

**FACTORS INFLUENCING UPTAKE OF BANK CREDIT FACILITIES FOR WOMEN
SELF-HELP GROUPS IN RURAL CENTERS: THE CASE OF IMENTI NORTH SUB
COUNTY, MERU COUNTY, KENYA.**

BY

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DECLARATION

I declare that this research project report is my original work and has not been presented in any other university or institution of higher learning for an award of a degree.

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This research project report has been submitted for examination with my approval as University Supervisor.

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DEDICATION

I dedicate this work to my family, my husband, Robert Mbogo Maina, who taught me that the best kind of knowledge to have is that which is learned for its own sake, our sons, Liam Maina and Leigh Mutune. This journey could not have been possible without your love, sacrifice and continued support.

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ABBREVIATIONS AND ACRONYMS

ATM	Automated Teller Machine
CRO	Community Resources Officer
CSO	Community Service Organization
CWES	Constituency Women Enterprise Fund
CWETC	Constituency Women Enterprise Fund Committee
FOSA	Front Office Services
IBEAC	Imperial British East Africa Company
KIE	Kenya Institute of Education
KIPPRA	Kenya Institute of Public Policy Research and Analysis
KNBI	National Bank of India
MDI	Management Development Institution
MFI	Microfinance Institutions
MSEs	Micro and Small Enterprises
MSME	Micro Small and Medium Enterprises
NABARD	National Bank for Agriculture and Rural Development
NASSI	Nigerian Association of Small Scale Industrialists
NGO	Non-Governmental Organization
RBI	Reserve Bank of India
SACCO	Savings and Credit Cooperative Organization
SHGs	Self Help Groups
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria
SPSS	Statistical Package for Social Sciences
UK	United Kingdom
UNICEF	United Nations International Children's Emergency Fund
UNIDO	United Nations Industrial Development Organization
UWSACCO	United Women's Savings and Credit Co-operative Society
WEF	Women Enterprise Fund
WGs	Women Groups
ASAP	A Self-Help Program

KNH	Kindernothilfe
LCDs	Least Developed Countries
NGOs	Non-governmental Organizations
ROSCAS	Rotating Savings and Credit Associations
SACCOs	Savings and Credit Cooperative Societies
SHPAs	Self Help Promoting Authorities
UN	United Nations
VSLAs	Village Savings and Loans Associations
WEF	Women Enterprise Fund
WSHGs	Women Self-help Groups

ABSTRACT

Most poor rural women living in the rural peripheries throughout the world shoulder the burden of the world's poverty, particularly in the Least Developed Countries, such as in sub-Saharan Africa. Women make essential contributions to the rural economies worldwide. However, women's general contribution to local and community development is significant, but rural women everywhere are in a minority in decision-making and planning, particularly at regional and national levels. This is in part due to women's multiple roles and workload but is also due to the persistence of traditional views about the different gender roles in the society. Women perform 66% of the world's work load, produce 50% of the food, but earn only 10% of the income and own a dismal 1% of the commune properties. Their poverty level is worse than that of men: a phenomenon that arises from obvious gender disparities in education, employment and in decision making power. This situation demands social, economic, political and gender equity to enable women not only benefit from their enormous current contribution, but also play an even greater role in general national development. In response to the socio-economic challenges that women have been facing in their communities they have formed women Self-Help Groups that act as an instrument to articulate their concerns through various interventions employed by them. However, the growth of these Self-Help Groups could not go beyond their own internal savings hence the need to approach financial institutions and in this case banks to stimulate further growth. However, for meaningful growth, dependence on the very limited internal savings of the Self-Help Groups themselves is certainly inadequate, hence, approaching financial institutions, such as banks, for funding would be the expected way out, but this is not the case in Meru. It is for these reasons that the study seeks to explore the factors influencing uptake of bank credit facilities for women self-help groups in rural centers based on Imenti North Sub County, Meru County, Kenya. The study adopts a descriptive survey research design. It has established that collateral requirement, high bank interest rates and lack of education and awareness of group members negatively influence uptake of bank credit facilities. The study recommends that banks consider other forms of collateral, such as shares or guarantors among group members; reducing their levels of interest rates and other charges that relate to access to credit; and the need for them to work closely with Non-Governmental Organizations (NGOs) to come up with appropriate training to enhance Women Self-Help Groups members' financial literacy.

CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

According to Duflo (2012) most poor rural women living in the rural peripheries throughout the world shoulder the burden of the world's poverty, particularly in the Least Developed Countries (LDCs) such as in sub-Saharan Africa. This mainly emanating from the low level of participation by women in decision making which inevitably leads to biases in the priorities and policies pursued by development organizations (United Nations (UN), 2015). However, over the past four decades countries have witnessed a steady increase in the global understanding of the quandary of poor women in developing countries (UN, 2015). This leading Non-governmental Organizations (NGOs) to form Women Self-Help Groups (WSHGs) to act as an instrument to articulate the concerns of women through various interventions employed by them (Brody, Dworkin, Dunbar and Murthy, 2014).

Brody, et al., (2014) defined Self-Help Groups as an informal association of 10-20 women created through self-selection into a financial group that decides on amount and recurrence of savings both for mutual aid and joint responsibilities. Additionally, these financial groups decide who among their members receives a loan and the interest rate to be paid on that loan (Husain, Mukerjee and Dutta 2014). They also enjoy joint liability which works as collateral security enabling them to access credit from formal financial institutions. However, over the years the growth of SHGs has not gone beyond their own internal savings hence the need to approach financial institutions and in this case banks to stimulate further growth. According to Reddy and Malik (2011) these efforts have nonetheless been impeded by various banking industry factors such as cost of credit and collateral requirements.

The high cost of credit in terms of interest rates charged and other bank charges adversely influenced uptake of bank credit facilities by rural women managed Rotating Savings and Credit Associations (ROSCAS) types of Self-Help Groups (SHGs) in the Caribbean countries of Jamaica, Haiti and Guyana (Hosseini, 2015). In Bolivia, Maclean (2012) reports strict collateral requirements by commercial banks informed decision of Women Self-Help Groups (WSHGs) operating in rural centers on limited uptake of bank credit facilities. Further, Salas (2015) asserts the cost of credit mainly high interest rates adversely influenced uptake of bank credit facilities for

Village Savings and Loans Associations (VSLAs) designed as Women Self-Help Groups (WSHGs) in rural centers in Colombia.

In India, Reddy, Chennamaraju and Sankar (2013) asserts collateral requirements by banks limited uptake of bank credit facilities for Women Self-Help Groups (WSHGs) in rural centers. The existence of low levels of education and awareness among women adversely influenced the uptake of bank credit facilities for WSHGs in rural centers in Sri Lanka (Herath, Guneratne and Sanderatne, 2016). In Cambodia, Sethykun (2011) asserts the non-of collateral among rural women presented a significant adverse influence on the uptake of bank credit facilities by their SHGs in rural centers. Low levels of education and awareness among rural women presented a significant negative influence on uptake of bank credit facilities for their SHGs in rural centers of Pakistan (Jamal, Muhammad and Sasaki, 2015).

Beaman, Karlan and Thuysbaert (2014) asserts low levels of education and awareness among women adversely influenced uptake of bank credit facilities for Women Self-Help Groups (WSHGs) working as (ROSCAS) in rural centers of Mali. In Ghana, Alerigesane (2012) reports that collateral requirements by banks coupled with both low levels of education and awareness among women adversely influenced uptake of bank credit facilities for WSHGs in the form of Village Savings and Loans Associations (VSLAs) in rural centers. In Nigeria, Adebajo (2010) asserts high cost of credit in terms of high interest rates and strict collateral requirements negatively influenced uptake of bank credit facilities for WSHGs taking the form of ROSCAS in rural centers.

In Malawi, Lindé and Spencer (2015) asserts banks' strict collateral requirements adversely influenced the uptake of bank credit facilities by Village Savings and Loans Associations (VSLAs) formed as A Self-Help Program (ASAP) by women in rural centers. The high cost of credit associated with bank credit facilities presented an adverse credit uptake decision from commercial banks among WSHGs in the rural centers of Zimbabwe (Makoni, 2014). In Swaziland, (Kabuya 2015) reports low levels of financial literacy emanating from low levels of education coupled with banks' collateral requirements negatively influenced uptake of bank credit facilities for WSHGs in the form of ROSCAS in rural centers.

Mualuko, Mbabazize and Shukla (2016) assert the cost of credit coupled with banks' collateral requirements negatively influenced the uptake of bank credit facilities for Women Self-Help Groups (WSHGs) in rural centers in Rwanda. In Ethiopia, Dessiye (2014) did assert low levels of education and awareness among women presented significant challenges to the uptake of bank credit facilities for WSHGs in rural centers.

Low levels of education and awareness among women members of Self-Help Groups (SHGs) negatively influenced their uptake of bank credit facilities especially those that operated in rural centers in Tanzania (Aikaruwa, Sumari and Maleko 2014). In Uganda, Flynn (2013) asserts banks' collateral requirements adversely influenced the uptake of bank credit facilities for Women Self-Help Groups in rural centers. Women Self-help Groups (WSHGs) were first introduced in Kenya in 1995 by Kindernothilfe (KNH) promoted through 11 organizations in 2006 growing to over 539 SHGs in 2009 with a total membership of 9,492 women. WSHGs and mostly those in rural areas in Kenya have however had limited uptake of bank credit facilities. Mutuku (2016) reports that low levels of education and awareness coupled with high cost of credit in terms of interest rates charged by commercial banks adversely influenced uptake of bank credit facilities for WSHGs in rural centers of Machakos County, Kenya.

1.2 Statement of the Problem

Socio-economic challenges that most rural women face have over the years informed their decisions to form self-help groups which enable them to both save and access micro-credit. However, internal savings and loans provided to women members in these groups are only enough to meet their most basic needs like buying food, paying school fees and to operate micro-enterprises that are not sustainable. The insufficiency of micro-credit to meet their business growth needs and make them sustainable has left most women members of women self-help groups disillusioned.

This has resulted into some women self-help groups that are aware of existing banks' credit facilities to approach them for credit.

However, in Imenti North Sub County, most women self-help groups in rural centers rarely take bank credit facilities. Most of these groups prefer micro-credit from Savings and Credit

Cooperative Societies (SACCOs) and government affirmative action programmes, such as Women Enterprise Fund (WEF) whose capacity is low, hence limiting the growth of these women self-help groups). It is for this reason that the study wishes to explore the factors influencing uptake of bank credit facilities for women self-help groups in rural centers, based on the case of Imenti North Sub County, Meru County, Kenya

1.3 Purpose of the Study

The purpose of the research study is to investigate the factors influencing uptake of bank credit facilities for Women Self-Help Groups in rural centers; A case of Imenti North Sub County, Meru County, Kenya.

