

**FORMATION, SURVIVAL AND PERFORMANCE OF SELF-HELP  
GROUPS IN DAGORETTI SOUTH CONSTITUENCY NAIROBI COUNTY**

**BY  
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## **DEDICATION**

This work is dedicated to Virginia Njeri and George Gathua for their unconditional love and support.

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I acknowledge that omissions and errors encountered in this document are my responsibility.

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## **ABBREVIATIONS AND ACRONYMS**

<b>ASCAs</b>	Accumulating Savings and Credit Associations
<b>CIDP</b>	County Integrated Development Plan
<b>CBK</b>	Central Bank of Kenya
<b>ERSWS</b>	Economic Recovery Strategy for Wealth and Employment
<b>FGDs</b>	Focus Group Discussions
<b>FSD</b>	Financial Sector Deepening
<b>GoK</b>	Government of Kenya
<b>HIV/AIDS</b>	Human Immunodeficiency Virus/Acquired Immunodeficiency Disease
<b>KIG</b>	Key Informant Guide
<b>KIs</b>	Key Informants
<b>KNBS</b>	Kenya Bureau of Standards
<b>MFI</b> s	Micro-Finance Institutions
<b>NABARD</b>	National Bank for Agricultural and Rural Development
<b>NGOs</b>	Non-Governmental Organisations
<b>NCC</b>	Nairobi City County
<b>ROSCAS</b>	Rotating Savings and Credit Associations
<b>SACCO</b>	Savings and Credit Cooperative
<b>SDO</b>	Social Development Officer
<b>SHGs</b>	Self-help Groups
<b>SPSS</b>	Statistical Package for Social Sciences
<b>UoN</b>	University of Nairobi
<b>KSHs-</b>	Kenya shillings
<b>WEF</b>	Women Enterprise Fund

## **ABSTRACT**

Self-help groups are important in providing access to finances. Engagement in these groups increases the capabilities of individuals enabling them to improve their livelihoods. Groups have also offered a platform where individuals can offer social support. This study was set on providing an understanding on how these groups were formed. The second objective of this study was to examine the mechanism that these groups utilized so as to remain functional. Thirdly, the research was aimed at providing an understanding on how these groups performed in relation to their intended goals.

In order to realize this, the study was undertaken through a case study research design. Non-probability sampling was used where ten groups were selected and seventy nine respondents interviewed from all the groups. Data was collected through an interview guide, key informant guide and a focus group discussion guide.

The findings of the study showed that, during group formation people considered friends and neighbours mainly. Most of the respondents were literate which facilitated rational thinking. Secondly, fines acted as a major instrument of maintaining the effectiveness of the groups. External support was negligible including associations with other self-help groups. Lastly, increased savings were observed from the time groups started. This meant that more money was in circulation in terms of loans. The group members could get more money at lower interest rates to cater for their needs. Increased social support was also reported which was an achievement in all the groups. This study recommends collaboration of the Ministry of gender, sports, culture and social services with other ministries in order to utilize the space created to disseminate more information on social issues.

## CHAPTER ONE

### 1.1 Background Information

This background information is set on describing the context in which self-help groups have been formed in various regions. Social groups have often been viewed as agents of change in the developing world (Okello, 2017). They comprise of people who share the same goals and have the motivation to solve their own problems.

In India, self-help groups were started for the purpose of lending money to poor people. Those who did not have much in form of assets that could be used as collateral to secure loans from formal lending institutions would form groups for this purpose (Matin, 1997). In 1992, the National Bank for Agricultural and Rural Development (NABARD) was introduced in order to link these groups with banks (Tankha, 2002). This allowed the groups to accumulate savings and then be granted loans based on the saved amount. The bank operated by issuing finances to the microcredit banks that delivered to the groups involved (Jarayaman, 2005).

Mohammed Yunus is famously known for initiating the Grameen Bank in the 1970s in Bangladesh. The purpose was to ensure that groups of people could have access to funds without any physical collateral. Social collateral was allowed where members' guaranteed the loan of other members. This initiative was also meant to protect poor people from the informal lenders that charged exorbitant rates on credit (Khandker, 2012).

In Ethiopia, these groups were formed by people who came from the same local area. They also had the same socioeconomic conditions and engaged in small businesses (Yntiso, 2012). In Kenya, groups had been in existence even before the colonial times. These groups were based on age, gender, initiation, marriage status, and other factors relevant in the different communities (Ngau, 1987). Due to the struggle for independence groups formed by men were seen as a threat to the authorities. This saw much emphasis being given to the development of women groups (Chitere, 1988). However, in the recent past more groups formed by men have re-emerged.

