through table banking on livelihood of women
- iii. To determine the influence of access markets through table banking on livelihood of women
- iv. To establish the influence of membership power in table banking on livelihood of women.

#### **1.4 Research Hypothesis**

The study was guided by the following research hypothesis

Ho1: Credit accessibility through table banking does not affect livelihood of women

Ho2: Capacity building through table banking does not influence livelihood of women

Ho3: Access of markets through table banking does not influence livelihood of women

Ho4: Membership power in table banking does not influence livelihood of women

#### **1.5 Justification of the study**

Table banking though it's not a new phenomenon in the world but we must admit it as an emerging trend in our country that has greatly revolutionized livelihood of the poor through easy access of funds. Micro finance attempted to bridge the gap of financing the poor but have been tempted to commercialize due to high profits and availability of the market hence losing out the real target.

This has greatly affected availability of finances to the poor since they have commercialized their services hence creating a new target market that are not poor since they operate as conventional banks hence need for collaterals, guarantors stringent bank joining terms and conditions.

Table banking is targeting the poor in our nation especially women who are not empowered or for a very long time been left out in the economical growth of the nation though they make the biggest percentage of the population. This initiative realized that women and the poor have potential to improve their own livelihood affecting the overall performers of the country's economy. Due to this there is need to really measure the impact of table banking since the concept has succeeded in other countries thus alleviation poverty in the society, having a fully

empowered poor who are able to increase their cash inflows, develop in entrepreneurship which consequently can lead to the overall development of the economy.

The study is conceptualized on the understanding that women's economic empowerment opens avenues for the achievement of better life at the household, community and national levels. Therefore a critical study of operationalization of table banking activity will help in determination of the influence of the groups' financial assets transactions, the influence of the groups' memberships, and the influence of groups' organizational cognition on the general levels of women's economic empowerment. It is hoped that information generated by the study will encourage investments in JOYWO to spur development in rural economies.

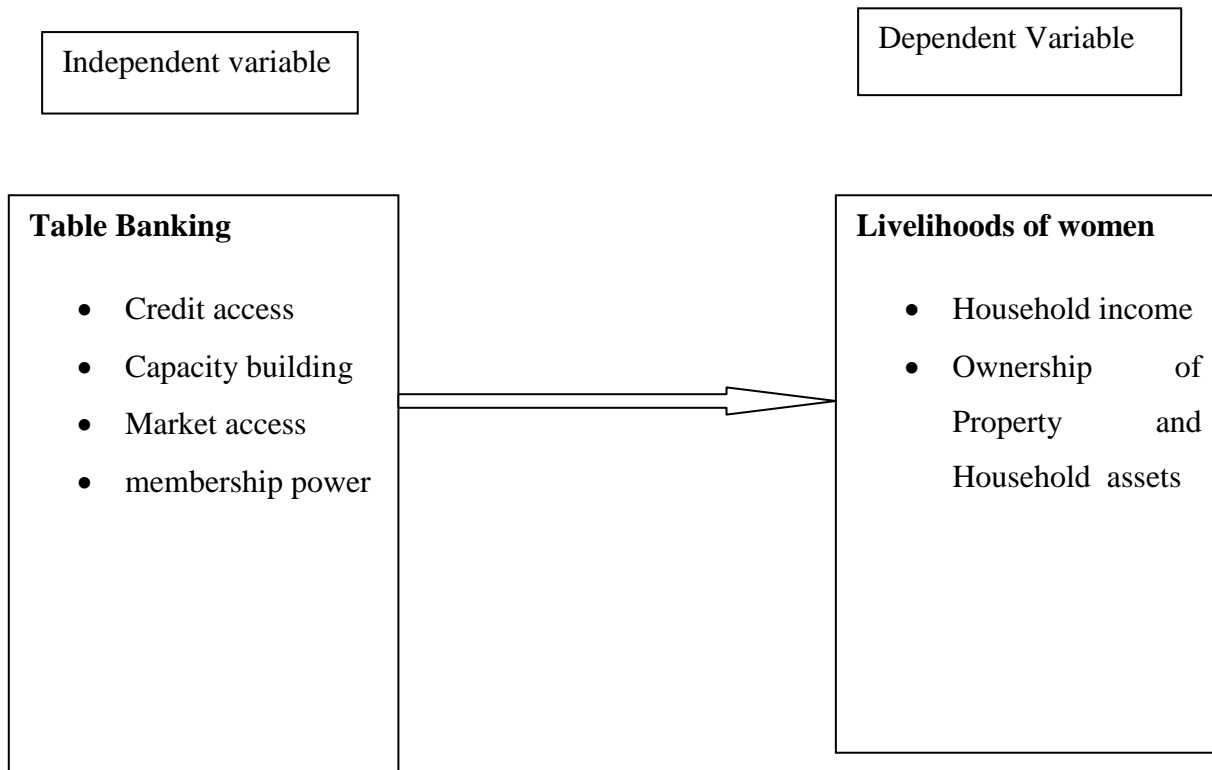
### **1.6 Scope of the Study**

The study sample involved women because JOYWO basically is a women's affair and the problems to be identified are women specific meaning more views are necessary from the women themselves. The study sought to determine the influence of credit accessibility through table banking has affected livelihood of women, to determine the influence of capacity building through table banking on livelihood of women, to determine the influence of access markets through table banking on livelihood of women and to establish the influence of membership power in table banking on livelihood of women. The study was limited on nine months from March to November 2016.

### **1.7 Conceptual framework**

The conceptual framework represents the key Concepts and the variables which formed the basis of this study. It graphically explains the dependent variable, the independent variable, the moderating and the intervening variables. It also shows the Key indicators that measured the dependent and the independent variables. The arrows indicate the presumed relationship among the variables. The independent variables which include credit access, capacity building, and market access and membership power have an influence to the dependent variable which is livelihood of women. As shown in figure 1.1

**Figure 1.1: Conceptual Framework**



**Source: Adopted from (Mwobobia, 2016)**

From the Figure 1.1 table banking has provided a means of credit accessibility, capacity building, market access and group collateral which all have impacted the livelihood of women and society where they are able to own property and get income through engaging in income generating activities.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1. Introduction

Literature review and empirical literature will be discussed under this section. Table-banking was initially developed by the Poverty Eradication Commission (PEC) under the former Ministry of Planning and Vision 2030, targeting MDG 1 on eradicating abject poverty, especially in rural settings in Kenya. Table-banking takes on the model of the Grameen bank of Bangladesh and the village savings and loans schemes of Zanzibar. Table-banking was first piloted in Gatanga and Bondo constituencies. The results were very impressive but the government did not continue with the roll out there after. JOYWO adopted and implemented it in UasinGishu, Nandi, Kakamega, Trans-Nzoia, Bungoma and Nairobi.

#### 2.2 Theoretical Framework

A theoretical (or conceptual) definition gives the meaning of a word in terms of the theories of a specific discipline. This type of definition assumes both knowledge and acceptance of the theories that it depends on. To theoretically define is to create a hypothetical construct. This method of operationalization is not to be confused with operationally defining. This section outlines the analytical framework for investigating the influence of table banking as an alternative funding system among selected groups; on wealth creation by low-income earners for the essence of improving household socio-economic welfare and national income growth in Kenya.

##### 2.2.1 Social Capital Theory

The main theoretical source for this study was Social Capital Theory by Emeil Durkheim. The term “social capital was in occasion use in 1890. The first use of the terminology ‘social capital’ was by Jane Jacobs in “the Death and Life of Great American Cities” as cited in the New York Random cities documentation of 1961. The social capital theory is inspired by Norman T. Uphoff’s conceptualization of social capital and other scholars who have important contributions to make to Uphoff’s framework (Liebeskind, 2013). Firstly, it introduces the analytical framework of social capital and secondly extends it to include a broader definition of trust and introduces the concept of reputation as important to social capital. To position Uphoff’s

framework in the literature on social capital gives a brief introduction to social capital as a concept.

The framework is further useful as it does not presuppose that social capital can be generated if underlying motivations and attitudes for collaboration do not exist and thus accommodates social capital critics' attacks on the assumption that individuals can use network connections and participation in institutions to move out of disadvantaged positions (Clever, 2005). The framework identifies social capital within communities on the basis of two forms of social capital: the structural and cognitive aspects to be explained in turn below. The benefit of making such distinction is the possibility to identify various dimensions of social capital: their extent or their absence in different contexts. Uphoff (2009) propose that the greater extent to which the two forms work towards mutually beneficial cooperation (social capital), then the better the preconditions for successful group-based development. This conception is not alien to the social capital literature in which a number of scholars acknowledge cooperation for a common good as essential to the definition of social capital (Brehm&Rahn 2007, Fukuyama 2005, Putnam 2005, Thomas 2006).

This research contributes to the social capital theory by investigating into the role table banking and how it influences improvement in livelihoods of its members. Focus is centered on table banking as a cooperative activity that predominates financing of entrepreneurial activities for low-income earners. The study analyzes the general effects realized ranging from raising income for families useful for welfare improvement. As a process table banking is punctuated by stages including pooling of funds for loan allocation to its members, investment into enterprises and generation of income used for loan repayments, increase of shares in the group bank and increase business stock as well as smoothing household expenditures. Structural aspects in table banking are addressed through studying the dynamics of power as it is characterized by membership and networking among practicing groups. Cognitive attribute of the social capital theory as a platform in this research is contributed to through organizational learning processes which in turn advise how group processes should be conducted to enable group reap maximum potential from their engagements in table banking aimed at raising

### **2.2.2 Social Network Theory**

Social network theory was put forth by Mark Granovetter in 1973. Social network refers to ties and relationships, associations and norms that shape the quality and quantity of social interactions. In this respect social ties are critical for economic prosperity and sustainable development which is formed out of repeated social interactions between individuals and groups such as gift circles, credit associations like table banking, SACCOS and ROSCAs (Atterton, 2007). The various relationships and associations among individuals affect the implementation of the table banking system. As a result, social ties such as group solidarity enable the property less and voiceless to access credit. In addition, the existence of social relations in the form of indigenous networks and norms of association are seen as substituting the physical collateral like land titles which the poor lack, in the selection of loan beneficiaries and loan disbursement and recovery (Mayoux, 2001). In table banking, important issues and current events about borrowing, using the credit, the interest rates charged, time of pay back and the possible viable investment opportunities for the borrowers is shared among the table banking group members. The conceptualization of entrepreneurship, in terms of people's organizational and operating capacity to use microcredit evolves from an emphasis on the characteristics and attitudes of individual members which are socially embedded in social context (norms)/ relations channeled and facilitated or constrained and inhibited by the density of the network as well as local and group leadership.

### **2.2.3 Empowerment Theory**

Empowerment is a transformative process within human existence from the state of powerlessness to the state of relative control over one's overall existence by taking control over his destiny and making use of his immediate environment for a sustainable improvement in their livelihoods and better standards of living (Bandura, 2015). The concept of empowerment has diverse meanings. Firstly, empowerment is seen as '*self-efficacy*' which is singled out as the belief of members within of table-banking units in their own capabilities and their unique personal characteristics that foster *self confidence* in their own ability to take initiative in changing their lives and design their desired futures (World Bank, 2007).

The debate surrounding alternative development however unveils an important perspective of empowerment from the concept of community development as viewed by Paulo Freire; illuminating a critical awareness of a community's historical setting relative to resultant cultural, social and economic system in which the community finds itself. This view radiates the second definition context of empowerment which describes empowerment in "*ecological terms*". The **ecological definition** suggests that empowerment occurs within community organizations, self-help groups or other aspect of community life. The major aspects important to this definition entail: a mentoring relationship, supportive peer relationships with collective organizational action; and development of a more critical understanding of social and political relationship to enhance the goals of groups individually. The theory of empowerment illustrates aspects of mechanism by which community organizations like VSLs engaging in table banking activity gather internal power from processes of team formation, capacity building, group dynamics and team building (Bandura, 2015). In this sense, the empowerment theory is co-opted as an alternative development approach to counter failures of mainstream development theories. Mainstream development theories previously used to address the poverty situation in Third World countries failed due to their emphasis on growth, pursuit of industrialization and urban bias on holding unfulfilled small promises of a better life for the excluded and downtrodden majority (Fazio, 2004; Kahle, 2012). This situation pushed the poor people in a downward spiral of resource deficit trapped in vicious life cycle of poverty. Robert Chamber describes this situation as 'the deprivation trap' and Gunnar Myrdal agrees with him and calls it the 'vicious cycle' which need to be addressed.

Thirdly, empowerment is interpreted along perceptions of '*personal control*' synonymously associate with economic power acquired by successful women in entrepreneurship. Personal control according to this definition standpoint highlights the importance of internal and external interdependence hence is based partly on team-building capacities for groups to release synergistic effects from *collective actions* with valued social resources in communities and systems (Bandura, 2015).

Empowerment therefore has become a buzzword in most development and international agencies with most of its discussion centering on power relations, awareness, control, poverty alleviation, development and empowerment. The contributions of Friedmann, Rappaport, Zimmerman,

Chambers, Myrdal and other scholars of the same category will be of paramount importance in this discussion for the understanding of this thesis.