1.4 Objectives of the Study

The study is anchored on the following objectives;

- a) To assess the influence of collateral requirements on uptake of bank credit for women self-help groups in rural centers in Imenti North Sub-County, Meru County Kenya;
- b) To examine the influence of cost of credit on uptake of bank credit for women self-help groups in rural centers in Imenti North Sub-County, Meru County Kenya;
- c) To establish the influence level of education and awareness on uptake of bank credit for women self-help groups in rural centers in Imenti North Sub-County, Meru County Kenya.

1.5 Research Questions

The study seeks to answer the following research questions;

- a) How do collateral requirements influence uptake of bank credit for women self-help groups in rural centers in Imenti North Sub-County, Meru County Kenya?
- b) To what extent does cost of credit influence uptake of bank credit for women self-help groups in rural centers in Imenti North Sub-County, Meru County Kenya?
- c) How do low level of education and awareness influence uptake of bank credit for women self-help groups in rural centers in Imenti North Sub-County, Meru County Kenya?

1.6 Significance of the Study

The findings in this study will be useful to the following:

The policy makers in the Treasury and the County Government, in developing policy that will stimulate economic development with the help of women Self Help Groups in the rural areas in Kenya. Bankers may use this study to develop services that will enable the women Self Help Groups in rural Kenya access bank credit facilities. Since not much has been written on the uptake of bank credit facilities for women Self Help Groups in rural Kenya, the study will add to the available body of knowledge and thus benefit researchers and other scholars in this crucial area.

1.7 Limitations of the Study

Time and financial constraints had been identified as likely constraints for the study. However, the researcher sought for extra finances and worked longer hours, thus completing the assignment as expected.

1.8 Delimitations of the Study

Study is limited to the 589 respondents made up of the banks' credit line managers, administrative employees of Meru County Government's Department of Education, Technology, Gender, Culture and Social Development and the women who are members of the 377 Women Self-Help Groups operating in rural centers in the County.

1.9 Basic Assumptions of the Study

The study assumed that the respondents would make themselves available and that they would answer the posed questions honestly. As shown in 4.2, the respondents were cooperative as 64% of them returned the questionnaires.

1.10 Definition of Significant Terms used in the Study

The following are the significant terms of this study:

Collateral Requirements

These are the title deeds for registered land, building/s, vehicle logbooks and shares that banks demand from women as security to provide them with credit.

Cost of Credit

This refers to interest rates, bank charges and deposits levied to members of Women Self-Help Groups in rural centers in North Imenti by their banks towards the credit facility being offered.

Level of Education and Awareness

Level of education and awareness refers to the level of formal education of members of Women Self-Help Groups in rural centers in North Imenti, plus knowledge and/or perception realized through relevant seminars or workshops by the members.

Uptake of bank credit facilities for Women Self-Help Groups in rural centers

This refers to the use made of credit facilities offered by a bank to members of Women Self-Help Groups in rural centers in terms of mortgages, business loans, etc. over an agreed period of time to enable them acquire assets of their choice

1.11 Organization of the Study

This study is organized into five chapters. Chapter One presents the background of the study, statement of the problem, purpose of the study, objectives and research questions. It also covers the significance of the study, delimitation, limitations of the study, assumptions of the study, definitions of the significant terms as well as the organization of the study. Chapter Two reviews literature on uptake bank credit facilities for Women Self-Help Groups (WSHGs) from global to local perspectives, based on the three objectives of the study. It also presented the theoretical and conceptual frameworks guiding the study. Chapter Three is on the research methodology to be used in the study covering research design, target population and the methods of collecting and analyzing the collected data. It finally presents the operationalization of variables of the study. Chapter Four covers data analysis, presentation and interpretation of findings, based on background information and on three variables under investigation. Chapter Five covers summary

of findings, discussions of the findings, conclusions and recommendations. It also provided suggestions for further studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter delves into literature related to the study based on thematic areas derived from the research's objectives. It also presents both the theoretical and conceptual framework on which the study was pivoted.

2.2 Uptake of Bank Credit Facilities for Women Self-Help Groups in rural centers

Access to finance allows the poor to make investments to increase their income, better smooth consumption, and protect against shocks such as bad weather or illness. The importance of access to finance for reducing poverty and allowing the poor to lead more fulfilling lives has long been recognized by policymakers in India. Indeed, many of the country's key banking policies since independence - from the creation of the cooperative banking sector to the nationalization of private sector banks in 1969 and 1980- were initiated with the aim of increasing access to appropriate financial products. Recently, the government and central bank have set upon the task of increasing financial inclusion with renewed zeal. The central government has formed two high-level committees (the Committee for Financial Inclusion and the Committee for Financial Sector Reforms) with mandates to investigate what can be done to increase financial inclusion and the Reserve Bank of India (RBI) has pushed banks to make basic "no frills" accounts available to low income households, allowed banks to reach out to customers through agents (or "business correspondents") and relaxed restrictions on the placement of new ATMs. In addition, with the rise of microfinance, a large number of non-bank organizations now seek to increase the poor's access to financial services. Yet despite (and in part because of) this focus on financial inclusion, many questions about the state of financial inclusion in the country remain unanswered. While several excellent surveys have been conducted in the past, increase in financial access and the proliferation of new types of financial service providers have rendered much of the information gathered by these surveys out-of-date. Currently, we do not have accurate estimates of the number of people reached by several types of financial service providers (in particular, microfinance institutions (MFIs)). We do not know how the demographic and economic characteristics of the

clients of different financial service providers (as well as those who have not been reached by any financial service provider) vary. Nor do we know the reasons for or the extent of multiple borrowing. This lack of knowledge about the current state of financial inclusion hampers efforts to craft appropriate policies to further increase financial inclusion, makes it more difficult for financial institutions to choose appropriate expansion locations, and introduces the risk that we are ignoring significant distress-induced multiple borrowing (J. Doug and S. Meka, 2010).

The growing social awareness across the globe has brought a number of issues to the fore among which gender equality and empowerment of women are very significant. Discrimination against women in the form of male-female differentiation constitutes the core of the gender-biased system. The World Bank has suggested that empowerment of women should be a key aspect of social development programs. The empowerment is not essentially political alone in fact; political empowerment will not succeed in the absence of economic empowerment. The scheme of micro financing through Self Help Groups (SHGs) has transferred the real economic power in the hands of women and has considerably reduced their dependence on men. The empowerment of women and improvement of their status and economic role needs to be integrated into economic development programs, as the development of any country is inseparably linked with the status and development of Women Self – Help Group (SHG) is a small voluntary association of poor people, preferably from the same socioeconomic background. They come together for the purpose of solving their common problems through self-help and mutual help. The SHG promotes small savings among its members. The savings are kept with a bank. This common fund is in the name of the SHG. Usually, the number of members in one SHG does not exceed twenty (Tamil, 2007). Regulatory bodies like the Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD), perform the role of officially regulating micro-finance interventions and providing directions for policy.

The RBI sees the provision of micro credit by banks as an important instrument for poverty alleviation, particularly in the rural areas, as it raises the productive capacities of the beneficiaries. In keeping with this philosophy, in February 2000, banks were advised to make micro credit an integral part of their corporate credit plan. Since then micro credit is reckoned as part of the banks' priority sector lending. Separate data about credit flow to women is to be generated by the banks

and quarterly reports submitted to the RBI, which will create a separate database for women. Data are to be collected separately for micro credit, for credit to the small scale, medium scale and large scale industries. Already, most banks have started collecting data, as required, from the branches, on a periodic basis. The data is consolidated at the head offices. A 14-Point Action Plan, which concerns credit for women, was outlined for implementation by banks. By the end of the first year of the implementation of this Plan, factual data would be available on the number of women financed, the amount of credit flow extended to women as also the percentage to net bank credit.

It is recommended that the RBI should prescribe a special format for data collection from the banks so that the data is available separately for amounts advanced to women entrepreneurs for micro credit, for small/medium/large scale industries. NABARD is the primary agency for coordinating and facilitating the extension of rural credit. Commercial banks supplement the efforts of NABARD and co-operative banks, in meeting the credit requirements of rural India. In the year 2000, the RBI set up a special cell to liaise with NABARD and other institutions for augmenting the flow of credit. A Task Force was instituted by the Bank to evolve an organizational and regulatory framework for mainstreaming micro-finance operations. Prior to that, the SHG – Bank linkage was introduced by NABARD in February 1992, as a Pilot Project to cover 500 SHGs with policy back-up from the RBI. NABARD brought together the SHGs already promoted by NGOs, and the banking system, to provide various financial services. The launch was tried in Karnataka and Tamil Nadu. The pilot phase was followed by the setting up of the Working Group on NGOs and SHGs by the RBI in 1994. This came up with wide-ranging recommendations on the internalization of the SHG concept as a potential intervention tool in the area of micro-finance. Totally, under the linkage program, 81,780 SHGs were provided micro credit by banks during 1999-2000 bringing the cumulative number of SHGs credit linked to 114,775 as on 31st March 2000. NABARD has also introduced the concept of bulk lending to NGOs in the form of revolving fund assistance to be provided on a selective basis to NGOs who find it difficult to secure loans from banks for on-lending to SHGs. The amount of such assistance, cumulative upto September 1999 is Rs.110.7 million. NABARD provides 100 per cent refinance assistance to banks at an interest rate of 6.4 per cent per annum for financing SHGs. Cumulatively till March 31, 2000, the bank loans disbursed to the SHGs aggregated Rs.1929.8 million while NABARD's refinance availed of by the banks aggregated Rs.1501.3 million. NABARD has also been providing grants

on a selective basis for the capacity building of the NGOs that are involved in microfinance activities. The cumulative grant assistance sanctioned till March 31, 2000, for promotion and linkage of SHGs, aggregated to Rs.24.8 million, covering 72 NGOs and 16,911 SHGs. Additionally, NABARD also provides other types of support, such as, for training of bank staff, NGOs, and government agencies involved in the area of micro-finance. As on 31 March 2001, the regional spread of SHGs was as follows - the cumulative number of SHGs credit linked in the northern region was 3222, in the north-eastern region was 196, in the eastern region was 9298, in the central region was 15256, in the western region was 7983 and in the southern region was 78720. Totally in India 114,775 SHGs were credit linked as on 31 March 2001 (Dr. Joy Deshmukh-Ranadive, 2002).