The economic conditions in the country have played a great role to the formation of self-help groups. The introduction of structural adjustment programmes in the 1980s brought in radical changes that were meant to facilitate economic growth. These programmes focused on changing the financial sector, international laws on trade, non-restriction of markets and prices, rationing the government budget, privatization of government agencies and civil service reforms (Rono, 2010).

The introduction of these policies resulted in economic and political hardships. This was experienced through famine, income inequalities, violence, and disintegrating social relationships (Kinyanjui, 2012). Moreover, these macroeconomic changes resulted in increased unemployment rates; neglect of the poor in the education and health sectors; and the heightened cost of living (Rono, 2010).

Over the years, these problems have been compounded by misappropriation of public funds. This forced the government to come up with various development policies to amend these inadequacies. These policies were meant to provide direction in allocation of; financial support in the different sectors, skilled labour, and foreign aid (Ngau, 1987). This would ensure that all regions in the country and each sector of the economy were involved in ensuring rapid economic growth for the people.

Among the development policies created was the District Focus for Rural Development (DFRD) in 1983 (Republic of Kenya, 1983). The strategy aimed at averting the top-down approach to development. The district would become the central point of governance. This had stemmed from Session Paper No.10 of 1965; whose focus was alleviation of disease, ignorance and poverty (Republic of Kenya, 1965). In 1999, the National Poverty Eradication Plan (NPEP) from the year 1999 to the year 2015 was formulated (Republic of Kenya, 1999). Scholars critique the plan as being ambitious as poverty could only be reduced (Mwenzwa and Misati, 2012). With the end of a regime in 2002 the Economic Recovery Strategy for Wealth and Employment (ERSWE) was adopted, in order to pay more attention to creating more job opportunities (Government of Kenya, 2003). These policies were adopted with widespread challenges.

Later on, Kenya's Vision 2030 was designed in order to incorporate a multi-sectoral approach to development. This policy acknowledged the importance of groups in development. In this endeavour, major projects were set to ensure the empowerment of the youth, women and vulnerable groups. Women and the youth would be allocated funds that would enable them carry out their projects. This would be achieved by institutionalizing the disbursement of funds to women and youth groups (Government of Kenya, 2007).

The Vision 2030 was set on improving the economy of the country to "middle-income where the citizens would have improved quality of life" (Government of Kenya, 2007). One of its targets that are in line with the aim of most groups is the reduction of income differences at all levels of social status. Another objective that corresponds to the goals of most groups is the creation of more income generating opportunities in order to provide jobs for the unemployed. In the political scene, Vision 2030 was set on ensuring democracy, politics based on issues, honouring the rule of law, and guarding the rights of people in the nation (Government of Kenya, 2007).

Groups also serve various social, economic and political functions. These groups are relevant in achieving Vision 2030. Self-help groups aspire to increase incomes for the members. Groups emphasize the need for income stability in order for members to be able to provide their basic needs, just as highlighted in Vision 2030 (Government of Kenya, 2007). Groups support members socially and they also create awareness on several issues that are encountered in society. For instance, a study by Jemutai (2015) showed how youth groups greatly contributed to creation of awareness on drug abuse and HIV/AIDS to the members and the community at large.

These groups are also necessary in challenging existing cultural and structural hindrances to financial independence (Kinyanjui, 2012). An increase in household assets such as water tanks, gas cookers, bicycles, wheelbarrows, solar lighting, and carts was noted from members of self-help groups. Most of the members from these groups started using gas cookers instead of kerosene and wood fuel which made their lives easier and was seen as a way of saving energy and conserving the environment (Okello, 2017). In a more inclusive study on associations that included self-help groups; it was

noted that people formed these groups in order to establish contact that would be useful in the future (McCormick et al, 2003).

Additionally, there are many types of groups that are formed in society. These groups are categorised on the basis of the purpose they serve. This may be a business or social purpose or both. Some of these groups include; labour unions, civic associations, non-governmental credit groups, rotating savings and credit associations (ROSCAs) and accumulating savings and credit associations (ASCAs) (McCormick et al, 2003). The authors also noted that some of the groups engaged in more than one duty at a time while other groups served a single purpose.