However, greater emphasis will be placed on Friedmann's work titled 'Empowerment: The Politics of Alternative Development' wherein he provides the basis for an alternative development approach defined in the politics of empowerment asserting universal human awareness and rights of people within a given social setting. The focus is on the voiceless, marginalized, underprivileged, the households and all classes of disempowered people; men and women alike who constitute a majority in their political communities (Bandura, 2015). Friedmann does not negate the politics of sustainable economic growth in his emphasis on the autonomy of power and self-reliance initiatives but rather seeks to see a form of political, economic and social integration of communities regardless of their social status in the overall decision making process.

Critics of empowerment theory argue that it is a perfect theory of alternative development through its bottom-up approaches but it is problematic in its evaluation of acquired outcomes (Bandura, 2015). They argue that since empowerment evaluation is not about merits or worth, but about the effectiveness of its application, it therefore suggests that an evaluator is not fully equipped to consider what effectively constitute significant findings or how those findings can be achieved without the meaningful collaboration with the evaluated group. This collaboration may be problematic in that it could lead to bias result findings in favor of the evaluated group as the evaluated group may more likely answer questions in favor of his group (Bandura, 2015) given that perceptions of development are relative to restrictive considerations of value attributes within a given population.

Despite the these constrains, the contribution of empowerment theory on development cannot be over emphasized taking into considerations the numerous emergence of microfinance and microcredit initiatives all around the World and their impacts on the local community at large (Clarke, 2003; 2008). A good example of the success of this theory is from the Grameen bank in Bangladesh and how its message has been transformed throughout the developing world leading to the emergence of Self Help Groups as is the case India, the Susu's of Ghana, the Sacco's of Tanzania and Ric Cameroon A/S in Central Africa all aimed at providing microcredit initiatives to the rural poor. Hence microfinance has emerged as a paradigm changer in alternative



development despite its challenges (Fazio, 2004). This makes empowerment theory a perfect bottom-up approach on development in its manifestations on the convergence of power relation from top-bottom to bottom-up autonomy there by giving power and wider opportunities to the powerless so that they could use their initiatives, rights and capabilities for the common good of their social settings not only to better their lifestyles and improve their standards of living but gradually moving themselves out the deprivations of poverty in a sustainable manner.

## **2.3 Concept of Table banking**

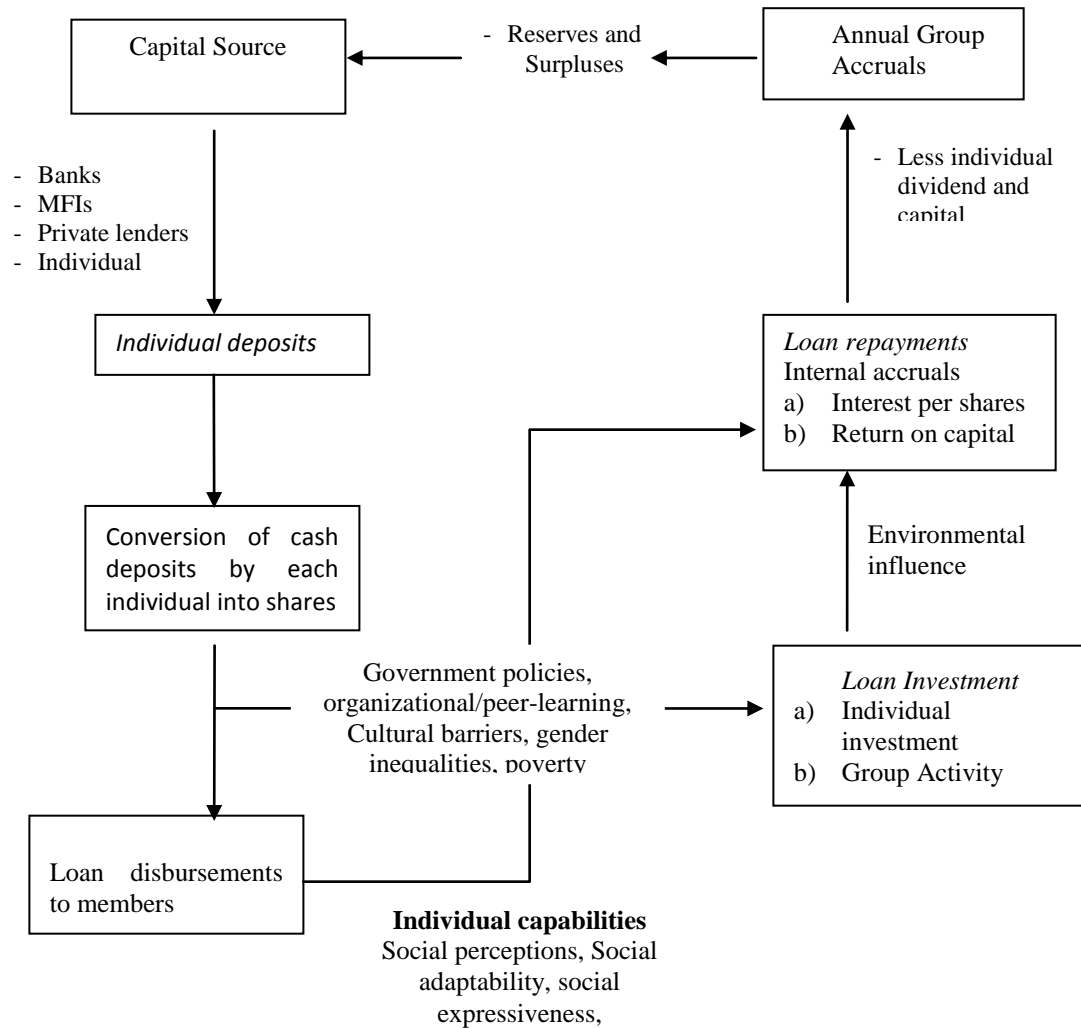
The origins, name and use of “table banking” trace from early civilization when money would be exchanged at tables known as “Trapezes”- first identified in Greece; when ancient banking practices were conducted. During the ancient practice of table banking, money collectors would receive and document amounts deposited by individuals and lend it out to borrowers. A more recent kind of bank was found in Italy; termed as “banks of deposit” which shared common traits as the bible-based examples, which exhibited traits of operation principles and standardization entailing interest on loans: no interest was charge on group members.

### **2.3.1 The general description of Table Banking**

Table banking is a community-based activity associated with accumulation of savings which members can borrow (Casio, 2013). Table banking as a financial support program is a process commonly adopted by low-income earners to internally generate funds through savings accumulation to create a pool of financial resource from which contributing members can borrow funds for development use. Table banking is a collaborative partnership addressing limited access to financing promotion of low income community bracket; a “participatory action” approach intended to enhance desired empowerment outcomes (Kumar, 2009). It is viewed by economists as an equity fund; a constitute of what has come to be known as shadow banking sector characterized by evasion of taxation burden on members (Greenham, 2010).

As a participatory action process, table banking mediates between entrepreneurial intent for implementation and achievement of critical economic empowerment outcomes. Thus, the participatory action process is enhanced through shared information and acquisition of knowledge with which people work to gain mastery of skills to promote equity and improve life quality (Kumar, 2009; Peterson, 2004).

Figure 2.2: General Structure of the Table-banking Programs



Source: (Asetto, 2014).

## 2.4 Table Banking Overview and its Success Factors

Table banking is a form of micro finance provided to the poor who are considered unbankable or lack collaterals to secure loans from the conventional banks hence the practice can be traced back to centuries. One of the earlier and longer-lived micro credit organizations providing small loans to rural poor with no collateral was the Irish Loan Fund system, initiated in the early 1700s by the author and nationalist Jonathan Swift. Swift's idea began slowly but by the 1840s had become a widespread institution of about 300 funds all over Ireland. Their principal purpose was making small loans with interest for short period and at their peak they were making loans to 20% of all Irish households annually. In the 1800s, various types of larger and more formal

savings and credit institutions began to emerge in Europe, organized primarily among the rural and urban poor. These institutions were known as People's Banks, Credit Unions, and Savings and Credit Co-operatives.

According to Yunus and Jolis,(1998) Grameen bank model in Bangladesh was to promote financial independence among the poor which was achieved through encouraging all borrowers to save hence their savings will be used as loans.

It targets the poorest of the poor, with a particular emphasis on women who traditionally had less access to financial alternatives of ordinary credit lines and incomes. They were seen to have an inequitable share of power in household decision making. Yunus and others found that lending to women generates considerable secondary effects, including empowerment of a marginalized segment of society (Yunus and Jolis 1998), who share betterment of income with their children, unlike many men. Yunus claims that in 2004, women still have difficulty getting loans; they comprise less than 1 percent of borrowers from commercial banks.

Financing programs of different types have adopted the table banking approach as a microenterprise support program undertaken in most countries across Asia, Africa and Latin America; each designed and implemented to articulate operation suitability specific to a given environment (Baron & Markman, 2003). Success factors associated with table-banking are defined in terms of outreach, financial sustainability or socioeconomic impact (Mayoux, 2008; AIMS, 1997). Outreach characterizes the ability of the financial program to reach large numbers of people especially the poor; attributes closely linked to membership and networking power creating access to high quality financial services (Schlaufer, 2008). Financial viability is defined by the ability to operate at a level of profitability that allows sustained service delivery with little or no dependence on outside inputs. Socioeconomic impact or effect vests upon how effective the intervention results indicating improvement in livelihood profitability to poor and marginalized people (Global Report, 2014). Socioeconomic development is indicated by social performance signified by an effective translation of an organization's mission into positive effects or impact on people living in poverty. Social improvement is achieved through information, health, employment opportunities, financing, or a combination (Grameen Foundation, 2015).

## **2.5 Empirical Literature**

### **2.5.1. Credit accessibility and Livelihood Impacts**

According to Kaburi et al. (2013) on 'An Overview Of The Role Of Microfinance In Eradicating Poverty In Kenya; A Lesson To Be Learnt From The Emerging Economies: Grameen Bank, is a brain child of professor Mohammed Yunus, was started by the Bangladesh government in 1983 as a formal bank specializing in micro-credit where lending is done without the requirement of collateral. The studies done so far in Bangladesh show that Micro-credit has raised self-respect and empowered borrowers as well as raised their social standing and participation in activities like building community roads , running health programmes and community schools.

A study conducted by World Bank in 1999 showed that income of the poor had increased by 97-93% of the borrowers. The study also showed that quality and quantity of food intake improved by 88.59% clothing and housing also improved by 87.85% and 75.26% respectively. Poverty reduction was generally manifested in improved sanitation and overall quality of life by 68.74 and 94.96% respectively. The study showed that the number of families with food deficit reduced from 82.20% to 9.6%. Again 77% of the families have either better economic condition compared to mere 4.7% before their involvement with microfinance programs.

According to Asetto 2014 advantages of table banking represented by mean where 1-3 is low extend and 4-5 is high extend. Factors like Members savings are not taken away but instead used for loaning (3.97), Ability to mobilize savings among the low income earners (3.65), Regular Bonus (every quarter, half year) (4.17), Dividends every year (4.38), Education booster (3.87) and lastly Banking at the convenience of your homes / Table (4.29) as factors which were advantageous to a high extent. Some of the factors like all the money belong to the group (3.21) and Interest earned remains with the group (3.53) were considered to have an advantage to a low extent and moderate extent respectively.

Survey of credit market in Kenya indicates that, 35% of the population depends on informal banks for credit, while only 19% of the population access credit from formal banks. Further, 8% access credit from microfinance institutions (Financial Sector Deepening FSD 2009). The survey noted that 38% of the Kenya's population does not have access to credit services. This clearly

shows that credit access still remains a challenge to women entrepreneurs who own micro and small enterprises in Kenya.

Although access to finance is a business constraint for both men and women, evidence suggests that women face higher limitations (Gray 2007). Women in Nigeria are face tighter constraints in terms of the cost of and access to finance. Majority of the loan applications rejections are based on the lack of acceptable collateral, a major constraint for women. Female entrepreneurs fail to excel effectively compared to one owned by men due to lack of accessibility to finance (Agarwal, 2003) Factors affecting credit accessibility for women include: Lack of collaterals, high bank interest rates, the position of women in the society and lack of information.

According to, Garrett, Joan F. (1995) Collaterals serves as protection for a lender against borrower's default: that is, it can be used to offset the loan to any borrower failing to pay the principal and interest under the terms of a loan obligation. If a borrower does default on a loan (due to insolvency or other event), that borrower forfeits the property pledged as collateral, with the lender then becoming the owner of the property hence is security against the borrowed amount. According to Athanne (2011), in Kenya only 1% of women own property and that makes it very difficult for women to provide collateral for banks. Collaterals include land ownership title deeds, car log books, fixed deposit savings and family or personal savings. According to Gerald et al (2014) lack of collaterals hinder women from acquiring loans in banks and limit women accessing fund to finance their enterprises to a very great extent as indicated by a mean of 4.88 and 4.77 with standard deviation of 0.97 and 0.73. Most of the respondents agreed that legal regulations and customary rules often restrict women's access to and control over assets failing to secure maximum loan to great extent as indicated by a mean of 4.46 with standard deviation of 0.58. This implies that women are observed to be constrained in their access to formal bank credit as they are perceived to be risky borrowers due to lack of adequate collateral

The rate of interest rate charged on the credit determines the cost of the credit. The cost credit is the amount of money the borrower is obligated to pay above the principal sum of money lent. Saleemi (2007) defined interest as the return on capital. High interest rate always increases the

cost of credit hence making it a challenge for women to borrow especially if the amount is a small amount. The rate is normally a percentage of the amount borrowed over a period of agreed time.