After the Nigerian Civil War (1967-1970), most communities engaged in self-help activities for reconstruction of the war ravaged facilities. This gave rise to several social clubs, community based organizations, and Diaspora groups that provided self-help services. Further efforts by government to motivate development at the grassroots, led to the enactment of the 1976 *Local Self-Help as a strategy for Rural Development in Nigeria: A Bottom-Up approach* programme, to create new growth centers for the spatial spread of development, Local Government Service Commissions were created in each State and powers and functions given to local governments in the 1979 Nigerian Constitution. In addition, a special Development Fund Law was enacted to generate more funds for community development at the local level. But although government claimed it adopted a bottom-up approach, it indeed adopted what is a mix of the project and extension approaches. Things indeed got worse for the self-help development consciousness when the military Government took over schools, hospitals, and management of public utilities from individuals, communities and non- governmental organizations that established them. The immediate post-Civil War rebirth of self-help conscious gradually lost steam as more people increasingly relied on government: to think them, give jobs, clean the drains and provide all that was needed. Clearly, excessive government intervention crowded out self-help consciousness. SHGs-Government dialogue received significant boost in 2012 with establishment of the Department of CSOs/NGOs to coordinate the activities of all types of SHGs, and designation of the CROs as Desk Officers of the Department in the respective State House of Assembly Constituencies. Equally, Supreme Coalition one of the largest SHGs Federations in the State is

receiving government support and facilitation for accessing low interest credit windows for its members and affiliate SHGs. Supreme Coalition also operates thrift savings and is linked to Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), Nigerian Association of Small Scale Industrialists (NASSI), etc., and partnering with the State Management Development Institute (MDI) for training of members (UwemEssia et al. 2013).

2.2.1 Government involvement with Women Self-Help Groups in Kenya

In Kenya, women constitute approximately 52.2 per cent of the population and form the backbone to rural development by providing up to 80 per cent of the labor force. They contribute about 70 per cent of food production. However, women in Kenya access only 10 per cent of the resources and own just about 1 per cent of these resources. Furthermore, illiteracy rate for females is higher than their male counterpart. This results in women constituting about one-fifth of the formal employed labor force and occupying low paying jobs like teaching and secretarial positions. Women are disadvantaged by traditions that limit their capacity to earn income, their access to information and productive resources, their control over time, and resources. Traditional constraints also skew the distribution of development benefits away from women. They are under-represented at all major decision-making levels within the government (Nelson H.W. Wawire et al, 2009).

The Kenya Government's concerns and commitment in improving the status of women is enshrined in various policy documents including Sessional Papers and Development Plans. The Kenya government has established the Women's Bureau in the Ministry of Gender and Sports to articulate and deal with women's issues. Specific objectives of the Women's Bureau include: creating an awareness of women potential in national development and enlightening women about obstacles they face in realizing their potential; mobilizing women to take part in their own development, that of their families and the country at large; orienting and training voluntary leaders and government extension personnel to better assist women in national development; facilitating coordination between Women Groups (WGs), Government and Non-Governmental Organizations (NGOs); and carrying out research on the problems related to women's programmes and evaluate activities undertaken, with the aim of improving the programmes to benefit women. At grassroots level, the Women's Bureau activities are geared towards income-generating activities. One of the main ways through which women are empowered economically is through WGs. The groups aim

at building capacity to help the members by undertaking Micro and Small Enterprises (MSEs) that have a direct impact on their welfare. These MSEs are income-generating and culminates in the rapid growth of MSEs run and managed by the WGs. Thus, the groups act as instruments through which an individual woman hopes to strengthen her capabilities in meeting challenges of being a provider for her family welfare. In fact, UNICEF (1992) asserted that the WGs are potentially the most significant participants in efforts to reduce maternal and child deaths. No wonder then, WGs are the major target for channeling aid to women by the NGOs, donor agencies and the Government (Nelson H.W. Wawire et al, 2009).

2.3 Collateral Requirements and Uptake of Bank Credit Facilities for Women Self-Help Groups in Rural Centers

In a study, Hossein (2014) observed banks' collateral requirements had a negative influence on uptake of credit facilities for Women Self-help Groups (WSHGs) in rural centers in the Caribbean countries of Jamaica, Guyana and Trinidad and Tobago. Requirements such as registered land, vehicles and buildings deterred WSHGs taking the form of Rotating Savings and Credit Associations (ROSCAS) from taking bank credit facilities such as mortgages limiting women personal growth in these countries (Hossein, 2014). Similarly, Donoso, Altunbaş and Kara (2011) assert collateral requirements did present negative influence on uptake of credit facilities for WSHGs operating as ROSCAS in rural centers in Bolivia. Additionally, they identified banks' requirement for registered land and buildings did dissuade women members of these groups from acquiring different credit facilities from them (Donoso, et al., 2011).

Similarly, in a study, Dahal (2014) established collateral requirements by banks adversely influenced uptake of credit facilities for Women Self-help Groups (WSHGs) in rural centers in Nepal. He notes most WSHGs were dissuaded from approaching banks for different credit facilities such as mortgages and asset financing due requirements like registered land and buildings (Dahal, 2014). However, Das (2012) found collateral requirements did not present a significant negative influence on the uptake of credit facilities for WSHGS in rural centers in India. In particular she argued the effective development of linkages between banks and WSHGs facilitated the addressing of issues related to collateral requirements significantly contributing to the

increased uptake of bank credit facilities in the form of asset financing and business loans for women members of WSHGs (Das, 2012).

Blay (2011) did establish that though women were empowered through participation in their self-help groups collateral requirements did adversely influence uptake of bank credit facilities for Women Self-help Groups (WSHGs) in rural centers in Ghana. Further, he mainly identified collateral requirements in terms of registered land, vehicles and buildings deterred WSHGs operating in rural centers from approaching banks for credit facilities such as asset finance and mortgages but they only took micro-credit for business (Blay, 2011). In a study, Essia, Mba, Ebokpo, Ekpo and Obaji, (2013) assert that collateral requirements had a significant negative influence on uptake of bank credit facilities for WSHGs in rural centers in Nigeria. They further observed that Self Help Promoting Authorities (SHPAs) identified collateral requirements such as registered land and buildings as the main deterrents of uptake of bank credit facilities like asset financing and mortgages for WSHGs (Essia, et al., 2013).

Similarly in a study, Mwanza (2016) found collateral requirements presented significant negative influence on uptake of bank credit facilities for Women Self-help Groups (WSHGs) in rural centers in Zambia. She identified banks' requirement for registered land and buildings dissuaded WSHGs operating in rural centers from acquiring different bank credit facilities such as mortgages and asset financing (Mwanza, 2016). Pawandiwa (2015) also asserts that collateral requirements had significant adverse influence on uptake of bank credit facilities for WSHGs in rural centers in Zambia. In particular, she identified banks' requirement for registered land and buildings dissuaded WSHGs operating in rural centers from taking some bank credit facilities such as asset financing and mortgages limiting women members' personal growth to micro-credit (Pawandiwa 2015).

Abda (2016) observed that banks' collateral requirements had adversely influenced uptake of bank credit facilities for Women Self-help Groups (WSHGs) in rural centers in Ethiopia. She mainly identified the requirement of registered land and buildings to access bank credit negatively influenced uptake of bank credit facilities for rural WSHGs in the country (Abda, 2016). Similarly, in a study Brannen (2010) also found that banks' collateral requirements had a negative influence on uptake of bank credit facilities for WSHGs in rural centers in Tanzania. In particular she identified that collateral requirement in terms of registered land and buildings adversely influenced

uptake of bank credit in terms of mortgages and asset financing processed for WSHGs (Brannen, 2010).

In a study, Busingye Kampemuka (2015) established collateral requirements had an adverse significant influence on uptake of bank credit facilities for Women Self-help Groups (WSHGs) in rural centers in Uganda. Additionally, she argued collateral requirements in terms of registered vehicle, land and or buildings dissuaded women members of WSHGs operating in rural centers from approaching banks for their credit facilities (Busingye Kampemuka, 2015). Lambisia, Ngahu and Wagoki, (2015) also asserts collateral requirements negatively influenced uptake of bank credit facilities for WSHGs in rural centers in Kenya. Further, he argued that WSHGs in rural centers preferred table banking as an avenue of personal growth as opposed of uptake of bank credit facilities in the form of asset financing and mortgages (Lambisia, et al., 2015).

2.4 Cost of Credit and Uptake of Bank Credit Facilities for Women Self-Help Groups in Rural Centers

Kast, Meier and Pomeranz, (2012) assert that cost of credit among banks significantly contributed a negative influence on uptake of bank credit facilities for Women Self-help Groups (WSHGs) in rural centers in Chile. They mainly identified high interest rates and other bank charges related to credit as the principal deterrents of WSHGs from bank credit facilities such as asset financing and business loans (Kast, et al., 2012). Similarly, Hossein (2012) found banks' cost of credit adversely influenced uptake of bank credit facilities for WSHGs in rural centers in Jamaica, Guyana and Haiti. Specifically, he identified high interest rates and other bank charges related to credit as key dissuaders of WSHGs operating as Rotating Savings and Credit Associations (ROSCAS) in rural centers from taking bank credit (Hossein, 2012).

Qayyum and Khan, (2017) established cost of credit presented a significant adverse influence on uptake of bank credit facilities for Women Self-help Groups (WSHGs) in rural centers in Pakistan. They mainly identified high interest rates charged by banks as the key dissuader of WSHGs in rural centers from taking bank credit facilities such as mortgages and asset finance (Qayyum and Khan, 2017). However, in a study Tripathi (2014) asserts cost of credit had an insignificant negative influence on uptake of bank credit facilities for Women Self-help Groups (WSHGs) in rural centers in India. Specifically, he observes the development of linkages between WSHGs and banks provided a negotiation platform on cost of credit. Further, he notes this significantly

contributing to its reduction especially interest rates and deposit required leading to increased uptake of bank credit facilities for WSHGs in rural centers (Tripathi, 2014).

In a study, Owusu, Anin and Zaato (2013) assert that cost of credit had a significant adverse influence on uptake of bank credit facilities for Women Self-help Groups (WSHGs) operating as ROSCAS in rural centers in Ghana. They specifically identified high interest rates charged by banks as the main dissuading factor of women managed ROSCAS from taking credit facilities such as mortgages and asset finance offered by these formal financial institutions (Owusu, et al., 2013). Similarly in a study, Samah, Hamsan and Ndaaji (2013) found cost of credit as having caused a significant negative influence on uptake of bank credit facilities for WSHGs operating in rural centers in Nigeria. They mainly identified high interest rates charged by banks on credit as the principal deterring factor on uptake of bank credit facilities specifically business loans and asset finance for WSHGs (Samah, et al., 2013).