It is against this background that this study sought to interrogate self-help groups. These groups have been categorised as social organisations (McCormick et al, 2003). A self-help group is, “a non-professional association comprising community members from the same socioeconomic background with a common problem or situation for the purpose of pooling resources, gathering information and offering mutual support services or care” (Government of Kenya, 2015).

## **1.2 Problem Statement**

The central concern of this study was to examine how groups were formed and how they were sustained. This would address issues of how participants were involved. This study looked at whether socioeconomic variables such as age, income, gender and marital status were necessary in the formation of groups. In this context, it was necessary to interrogate whether there were dominant features in consolidating groups in a diversified community.

The realization of goals for some groups has been documented as a challenge. Research shows that poor communications, misuse of funds, poor leadership, are some of the impediments that have been encountered in most groups (Ndung'e, 2010). This study sought to establish whether these challenges have influenced performance in the groups. This would in turn illustrate the mechanisms which the groups adopted to ensure survival and prevent collapse of the group.

Several studies have documented the financial benefits derived from self-help groups. The social support gathered from these spaces is also of much importance. It was the aim of this study to illustrate how social benefits derived from these groups play a role in the sustenance of group activities. The members, majority being women, become more empowered socially and financially. Hence, the role of these groups in improving lives becomes more evident with the increased activities that aim at financial stability.

Moreover, these groups have become vital to the political processes in urban slums. Leaders find these groups as relevant platforms from which they can rally support. Other agents find them to be necessary for advocating certain behaviours. Therefore, having considered group benefits into a community; there was need to find out how these groups came into existence.

### **1.3 Research Questions**

- i. What parameters are considered during group formation?
- ii. What are the mechanisms employed by the groups in order to remain functional?
- iii. How have these groups performed in relation to their intended goals?

### **1.4 Research Objectives**

- i. To examine the parameters considered during group formation
- ii. To examine the mechanisms employed by groups in order to remain functional
- iii. To examine how the groups have performed in relation to their intended goals

### **1.5 Justification**

This study is justified in that, self-help groups reinforce the culture of saving which is integral to social development (Podlashuc, 2009). Hence, this study sought to provide concrete evidence on the importance of these groups in society. This study assumes that the information collected would be of value to people with the intention of forming functional groups and what to be cautious about.

This study also provided an illustration on the most appropriate indicators to consider when gauging group performance. This was critical in that, the study sought responses from the group members themselves on what they considered to be major achievements that could not be obtained if they were on their own.

This information would also be relevant to financial institutions, when it came to lending of funds to groups. The evidence provided was to paint a picture of the dynamics that groups encounter and hence create an awareness of the characteristics of the groups that existed in this area. This would be necessary when it came to structuring of training materials to the groups. They would be created from an informed point of view of the audience they target.

This study would also be relevant to policy makers on ways to facilitate group survival without interfering with the autonomy of these groups. The need to avoid top-down approaches exclusively has been emphasized. Instead, a combination of efforts from the groups and external entities would ensure local ownership of development processes (McCormick, Mitullah, Kinyanjui, 2003).

This research intended to broaden the knowledge that was there on internal group dynamics in an urban set up. Differences in communities make the adaptation of groups to depend on the context; more so the socioeconomic activities of the members. Researchers with the same interests would also find this piece of work relevant.

The area in which the study was conducted was densely populated. It was more justifiable to conduct such a study in an area where many people live closely together. In such a locality more opportunities to build and engage in relationships are evident (Brisson and Usher, 2005). This is reinforced by the fact that many groups exist in this area. This would also cut the cost of travelling from one area to the next.

It is against this relevance that this study was justified. The study involved examining the criteria used to include people in group activities; the strategies they engage in order to function. Thirdly, based on the goals that group members have set, this study delved into group performance.

## **1.6 Chapter Outline**

The first chapter provided the background information on self- help groups. The information in this chapter explained how groups operate in Kenya and other parts of the world. The second chapter of this study focuses on the literature review. The theoretical literature review focuses on the social capital theory while the empirical literature discussed themes on formation of self-help groups, their survival and performance of self-help groups. The third chapter contains the methodology that was adopted in order to collect credible information from the respondents. Findings and discussions comprise the fourth chapter of this document. Tables, charts and graphs were used to illustrate the findings. The fifth chapter is the summary and conclusion of this study. It also contains recommendations and areas for further studies.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter is organised into two sub-sections. The first section discusses group formation, functioning mechanisms and performance of self-help groups. The second section focuses on the theoretical literature that guided this study.