Most women in the rural set up lack or get minimal information due to their location. Banking and credit information is not readily available hence hinder their accessibility of funds. Information with regard to access to credit is a scarce resource to both the rural and urban poor, as well as the deprived SMEs (Ekumah and Essel 2001). SMEs have little access to credit not because of the socio-economic barriers only but also because of inadequacy of information about the services and facilities offered by credit institutions. Ekumah and Essel (2001) concluded that information is a critical variable to empower rural people and SMEs. Without the right information communicated at the right time, accessibility to credit is constrained.

Socially accepted norms of behavior and the roles women play in their families can have profound effects on the type of activities in which women can engage, the technologies available to them, the people and agencies with whom they can interact, and the control they can exert over their own capital (Kings and Mucratch, 2002). Legal regulations and customary rules often restrict women's access to and control over assets that can be accepted as collateral such as land or livestock. Hence women are handicapped in accessing financial services as they don't have collateral when required (Agarwal, 2003). Constraints to women's access to financial services include policy and legal barriers as well as cultural "norms" that prevent women from keeping bank accounts or entering into contracts without their husbands or another man (FAO, 2011a).

### **2.5.2 Women Capacity building and Livelihood Impacts**

Access to financial services is critical to success in the modern economy. The Global report (2014) views financial sustainability as a necessary resource for enhancing sustainable development. Financial sustainability is a far-fetched concept among most bank account holders majorly consisting low-income earners; who may in real effect be "under-banked": given that they may lack an institutionalized means to save, such as through payroll deduction plans; or they may not have, or may have tapped out, credit cards, and turn to relatively high cost forms of short-term credit, such as payday loans, to meet their liquidity needs (Barr, 2004). Practitioners

have begun to increasingly acknowledge the importance of savings rather than debt mechanisms employed in table banking programs utilized in VSLs.

Hirschland (2005) in his research discovered that most people prefer savings to credit given the reason that while borrowers pay interest, savers can earn interest. Koo (2008) likens VSLs inability of a large group to ease their debts to the ‘debt trap’ such as was the case as Japan’s “lost decade” and the “Great Depression” that were essentially caused by balance-sheet distress. The current preoccupation with debt goes back to a long tradition in economic analysis which provides important leads into why some VSL groups collapse. Views by Irving Fisher (1933) and as well as Hyman Minsky (1986) as cited by Koo (2009) think that a recurring cycle of instability, in which calm periods for the economy lead to complacency about debt and hence to rising leverage, which in turn paves the way for crisis.

Further, other findings confirm that small loans are not always appropriate for poor women (Kabeer 2011) given that a loan becomes a debt, and the poor often face a crisis if an expected source for repayment evaporates. Therefore, borrowing is often much riskier than saving as this mechanism depends on a reliable payment source which the poor barely have. Because starting a new business is risky and sustainable providers of credit cannot afford to lose money, credit is generally not used to start a new business but rather to expand an existing one. Therefore, most people prefer relying on savings to start up new business ventures. Savings enables future investment, by giving access to lump sums of money. These large sums of money can be used for investment opportunities, for life cycle events, such as marriages, funerals, etc., or for emergencies. Savings can also be used to smooth consumption.

Consequently, not everyone is creditworthy or is willing to take such risk, but, all people are deposit worthy and want to develop assets. Savings clearly offers substantial benefits and correspondingly, in general, savings programs have been shown to have a positive impact on participants. However, necessary skills are required to sustain a steady growth in assets as shown in a research conducted by Dupas and Robinson (2009). A unique study design was used to control for potential biases while allowing for the use of simple regression analysis, find that access to a formal savings account has substantial positive impacts on women’s productive investment levels and expenditures, and also makes women less vulnerable to shocks from illness.

Chen and Snodgrass (2011), who rely on a similar method to that of Barnes (2011) and Dunn and Arbuckle (2001) to control for potential biases, also find a positive impact of savings. Although the impact of savings is smaller than that of borrowing, income of savers is more stable than that of borrowers. Chen and Snodgrass compare the impact of SEWA Bank on clients who borrow to those who save without borrowing, and compare both groups to non-clients (who are drawn randomly from women engaged in the informal sector in the same neighborhood as clients in Ahmedabad, Gujarat, where SEWA is based. In round 1, the borrowers were shown to be considerably better off than savers, who were in turn better off than non-participants. Some of these differences may be attributable to participation in SEWA prior to the round 1 survey. However, between the two rounds, the savers showed the fastest rate of income growth. Still, borrowers income was over 20 percent greater than that of savers, and 40 percent higher than that of non-participants<sup>7</sup>. Savers, however, enjoy an income, which is 20 percent greater than that of non-participants.

The cost of credit may negatively impact on the general affordability of credit services thereby slowing down the rate of investment and asset growth. Such an incidence is exhibited in the Somalia case study where the services of banks and MFIs largely do not reach the rural poor because of high costs of reaching such clients and high borrowing requirements. Additionally, the MFIs with better outreach to the rural poor have a disconnection or gap in the rendered services (products) due to lack of alignment to requirements by the poor. This is because most MFIs tend to focus on credit rather than savings; either because of their profit motives or because most of them are not licensed to take deposits. The poor people who may prefer to build their wealth or assets via savings are therefore left without the providers of such services (Liebeskind, 2013).

Kumar (2009) states that self-help groups are formed across countries as an effective strategy for poverty alleviation, human development and social empowerment. But there are conflicting views about the impact of these informal groups (savings schemes). Schlauffer (2008) notes that while the existence of the informal services highlights the general demand for financial services, there still lacks sufficient quality of services to seize economic opportunities in rural areas to the full.



Unlike formal lenders, table banking as a micro-financier promotes better gains from interest retention attributes. The level of success in gaining from interest is further defined several factors as follows: firstly, participation in table-banking activities and the successful management of individual and group savings is determined by the levels of literacy in financial management and sound book-keeping (VSL Associates, 2009). For instance, table-banking particularly in the Northern region of Uganda and which is an improvement on traditional savings clubs like ROSCAs (Apopa, 2010), was introduced through trainings provided by NGOs like CARE International. Secondly, in assessing rural household's participation in the savings schemes Vis-a-Vis their SES (Social & Environmental Standards) or welfare, it is evident that policy issues influence the levels of attainment of livelihood improvement. This scenario requires careful examination and analyses in order to avail informed contribution to the debate of poverty reduction policy measures (VSL Associates, 2009)

Most studies have found that microfinance allows the poor to protect, diversify and increase sources of income, which helps to smooth out income fluctuations and to maintain consumption levels even during times of crisis. Zaman (2000), who examines the Bangladesh Rural Advancement Committee (BRAC)'s impact on the welfare of its clients, finds that participation in micro-credit programs reduces vulnerability by smoothing consumption, building assets, providing emergency assistance during natural disasters, and empowering females. The methodology of each study will be discussed in greater detail in Chapter 3, but the results are generally considered robust. In addition to using a control group, Zaman uses a Heckman two-step procedure, an advanced econometric technique, to control for any biases in his estimation.

Several studies indicate that some savings and loan groups charge fairly high interest rates on loans advanced to members matching prime lending rates offered by formal lending institutions. Such inters rates may be altered from time to time by groups in order to maintain competitiveness to be able to pay high yield on member savings. High interest rates on loans must cover the cost of savings, operating costs, loan loss provisions and additions to capital reserves, interest on loans must be calculated on declining balance and loans secured by collateral may have discounted interest rate (Masanjala&Tsoka, 2007).

Investment of loans influences income generation. As concerns the household credit, penetration rates in rural areas are very low and the demand for credit is high, most group's major challenge

at the start of the program is to satisfy the credit and investment needs of their members. In addition, due to high risk in the rural context, loan products development, lending and collection processes, and management capabilities need to be taken into consideration (Barnet, 2008). In such development, the following are considered: lending principles: member's character is the key to rural lending. In addition, members past debt repayment record and personal behavior are considered.

### **2.5.3 Market accessibility and Livelihood Impacts**

Rural women are playing pivotal roles in almost every aspect of our society from time immemorial. They have made important contributions in creating access to human, natural, financial, physical and social capital for making their livelihood sustainable (UNIFEM, 1998). Women's income generating activities are not only crucial but also an urgent priority to reduce poverty and improving their livelihoods or living standard (AFRIN et al., 2008)

Human capital: It consists of skills, knowledge, and ability to work and good health that permits people to follow their different livelihood strategies and achieve their livelihood objectives: Age, education, family type, family size, time utilization, occupation and food consumption behavior.

Natural capital: Natural capital represents the natural resource stock like land, water, tree, wild cook and wider environmental goods are critical for individual in any production.

Financial capital: It refers to incomes, savings and credit, which enable people to pursue their livelihood objectives

Physical capital: The basic infrastructure like transport, road, communication, shelter, market, electricity, water supply, sanitation and health facilities are the physical capital that needed to support livelihoods.

Social capital: Social capital in the form of networks, membership in groups, relationships of trust, cultural norms and other social attributes have significantly helped in exchanging experiences, sharing of knowledge and cooperation among rural households, upon which people depend when pursuing their livelihood objectives. Association with NGOs, marital status and length of association with loan sources.

According to S. Kuhinur and M. Rokonuzzaman(2009) Change in livelihood status was found to range from 4 to 24 with mean of 13.94 and standard deviation with 4.85. Data furnished indicated that large proportion (62 percent) of the respondents fell under medium change in

livelihood status while 25 percent and 13 percent fell under low and high change in livelihood status. Interestingly, it was found that 75 percent respondents got opportunity to change their livelihood status after involving themselves with micro-credit program of Grameen Bank. Credit availability had positive correlation with change in livelihood status.

#### **2.5.4 Membership Power in Table banking and its influence on Livelihood of Women**

Table-banking financing (Al-Mamun, 2011) is a group-activity conducted by members to a group who converge to raise capital from individual contributions; normally varying in amounts depending on the group's abilities, needs, interests and preferences. Table banking units comprise social bankers whose population is growing very fast hence is an important concern in research especially pertaining to economic empowerment for marginalized minority groups; majority being women (Olaf *et al.*, (2011). It comprises of more than 2 billion people world-wide consisting of saving-groups and networks mainly the “unbanked poor” who prefer exploiting this form of social-banking and money lending due to its flexibility. The popularity of these groups stems from a great need among the poor for help with managing household cash flow, particularly in remote villages or urban slums where no brick and mortar financial institution exists (Olaf *et al.*, 2011). More contemporary trends indicate that table-banking is practiced globally among Village Saving and Lending groups (VSL).

Documentation of modern practice concept of table banking project dates back 1864 when Japan towns offered recreation and opportunities to socialize with other Japanese Americans. Japanese immigrants frequently faced financial problems because banks discriminated against them. Japanese immigrant businessmen often raised capital through rotating credit associations (Liebeskind, 2013). Each member of the association contributed a set amount of money to a fund. Members would then take turns borrowing from this substantial pot to finance large purchases, such as a store or a car and pay with an interest.

The guiding principle in table banking is to strengthen self-help organization, their leaders and their members in order to inspire self-empowerment in terms of institutional, cultural, spiritual, social, political and financial strengthening (Boone and Witteloostuijn, 2005). As a form of alternative financing, table banking is characterized by: starting with one's own effort, mobilizing physical resources and savings and creating economic activities and enterprises

capable of generating some income as a source of self-led (internal) financing and autonomy (VSL Associates, 2006).

Borrowing members are advanced loans depending in order of their position in a rotating schedule or, upon request by a member relative to share equivalent to proportion of the aggregated capital contributed by the member (Amason, 2006). Microloans are only extended to groups of 10-15 people allowing individuals to support, encourage and provide assistance to each other if things go wrong. The membership ceiling however, depending on the model may range between 10-30 people. Members are required to abide by the group stipulated loan repayment terms and schedules. Loans are repaid at small interest which is put back into the group savings. This activity is conducted in a reiterative pattern and is controlled through members' efforts, checks, controls and behavior (Bandura, 2015).

Group membership is defined by its formation mechanism; basing on commonly shared goals. The example given on Germany indicates that table banking concept was initiated by individuals who come together to generate funds in a systematic where each member gets the stipulated equal amount in a forced matrix from different levels in the group (Boone and Witteloostuijn, 2005). Am involved in one which the group can be developed to a bigger organization with a website guiding on who should pay who at what time and how much hence saving the constraint of meeting, furthermore the financial transactions/exchange is instant and direct (Boeker, 2007). Payment Confirmations punctuate the levels in the group. It was used to generate capital for various projects and acquiring assets ideal for existing groups.

Emergent financing systems with softer terms attract memberships, though not all schemes fit demands for un-creditworthy would-be borrowers; seemingly MFIs constituting a bigger chunk of this category. Most MFI's bear a national or regional outlook with several issues emerging concerning equity in access and nationwide outreach. Their eminent failures have in the past compromised their intended goal of enriching the poor clientele. For example, the lessons from the "Great depression" and the 2008 global economic meltdown reflect financial risks originating from variations in debt spending rate among members and how much prone they are to poverty. Koo (2010) argues that better debt spenders pump in more capital into the group capital Kitty; thus salvaging the group from falling levels of liquidity. This scenario implies that for groups to

run smoothly in the process of lending out capital for start-ups and growth, a majority of its members need to be good investors to motivate fast loan repayments.