Hossain, Rees and Knight-Millar (2011) observed cost of credit did contribute a significant adverse influence on uptake of bank credit facilities for Women Self-help Groups (WSHGs) in rural centers in South Africa. Further, they argued that these micro-credit institutions preferred to acquire credit from micro-finance institutions with low interest rates as opposed to credit from banks which attracted high interest rates and other bank charges (Hossain, et al., 2011). Mbizi and Gwangwava, (2013) also found cost of credit had a negative influence on uptake of bank credit facilities for Women Self-help Groups (WSHGs) in rural centers in Zimbabwe. In particular, they identified high interest rates charged on credit as the main deterrent for women members of WSHGs operating in the form of ROSCAS to acquire bank credit facilities (Mbizi and Gwangwava, 2013). Similarly, Yates (2013) asserts cost of credit present a significant negative influence on uptake of bank credit facilities for Women Self-help Groups (WSHGs) in rural centers in Botswana. Additionally, he argued that in particular high interest rates charged on bank credit did inform decision by these self-help groups' micro-credit institutions not to acquire different credit facilities such as asset finance from banks (Yates, 2013).

Yntiso (2015) observed cost of credit had adversely influenced uptake of bank credit facilities for Women Self-help Groups (WSHGs) in rural centers in Ethiopia. Specifically, he asserts high interest rates charged on credit by banks and deposit required were the main dissuaders of WSHGs from acquiring bank credit facilities such as mortgages and asset finance (Yntiso, 2015). Similarly, Chisholm (2014) found cost of significantly contributed a negative influence on uptake of bank

credit facilities for Women Self-help Groups (WSHGs) in rural centers in Rwanda. In particular, she identified the high cost of interest rates as the main dissuading factor to WSHGs operating in rural areas from acquiring business loans from commercial banks (Chisholm, 2014).

Jackson (2016) asserts cost of credit adversely influenced uptake of bank credit facilities for Women Self-help Groups (WSHGs) in rural centers in Tanzania. Specifically, he notes high interest rates charged on credit did inform decision by WSHGs operating as Village Savings and Loans Associations (VSLAs) not to acquire different bank credit facilities (Jackson, 2016). Similarly, Odokonyero (2012) found cost of credit had a significant negative influence on uptake of bank credit facilities for WSHGs in rural centers in Uganda. Specifically, he notes high interest rates charged on banks' credit facilities did inform decisions by WSHGs operating as VSLAs not to acquire different types of credit from these formal financial institutions (Odokonyero, 2012). Additionally, in a study Obodha, (2015) found cost of credit presented a significant adverse influence on uptake of bank credit facilities for WSHGs in rural centers in Kenya. In particular, he identified high interest rates charged on bank credit facilities as the main dissuading factor on WSHGs from acquiring business loans and asset financing from banks (Obodha, 2015).

2.5 Level of education and awareness and Uptake of Bank Credit Facilities for Women Self-Help Groups in Rural Centers

Financial literacy can be defined as the ways how people manage their money in terms of insuring, investing, saving and budgeting (Hogarth, 2002). Financial capability, or literacy, is determined by experience, expertise and person's needs, and can have a positive impact on consumers' personal involvement in financial markets and services. Schagen, Lines (1996) defined financial literacy as "the ability to make informed judgments and to take effective decisions regarding the use and management of money", while Roy Morgan Research defined the terms as "being knowledgeable and assured in the areas of savings and spending, budgeting and the measures of financial literacy should show the individual circumstances. The knowledge should only be tested against an individual's needs and circumstances rather than against the entire array of financial products and services, some of which they will neither use nor need.

Researchers assert that financially literate people would know how to manage their money, understand how financial institutions work, and possess a range of analytical skills, Furthermore,

they would know how they should handle their financial affairs and how to be responsible financially. In some studies, financial literacy has been described as the understanding and knowledge of basic financial concepts, and the ability to use them to plan and manage their financial decisions.

Various types of surveys have been conducted to measure the degree and spread of financial literacy. Results of a study by Lusardi, Mitchell (2007), for example, show that people with a low level of education, females, African-Americans and Hispanics, demonstrate low levels of financial literacy, which subsequently affect financial decision-making. Results of the study found that these groups of respondents fail to plan properly for the retirement period, have less participation in the stock market, and have poor borrowing behavior, possibly due to lack of knowledge in basic financial concepts.

A popular survey on financial literacy is the JumpStart Coalition in the US, which measures individual personal capability amongst high school students. Four different types of questions were asked in the survey, specifically, in the area of spending and credit; saving and spending; money management; and income. The survey also includes questions regarding investments in stocks, bonds and insurance. According to Mandell (2003), “the survey demonstrates that graduating high school seniors continue to struggle with financial literacy basics.” Because the tests are conducted upon graduation of the senior high school students, it shows the maximum degree of financial literacy among schooling adolescents. From a series of the survey, it can be noted that the measured degree of financial literacy has declined since first survey which was conducted in 1998. Chen and Volpe (1998) examined that financial literacy amongst more than 900 students in 14 American universities by linking the scores to individual’s socioeconomic and demographic attributes. Results showed that young females with non-business majors and little work experience have low degrees of financial literacy. They also concluded that income and race were not important factors in determining financial literacy. Meanwhile, in the survey of an Australian regional university, most of the participating students scored fairly well for financial literacy and knowledge. Business students, in particular, scored better in comparison with other majors. (N.S Mahdzan et al, 2013).

In the UK, a study conducted on financial literacy for NatWest Group Charitable Trust focused on people renting government-owned houses, young generation, single parents and students. Questions of the survey asked about money management, saving and buying attitudes and their

confidence in facing with money issues. Moreover, they asked about financial decision making, financial instruments and markets. The study found that single parents have less confidence in dealing with their financial problems, but the majority had good confidence level. A study conducted on financial literacy of Malaysian degree student's explored student's background, financial attitude and knowledge. The study found that most of the students required more proper practice on money management skills.

In a study, Mukherjee and Chaturvedi (2014) did establish that level of education and awareness had presented a significant adverse influence on uptake of bank credit facilities for Women Self-help Groups (WSHGs) in rural centers in India. Additionally, they assert that high number of women with primary education levels and lack of trainings of financial literacy did significantly contribute to low numbers of WSHGs that acquired banks credit facilities such as mortgages and asset finance. However, in another study, Mehta (2015) established that the level of education and awareness had an insignificant influence on uptake of bank credit facilities for WSHGs in rural centers in the same country. This he specifically argued was because Non-governmental Organizations (NGOs) had worked closely with banks to develop linkages between these formal financial institutions and WSHGs. These linkages he notes were for trainings and seminars on financial literacy and in particular management increasing uptake of business loans for WSGHs from banks (Mehta, 2015).

Yusuf, Ijaiya and Ijaiya (2017) established that the levels of education among members of Women Self-help Groups (WSHGs) operating as Rotating Savings and Credit Associations (ROSCAS) did negatively influence uptake of bank credit facilities for these groups in Nigeria. They specifically assert that most women members of ROSCAS had only achieved primary level and secondary level education which limited their financial literacy resulting to a negative influence on their uptake of bank credit facilities in the form of asset financing and mortgages (Yusuf, et al., 2016). However, Rathinam and Akudugu (2014) assert levels of education had an insignificant influence on uptake of bank credit facilities for WSHGs in rural Ghana. In particular, they argued that this was because local Non-Governmental Organizations (NGOs) had carried out trainings and seminars on financial literacy for these groups positively influencing their uptake of bank credit facilities

The level of education and awareness is seen to have a direct relationship with the uptake of bank credit facilities for women Self Help Groups in rural centers; this is because the level of education

gets a person to a level of understanding the product and communicating their needs and also perhaps higher levels of income. In Kenya there are three main level of education namely: Primary level, Secondary and Tertiary level, we however also have some forms of knowledge transmissions like seminars, informal and formal short-term trainings.

2.6 Theoretical Framework

The current investigation was guided by the Empowerment Theory. Empowerment theory in social work seeks ways for people to participate actively to overcome divisions between personal troubles and public issues, and effect changes in themselves and their milieu. This theory has attained a high degree of importance in social work practice in the last decade. This theory draws on the potential of other theories as well as its own concepts to link personal and political potential for supporting oppressed groups to bring about positive change in their lives. Empowerment theory seeks connections between personal suffering and social justice. It sees its historical roots in the work of Jane Adams, Bertha Reynolds, and the African American Woman's Clubs (Lee 1996). Current influences include liberation theology, the work of Germain and Gitterman (2008) and their stress in the interconnection of all aspects of reality, and systems theory. A social worker cannot give empowerment to clients but can help them seize it for themselves through positive sense of self-knowledge of their reality and the development of strategies to attain freedom from oppression. Educative processes can assist people to articulate and better understand the reality that must be changed, and to achieve comfort in seeking power as a goal. This approach draws heavily on reflective thinking, support, resource generation, encouragement, self-awareness, and consciousness raising. Practitioners must work at understanding the client's story and history of oppression. As in practice that draws on feminist theory, persons often have to learn to deal with their own personal problems before they can feel confident enough to move to broader systematic issues. Practice using this theory may be with individuals or with communities, where a heavily reliance on group work can be useful (Schwartz 1974). Social workers have a responsibility to include persons, especially those who are oppressed and frequently overlooked by more traditional theories, many of which are seen to create systematic barriers to them. Working through this theory requires knowledge and skill in working with individuals, small groups, and large systems, including political bodies. Empowerment theory has widespread support as a basis for work with

oppressed people and communities within national and international contexts (Francis J Turner, 2005).

The rural women self-help groups as seen in the literature are mainly excluded in the provision of bank credit facilities with an array of reasons given for this exclusion. Looking at the role of the rural areas, where these groups are mainly found, to the economy of every nation, we find that the rural areas are important to the economic growth and sustainability. The rural areas play the following role: provision of raw materials to the manufacturing sector, provision of food products for the economy, provides the space for tourism activities; it provides land for settlement purposes and provision of recreation areas away from the urban centers. The literature provided also looks at how bank credit facilities are important in ensuring that production is increased and efficient. Looking at a country's economy as a system and the rural and urban centers as components of this system, one will understand that none of the two can survive without the other. One of the key focuses of any nation is economic growth that will ensure that its citizens have financial stability and disposable income. It is therefore important for each component to play its role in economic growth. The literature provided shows that the rural areas play their role but are limited by financial ability; it is therefore necessary for them to improve their productivity which is directly affected by their ability to access credit. It is therefore important for financial institutions to ensure that all the components are provided with services so as to achieve their objectives for their roles within the economy. If any of these components do not access bank credit facilities this in turn affects optimization of its role within the economy, then it will affect the other component and in turn the whole, which is the economic growth of the nation

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2.7 Conceptual Framework

Figure 1 presents the Conceptual Framework on which the study is based.