#### **2.2 Theoretical Literature Review**

##### **2.2.1 Social Capital Theory**

The social capital theory has been understood in various ways in history (Baum and Ziersch, 2003). Lin (2001) defines social capital as an investment in a social relation that brings about profits in the market place. The theory asserts that actors in a group or individuals are incited by their needs to contact other actors so as to access the resources of other actors, with an aim of achieving better results.

Adler and Kwon (2002) define social capital as the trust, sympathy and forgiveness that is given to us by friends and acquaintances. It is a resource that is utilised as a result of being in social relations. Pisani et al (2015) explains social capital as the ‘social norms and networks which people utilise so as to enhance cooperation, reciprocity and trust and increase their individual and collective wellbeing’. Collective action that enhances the individual as well as the group has been emphasized in these definitions.

Social capital is beneficial for various reasons that are evident in a group set up. First, it provides access to information (Brisson and Usher, 2005). This information may provide opportunities or choices to the individual. Individuals can then be able to locate which organisations or sets of people require labour and provide the appropriate returns. Also, social capital may influence agents in society whose decisions affect the actor. This is experienced due to the strategic locations and positions that these social ties may carry over other organisations. Thirdly, belonging to these social ties may recommend or act as certification for the actor, that they can provide more resources beyond the personal capital by the virtue of belonging to a certain group (Lin, 2001; Brisson and Usher, 2005).

Lastly, social relations reinforce the identity and recognition of actors. When people share the same interests and resources they are able to provide emotional support to one another. The sense of belongingness that emanates from the social ties enhances mental wellbeing as well as an entitlement to resources. These resources could be power, reputation, wealth, and even social networks (Lin, 2001). These resources are transmitted through the established social relations in families, neighbourhood, and communities. The intangible resources are categorised in terms of cognitive forms of social capital, while networks and associations are classified as the structural forms of social capital (Baum and Ziersch, 2003). These intangible resources can then facilitate access to physical wealth.

According to (Coleman, 1988) social capital has several tenets. Firstly, it is embedded in social structures. The structures could be in form of market relation where there is exchange of goods for goods or money. Obedience to authority and social relations are other forms of social structures (Adler and Kwon, 2002). These are the type of relations that one actor maintains with other people. It is driven by the obligations, expectations and trust created in the social structures. When one member of a group does something for the other, that person expects that a similar action will be reiterated. The other person is obligated to reciprocate that action. Once this is done trust is created in the person that had an expectation and in the other who had an obligation to fulfil.

Social capital provides access to information (Brisson and Usher, 2005). This information captured in social ties may provide opportunities or choices to the individual. Individuals can then be able to locate which organisations or sets of people require their labour and provide the appropriate returns.

Social capital is characterised by norms and sanctions (Coleman, 1988). Norms that are prescribed promote behaviour that is in the interest of the larger group. This form of behaviour is sustained by rewards, more so, status, honour and social support from the members. Through sanctions inappropriate actions are disapproved.

The social capital theory is relevant to this study in that, self-help groups operate under the principle of expectations, obligations and trust. Once a member makes a contribution they expect the others to do the same. When every participant has met their obligation, trust is created which goes on to sustain the group overtime.

Access to information as a major characteristic of social capital is important in group operations. During group meetings information is shared on business, politics, community events and any other issues that concern the members. The groups can become channels of distributing information to non-members.

Sanctions and norms are necessary for the operation of groups. In order to maintain group activities members have to be aligned according to the group's constitution. Members who do not comply are charged in order to maintain discipline within the group. Following these reasons, the social capital theory is best suited for this study.

## **2.2 Empirical Literature Review**

This chapter is organised into two sub-sections. The first section discusses group formation, functioning mechanisms and performance of self-help groups. The second section focuses on the theoretical literature that guided this study.

### **2.2.1 Group Formation**

Groups are formed when people try to resolve their inadequacies together. These problems could be unemployment, lack of social support, poor infrastructure within the locality and many other problems that are experienced in a community. When people interact with others over a period of time they end up sharing similar sentiments leading to collective action (Lin, 2001). The homophily hypothesis suggests that interactions occur among individuals with similar ways of life and socioeconomic characteristics (Lin, 2001). This study explains group formation as the process in which people come together through social interactions for the purpose of creating a group of five people or more who are adults and have the same goal of saving and lending money to members for social and economic empowerment.