Musopoleet *al.*, (2007) found that households are influenced by their desire to access credit and invest in small scale businesses to save money when they decide to join the micro credit groups or cooperatives in Malawi. This is the case because households realize that one of the means through which households can increase their income and therefore alleviate poverty is through access to credit. It is however, very difficult to access credit in Malawi such that the productive capacity of poor households is affected. The very few well to do households get credits at a softer term from formal markets as they are able to provide collateral. That is why most of households join groups or cooperatives to access credit for them to invest and save money since these micro-credit can easily give loans to a group rather than to an individual (Musopoleet *al.*, 2007).

Matchaya (2005) studied the impact of rural producer organizations on livelihoods of National Smallholder Farmers' Association of Malawi (NASFAM) farmers. Using an Instrumental Variable (IV) approach, he found that farmers' affiliation to NASFAM had a positive impact on their income per capita. There was also evidence that NASFAM had increased farmers' access to credit and their fertilizer expenditure. The study showed that most households are influenced to join rural producer organizations (grouping) by their need to access credits and buy fertilizers to realize income from sales of farm produce. Briefly, high prices of fertilizers influences household to join micro credit schemes for 21 them to afford fertilizer. The study found out that membership to NASFAM increased income and credit market participation of farmers by 11% and 46% respectively.

Tretcher (2009) used a logic regression analysis to analyze the factors associated with diversification on agricultural cooperatives. He found that the impact of diversification upon measures of cooperative performance (profitability, patronage refund and equity redemption) was relatively minor; thus, diversification on agricultural cooperatives was not statistically associated with profitability, increases in patronage dividends or increases in equity devolvement. The result also showed that diversification on agricultural cooperatives was an important factor in determining membership size, i.e., diversified cooperatives enjoyed larger membership implying greater savings and therefore bigger fund pools for credits to members.

Thus, outreach characterizes the ability of the financial program to reach large numbers of people especially the poor; with high quality financial services (Schlaufer, 2008).

## **2.6 Knowledge gap**

Entrepreneurship is a fundamental driver of economic growth. It is also a significant source of women's economic opportunity, employment and income generation for both urban and rural women, especially in Kenya where wage employment opportunities for women is scarce. Entrepreneurship covers a wide range of activities ranging from income-generating projects to selling products on the street and in open markets by individual producers, to owning or managing large businesses. The Government identifies entrepreneurship as a key strategy to stimulate self-employment and create jobs. This strategy appreciates women as a resource endowed with inherent talent that can be harnessed to create sustainable enterprises.

It can be noted from the literature review that the main factors that hinder women from financial inclusion are illiteracy, low income, and lack of property rights, unfavorable bank products, gender discrimination and time and mobility constraints. Table banking or savings groups have been in existence for many years all over the world and it is now been recognized a key tool to promoting financial inclusion amongst the poor and the women in particular. It is clear that going forward there will be linkages between formal financial institutions and the poor and women through the mobile telephony and systems. Clear flexible and progressive regulations and policies will be required to guide the growth of savings groups to foster financial inclusion amongst the women and the poor.

Despite the importance of women empowerment in economic growth and employment creation, empirical studies have not shown clearly the effects of table banking on the livelihood of women in Uasin Gishu County thus knowledge on their investment decisions are few and scanty in the Kenyan context. This leaves a wide knowledge gap that the study sought to fill in by asking the question: how does table banking affect livelihood of women.

## **2.7 Summary**

Theoretical and conceptual reviews affirm that table banking can have a significant impact on household income levels, community development, national welfare and economic growth. Research on VSL and table banking is scanty and poorly documented beside benefits to poorest rural household members who are constrained by lack of access to financial markets, which provide both savings and credit opportunities. Importantly, besides the basic commitment by the Kenyan government to initiate Women Entrepreneurship Funding policy, no specific set of regulation or policy framework has been documented on table-banking projects across the country to regulate or standardize operationalization of table-banking practice. Reviews reflect need to ascertain levels of literacy, management, development activities and outreach to poorer community members as a means to establish sustainability levels for the savings-led schemes.

## CHAPTER THREE

### METHODOLOGY

#### 3.1. Introduction

The area of interest in this chapter include; design of the study, target population, sampling design and procedures, data collection methods, data analysis and also how the research finding was presented.

#### 3.2. Research Design

In this study correlation research was used. Correlation studies aims at investigating the existence and the degree of a relationship between two or more quantitative variables. If two variables are highly related, scores on one variable could be used to predict scores on the other variable. Correlation studies are appropriate when the variables cannot easily be distinguished or the existing situation does not yield to the application of an experimental method of study. In a correlation design, two different methods can be applied. The most commonly known is seen in relationship studies. In these studies, scores obtained from two variables are correlated to determine the relationship. The second method applied in the prediction studies; however, use the scores of one variable to predict the outcome of the other variable. "If a relation of sufficient magnitude exists between two variables, it becomes possible to predict a score on either variable if a score on the other variable is known",Fraenkel&Wallen,( 1991).

#### 3.3 Study Area

The study area was Joyful Women Organization (JOYWO). Joyful Women Organization (JOYWO) is an organization in Kenya which has successfully helped women implement income generating projects using SHGs for women economic empowerment, according to JohnCraig (2014) in the year 2014, JOYWO had 431 Women Self Help Groups and an estimated 8,450 women who had accumulated their wealth to 100,000,000 Kshs which have been invested in different income generating. The women were also trained in financial, leadership, group dynamics, gender and cultural issues; hence the women were empowered all rounded and able to participate in development of the country.



### 3.4 Target Population

Mugenda & Mugenda (2003) defines population as an entire group of individuals, events or objects having common observable characteristics. Therefore, this section looked at the population the researcher wished to study and it is from the results of this group that the results were generalized to the entire population of Uasin Gishu County. The population of interest consisted of all women entrepreneurs who were members of JOYWO Self Help Groups within Uasin Gishu County. The women, who were considered as entrepreneurs, were those who own and run businesses and have a physical presence (shop, workshop, house from where the business operates) with contact details which enabled the researcher to trace them and collect the questionnaires. The study focused on 431 JOYWO groups in Uasin Gishu County

### 3.5 Sample and Sampling Technique

A sampling frame is a list where we obtain the membership of MFI properties that can identify every single element to be included in the sample (Martyn, 2008). The study adopted Simple random sampling design to sample the SHGs population under study.

The sampling procedure was facilitated by obtaining a sample size of JOYWO SHGs under study. The study sampled JOYWO SHGs provided data that was determined by using the Yamane formula (Yamane, 1967)

$$(n=N/1+N (e^2)),$$

Where n is sample size and

,

N= study population (431)

e = margin error of 10%

In the proposed study, the sample size will be calculated at precision level of 10% (e = 0.1) and therefore a confidence level of 90%. Sample size in this study was

$$(n=431 /1+431(0.1^2)),$$

$$=431/1+431(0.1^2)$$

=81.1=81

Therefore the sample size was determined as 81 JOYWO SHG's where the women leaders of the groups were used as the main respondents

### **3.6 Data Collection Procedure**

The researcher administered questionnaires through drop and pick later method. The researcher sought approval for this study from the Maseno University and National Council for Science and Technology (NACOSTI). As soon as permission was granted and an introduction letter obtained by the researcher, the study proceeded in the following chronology: recruitment of one research assistant; conducting briefing for the assistant on the study objectives, data collection process and study instrument administration; pilot testing; revising of the data collection instruments after the pilot study; reproduction of required copies for data collection; administering instruments via questionnaires; assessment of filled questionnaires through serialization and coding for analysis; data analysis and discussion; preparation of the conclusion and recommendations

#### **3.6.1 Source of Data**

Primary data was collected using questionnaires administered to respondent by the researcher while secondary data was obtained from the various records in the JOYWO

#### **3.6.2 Instruments for Data Collection**

Data was collected using a semi-structured questionnaire that was administered to the sample in the study area.

#### **3.6.3 Reliability test for Data Collection Instruments**

Reliability is the degree of consistency with which an instrument measures a variable (Mugenda&Mugenda, 1999). A pilot study was done through administering questionnaire randomly to selected respondents. It was further enhanced by making necessary adjustments to the questionnaire based on the pilot study. Test-retest reliability was carried out on the basis of administration of the questionnaire before starting data collection to ascertain internal consistency reliability. Information collected through the pilot study of 10 subjects in the study area, not included in the sample helped identify some of the shortcomings, for correction, likely to be experienced during the actual data collection exercise to enhance reliability of the

questionnaire. Responses obtained during the piloting were used to calculate the reliability coefficient from a correlation matrix. The reliability of the instrument was estimated using Cronbach's Alpha Coefficient which is a measure of internal coefficient. A reliability of at least 0.70 at  $\alpha=0.05$  significance level of confidence is acceptable (Gable and Wolf, 2003).

**Table 3.1: Cronbach's Alpha Values**

<b>Variable</b>	<b>Cronbach's alpha</b>
Credit accessibility	0.769
Capacity building	0.848
Market accessibility	0.797
Membership Power	0.824
Livelihood	0.786

Based on the findings in Table 3.1, all the variables under study showed a cronbach's alpha of above 0.7, implying that all the variables were reliable.

### **3.6.4 Validity Test for Data Collection Instrument**

Gravetter (2009) defines validity of a research instrument as how well an assessment instrument is capable of measuring the measure it is supposed to measure. Golafshani 2003 defines validity in terms of accuracy, rigor and trustworthiness. The validity for the data collection instrument is that which shows that the content of the questionnaire actually measures the concept. Content validity was adopted in the study. Content validity is an important research methodology term that refers to how well a test measures the behavior for which it is intended (Lune, Parke, & Stone, 1998). As such only inferences related to the variables under discussions were considered during the match between test questions and content of the subject area. When a test has content validity, the items on the test represent the entire range of possible items the test should cover. In an event where a test measured a construct difficult to define, the researcher would rate each item's relevance. To ensure content validity, the researcher went through a review of literature and identified items that required to measure the concepts, and to also ensure that questions covered all areas of the study. The researcher also piloted the questionnaire on 10 respondents not included in the study chosen randomly before commencing data collection. This enabled the researcher to establish the respondent's ability to respond without difficulties. Any ambiguous, double edged and unclear questions were identified and rectified. The researcher also used experts to examine and review the instrument for validity as successfully done by

### 3.7 Data Analysis

The researcher employed quantitative data analysis techniques. Quantitative data on responses from questions in the questionnaire was coded for ease in systematic data tracking. A master questionnaire was prepared to match un-coded questionnaires issued to respondents. All collected data was edited to ensure compliance to accuracy, consistency and relevance to research questions. Editing was done to check, irrelevance, contextual mistakes, omissions and missing responses that should be filled or disregarded. Data entry was done into Statistical Packages for Social Scientists (SPSS) computing program for analysis for ease of presentation on frequency tables and graphs. The data also was analyzed using regression; the study used multiple linear regressions in order to establish the level of relationship between the study variables. Multiple regressions were guided by the model specification as follows

$$Y_i = \alpha + \beta_1 X_{1i} + \beta_2 X_{2i} + \beta_3 X_{3i} + \beta_4 X_{4i} + \epsilon_i.$$

Where;

$Y_i$  = Livelihood of Women

$\beta_0$  = Constant Term

$\beta_1$  = Beta coefficients

$X_{1i}$  = Market accessibility

$X_{2i}$  = Credit accessibility

$X_{3i}$  = Capacity building

$X_{4i}$  = Membership power

### 3.8 Research Ethics

Data generated from respondents are purely for academic purposes and so their personal identity remained anonymous. The major ethical issue is given by the respondents wish for privacy and confidentiality of the respondents, anonymity of the respondents and researcher responsibility. Obtaining a valid data entails gaining access to specific lists and files which is itself an infringement on the privacy and confidentiality of the respondents. However, the respondents

were offered the freedom to ignore items that they did not wish to respond to. Participants identities were concealed hence a replication was not possible. Before the questionnaires were administered, the Researcher explained to the respondents the objectives and purpose of the study. Impartiality was observed on the part of the researcher throughout the exercise with utmost respect for views and culture in order to establish rapport.

### **3.9 Summary**

This research study helped bring out the importance of table banking as important informal types of credit access that plays a major role in changing the empowerment of the society through women engaging in income generating activities. It also served as a source of information to policy makers to adapt the concept and roll out to needy women to boost their livelihoods

## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### 4.1 Introduction

The content in this chapter was derived from quantitative data obtained by use of structured questionnaires administered to respondents from 81 JOYWO SHG's in Uasin Gishu County. Reported findings in this chapter pertain to observed influence of table banking on livelihood of women of Joyful Women Organization (JOYWO) in Uasin Gishu County, Kenya. The data have been analyzed and interpreted basing on the descriptive statistics and inferential statistics.

#### 4.2 Questionnaire return rate

The study targeted a sample of 81 respondents in collecting data with regard to the influence of table banking on livelihood of women. From the study, 71 responded contributing to a response rate of 87.65%, Mugenda and Mugenda (2003) asserts that more than 70% response rate is very good, 60% rate is considered good and 50% is adequate. Based on the recommendation by the scholar, the study concluded that the response rate of 87.65% for this research was “very good” and therefore a good basis of this study report.