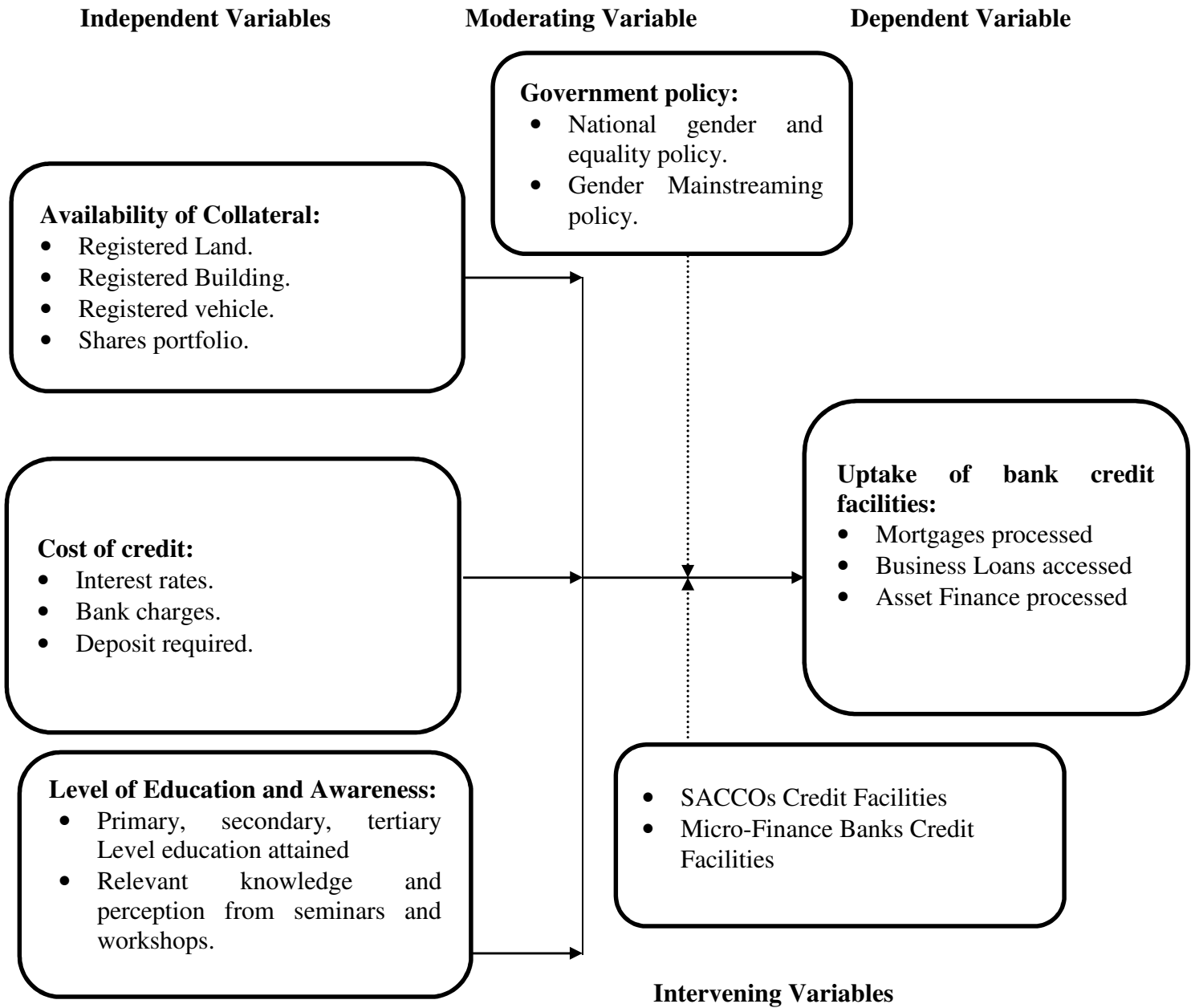


Figure 1: Conceptual Framework.

2.8 Research Gaps

The Donoso, Altunbaş and Kara (2011) did not find out whether and how registered vehicles as collateral influenced uptake of credit facilities for Women Self-help Groups (WSHGs) in rural centers. The Brannen (2010) study doesn't also address how registered vehicles as collateral influenced uptake of credit facilities for Women Self-help Groups (WSHGs) in rural centers of Tanzania. This research study seeks to fill this gap.

The Allers (2014) study in Pakistan only looks at how high interests adversely influenced by uptake of credit facilities for Women Self-help Groups (WSHGs) in rural centers it does not look at how other bank charges and deposit required influence the same. The Yntiso (2015) study also looks at high interest charged and deposit required but doesn't detail on the influence of other types of bank charges on the same. This study seeks to fill this research gap.

This investigation also sought to fill a research gap on whether similar findings by Das (2012) in India; Rathinam and Akudugu (2014) in Ghana and Chisholm (2014) in Rwanda could be replicated in Imenti North Sub-County.

Most of these studies have been done in far off countries and regions; through this investigation the researcher seeks to fill a research study gap on factors influencing uptake of bank credit facilities for Women Self-help Groups (WSHGs) in rural centers in Imenti North Sub-County, Meru County, Kenya.

2.9 Summary of the Chapter

This chapter has reviewed literature on uptake of bank credit facilities for women self-help groups (WSHGS) in rural centers from global, regional and local perspectives. It has also come up with a theoretical framework and a conceptual framework on the study subject.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter described the research methodology to be employed in conducting the study. These includes: the research design to be used in the study, the target population, sampling procedure and sample size and methods of data collection, pilot test, validity and reliability of research instruments which will be used for data collection. It also contained data analysis techniques and the operationalization table of variables and objectives under study plus ethical considerations.

3.2 Research Design

Research design is defined as the comprehensive plan or blueprint selected to incorporate all elements of a study under investigation in a logical flow enabling the researcher to address the problem under study comprehensively and successfully (Babbie, 2010). This study adopts a descriptive survey research design because, as Salaria (2012) states, it is ideal in gathering of both qualitative and quantitative data on the relationship between study variables.

3.3 Target Population

Population is defined as the categorization of persons, elements or objects that are in control or influence information that the research intends to study and make inferences about (Kothari, 2012). According to records obtained from Women Enterprise Fund and social services offices, Meru County has a total of 1,841 active women self-help groups, out of which 377 are found within Imenti North Sub-County (Wef.co.ke. 2016). Each of the 377 women self-help groups has a minimum of 15 members and therefore the total number of women in these groups is 5,655. There are 22 banks operating in Imenti North Sub County, some with two branches and each has at least one credit line manager, forming a total of 37. Additionally, records obtained from Meru County show that there are 13 administrative employees in the government's Department of Education, Technology, Gender, Culture and Social Development. All these elements form the target population for this research study as they are privy to the information required to effectively address the problem under study. This information is presented in Table: 3.1

Table 3.1 Target Population

Respondents	Target Population
Department of Education, Technology, Gender, Culture and Social Development administrative staff	13
Banks' Credit Line Managers	37
Women members of Self-Help Groups	5,655
Total	5,705

3.4 Sample Size and Sampling Procedure

Sampling is the process which involves the determination of a category of persons or objects from a larger population in view of representing the study population (Neuman, 2011). This research study used stratified and simple random sampling techniques.

This study applies Mugenda and Mugenda (2003) sample size determination formula that suggests that when the population is less than 10,000, then 10%-30% extracted from the total population is the requisite one for descriptive survey research. Accordingly, the search study draws a sample size of 10% of the 5,655 women that are members of self-help groups and 30% of the 37 credit line managers from the 22 banks. For the administrative staff at Department of Education, Technology, Gender, Culture and Social Development all the 13 members were included in the sample subjects due to their small number. This information is as presented in Table: 3.2 on Sampling Frame.

Table 3.2 Sampling Frame

Respondents	Target Population	Percentage	Sample Size
Administrative staff at Meru County	13	100	13
Banks Credit Line Managers	37	30	11
Women members of Self -Help Groups	5655	10	565
	5705		589

3.5 Research Instruments

Primary data were gathered through the application of a questionnaire with closed as well as open ended questions. The choice of this research instrument is guided by its inherent advantages as it allows respondents to complete them at their own convenience granting them an opportunity to suitably and competently communicate their opinions and also facilitates the gathering of a large quantity of data at minimal effort (Acharya, 2010).

3.5.1 Validity of Instruments

Oluwatayo, (2012) defined validity of a study tool as the range to which the scores measure the anticipated and or the intended concept. Validity is concerned with in-built errors and components of the research instrument (Oluwatayo, 2012). Various aspects of validity of research instruments such as adequacy of the operational definition of variables, clarity and quality of instructions in the questionnaires, were achieved through consultation with the researcher's University supervisor.

3.5.2 Reliability of Instruments

Reliability of a research instrument refers to the inherent dependable ability of the instrument to consistently reproduce similar test scores with individuals or objects with equal values (Delpont and Roesternburg, 2011). To help establish reliability of the research instruments of choice a pilot study on 38 respondents from different strata in the main sample size, and who were excluded from the main study, was conducted.

3.6 Data Collection Procedures

The researcher conducted the collection of primary data through the use of the research tool of choice in person and the drop and pick later method to the sampled respondents was adopted. The study also adopted structured questionnaires due to their design nature which presented each item with a set of choice answers and were also economical in terms of time and money (Archarya, 2010). In order to achieve the desired response rate, a record of that facilitated the tracking of administered questionnaires was developed and used.

3.7 Data Analysis Techniques

Data analysis is the procedure adopted to create order, structure and meaning to the mass of information collected by a researcher (O'Brien & Scott, 2012). The researcher did sort data and entered it for completeness, comprehensibility and reliability. Tabulation for each of the study's research questions quantitative data was done for purposes of providing the researcher with a comprehensive picture of how the data would look like and also assisting the researcher in identifying patterns. For reliable analysis, SPSS version 22.0 was utilized to analyze collected data and findings were presented employing descriptive statistic including; frequencies, mean, variance and standard deviation. Results of the analysis made it easy for the researcher to arrive at valid conclusions in relation to the study's problem under investigation.

With the view of determining the existence of a significant or insignificant relationship between any two of the study's variables and the unique significance of the study's individual three variables in relation to uptake of bank credit facilities for women self-help groups (WSHG) within study locale, Pearson Product-Moment correlation (Pearson r) was employed, as per O'Brien & Scott (2012). Specifically, as proposed by Steven, Brady and Patricia (2010), a linear association

between any two of the research study's predictor variables was sought and their unique influence on the dependent variable recorded.

3.8 Ethical Considerations

To conduct this study, the researcher sought both an introductory letter from the School of Graduate Studies, University of Nairobi and a permit from the National Commission for Science, Technology and Innovation (NACOSTI). In adherence to research ethics, all literature reviewed in the study was referenced and it was also ensured that data collected in the course of the study was used for research purposes only. Permission was also sought from intended respondents to indicate their willingness to participate and their anonymity, when it comes to answering the research instruments, was upheld.