At the beginning when few people want to incorporate other participants, they lay out the requirements. This may involve contributing registrations fees, attending group meetings, monthly or weekly contributions, and participation in group activities (McCormick, Mitullah, Kinyanjui, 2003). These terms and conditions are agreed on before the group is registered. Decisions on the number of people of to be accommodated is agreed on at this stage. The schedule of meetings, venue for meeting, role assignment, loan amount to members, is also agreed on. The group's constitution consolidates all this information and is used for governing the group in the future.

Egolf and Chester (2013) gave out some practical reasons on why people form groups: Firstly, when people realize there are some duties they cannot perform on their own. It could also be a requirement by an institution, and when personal goals can only be achieved through membership in a group.

The explanations for group membership can be classified into various categories (Egolf and Chester, 2013). Biologically, individuals join groups as they are genetically programmed to survive together with other human beings and not in isolation. Due to interpersonal reasons, people join groups in order to satisfy the need; to be included, the need for control, and the desire to be highly regarded due to one's skills, competence, abilities and leadership and in turn respect the same attributes in others. Another justification was the need for affection, that is, the need to be loved and the desire to reciprocate this (Egolf and Chester, 2013).

Another category was the hierarchy of need based on Maslow's theory. The esteem need in the pyramid is mainly fulfilled when one is in a group before self-actualisation and independence takes place. Lastly they adopted Goffman's (2013) explanation on the need to impress, where people participate in groups so that they can find an audience to affect (Egolf and Chester, 2013). It is evident that people form groups driven by various needs.

The Fin Access household survey (2016) conducted at the household level, between August and October (2015) in Kenya, laid out some of the factors that promote membership to groups. Most of the people (25.4 percent) joined groups in order to have access to money during emergencies. Around 22.2 percent joined groups so that they

could have money to cater for their daily needs. Those that joined groups for social reasons were about 16 percent. Others joined groups for the safety of their money (12.2 percent), while those whose aim was to invest were around 11.6 percent, and only 6.4 percent were interested in saving (CBK,KNBS,FSD Kenya, 2016).

Once people come together to initiate the group process they undergo various stages as the group develops. Tuckman (1965), as quoted by Egolf and Chester (2013) listed the stages that groups undergo as they develop. At the forming stage, people try to look out for the roles that they can take; the members are friendly and unaware of the limits that the group can extend to.

In the second stage which is the storming, conflict emerges between group members; leaders are disliked based on how they conduct the group. The interpersonal conflict affects attainment of goals and little progress is observed. This is followed by members trying to resolve their differences and create cohesiveness. While at the norming stage, group members become more expressive, open to one another and work as a team. Eventually, the group graduates into the performing stage, where more energy is focused on achieving the purpose of the group as most challenges have been resolved in the previous stages (Tuckman, 1965).

Other theorists have suggested stages that groups go through. Fisher (1970) outlined the orientation stage, where members get introduced to one another. In the second stage, conflict and disagreements arise and negative attitudes are expressed. At the third stage, disagreements and conflict are reduced by the members. Lastly, at the reinforcement stage decisions are agreed on and actions are taken. However, it is certain that the time spent on each level is not clear. Also, the process of group development is a back and forth process- at one point the group may be performing well, crises arise, then again they redraft their plans and start over again.

Group formation as a process, entails various elements as already discussed. Therefore it is important to explain the parameters that most groups find vital in order to ensure consolidation of the group. When there are variables that group initiators have to consider, it implies that the process is not random but a well thought plan of people coming together to address issues brought about by poverty.

### **2.2.2 Functioning Mechanisms in Self-help Groups**

In this section the various alternatives that groups adopt to ensure continuity are discussed. In several studies group survival has been equated to sustainability of projects. The concept of functioning signifies the achievement of objectives in the midst of competing interests, within the stipulated period as the group continues to exist.

Based on the definition that Okumu (2012) offers; sustainability is the capacity of a project to be advantageous for the period that it exists. In the study, Okumu (2012) investigated the role of decision making, the influence of external entities, and skill acquisition within the groups. The study concluded that these factors had a positive impact on the sustainability of groups in Mombasa County. The research related to the present study as it focused on variables that influence the functioning of a group.