**Table 4.2: Response Rate**

Response	Frequency	Percentage
Responded	71	87.65
Never responded	10	12.35
<b>Total</b>	<b>81</b>	<b>100</b>

**Source: Author (2017)**

#### 4.3 Socio-demographic profile of respondents

The study sought to ascertain socio-demographic profiles basing on individual and group attributes; evaluated along age variations, and the educational background. The background information points at the respondents in the study census and suitability to participate in the inquiry on the influence of table banking on livelihood of women.

### 4.3.1 Respondents Age

The study wanted to establish whether there was linkage between age and performance of respondents. The knowledge of the age limit was important to provide a cast on which ages are most engaged. When asked to state their ages respondents answered as indicated in table 4.2.

**Table 4.3: Respondents Age**

	<b>Frequency</b>	<b>Percent</b>
18-25	4	5.6
26-35	8	11.3
36-45	30	42.3
46-55	15	21.1
55 and above	14	19.7
<b>Total</b>	<b>71</b>	<b>100</b>

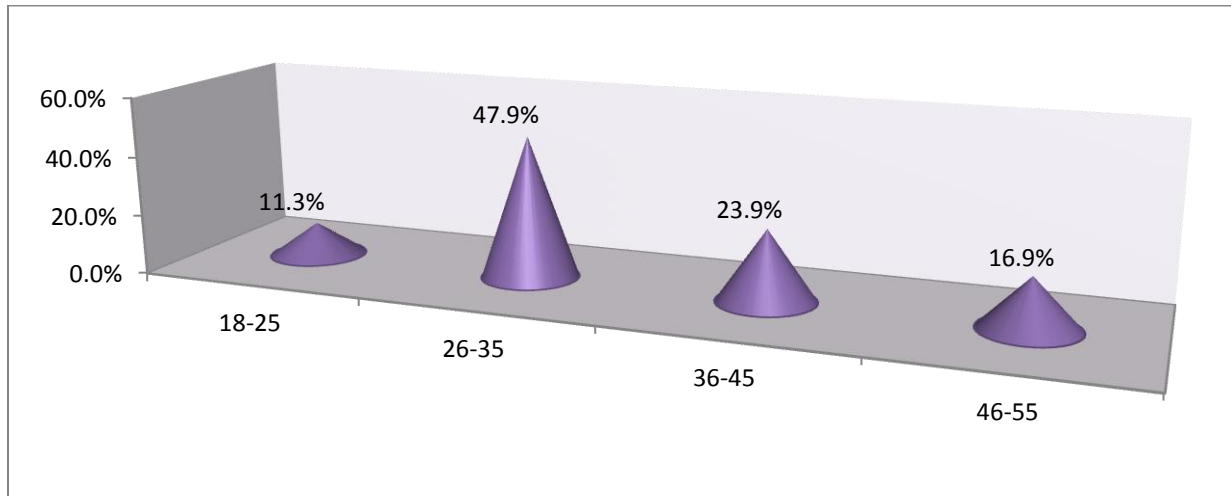
**Source: Author (2017)**

From the findings shown in Table 4.2, the age bracket of 36-45 years had the highest representation (42.3%) of the respondents' were within, 21.1% were aged between 46-55 years, 19.7% were aged 55 years and above, 11.3% were within 26-35years, while (5.6%) were aged between 18-25 years. With this age we expect that respondents are young and energetic and thus there is a higher chance of cooperation with the researcher

### 4.3.2 Age of Starting the business

The respondents were requested to indicate the age when they started their business. The findings were as shown in the figure 4.3 below.

**Figure 4.3: Age of Starting the business**



**Source: Author (2017)**

The study established that majority of the respondents (47.9%) were between the age 26-35 years when they started their business, 23.9% were aged between 36-45 years, 16.9% were aged between 46-55 years, while 11.3% were aged between 18-25 years. This implies that most of the respondents started their business when aged between 26-35 years. With this age we expect that respondents have stayed in their business for a longer period and thus higher chances of giving reliable information on howtable banking influence livelihood of women in joyful women organization (JOYWOW) in UasinGishu County, Kenya

#### **4.3.3 Educational Background of Respondents**

Information on respondents' education background was cross-figured to facilitate in analysis of respondents level of education as indicated in Table 4.4



**Table 4.4: Educational Background of Respondents**

	<b>Frequency</b>	<b>Percent</b>
Primary school	20	28.2
Secondary School	36	50.7
Bachelor Degree	4	5.6
Master Degree	11	15.5
<b>Total</b>	<b>71</b>	<b>100</b>

**Source: Author (2017)**

According to the findings in table 4.3 above, majority of the respondents (50.7%) had Secondary School level of education, 28.2% had Primary school level of education, 15.5% had Master Degree, while 5.6% had Bachelor Degree. It can be deduced that a majority of women practicing table banking have lower than secondary level of education. These findings are a clear indication that there is lack of professionalism among the respondents. Majority have attained minimum education requirements hence lack professional experience.

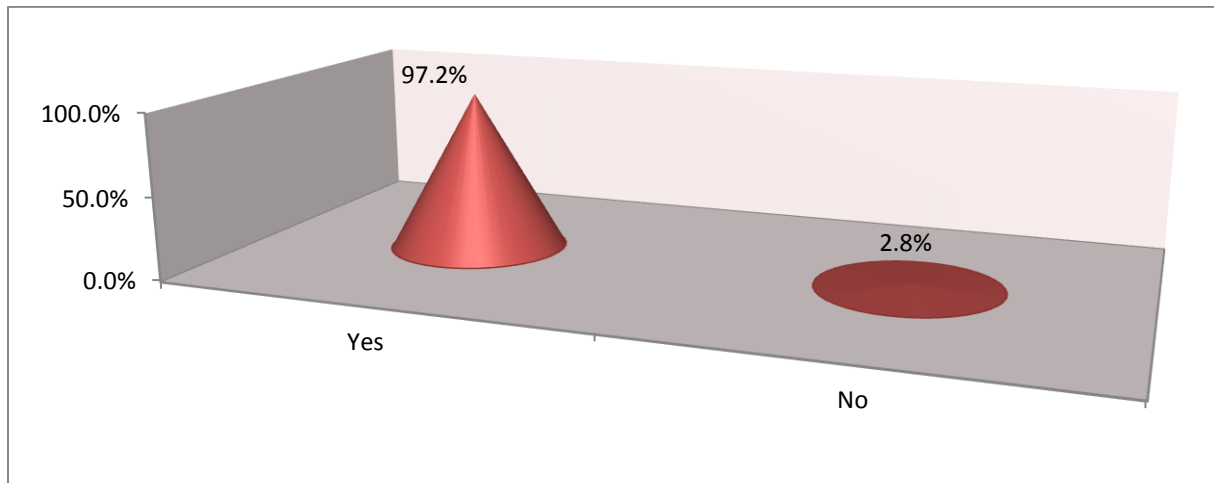
#### **4.4 Credit Accessibility**

The study sought to establish determine how credit accessibility through table banking has affected livelihood of women. The study findings are as presented in subsequent headings

##### **4.4.1 Credit accessibility challenge**

Respondents were kindly` requested to indicate whether they had faced any credit accessibility challenge to start up their business. The study findings are as shown in figure 4.4 below

**Figure 4.4: Credit accessibility challenge**



**Source: Author (2017)**

From the results given majority (97.20%) of the group members investigated confessed that they had credit accessibility challenges when starting up their business. On the other hand, 2.8 percent seemed not to have experienced any credit accessibility challenge when starting up their business. The results imply that there are credit accessibility challenges faced by women of JOYWO when starting up their business. In tandem with the study findings, Kariuki&Ngugi, (2014) opined that credit constraints operate in a variety of ways in Kenya where an undeveloped capital market forces entrepreneurs to rely on self-financing or borrowing from friends and relatives. Lack of access to long-term credit for small enterprises forces them to rely on high cost finance. Various other financial challenges that face borrowers include high cost of credit, high bank charges and fees. The scenario witnessed in Kenya particularly during the climaxing period of the year 2008 testifies the need for credit among the common and low income earners.

#### **4.4.2 Table banking on credit accessibility**

The respondents were asked to indicate whether access funds through TB have become easy. The study findings are as indicated in table 4.5 below

**Table 4.5: Table banking and credit accessibility**

	<b>Frequency</b>	<b>Percent</b>
some extent	13	18.3
very high extent	58	81.7
<b>Total</b>	<b>71</b>	<b>100</b>

**Source: Author (2017)**

Based on the study findings it is established that majority of the respondents as indicated by 81.7% agreed that table banking have eased accessibility of loans to a very great extent while 18.3% felt that to some extent table banking have eased accessibility of loans. This implies that table banking have eased accessibility of loans to women of JOYWO to a very great extent. According to the Government of Kenya (1999), many MFIs have emerged to provide initial and working capital. The relevance and cost-effectiveness of most of these MFI though is inappropriate in satisfying the particular needs of potential and operating women entrepreneurs. This gap is being filled by table banking.

#### **4.4.3 High interest rates on loans borrowed**

The study sought to establish from the respondents whether there are high interest rates on loans borrowed through TB. The study findings are as indicated in table 4.6 below

**Table 4.6: High interest rates on loans borrowed**

	<b>Frequency</b>	<b>Percent</b>
no extent at all	45	63.4
small extent	13	18.3
some extent	13	18.3
<b>Total</b>	<b>71</b>	<b>100</b>

**Source: Author (2017)**

According to the study findings it is established that majority of the respondents as indicated by 63.4% felt that there are no high interest rates on loans borrowed through TB, while 18.3% felt that to a small extent and to some extent there are high interest rates on loans borrowed through TB. This implies that there are no high interest rates on loans borrowed through table banking and thus enhancing financial inclusivity among women of JOYWO in Uasin Gishu County thereby improving on their livelihood. These studies confirms the findings of the Barrett, (2008) which indicated that when women access credit, they engage in income generating activities and employ other people to work for them. Women Entrepreneurs create new jobs for themselves and others and by being different also provide society with different solutions to management, organization and business problems as well as to the exploitation of Women Entrepreneurial opportunities.

#### **4.4.4 Collaterals and Credit accessibility**

The respondents were asked to indicate whether Lack of collaterals affects their credibility to access funds through table banking. The study findings are as indicated in table 4.7 below

**Table 4.7: Collaterals and Credit accessibility**

	<b>Frequency</b>	<b>Percent</b>
no extent at all	67	94.4
small extent	2	2.8
some extent	2	2.8
<b>Total</b>	<b>71</b>	<b>100</b>

**Source: Author (2017)**

The study findings revealed that majority of the respondents (94.4% ) felt that Lack of collaterals does not affect their credibility to access funds through table banking, while 2.8% felt that that Lack of collaterals affect their credibility to access funds through table banking. This implies that Lack of collaterals does not affect women of JOYWO in Uasin Gishu County credibility to access funds through table banking. Similar to the study findings, Kariuki&Ngugi, (2014) argued that table banking is a group based funding strategy in which members save and borrow immediately. It is a concept that has been in existence for some time and is being practiced in

many parts of the world. It caters for small business people who require credit to finance their income generating activities but are neither able to access credit from formal banks nor from most micro- finance institutions due to long distances, high charges and interest rates and conditionalities which they cannot meet (ROK, 2009)

#### 4.4.5 Ease of repayments of installments

Respondents were kindly requested to rate the ease of repayments installments as a result of loans offered through table banking. Results of the study are as summarized in table 4.8 below

**Table 4.8: Ease of repayments of installments**

	<b>Frequency</b>	<b>Percent</b>
no extent at all	11	15.5
high extent	11	15.5
very high extent	49	69
<b>Total</b>	<b>71</b>	<b>100</b>

**Source: Author (2017)**

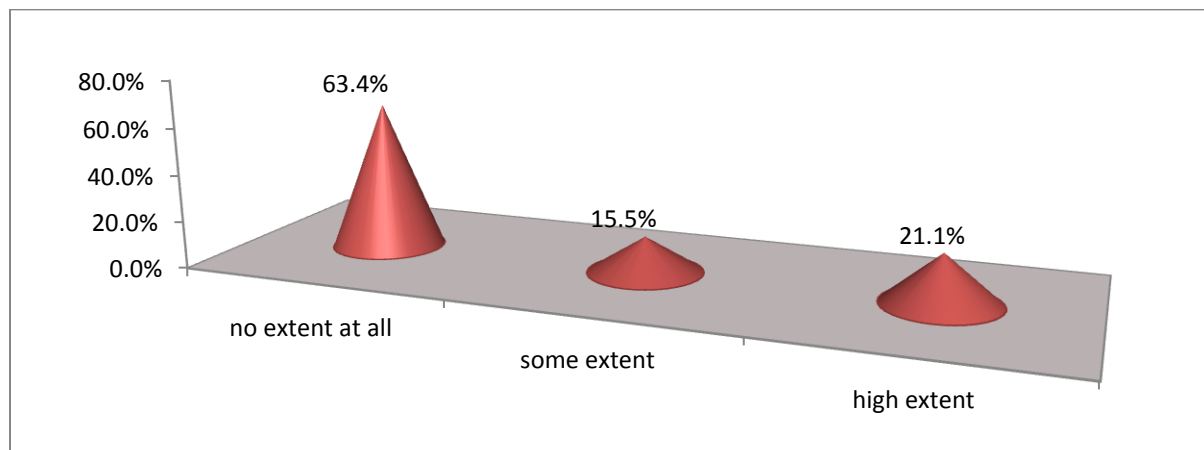
The study findings revealed that majority of the respondents (69%) rated the ease of repayments installments as a result of loans offered through table banking to a very high extent, while 15.5% rated to a high extent and no extent respectively. This is an indication that there is ease of repayments installments as a result of loans offered through table banking to a very high extent among women of JOYWO in Uasin Gishu County and thus low default rate. In tandem with the study findings, Masinde (2013) opined that advantages of table-banking is that: all the money belongs to the group; members' savings are not taken away but instead used for loaning; ability to mobilize savings among the poor; interest earned remains with the group; periodic bonus and dividends; education and agriculture booster; capacity building of the groups on group dynamics, entrepreneurship, business skills, record keeping and many other areas relevant to our area of operation and, banking at the convenience of members' homes or table. The above benefits have enable women, own property, gain knowledge on areas of interests, and engage in businesses that enable them generate income hence enhancing their livelihoods. Majority of women

entrepreneurs have benefited from affordable, reliable and available credit services that they were unable to access from formal bank (Allen 2006).