3.9 Operationalization of Variables

The study's operationalization of variables is shown on Table 3.3

Table 3.3 Operationalization Table of Variables

Objectives	Variables	Indicators	Measurement	Measurement Scale	Data Analysis	Tools of Analysis
To assess the influence of collateral requirement on uptake of bank credit for women self-help groups (WSHGs) in rural centers in Imenti North Sub-County, Meru County Kenya.	<u>Independent Variable</u> Collateral Requirement	Registered Building	Number of bank credit line managers, county government administrative staff relevant department and women members reporting that uptake of bank credit facilities for WSGHs is influenced by requirement for registered building.	Ordinal Scale	Descriptive Statistics	Correlations
		Registered Land	Bank credit line managers, county government administrative staff relevant department and women members reporting that uptake of bank credit facilities for WSGHs is influenced by requirement for registered land.	Interval Scale	Descriptive and Inferential Statistics	Correlations
		Shares portfolio	Bank credit line managers and county government administrative staff	Interval Scale	Descriptive and Inferential Statistics	Correlations
			Bank credit line managers and county government administrative staff	Ordinal Scale	Descriptive and Inferential Statistics	Correlations

		Registered Vehicle	<p>relevant department reporting that uptake of bank credit facilities for WSGHs is influenced by requirement for shares portfolio.</p> <p>Number of bank credit line managers, county government administrative staff relevant department and women members reporting that uptake of bank credit facilities for WSGHs is influenced by requirement for registered vehicle.</p>		Descriptive Statistics	
To examine the influence of cost of credit on uptake of bank credit for women self-help groups in rural centers in Imenti North Sub-County,	<u>Independent Variable</u> Cost of Credit	Interest Rates Bank Charges	Bank credit line managers, county government administrative staff relevant department and women members reporting that uptake of bank credit facilities for WSGHs is influenced by interest rates charged.	Interval Scale Ordinal Scale	Descriptive and Inferential Statistics	Correlations Correlations

<p>Meru Kenya.</p> <p>County</p>		<p>Deposit Required</p>	<p>Number of bank credit line managers, county government administrative staff relevant department and women members reporting that uptake of bank credit facilities for WSGHs is influenced by bank charges.</p> <p>Bank credit line managers and county government administrative staff relevant department reporting that uptake of bank credit facilities for WSGHs is influenced by deposit required.</p>	<p>Interval Scale</p>	<p>Descriptive Statistics</p> <p>Descriptive and Inferential Statistics</p>	<p>Correlations</p>
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To establish the influence of low level of education and awareness on uptake of bank credit for women self-help groups in rural centers in Imenti North Sub-County, Meru County Kenya.	<u>Independent Variable</u> Level of Education and Awareness	Attendance of training seminars	Number of administrative staff relevant department and women members reporting that uptake of bank credit facilities for WSGHs is influenced by attendance of training seminars.	Ordinal Scale	Descriptive Statistics	Correlations
		Primary School level of academic achievement	Bank credit line managers, county government administrative staff relevant department and women members reporting that uptake of bank credit facilities for WSGHs is influenced by primary school level of academic achievement.	Interval Scale	Descriptive and Inferential Statistics	Correlations
		Secondary school level of academic achievement	Bank credit line managers, county government administrative staff relevant department and women members reporting that uptake of bank credit facilities for WSGHs is influenced by secondary school level of academic achievement.	Interval Scale	Descriptive and Inferential Statistics	Correlations
		Tertiary level of academic achievement	Bank credit line managers, county government administrative staff relevant department and women members reporting that uptake of bank credit facilities for WSGHs is influenced by tertiary level of academic achievement.	Interval Scale	Descriptive and Inferential Statistics	Correlations

			<p>influenced by secondary school level of academic achievement.</p> <p>Bank credit line managers, county government administrative staff relevant department and women members reporting that uptake of bank credit facilities for WSGHs is influenced by secondary school level of academic achievement.</p>		Inferential Statistics	
Uptake of Bank Credit facilities for Women Self-Help Groups in Rural Centers	<u>Dependent Variable</u>	<p>Asset Finance</p> <p>Business Loans</p>	<p>Number of bank credit line managers and women members reporting on the number of asset finance processed.</p> <p>Bank credit line managers and women members reporting on the number of business loans successful processed and accessed.</p>	<p>Ordinal Scale</p> <p>Interval Scale</p> <p>Ordinal Scale</p>	<p>Descriptive Statistics</p> <p>Descriptive and Inferential Statistics</p>	<p>Correlations</p> <p>Correlations</p> <p>Correlations</p>

		Mortgages	Number of bank credit line managers and women members reporting on the number of mortgages processed and accessed by women.		Descriptive Statistics	
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**CHAPTER FOUR:
DATA ANALYSIS, PRESENTATION AND INTERPRETATION**

4.1 Introduction

This chapter analyses, presents and interprets the findings obtained from the main research study tool. The findings are presented in frequency tables. Descriptive and inferential statistics were also used.

4.2 Response Rate

Table 4.1 presents the response rate of the questionnaires from the three groups of respondents.

Table 4. 1: Response Rate

	Sample	Respondents	Percentage
Meru County Administrative Staff	13	11	1.9
Banks Credit Line Managers	11	7	1.2
Women members of Self -Help Groups	565	357	60.9
Total	589	375	64

As shown in Table 4.1, of the target sample size of 589 questionnaires, a total of 375 of them were returned amounting to a response rate of 64%; a rate higher than the 50% that Mugenda and Mugenda (2003) advocate as valid for this kind of study.

4.3 Reliability Analysis

The current investigation’s pilot study was performed on 38 final sampled subjects was executed to decide on the reliability of the main study tool. Additionally, a reliability analysis was carried out by employing Cronbach’s Alpha which measures the internal consistency by determining if certain items within a scale measure the same construct. Tavakol and Dennick, (2011) recommend that the Alpha value threshold should be at 0.7. It is this suggestion that is employed for the current investigation’s reliability analysis, as presented on Table 4.2.

Table 4. 2: Reliability Analysis

	Cronbach's Alpha	Verdict
Collateral Requirements	0.839	Reliable
Cost of Credit	0.724	Reliable
Levels of Education	0.812	Reliable
Uptake of Bank Credit Facilities	0.760	Reliable

As shown in Table 4.2, Cronbach Alpha was ascertained for each of the study's three independent variables and the dependent one. The analysis elucidates that all the variables were reliable with reliability figures above the stipulated limit of 0.7 by Tavakol & Dennick, (2011). This means that the main study tools needed no improvements and or revision.

4.4 Demographic Information

The study sought the respondents' information on their gender, age brackets as well as their highest levels of education. This information was needed to ascertain their capability of participating in this study.

4.4.1 Age Brackets

The age brackets of the respondents are as indicated on Table 4.3.

Table 4. 3: Age Brackets

Age Group	Frequency	Percentage
20-29 Years	12	3.2
30-39 Years	94	25.0
40-49 Years	246	65.6
50 Years and Above	23	6.2
Total	375	100

As Table 4.3 reveals, virtually all the respondents were mature women of over 30 years in age; and thus, able to respond to research questions with maturity, knowledge and interest.

4.4.2 Gender of the Respondents

To establish gender representation among the study respondents, the investigation requested the respondents to state their gender. Their responses are presented in Table 4.4.

Table 4. 4: Gender of the Respondents

Gender	Banks Credit Line Managers		Administrative Staff at County Government		Women Self-Help Group Members	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Male	4	57.1	8	72.7	19	5.3
Female	3	42.9	3	27.3	338	94.7
Total	7	100.0	11	100.0	357	100.0

Table 4.4 shows a high representation of the male gender in both the banks and public service. However, as would be expected, almost all respondents from the women self-help groups were female, with the balance being the few males employed therein in administrative jobs.

4.4.3 Level of Education

The level of education is believed to influence individual’s viewpoints on societal issues; besides offering one the capacity to respond intelligently to the societal issues. The highest levels of education of respondents are presented in Table 4.5.

Table 4. 5: Respondents’ Highest Level of Education

Level of Education	Banks’ Credit Line Managers		Administrative staff at County Government		Women Self-Help Group Members	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Certificate	-	-	-	-	345	96.7
Diploma	-	-	1	9.1	9	2.3
Bachelors’	5	71.4	6	54.5	3	1
Masters & Above	2	28.6	4	36.4	-	-
Total	7	100	11	100.0	357	100.0

As Table 4.5 reveals, all bank and public servants were well-educated, as all, except one, had a Bachelors’ degree or higher. As such, they would be able to respond to the study questions with ease. This is as opposed to the women self-help group members who, virtually all, had only primary school level, hence would need assistance from the researcher in handling study’s questionnaire items.

4.4.4 Period of Membership and of Service

The study’s respondents were also requested to state the length of service in their work stations; or membership of a women self-help group. Their responses are illustrated in Table 4.6.

Table 4.6 Length of Service or Members of a Women Group

Length of Service	Banks Credit Line Managers		Administrative Staff at County Government		Women Self-Help Groups Members	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Below 3 Years	-	-	3	27.3	27	7.5
3 to 5 Years	1	14.3	6	54.5	130	37.5
5 to 10 Years	3	42.9	2	18.2	161	43.0
Over 10 Years	3	42.9	-	-	39	12.00
	7	100	11	100	357	100

Table 4.6 shows that a huge majority of banks credit line managers, at 85.8 %, had worked in the banking industry for at least five (5), with almost 43% of them having more than 10 years of banking experience. On their part, a huge majority (a substantial number) of administrative staff

at County Government had served for no more than 5 years. as indicated by 54.5%, had worked between 3 to 5 years and majority of women have been members of their self-help groups for between 5 to 10 years as portrayed by 41.9 %. These findings suggested that a substantial number of its final sampled subjects were capable of providing feasible data pivoted on the experience as members As concerns the women, over 90% of them had been members of their self-help groups for at least 3 years.

4.5 Collateral Requirements and Uptake of Bank Credit Facilities for Women Self-Help Groups in Rural Centers

This sub section records the influence of collateral requirements on uptake of bank credit facilities for women self-help groups in rural centers in Imenti North Sub- County.

The investigation sought to establish the level of agreement of its respondents with the various statements on components of collateral requirements that influence uptake of bank credit facilities for women self-help groups in rural centers in Imenti North Sub County. The investigation’s results are as presented in Table 4.7.