In another study, Munyao (2017) looked at sustainability of self-groups in Matungulu sub-county. The study interrogated the role of financial support from the government in ensuring the sustainability of these groups. It was noted that most groups continued to survive even after the support had been withdrawn by the government. However, the number of activities declined to a minimum that could be maintained by the group. Some of the groups looked for alternative ways of maintaining their projects by looking into different ways they could acquire money for their projects. This work relates to the present study as sustainability can be understood as the ability of the group to survive during and after external support has been withdrawn.

The activities that groups engage have been credited to ensuring survival of the group. Empowerment through these activities is aimed at financial stability for the members. Mbai (2017) concluded that the activities that were carried by women self-help groups were important in providing financial stability. These activities included table banking, training on business skills and time management. The study was conducted in Miambani ward, Kitui County which was a rural setup.

External involvement by various organisations is one strategy that has been noted for group survival. Research confirms that groups' survival is partly influenced by outside factors. Wituk et al (2002) conducted a study that examined the relationship between

external sources and group organisational characteristics to the survival of self-help groups. The sample of this study involved 245 existing groups and 94 groups that had been disbanded in the past. The two types of groups differed in the number of new members that attended group meetings, the period that these groups had existed, average attendance by the group members, leadership diversification, ability to reach to potential members, and the support the groups received from national and local organisations

Government funds were important to the survival of the self-help groups. The financial assistance helped in achieving the group's objectives. This also lengthened the period in which the group was in existence (Munyao, 2017; Kibaki, 2011). Local non-governmental institutions were also documented as having an important role to the survival of self-help groups.

Obulinji (2013) confirmed the role of external agencies in the area of Isinya, Kajiado County. The local organizations contributed much to the economic and social empowerment of the women in self-help groups in that area. Increased incomes from the income generating activities that the organizations facilitated were noted. Also, children of group members went to school due to the awareness that had been created on the importance of education by these organisations.

Rules and regulations were necessary to the survival of these groups. Ostrom (1990) as cited by ((McCormick, Mitullah, Kinyanjui, 2003) noted some of the rules that facilitated group survival. Operational rules were considered to influence everyday encounters in a group in regards to access of resources. Secondly, collective choice rules were explained as how the group would be organised in order to change policy and the way a group could manage its resources. Lastly they mentioned constitutional rules; those agreed on by all the group members. The instructions in the constitution were used to govern the group and, showed how the group can be resolved ((McCormick et al, 2003). When disputes occur the group can refer to the constitution in order to take the appropriate action.

Attendance to meetings and any other functions organised by the group is also critical to group survival. Wituk (2002) notes that attendance is important as it allow members to provide support to the new members. When there are high rates of absentees, members feel that the group is not useful. This also creates a sense of disappointment. Some may also feel that the group is not successful due to low attendance in meetings.

Group norms are also necessary in ensuring the survival of the group. Feldman (1984) defines group norms as “the informal rules that groups adopt to regulate and regularize group members’ behaviour”. They are infrequently written down and discussed openly and they have an influence on the behaviour of group members”. Further, Feldman (1984) elaborates on the reasons why groups’ norms are enforced. First, he argues that group norms are formed to ensure that the group is protected from outside interference from other groups. These norms do so by laying out the range of behaviours that is expected from group members. Secondly, group norms have the purpose of removing ambiguity on the role of the members. This is to ensure that the roles are clear, simplified, and to help predict the behaviour of the group members. Also norms assist in avoiding interpersonal collisions within the group.

Lastly, norms lay out the values of the groups and make clear what is different about the group from the other groups. Group activities are justified by the norms that the group upholds (Feldman, 1984). Outsiders are able to describe the group based on the norms that the group members practise. The strength of the group is revealed when there is enforcement to behaviour that go against the accepted norms. Also, when these norms are unable to control certain behaviours the weakness in the group is revealed (Feldman, 1984). The extent to which an individual identifies with the group may reflect on how the group obeys the group norms. That is, people who have a high sense of belonging to the group are more likely to conform to what is expected of them (Jetten et al, 2002).

This discussion looked into the broad strategies that various types of groups considered in ensuring survival. In narrowing down to self-help groups the study consider how the groups incorporated; external support, outreach programmes to community, involvement in members social events, ability to network with external groups among

other variables. This would provide a better understanding on the strategies that groups maintain in order to remain functional.