#### 4.4.6 Repossession of assets of loan defaulters

It was the interest of the researcher to establish whether Loan Defaulters among women of JOYWO in Uasin Gishu County normally face repossession of their assets. Results findings are as shown in figure 4.5 below

Figure 4.5: Repossession of assets of loan defaulters



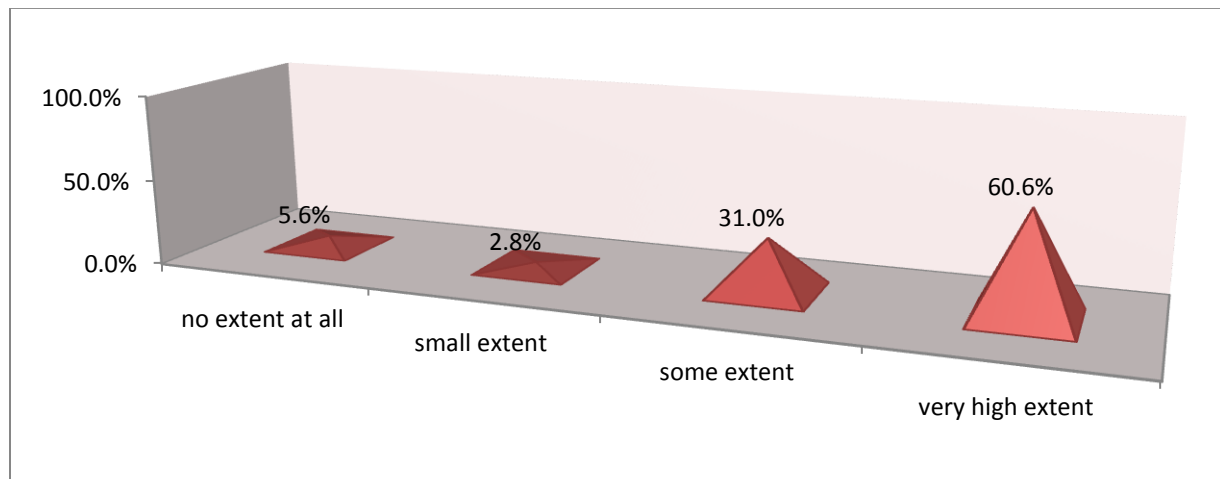
**Source: Author (2017)**

Based on the study findings in figure 4.6 above Loan Defaulters among women of JOYWO in Uasin Gishu County normally does not face repossession of their assets as indicated by 63.4% of the respondents. On the other hand, 21.1% of the respondents were on the opinion that Loan Defaulters among women of JOYWO in Uasin Gishu County face repossession of their assets to high extent, while 15.5 % indicated to some extent. This implies that Loan Defaulters among women of JOYWO in Uasin Gishu County normally does not face repossession of their assets and thus increasing their credit accessibility. Similar to the study, Chowdhury (2000) reasoned that given the small loan size and the type of activities undertaken by micro-entrepreneurs; it is unlikely that capital intensity has increased. Given that the labour and the capital intensity of rural non-farm production are unchanged, increased micro finance implies that financial performance can be expected to rise. Table banking services seem to enhance easy access to credit due to low interest rate on loans and thus promoting self employment in the informal sector.

#### 4.4.7 Group payment of installments

Respondents were kindly requested to indicate whether their group members have paid for their installments at any time within the loan duration. Results findings are as shown in figure 4.6 below

**Figure 4.6: Group payment of installments**



**Source: Author (2017)**

Based on the study findings in figure 4.7 above majority of the respondents (60.6%) indicated that their group has paid for their installments at any time within the loan duration to a very high extent 31% indicated to some extent, 5.6% to no extent while 2.8% indicated to a small extent. This implies that JOYWO group members have paid for women installments at any time within the loan duration to a very high extent. According to Markman (2003) the demand for credit, rate of loan investment, the market-interest rates, and members' repayment capacities strongly determine the rate of growth of the group- fund and therefore return on capital. Repayment capacity is the representation of an individual's financial capacity or that of an institution to make good on their repayment of a debt or a loan. The ability to repay is considered by a lender when deciding whether to give a loan to an individual or an institution. Collateral requirement, as the poor might not be able to provide tangible assets as collateral; the following mechanisms are considered to establish secondary sources of repayment. Most studies have found that microfinance allows the poor to protect, diversify and increase sources of income, which helps to smooth out income fluctuations and to maintain consumption levels even during times of crisis.

#### 4.5 Socio Cultural Factors

The study sought to establish the Socio Cultural Factors that affect JOYWO group women from Uasin Gishu from accessing funds through table banking. The study findings are as shown in Table 4.9 below

**Table 4.9: Socio Cultural Factors**

	<b>Mean</b>	<b>Std. Deviation</b>
Does your position as a woman affect your success in the business environment	2.39437	1.6859
Does your marital status affect your position in the business environment	2.01408	1.30376
Women, in particular the less educated ones, also find it more difficult to get financing from banks because they lack information on how to go about securing a loan	2.43662	1.83406
Your age affect the time and what kind of business to engage in	1.95775	1.30315

**Source: Author (2017)**

The study revealed that majority of the respondents disagreed that their age affect the time and what kind of business to engage in (mean=1.95775), and that their marital status affect their position in the business environment (mean=2.01408). On the other hand, respondents agreed to some extent that their position as a woman affect their success in the business environment (mean=2.39437) and that women, in particular the less educated ones, also find it more difficult to get financing from banks because they lack information on how to go about securing a loan (mean=2.43662). This is an indication that age and marital status does not affect women position in the business environment as result of table banking. Access to financial services is critical to success in the modern economy. Financing women projects is closely related to their potential to succeeding in entrepreneurship. The Global report (2014) for example, views financial sustainability as a necessary resource for enhancing sustainable development. Financial



sustainability is a far-fetched concept among most bank account holders majorly consisting low-income earners; who may in real effect be “under-banked”: given that they may lack an institutionalized means to save, such as through payroll deduction plans; or they may not have, or may have tapped out, credit cards, and turn to relatively high cost forms of short-term credit, such as payday loans, to meet their liquidity needs (Barr, 2004).

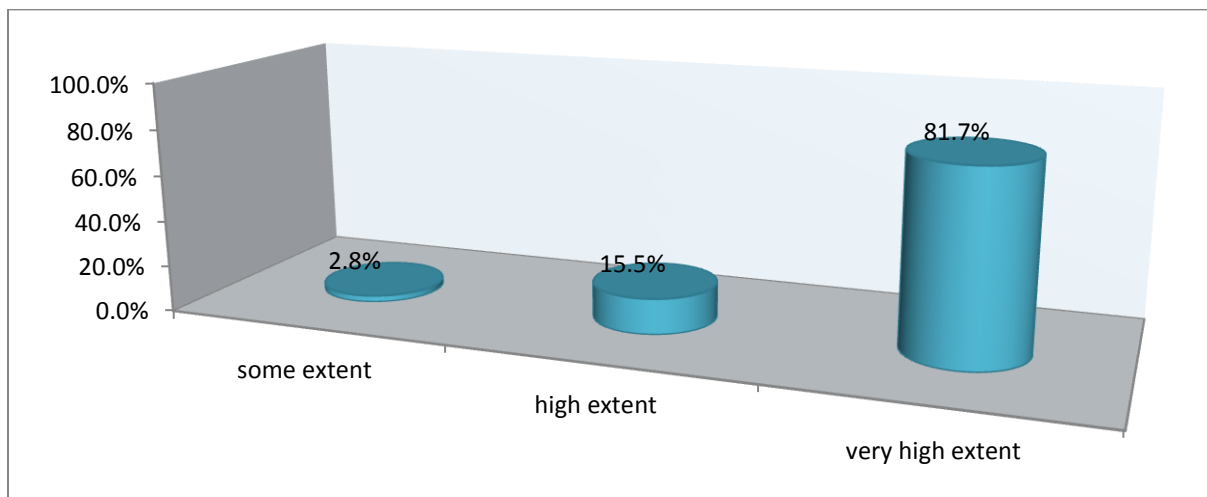
Kumar (2009) states that self-help groups are formed across countries as an effective strategy for poverty alleviation, human development and social empowerment through increased access to financing. But there are conflicting views about the impact of these informal groups (savings schemes). Schlaufer (2008) notes that while the existence of the informal services highlights the general demand for financial services, there still lacks sufficient quality of services to seize economic opportunities in rural areas to the full.

## 4.6 Capacity building

### 4.6.1 Table banking and knowledge in bookkeeping

The study sought to establish from the respondents whether table banking has contributed some knowledge in bookkeeping. The study findings are as shown in Figure 4.7 below.

**Figure 4.7: Table banking and knowledge in bookkeeping**



**Source: Author (2017)**

Based on the study findings in figure 4.8 above majority of the respondents (81.7%) indicated that Table banking has contributed some knowledge in book keeping to a very high extent,

15.5% indicated to high extent while 2.8% indicated to a some extent. This implies that Table banking has contributed some knowledge in book keeping to women of JOYWOW group. Organization knowledge perceives entrepreneurs' social competence in reference to group members' ability to interact effectively with others and adapt to new social situations with the purpose of developing strategic relationships that leverage business opportunities and competitiveness (Thomas, 2006). Baron and Markman (2003) claim that the higher an entrepreneur's social competence, the greater their financial success.

#### 4.6.2 Table Banking on Training

Respondents were kindly requested to indicate whether table banking has provided some basic training on business management skills. Results of the study are as summarized in table 4.10 below

**Table 4.10: Table Banking and Training**

	<b>Frequency</b>	<b>Percent</b>
no extent at all	2	2.8
some extent	11	15.5
high extent	2	2.8
very high extent	56	78.9
<b>Total</b>	<b>71</b>	<b>100</b>

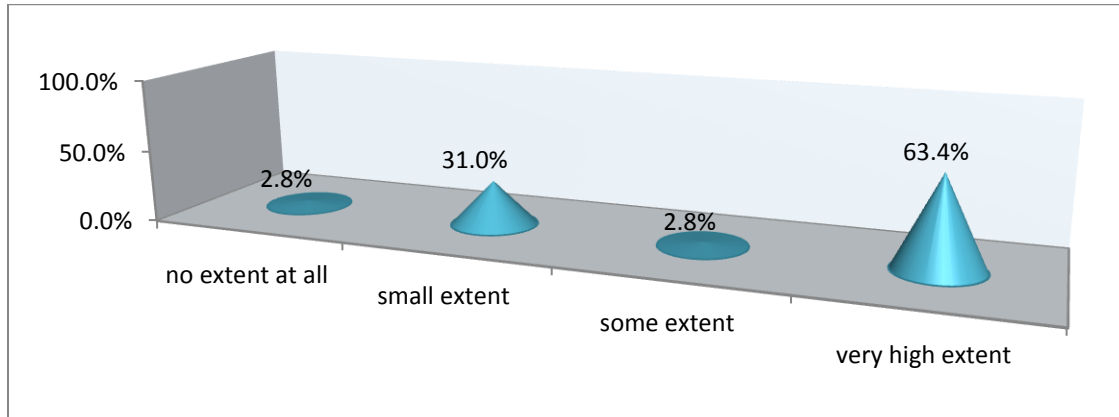
**Source: Author (2017)**

The study findings revealed that majority of the respondents (78.9%) were on the view that Table banking has provided some basic training on business management skills to a very high extent, 15.5% indicated to some extent while 28% indicated to a high extent and no extent respectively. This is an indication that Table banking has provided some basic training on business management skills to women of JOYWOW in Uasin Gishu County to a very high extent.

### 4.6.3 Table Banking and NHIF cards

The study sought to establish from the respondents whether they have been able to acquire NHIF cards through TB. The study findings are as shown in Figure 4.8 below.