Table 4.7: Collateral Requirements and Uptake of Bank Credit Facilities for Women Self-Help Groups in rural Centers

Statement	Mean	Standard Deviation
Registered Buildings	4.042	0.721
Registered Land	4.079	0.743
Shares Portfolio	3.625	0.537
Registered Vehicle	3.837	0.615

Table 4.7 reveals that registered land as portrayed by a mean of 4.079, registered buildings as expressed by a mean of 4.042 and that registered vehicle as shown by a mean of 3.837 influenced uptake of bank credit facilities for women self-help groups in rural centers in Imenti North Sub County. The study further showed that shares portfolio as portrayed by mean of 3.625 as a collateral requirement lightly influenced uptake of bank credit facilities for women self-help groups in rural centers in Imenti North Sub County. This was significant as it means that a vast majority of respondents mean of 4.079 attached greater importance to registered land which means majority of them were either requested for it as a collateral requirement or knew that was what

most banks required as collateral, most of respondents mean of 4.042 also recognized registered buildings meaning most of the respondents were at some point asked for it as a collateral for bank credit, while a significant number of respondents a mean of 3.837 felt that registered vehicle was as a collateral requirement that influenced uptake of bank credit facilities for women self-help groups in rural centers. This means study respondents had either been asked for it as collateral or knew that it was the required collateral for bank credit facilities. A minimal number of respondents mean of 3.625 were of the opinion that shares portfolio lightly influence uptake of bank credit facilities for women self-help groups in rural centers in Imenti North Sub County. This could be because most respondents were women members of self-help groups and were not in a position to own shares in the Nairobi Stock Exchange (NSE) but would take loans for personal basic needs.

4.6 Cost of Credit and Uptake of Bank Credit Facilities for Women Self-Help Groups in Rural Centers

This sub section investigated the influence of cost of credit on uptake of bank credit facilities for women self-help groups in rural centers in Imenti North Sub- County.

The investigation sought to establish the level of agreement of its respondents with the various statements on components of cost of credit that influence uptake of bank credit facilities for women self-help groups in rural centers in Imenti North Sub County. The investigation's results are as presented in Table 4.8.

Table 4. 8: Cost of Credit and Uptake of Bank Credit Facilities for Women Self-Help Groups in Rural Centers

Statement	Mean	Standard Deviation
Interest Rates	4.413	0.60591
Bank Charges	4.1849	0.81281
Deposit Required	3.6066	1.12439

Table 4.8 shows that the respondents agreed that interest rates and bank charges greatly influence uptake of bank credit facilities for women self-help groups in rural centers in Imenti North Sub County. The respondents also indicated that deposits required (mean=3.6066) lightly influenced uptake of bank credit facilities for women self-help groups in rural centers. These study findings

were significant as it means that a vast majority of respondents mean of 4.413 linked interest rates to uptake of bank credit facilities for women self-help groups in rural centers in Imenti North Sub County which means majority of them were either dissuaded or attracted by interest while deciding on taking bank credit facilities. Most of respondents mean of 4.1849 also recognized the influence of bank charges on uptake of bank credit facilities for women self-help groups in rural centers meaning most of the final sampled subjects did consider bank charges prior to taking their credit facilities. A minimal number of respondents mean of 3.6066 linked the decision to uptake of bank credit facilities for women self-help groups in rural centers to bank charges could because members of these groups understood the how high bank charges influence their group's expenses.

The respondents suggested that the central bank working closely with relevant county government departments should provide linkages between banks and women self-help groups as a way of reducing on interest rates and other bank charges that discourage uptake of bank credit facilities for women self-help groups in rural centers.

4.7 Level of Education and Awareness

This sub section investigated the influence of levels of education on awareness on uptake of bank credit facilities for women self-help groups in rural centers in Imenti North Sub- County. The investigation sought to establish the level of agreement of its respondents with the various statements on components of levels of education and awareness that influence uptake of bank credit facilities for women self-help groups in rural centers in Imenti North Sub County. The investigation's results are as presented in Table 4.9.

Table 4.9: Level of Education and Awareness

Statement	Mean	Standard Deviation
Number of women that have attended trainings and seminars.	3.8904	1.14139
Number of women with primary school level academic achievement.	4.3714	0.73137
Number of women with secondary school level academic achievement.	4.0967	0.76304
Number of women with tertiary school level academic achievement	3.259	1.97487

Table 4.9 indicates that number of women that have attended trainings and seminars as shown by a mean of 3.8904, number of women with primary school level academic achievement as shown by a mean of 4.3714 and number of women with secondary school level academic achievement as shown by a mean of 4.0967 greatly influence uptake of bank credit facilities for women self-help groups in rural centers in Imenti North Sub County. Based on study findings a vast majority of respondents, mean of 4.3714 linked the number of women with primary school level academic achievement to have significantly influenced uptake of bank credit facilities for women self-help groups in rural centers. This could be because most respondents being women members of self-help groups in the study locale had achieved primary school certificate. Most respondents, mean of 4.0967 attached a significant value to number of women with secondary school level academic achievement as an important influence to uptake of bank credit facilities for women self-help groups in rural centers while a significant number of respondents a mean of 3.8904 attached great emphasis on the number of women that have attended trainings and seminars as a significant influence on uptake of bank credit facilities for women self-help groups in rural centers. A sizeable number of respondents, mean of 3.259, linked the number of with tertiary school level academic achievement as a light influence to uptake of bank credit facilities for women self-help groups in rural centers in Imenti North Sub-County. It can be deduced this was because most women member of self-help groups had not achieved above secondary schools certificate.

The respondents suggested banks working closely with the county government should undertake training and seminars on financial literacy for women self-help groups as a way of improving uptake of bank credit facilities for women self-help groups in rural centers in Imenti North Sub-County.

Table 4.10 Need for formal education on access to Bank credit facility

Formal education	Frequency	Percentage
Agree	345	97.7
Neutral	9	3.9
Disagree	3	1.3
Total	357	100

Table 4.10 shows that majority of respondents at 97.7% agreed that they felt they needed formal education to be able to access bank credit facilities. This shows that most members of women self-help groups in rural centers in Imenti North Sub County do not uptake bank credit facilities simply because they think they need to have a certain perceived level of education in order to access bank credit facilities.

4.8 Uptake of Credit Facilities for Women Self-Help Groups in Rural Centers

Further, the study sought to establish measures of uptake of bank credit facilities for women self-help groups in rural centers.

The investigation sought to establish the level of agreement of its respondents with the various statements on measures of uptake of bank credit facilities for women self-help groups in rural centers in Imenti North Sub County. The investigation's results are as presented in Table 4.10.

Table 4. 11: Statements Related to uptake of bank credit facilities for women self-help groups in rural centers

Statement	Mean	Standard Deviation
Asset Finance processed and accessed	4.482	0.879
Business Loans accessed	3.765	0.676
Number of mortgages processed	4.154	0.625

Table 4.11 shows the respondents agreed as expressed by a mean score of 4.482 that asset finance processed and access and number of mortgages processed expressed by a mean score of 4.154 were significant measures for uptake of bank credit facilities for women self-help groups in rural centers in Imenti North Sub County. This could be because most of the respondents were women members of self-help groups and had only accessed micro-credit through their self-help groups to meet their basic needs but not for the purchase of assets and for mortgages. Only a sizeable number of the study's final sampled subjects also agreed that business loans processed as expressed by a mean score of 3.765 as a significant measure for uptake of bank credit facilities for women self-help groups in rural centers in Imenti North Sub County. It could be deduced that this was because most of the respondents were women members of self-help groups and had access business loans from these groups and they did not recognize banks as important avenues of business credit.

CHAPTER FIVE
SUMMARY OF FINDINGS, DISCUSSION,
CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This last chapter of the study presents the summary of the findings, discussion in relation to reviewed literature, a conclusion of the entire study, recommendations and ends with suggestions for further study.

5.2 Summary of Findings

The study sought to investigate the factors influencing uptake of bank credit facilities for women self-help groups in rural centers in Kenya. The study findings are summarized based on the three objectives of the study.

5.2.1 Collateral Requirements

In line with the first objective, the study had identified four types of collateral requirements namely, registered land, registered buildings, registered vehicle and shares portfolio, that banks normally demand to facilitate credit. It should not be surprising that all the four possible requirements were reported to have significant negative influence on uptake of bank credit facilities by women self-help groups in rural centers in Kenya. This is so mainly because the study targeted rural women in a predominantly patriarchal society where the type of collateral requirements demanded by the banks were virtually wholly male-controlled.

5.2.2 Cost of Credit

In line with the second objective, the study results show that that a vast majority of respondents linked interest rates to have great influence on uptake of bank credit facilities by women self-help groups, most of respondents at a mean of 4.1849 also recognized bank charges as a main influence on uptake of bank credit facilities by women self-help groups meaning most members of the women self-help groups thought bank charges were cheaper as opposed to those charged by other financial institutions providing credit facilities which were high, limiting their uptake of credit from banks, while a significant number of respondents a mean of 3.6066 observed deposits

required also lightly influenced uptake of bank credit facilities by women self-help groups may be because majority of respondents had not been asked to deposit high amounts of money in order to access credit facilities from their banks.

The study has established that cost of credit in terms of interest rates, bank charges and deposit requirement had a negative influence on uptake of bank credit facilities by women self-help groups in Kenya.

5.2.3 Levels of Education and Awareness

In line with the third objective, a vast majority of respondents, at a mean of 4.3714 linked level of academic achievement to have significantly influenced uptake of bank credit facilities. This could be because most respondents were women members of women self-help groups and most had only achieved primary level education. Most respondents, mean of 4.0967 attached a significant value to number of women with secondary school level academic achievement as an important influence to uptake of bank credit facilities for women self-help groups in rural centers while a significant number of respondents a mean of 3.8904 attached great emphasis on the number of women that have attended trainings and seminars as a significant influence on uptake of bank credit facilities for women self-help groups in rural centers. It could be deduced it was because these were important in improving financial literacy among the women. A sizeable number of respondents, mean of 3.259 linked the number of women with tertiary school level academic achievement as a slight influence to uptake of bank credit facilities for women self-help groups in rural centers. It can be deduced this was because having received trainings and seminars the information asymmetry between banks and women self-help groups on available credit facilities had been addressed and also most women member of self-help groups had not achieved above secondary schools certificate. Therefore this had minimal influence on their uptake of bank credit.

The study has established that the low levels of education and the limited level of financial awareness of most women in self-help groups in rural centers in Kenya negatively influenced their uptake of bank credit facilities.

5.3 Discussion

This section focuses on the discussion of the findings of the study against literature related to the study's three objectives.