**Figure 4.8: Table Banking and NHIF cards**



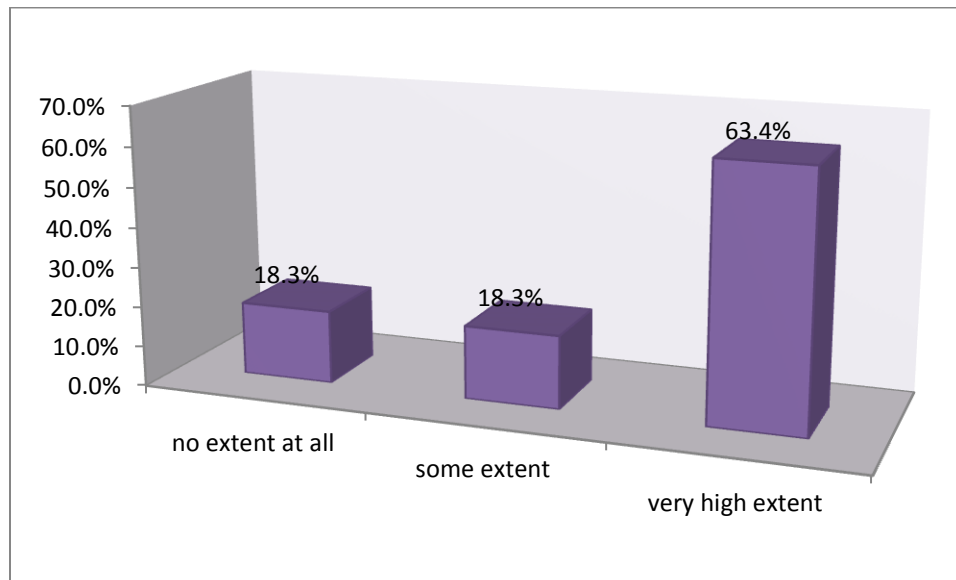
**Source: Author (2017)**

The study established that majority of the respondents (63.4%) to a very high extent agreed that they have been able to acquire NHIF cards through table banking, 31% indicated to small extent while 2.8% indicated to a high extent and no extent respectively. This implies that through table banking, women of JOYWO in Uasin Gishu County have been able to acquire NHIF cards and thus improving on their livelihood.

### 4.6.4 Table Banking Group development and maintenance

The study sought to establish from the respondents whether Group development and maintenance is through TB group management and team spirit. The study findings are as shown in Figure 4.9 below.

**Figure 4.9: Table Banking Group development and maintenance**



**Source: Author (2017)**

The study established that majority of the respondents (63.4%) to a very high extent agreed that Group development and maintenance is through TB group management and team spirit, while 18.3% indicated to some extent and no extent respectively. This implies that JOYWO Group development and maintenance is through TB group management and team spirit

## **4.7 Livelihood**

### **4.7.1 Table Banking on Livelihood**

The respondents were requested to indicate their agreement regarding Table Banking and Livelihood. The responses were placed on a five Likert scale ranging from 1 (no extent at all) to 5 (very high extent). The findings were as shown below.

Table 4.11: Table Banking on Livelihood

	<b>Mean</b>	<b>Std. Deviation</b>
Table banking have enabled you acquire some piece of land for farming under your name	3.70423	1.85468
It has enable you acquire home entertainment system	4.3662	1.25629
Have been able to buy a nice sofa set for my family	4.60563	0.78338
We have been able to save 3000-5000/- KSH per month as a family through IGA	3.95775	1.58057
We have been able to save 5000/- KSH and above per month as a family through IGA	4.6338	0.48519

**Source: Author (2017)**

From the findings the respondents indicated to a very high extent that they have been able to save 5000/- KSH and above per month as a family through IGA (mean=4.6338), they have been able to buy a nice sofa set for my family (mean=4.60563), and that table banking have enabled them acquire home entertainment system (mean=4.3662). Further, respondents agreed to a high extent that they have been able to save 3000-5000/- KSH per month as a family through IGA (mean=3.95775), and that table banking have enabled them acquire some piece of land for farming under their name (mean=3.70423). This shows that through table banking, women in JOYWO Group have been able to save 5000/- KSH and above as a family through IGA, they have been able to buy a nice sofa set for my family, and that table banking have enabled them acquire home entertainment system.

#### **4.7.2 Challenges Facing their Business**

Respondents were kindly requested to indicate other challenges they have been facing in their business. Respondents indicated other challenges to be: lack of effective marketing, drought, lack of effective transport systems due to poor roads network in the area, lack of proper teaching

on time, bad leadership skills, existence of group conflict, bad/ unpaid debts as well as misuse of group-fund

#### **4.7.3 Respondents opinion on Table Banking**

Respondents were kindly requested to give any comment on Table Banking in general. Respondents felt that Table Banking is excellent for, it have low interest rates, its good in terms of finance as well as easy accessibility to loans. In addition, respondents indicated that most celebrated services offered by the groups are: savings ability, investments, and children's education. The respondents also felt that Table Banking women entrepreneurs were well equipped with skills to run their enterprises and hence the need continue participating in table banking activities. Respondents gave the following benefits of training and capacity building as the effects it has on women socio economic empowerment: Training offered enabled the women gain business skills, awareness to business obligations and acquisition of management skills. Other benefits given by the respondents were; Improve living standards of the members, Contribute to socio-economic development of the communities, Results in independence of women, Minimizes idleness among the women, Brings a sense of pride and dignity among the women and result in psychosocial well being of the women

#### **4.8 Correlation Analysis**

Correlation analysis seeks to determine the degree of interdependence of the independent variables and also show the degree of their association with the dependent variable separately. These results are summarized in Table 4.12

**Table 4.12: Correlation Matrix**

	<b>Livelihood of Women</b>	<b>Credit accessibility</b>	<b>Capacity building</b>	<b>Market accessibility</b>	<b>Membership power</b>
Livelihood of Women					0.652
(r)	1.000	0.773	0.463	0.618	0.031
(p) Sig. (2 tailed)		0.036	0.018	0.025	
Credit accessibility (r)	0.773	1.000	0.316	0.163	0.161
(p) (2 tailed)	0.036		0.047	0.019	0.029
Capacity building (r)	0.463	0.316	1.000	0.216	0.233
(p) Sig. (2 tailed)	0.018	0.047		0.047	0.0464
Market accessibility (r)	0.618	0.163	0.216	1.000	0.462
(p) Sig. (2 tailed)	0.025	0.019	0.047		0.014
Membership power (r)	0.652	0.161	0.233	0.462	1.000
(p) Sig. (2 tailed)	0.031	0.029	0.0464	0.014	

The correlation summary shown in Table 4.12 indicates that the associations between the independent variables were significant at the 95% confidence level and had strong relationships with the dependent variable. This means that the inter variable correlations between the independent variables were strong enough to influence the relationship with the dependent variable. Results of the Pearson's correlation coefficient depicts that there is a significant positive associations between Credit accessibility and Livelihood of Women ( $r=0.773$ ,  $p$ -value  $<0.05$ ). Therefore, it can be implied that an increase in credit accessibility is associated with increased Livelihood of Women by 77.3%. The results showed that there is a weak significant association between Capacity building and Livelihood of Women ( $r=0.463$ ,  $p$ -value  $<0.05$ ). Therefore, it can be implied that an increase in capacity building is associated with increased

Livelihood of Women by 46.3%. The findings showed that there is a strong positive significant association between market accessibility and Livelihood of Women ( $r=0.618$ ,  $p\text{-value} < 0.05$ ). Therefore, it can be implied that an increase in market accessibility is associated with increased Livelihood of Women by 61.8%. Finally, there was a significant positive association between membership power and Livelihood of Women ( $r=0.652$ ,  $p\text{-value} < 0.05$ ). Therefore, it can be implied that an increase in membership power is associated with increased Livelihood of Women by 65.2%

#### 4.9 Regression Analysis

The study sought to determine the fit of the regression equation using the coefficient of determination between the overall independent variables and Livelihood of Women. Coefficient of determination explains the degree to which changes in the dependent variable will influence change in the independent variables. In this case how Livelihood of Women will be affected by the table banking.

##### 4.9.1 Model Summary

Model summary' table, provides information about the regression line's ability to account for the total variation in the dependent variable

**Table 4.13: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.921 <sup>a</sup>	.849	.845	.04131

Dependent Variable: Livelihood of Women

Predictors: (Constant), Market accessibility, capacity building, credit accessibility and membership power

Table 4.13 illustrates the strength of the relationship between Livelihood of Women and independent variables. From the determination coefficients, there is a strong relationship between dependent and independent variables given an  $R^2$  values of 0.849 and adjusted to 0.845. This shows that the independent variables (credit accessibility, capacity building, market



accessibility, and membership power) accounts for 84.5% of the variations in Livelihood of Women.

#### 4.9.2 ANOVA Results

Analysis of variance (ANOVA) is a collection of statistical models used to analyze the differences among group means and their associated procedures (such as "variation" among and between groups)

**Table 4.14: ANOVA of the Regression**

	<b>Sum</b>	<b>of</b>	<b>Mean</b>		
	<b>Squares</b>	<b>df</b>	<b>Square</b>	<b>F</b>	<b>Sig.</b>
Regression	12.223	4	48.892	9.44956	0.0008179
Residual	460.486	89	5.174		
Total	472.709	93			

Dependent Variable: Livelihood of Women

Predictors: (Constant), market accessibility, capacity building, credit accessibility and membership power

Analysis of Variance (ANOVA) was used to test possible significant relationships between variables (dependent and independent variables). This helps in assessing the significance of the regression model. The one-way analysis of variance (ANOVA) was used to determine whether there were any statistically significant differences between the means of independent (unrelated) groups. The ANOVA results presented in Table 4.13 shows that the regression model has a margin of error of  $p = .0008$ . This indicates that the model has a probability of 0.08% of giving false prediction thus it was appropriate.

#### 4.9.3 Regression Results

Multiple regression analysis was conducted as to determine the relationship between the Livelihood of Women and the four variables.

**Table 4.15: Regression Results**

	Un-standardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	3.77	0.451		8.359202	0.004
Credit accessibility	0.782	0.121	0.146	6.46281	0.003
Capacity building	0.463	0.079	0.126	5.860759	0.001
Market accessibility	0.473	0.073	0.045	6.479452	0.005
Membership power	0.532	0.073	0.142	7.287671	0.004

a. Dependent Variable: Livelihood of Women

$$\text{Livelihood of Women} = 3.77 + 0.782 * \text{Credit accessibility} + 0.463 * \text{Capacity building} + 0.473 * \text{Market accessibility} + 0.532 * \text{Membership power}$$

The results in Table 4.15 shows that credit accessibility, capacity building, market accessibility and membership power have positive effects on the effects on livelihood of women for instance from the finding in Table 4.15, the study found that holding credit accessibility, capacity building, market accessibility, and membership power, at zero Livelihood of Women will be 3.77. Also, a unit rise in credit accessibility, while holding (capacity building, market accessibility, and membership power) constant, will lead to a raise in Livelihood of Women by 0.782 (p = 0.003). Further, unit raise in Capacity building, while holding (credit accessibility, market accessibility, and membership power) constant, will lead to arise in Livelihood of Women by 0.463 (p = 0.001). A unit rise in market accessibility, while holding (credit accessibility, capacity building, and membership power) constant, will lead to a raise in Livelihood of Women by 0.473 (p = 0.005).

Moreover, unit rise in Membership power, while holding (Credit accessibility, Capacity building, Market accessibility) constant, will lead to a raise in Livelihood of Women by 0.532 (p = 0.004). This infers that Capacity building contribute most to the Livelihood of Women followed by

Credit accessibility. At 5% level of significance and 95% level of confidence, Capacity building, Credit accessibility, and Membership power are significant in Livelihood of Women.

#### **4.10 Discussion of Findings**

Based on the first objective, the study established that credit accessibility, while holding (capacity building, market accessibility, and membership power) constant, has a positive effect on the Livelihood of Women. Similar to the study findings, Asetto 2014 opined that advantages of table banking represented by mean where 1-3 is low extent and 4-5 is high extent. Factors like Members savings are not taken away but instead used for loaning (3.97), Ability to mobilize savings among the low income earners (3.65), Regular Bonus (every quarter, half year) (4.17), Dividends every year (4.38), Education booster (3.87) and lastly Banking at the convenience of your homes / Table (4.29) as factors which were advantageous to a high extent. Some of the factors like all the money belong to the group (3.21) and Interest earned remains with the group (3.53) were considered to have an advantage to a low extent and moderate extent respectively. Survey of credit market in Kenya indicates that, 35% of the population depends on informal banks for credit, while only 19% of the population access credit from formal banks. Further, 8% access credit from microfinance institutions (Financial Sector Deepening FSD 2009). The survey noted that 38% of the Kenya's population does not have access to credit services. This clearly shows that credit access still remains a challenge to women entrepreneurs who own micro and small enterprises in Kenya. Although access to finance is a business constraint for both men and women, evidence suggests that women face higher limitations (Gray 2007). Women in Nigeria are face tighter constraints in terms of the cost of and access to finance. Majority of the loan applications rejections are based on the lack of acceptable collateral, a major constraint for women. Female entrepreneurs fail to excel effectively compared to one owned by men due to lack of accessibility to finance (Agarwal, 2003) Factors affecting credit accessibility for women include: Lack of collaterals, high bank interest rates, the position of women in the society and lack of information.

In line with the second objective of the study, the study established that capacity building, while holding (credit accessibility, market accessibility, and membership power) constant, has a positive effect on the Livelihood of Women. Similar to the study findings, Wagner et al, (2010)

postulated that table banking have been a great pillar in empowering women's through facilitating access to information (training), resources (financing), formal power (membership and leadership), informal power (team-building, organizational learning and cognitive progressing). Networks as channels of empowerment provide a sense of community; fostering reciprocal influence between personal, group-based and environmental factors (Kantor, 2009). Constructive partnerships signaled by positive outcomes lead to iterative frameworks that support groups' growth factors namely: planning, group action, community change, capacity building, renewal and institutionalization. Competencies in group leadership are defined by knowledge and skills-set which curves the collaborative partnerships and extends of prevention of abuse of privileges. Access to financial services is critical to success in the modern economy. The Global report (2014) views financial sustainability as a necessary resource for enhancing sustainable development. Financial sustainability is a far-fetched concept among most bank account holders majorly consisting low-income earners; who may in real effect be "under-banked": given that they may lack an institutionalized means to save, such as through payroll deduction plans; or they may not have, or may have tapped out, credit cards, and turn to relatively high cost forms of short-term credit, such as payday loans, to meet their liquidity needs (Barr, 2004). Practitioners have begun to increasingly acknowledge the importance of savings rather than debt mechanisms employed in table banking programs utilized in VSLs.

In line with the third objective of the study, the study established that market accessibility, while holding (credit accessibility, capacity building and membership power) constant, has a positive effect on the Livelihood of Women. Similarly, According to Kuhinur and Rokonuzzaman (2009) Change in livelihood status was found to range from 4 to 24 with mean of 13.94 and standard deviation with 4.85. Data furnished indicated that large proportion (62 percent) of the respondents fell under medium change in livelihood status while 25 percent and 13 percent fell under low and high change in livelihood status. Interestingly, it was found that 75 percent respondents got opportunity to change their livelihood status after involving themselves with micro-credit program of Grameen Bank. Credit availability had positive correlation with change in livelihood status.

In line with the final objective of the study, the study established that membership power, while holding (credit accessibility, capacity building and market accessibility) constant, has a positive effect on the Livelihood of Women. Similarly, according to Shane, (2003), the social capital theory, the cognitive theory and the theory of empowerment explain the concept of group membership and related factors that influence households' decision to join groups or cooperatives and how membership to these groups/cooperatives impacted on income and access to credit. Memberships are perceived to comprise social capital necessary for obtaining a critical mass to sustain fund pooling. Availability of group fund for accessible credit to members or non-members provides an opportunity for greater entrepreneurial growth. However, the abilities to recognize and exploit existing opportunities the willingness to accept the opportunities is determines whether or not entrepreneurial success is achievable (Shane, 2003). Environmental, cultural and individual mind-set may present the opportunities in different ways resulting in varied perceptions by different people depending on how the opportunities are presented and capacity of people to take advantage of the opportunity (Shane & Venkataraman, 2000).

## CHAPTER FIVE

### SUMMARY CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

The major purpose of the study was to investigate the influence of table banking on livelihood of women: a case study of joyful women organization (JOYWO) in Uasin Gishu County, Kenya. The chapter focuses on the summary of the findings, conclusions and recommendations.

#### 5.2 Summary of Findings

The first objective of the study sought to determine how credit accessibility through table banking has affected livelihood of women. With regard to this objective, the study established that there are credit accessibility challenges faced by women of JOYWO when starting up their business and that table banking have eased accessibility of loans to women of JOYWO to a very great extent. Further, the study revealed that there are no high interest rates on loans borrowed through table banking and thus enhancing financial inclusivity among women of JOYWO in Uasin Gishu County thereby improving on their livelihood. Also, it was observed from the study that Lack of collaterals does not affect women of JOYWO in Uasin Gishu County credibility to access funds through table banking and that there is ease of repayments installments as a result of loans offered through table banking to a very high extent among women of JOYWO in Uasin Gishu County and thus low default rate

The second objective of the study sought to establish the influence of capacity building through table banking on livelihood of women. The study established that Loan Defaulters among women of JOYWO in Uasin Gishu County normally does not face repossession of their assets and thus increasing their credit accessibility and that JOYWO group has paid for women installments at any time within the loan duration to a very high extent and thus improving on their livelihood. In addition, the study established that that Table banking has contributed some knowledge in book keeping to women of JOYWO group and that Table banking has provided some basic training on business management skills to women of JOYWO in Uasin Gishu County to a very high extent

With regard to the third objective of the study which sought to determine the influence of access markets through table banking on livelihood of women, it was evident from the study that through table banking, women of JOYWO in Uasin Gishu County have been able to acquire NHIF cards and thus improving on their livelihood and that JOYWO Group development and maintenance is through TB group management and team spirit.

Finally, the study sought to establish the influence of membership power in table banking on livelihood of women. The study established that through table banking, women in JOYWO Group have been able to save 5000/- KSH and above as a family through IGA, they have been able to buy a nice sofa set for my family, and that table banking have enabled them acquire home entertainment system. Other benefits given by the respondents were; Improve living standards of the members, Contribute to socio-economic development of the communities, Results in independence of women, Minimizes idleness among the women, Brings a sense of pride and dignity among the women and result in psychosocial well being of the women

### **5.3 Conclusions of the study**

The first objective of the study sought to determine how credit accessibility through table banking has affected livelihood of women. With regard to this objective, the research established that table banking have a significant effect on the women rural livelihood outcomes as they are able to lend money to their members which have improved their livelihood. For the purpose of sustainability of livelihood of the rural women, village savings and loan groups train their members on benefits of saving and taking loans and this could enhance the growth of this trend.

The second objective of the study sought to establish the influence of capacity building through table banking on livelihood of women. The study concludes that respondents are motivated to form the groups for the need to save for their children's school fees, and to raise business capital. Also majority of the respondents group's achievements since they started are: savings ability, children's education, investments, and health and wellness. It can also be concluded from the study findings that most celebrated services offered by the groups are: savings ability, investments, and children's education.

With regard to the third objective of the study which sought to determine the influence of access markets through table banking on livelihood of women, the study concludes that through table

banking, women of JOYWO in Uasin Gishu County have been able to access markets for their products and enable them even afford products and services from their income generating activities hence creating internal market thus improving on their livelihood.

Finally, the study sought to establish the influence of membership power in table banking on livelihood of women. The study concludes that through table banking, women of JOYWO in Uasin Gishu County have been able to acquire NHIF cards and thus improving on their livelihood and that JOYWO Group development and maintenance is through TB group management and team spirit. Further, the study concludes that through table banking, women in JOYWO Group have been able to save 5000/- KSH and above as a family through IGA, they have been able to buy a nice sofa set for my family, and that table banking have enabled them acquire home entertainment system. Other of table banking were Improve living standards of the members, Contribute to socio-economic development of the communities, Results in independence of women, Minimizes idleness among the women, brings a sense of pride and dignity among the women and result in psychosocial well being of the women

#### **5.4 Recommendations of the study**

In relation to the first objective of the study which sought to determine the influence of credit accessibility through table banking has affected livelihood of women, the study revealed that many women who participate in table banking do so because they lack alternative sources of credit or banking service. Therefore this study recommends that micro-finance Institutions to minimize the interest rates and make their services more accessible even to the least educated so that they can attract a big clientele.

In relation to women capacity building, the study recommends that the Government of Kenya should take lead in coordinating capacity building for groups to strengthen the national entrepreneurial mindset to motivate awareness among citizens of expectations upon joining any table banking association. Knowledge endowment for leadership, group governance and team building will uphold high quality of groups' "social capital" creating an impetus for beneficial peer-to-peer learning mostly suitable to adult learners. General homogeneity in membership power will motivate cohesion, better group-tenacity and low rates of group dissolution



In relation to market accessibility, the study revealed that insufficient funds, women cannot invest in new equipment and machinery, and it becomes difficult to reach out to new markets and products. Therefore for women to have wide accessibility of market, the study recommends that the government should fully promote the idea of table banking

In relation to membership power, the study recommends that membership Power operates best in moderation. A third-party (superior) power center is required to monitor the autonomy of groups whose leaders tend to abuse group assets as a measure to ensure stability of fund pooling.

### **5.5 Limitation for the study**

The period of survey in the field coincided with the activities of some members of the respondents like business trips and off duties for development workers making contacts quite difficult with those participants. The study was limited by inadequate financial resources therefore limiting the study coverage to only a small area. The researcher however overcame this limitation by using existing structure owned by NGOs and self-help groups working within the vicinity who are in contact with self-help groups or organizations that are custodians to information needed for the study. This linkage also helped in minimizing impact of cultural barriers and communication barriers. Triangulation technique engaged for data validation and error control.

### **5.6 Suggestion Areas for further research**

The study was conducted in joyful women organization (JOYWO) in Uasin Gishu County, Kenya. Further research should be conducted firstly, on women empowerment programmes that are not limited to economic empowerment alone but also the socio-economic programmes.

Consequently, other studies on the success of women businesses and availability of table banking credit is required to determine whether women businesses survive for long when microfinance credit is available or not.

The purpose of this study was to determine the influence of table banking on livelihood of women: a case study of joyful women organization (JOYWO) in Uasin Gishu County, Kenya. Advanced study on entrepreneurship needs to explore the interaction between external factors namely entrepreneurial education (also entrepreneurial opportunities and mindset) on financing.

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## **APPENDIX 1: JOYFUL WOMEN ORGANIZATION QUESTIONNAIRE**

This set of questions is intended to get the benefits impacts on table banking on the livelihood of women in Uasin Gishu County. With your honest answers, the interested stakeholders will have the right information to plan the way forward. You are hereby guaranteed that the information you give will be treated with uttermost confidentiality.

### **Section A: profile of the respondents**

1. What is the name of your group (optional?)

2. What is your Age Category?

Below 18 [ ]

18-25 [ ]

26-35 [ ]

36-45 [ ]

46-55 [ ]

55 and above [ ]

3. Your age when you started this business:

below 18 [ ]

18-25 [ ]

26-35 [ ]

36-45 [ ]

46-55 [ ]

55 and above [ ]

4. What is your highest level of education



Primary school [ ]

Secondary School [ ]

Bachelor Degree [ ]

Master Degree [ ]

PH.D Degree [ ]

### SECTION B: Credit Accessibility

1. Have you ever faced any credit accessibility challenge to start up your business?

Yes [ ]

No [ ]

2. Using a Likert 1-5 scale, with 1 being 'to no extent at all', 2 being 'to a small extent' 3 being 'to some extent', 4 being 'to a high extent' and 5 being 'to a very high extent', to what extent were the following factors affecting women Livelihood in UasinGishu county?

Please tick (☐) all as appropriate

#### Table banking on credit accessibility

Factors Under Consideration	1	2	3	4	5
How easy to access funds through TB					
High interest rates on loans borrowed					
Lack of collaterals affects your credibility to access funds					
Kindly rate the ease of repayments installments					
Are loan applications procedures lengthy and vigorous?					

Loan Defaulters normally face repossession of their assets?					
Your group has paid for you your installments at any time within the loan duration.					

### SECTION C: Socio Cultural Factors

Factors Under Consideration	1	2	3	4	5
Does your position as a woman affect your success in the business environment					
Does your marital status affect your position in the business environment					
Women, in particular the less educated ones, also find it more difficult to get financing from banks because they lack information on how to go about securing a loan					
Your age affect the time and what kind of business to engage in					

### Section D: Table banking on capacity building

Factors Under Consideration	1	2	3	4	5
Table banking has contributed some knowledge in booking					
Table banking has provided some basic training on business management skills					
We have been able to acquire NHIF cards through TB					
Group development and maintenance is through TB group management and team spirit					

**Section E: Table Banking and Livelihood**

Factors Under Consideration	1	2	3	4	5
How has table banking enable you acquire some piece of land for farming under your name					
It has enable you acquire home entertainment system					
Have been able to buy a nice sofa set for my family					
We have been able to save 3000-5000/- KSH as a family through IGA					
We have been able to save 5000/- KSH and above as a family through IGA					

3. Apart from the ones stated above which other financial challenges have you been facing in your business?

.....

.....

.....

4. Based on your personal experience and to the best of your knowledge what factors do you think Table banking has failed to address that really matter to your business.

.....

.....

.....

5. Kindly give any comment on Table Banking in general

.....

**Thank you for taking time to fill this questionnaire.**

APPENDIX II: WORK PLAN

	2016								
Activity	March	April	May	Jun	Jul	Aug	Sep	Oct	Nov
Development of writing the concept									
Proposal writing and presentation									
Submission of proposal to ERC									
Pretesting the instrument									
Data collection and analysis									
Report writing and corrections									
Presentation of the project									

**APPENDIX III: BUDGET**

<b>ITEM</b>	<b>NUMBER</b>	<b>UNIT COST</b>	<b>TOTAL COST (Kshs)</b>
Assorted stationery (pens, pencils, rubber & Note books)	5 each		500
Typesetting, Photocopying and Printing of the proposal		@ 2,000	2,000
Transport	1	1@200x7 days	1,400
Telephone and internet		10, 000	10,000
Printing and Photocopying of questionnaires	16	1 @ 5 x 5 pgs	25
		16 @ 2 x 5 pgs	160
Loose binding	4	4@50	200
Data analysis SPSS program		@15, 000	15,000
Typesetting and printing of Final Research Project.		@ 10, 000	10,000
Project binding	2	@ 500	1,000
<b>Sub Total</b>			40,285
Contingency (10% * 40,285)		@ 4,028.5	4,028.5
<b>Grand total</b>			<b>44,313.5</b>

# APPENDIX IV: UASIN GISHU COUNTY