5.3.1 Collateral Requirements and Uptake of Bank Credit Facilities

Findings from the study reveal that collateral requirement in terms of registered land and registered buildings, registered vehicles, and shares portfolio negatively influenced uptake of bank credit facilities by women self-help groups in rural centers in Kenya. These findings concur with the investigation undertaken by Brannen (2010) in Zanzibar, Tanzania, by Blay (2011) in Ghana, and by Donoso, Altunbaş and Kara (2011), in Bolivia, who found evidence that collateral requirement in terms of registered land and buildings, registered vehicles, and shares portfolio did dissuade women self-help groups in rural centers from acquiring different credit facilities from banks in their countries. However, the findings are contrary to those by Das (2012) who records that collateral requirements did not present a significant negative influence on the uptake of credit facilities for WSHGS in rural centers in India.

5.3.2 Cost of Credit and Uptake of Bank Credit Facilities

The study has established that cost of credit in terms of interest rates, bank charges and deposit requirement had a negative influence on uptake of bank credit facilities by women self-help groups in Kenya. The study findings are in line with those in Chile by Kast, Meier and Pomeranz (2012), in Rwanda by Chisholm (2014), and in Ghana by Owusu, Anin and Zaato (2013) that identify high interest rates as a principal deterrent of WSHGs from undertaking bank credits in those countries

5.3.3 Levels of Education and Awareness and Uptake of Bank Credit Facilities

The study has established that the low levels of education and the limited level of financial awareness of most women in self-help groups in rural centers in Kenya negatively influenced their uptake of bank credit facilities. The study findings concur with those by Mukherjee and Chaturvedi (2014) in India that record that those WSHGs whose members had only primary education level had limited uptake of banks credit facilities, such as mortgages and asset finance. A study in Nigeria by Yusuf, Ijaiya and Ijaiya (2017), similarly records that those ROSCAS whose members had no more than secondary level education and had limited financial literacy, had insignificant uptake of bank credit facilities in the form of asset financing and mortgages.

5.4 Conclusion

The study concludes that the three identified variables have considerable influence on uptake of bank credit facilities for women self-help groups in the rural centers of Kenya. Firstly, collateral requirements in terms of registered land, registered buildings or vehicles negatively influenced uptake of bank credit facilities for women in general, including the ones in the study. This situation arises from the fact that the study locale is a patriarchal society where women are generally denied their right to own community or family land. Secondly, the high interest rates charged by banks negatively influenced uptake of bank credit facilities for women self-help groups in the rural centers. These two scenarios have resulted in the self-help women groups relying on micro-credits from those financial institutions that do not require registered property as collateral or from which they would enjoy lower interest rates for money borrowed. Finally, the study has concluded that the very low level of education of most women in the self-help groups, besides their limited exposure to financial literacy through training and seminars, negatively influenced their uptake of bank credit facilities.

5.5 Recommendations

The study offers the following recommendations.

- a) Banks should consider other forms of collateral, such as shares or guarantors for women self-help groups in the rural centers.

- b) Banks should reduce their levels of interest rates and other charges that relate to access credit for women self-help groups in the rural centers.
- c) Banks should work closely with Non-Governmental Organizations (NGOs) to institute trainings and seminars on financial literacy and management for women members of self-help groups to improve their uptake of bank credit facilities.

5.6 Areas of Further Study

The study recommends the following for further study.

- a) Further studies should be done to establish the other factors that influence uptake of bank credit facilities for women self-help groups in rural centers in other sub-counties in Meru County and elsewhere.

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APPENDICES

Appendix I: Letter of Transmittal of Data Collection Instruments

IRENE WAMAITHA THOGORI MUTUNE

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NAIROBI.

EMAIL: mutunei@gmail.com

Dear respondent,

RE: RESEARCH PROPOSAL QUESTIONNAIRE

I am a student at the University of Nairobi and currently pursuing a course of study for the degree in Masters of Project Planning and Management. Pursuant to the pre-requisite course work, I am in the process of undertaking a scholarly investigation on “Factors Influencing Uptake of Bank Credit facilities for Women Self-Help Groups in rural centers, The Case of Imenti North Sub County, Meru County, Kenya.”

Banks’ Credit Line Managers, Women Self-Help Groups of in Imenti North Sub County and administrative employees of Meru County Government’s relevant department will form the focal point of my research study and this entails the utilization of questionnaires administered to them. Please note as one of the respondent you are not confined or limited to a fixed set of responses. Statements in the current study’s questionnaire are just guides through which you are requested to present your opinions on the topic under investigation. Kindly note the data you provide will be made use for study purpose only and your identity will be held confidential.

Thank you for your time.

Yours sincerely,

Irene W. T. Mutune.

Appendix II: Questionnaire for Women Members of Self-Help Groups

This research tool (questionnaire) is employed for data collection and is anchored on a purely academic goal. You are therefore kindly requested to offer sincere responses to the questions in it. Please also note answers you provide will solely be utilized for research purposes and your personal details will be handled in a confidential manner.

Fill the questionnaire by putting a tick \surd in the appropriate box or by writing your response in the provided spaces.

PART A: BIO INFORMATION

1. Please state your age bracket?

20-29 30-39 40-49 50 and above

2. Specify your Gender.

Male Female

3. What highest level of education have you achieved?

Certificate Diploma Degree Masters PHD

Any other please specify

4. How long have you been a member of your women self-help group? Please write down in the space provided?

Part B: Collateral Requirements and Uptake of Bank Credit Facilities for Women Self-Help Groups in Rural Centers

5. To what extent do you agree with the following statements on components of collateral requirements that influence uptake of bank credit facilities for women self-help groups? Use a scale of 1-5 where 1= very great extent, 2= great extent, 3= moderate extent, 4= little extent and 5 = not at all

Statement	1	2	3	4	5
Registered Building					
Registered Land					
Shares Portfolio					
Registered Vehicle					

6. Please propose policy measures that can be employed by commercial banks to address issues related to collateral requirements that influence on uptake of bank credit facilities for women self-help groups in Imenti North Sub County.

Part C: Cost of Credit and Uptake of Bank Credit Facilities by Women Self-Help Groups in Rural Centers

7. To what extent do the following components of cost of credit influence uptake of bank credit facilities for women self-help groups? Use a scale of 1-5 where 1= very great extent, 2= great extent, 3= moderate extent, 4= little extent and 5 = not at all

Statement	1	2	3	4	5
Interest Rates					
Bank Charges					

Deposit Required					
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8. Please propose policy measures that can be employed by commercial banks to address issues related to cost of credit that influence on uptake of bank credit facilities for women self-help groups in Imenti North Sub County?

Part D: Levels of Education and Awareness and Uptake of Bank Credit Facilities by Women Self-Help Groups in Rural Centers

9. To what extent do the following components of levels of education and awareness influence uptake of bank credit facilities for women self-help groups? Use a scale of 1-5 where 1= very great extent, 2= great extent, 3= moderate extent, 4= little extent and 5 = not at all

Statement	1	2	3	4	5
Number of women that have attended trainings and seminars.					
Number of women with primary school level academic achievement					
Number of women with secondary school level academic achievement					
Number of women with tertiary school level academic achievement					

10. Please propose policy measures that can be employed by commercial banks to address issues related to low levels of education and awareness that influence on uptake of bank credit facilities for women self-help groups in Imenti North Sub County?

Part E: Uptake of Bank Credit Facilities for Women Self-Help Groups

11. To what extent do the following variables function as measures of uptake of banks credit facilities for women self-help groups? Use a scale of 1-5 where 1= very great extent, 2= great extent, 3= moderate extent, 4= low extent and 5 = very low extent

Statement	1	2	3	4	5
Asset Finance processed and accessed					
Business Loans accessed					
Number of mortgages processed					

Appendix III: Questionnaire for Banks’ Credit Line Managers and County Government’s Department Administrative Staff

This research tool (questionnaire) is employed for data collection and is anchored on a purely academic goal. You are therefore kindly requested to offer sincere responses to the questions in it. Please also note answers you provide will solely be utilized for research purposes and your personal details will be handled in a confidential manner.

Fill the questionnaire by putting a tick \surd in the appropriate box or by writing your response in the provided spaces.

PART A: BIO INFORMATION

1. Please state your age bracket?

20-29 30-39 40-49 50 and above

2. Specify your Gender.

Male Female

3. What highest level of education have you achieved?

Certificate Diploma Degree Masters PHD

Any other please specify

4. How long have you been employed as a credit line manager in this bank/ administrative employee in Meru County? Please write down in the space provided?
-

Part B: Collateral Requirements and Uptake of Bank Credit Facilities for Women Self-Help Groups in Rural Centers

5. To what extent do you agree with the following statements on components of collateral requirements that influence uptake of bank credit facilities for women self-help groups? Use a scale of 1-5 where 1= very great extent, 2= great extent, 3= moderate extent, 4= little extent and 5 = not at all

Statement	1	2	3	4	5
Registered Building					
Registered Land					
Shares Portfolio					
Registered Vehicle					

6. Please propose policy measures that can be employed by commercial banks to address issues related to collateral requirements that influence on uptake of bank credit facilities for women self-help groups in Imenti North Sub County?

Part C: Cost of Credit and Uptake of Bank Credit Facilities by Women Self-Help Groups in Rural Centers

7. To what extent do the following components of cost of credit influence uptake of bank credit facilities for women self-help groups? Use a scale of 1-5 where 1= very great extent, 2= great extent, 3= moderate extent, 4= little extent and 5 = not at all

Statement	1	2	3	4	5
Interest Rates					
Bank Charges					
Deposit Required					

8. Please propose policy measures that can be employed by commercial banks to address issues related to cost of credit that influence on uptake of bank credit facilities for women self-help groups in Imenti North Sub County?

Part D: Levels of Education and Awareness and Uptake of Bank Credit Facilities by Women Self-Help Groups in Rural Centers

9. To what extent do the following components on levels of education and awareness influence uptake of bank credit facilities for women self-help groups? Use a scale of 1-5 where 1= very great extent, 2= great extent, 3= moderate extent, 4= little extent and 5 = not at all

Statement	1	2	3	4	5
Number of women that have attended trainings and seminars.					
Number of women with primary school level academic achievement					
Number of women with secondary school level academic achievement					
Number of women with tertiary school level academic achievement					

10. Do you feel that one needs formal education in order to access credit facilities?

Agree	1	2	3	4	5
Neutral					
Disagree					

11. Please propose policy measures that can be employed by commercial banks to address issues related to low levels of education and awareness that influence on uptake of bank credit facilities for women self-help groups in Imenti North Sub County?

Part E: Uptake of Bank Credit Facilities for Women Self-Help Groups

12. To what extent do the following variables function as measures of uptake of banks credit facilities for women self-help groups? Use a scale of 1-5 where 1= very great extent, 2= great extent, 3= moderate extent, 4= low extent and 5 = very low extent

Statement	1	2	3	4	5
Asset Finance processed and accessed					
Business Loans accessed					
Number of mortgages processed					