### **2.2.3 Performance of Group**

The aim of most social groups is to ensure positive change for the members that spills over to the community they live in. In order to achieve this, groups have goals that are laid out. The goals provide the focus for the group and in most cases lead to economic and social empowerment. When these goals are not actualised or achieved they can act as measures of performance.

Therefore it is necessary for the group to lay out goals that indicate performance. Mwaniki (1986) noted that one of the major constraints facing self-help groups at that time was difficulty in establishing clear goals. Hence, the groups were not able to establish projects whose returns was assured. Also, the groups did not conduct feasibility studies prior to initiating the projects. Moreover, they were not able to determine whether there would be available support for the investments they had made and the amount of capital that would be required to sustain the projects.

In other situations group members decide to make personal investments. In a study by Gichuki et al (2017) women opted to borrow money from the group and invest in their businesses. Most of the women were able to increase the size of their enterprises from the funds they accessed. They viewed joint ventures as risky as they could lose money when these projects were not profitable. Hence, an indicator of good performance could be the ease of access to loans in cases where there are no group projects.

In most cases some groups have goals whose way of achievement is not laid out (Keeney and Gregory, 2005). This was a challenge that was also noted by Kithinji (2017) in that most of the groups that were involved in the study did not have clearly stated objectives that were linked to the overall goals. Poor record keeping could contribute to poor planning that may contribute to poor performance.

In the process of trying to achieve the set goals group members come across various impediments. These challenges can hinder progress and in some cases lead to dissolution of the group. Groups that have been able to overcome the threats to performance end up performing better. From the Financial Access household survey, about thirteen percent of people that were in groups had lost their money. Around 6 percent experienced loss of group membership. Conflict within the group attributed for 5 percent, while poor leadership counted for 4.1 percent. About 4 percent of people sampled could not access money from the group immediately they need the money. Only 1 percent of the people reported to having been forced to take up a loan from the group (CBK, KNBS, FSD Kenya, 2016). This portrays a general picture of the challenges experienced in most groups.

This study is set on finding out the goals that have been planned; this can be retrieved from the group records. The objectives that were dropped along the way and those that have been achieved could be used to signal the group outcomes. The time taken to achieve these goals would be a necessary indicator as it would help in examining the constraints or the facilitating factors during that period of time.

### **2.3 Study Propositions**

Based on the reviewed literature and theoretical framework the study relied on the following propositions.

1. Socio-demographic characteristics drive self-help group formation. Age, education level, marital status, number of dependants, were some of the variables that were noted for this proposition. These variables are well defined in (Table 2.1).
2. Mechanisms within the group sustain the self-help groups. The mechanisms that were looked into included outreach programmes, external support, challenges encountered, ways of resolving disputes, offences fined and ability to network with other groups (Table 2.1).
3. Project investments indicate the performance of self-help group. List of investment in projects, loan repayment within the group, loan repayment to external sources, social support to members, use of loan, amount of savings and ability to manage financial needs at the household were the indicators that were looked into for this proposition (Table 2.1).

**Table 2.1: Variables operationalized**

<b>Independent Variable</b>	<b>Indicator</b>	<b>Dependent variable</b>	<b>Indicator</b>
1.Demographic information	Age (below 65 years)	Self-help group outcomes	Increased saving
	Education (formal or informal)		Members perceived level of fulfilment
	Gender (male or female)		Social support given
	No. of dependants (1-12 persons)		Increased lending
2.Group formation	Age of group in years	Self-help group outcomes	Increased saving
	Number of group members		Members perceived level of fulfilment
	Reasons for joining the group		Social support given
	Common characteristic of members		Increased lending
	Regular contribution in shillings		
	Frequency of meeting and monitory contribution		
	Group activities		
3.Functioning mechanism	Outreach programmes	Self-help group outcomes	Increased saving
	External support		Members perceived level of fulfilment
	Challenges encountered		Social support given
	Way of resolving disputes		Increased lending
	Offences fined		
	Ability to network		
	Use of fines and membership fees		
	Catering for emergencies		
	Loan from external sources		
4.Group performance	Type of project investment	Self-help group outcomes	Increased saving
	Loan repayment in group		Members perceived level of fulfilment
	Social support offered to members		Social support given
	Loan repayment into external sources group		Increased lending
	Use of credit recently		
	Amount of savings		
	Household financial capacity		

**Source : (Author's conceptualization, 2019).**

## **2.4 Conceptual Framework**

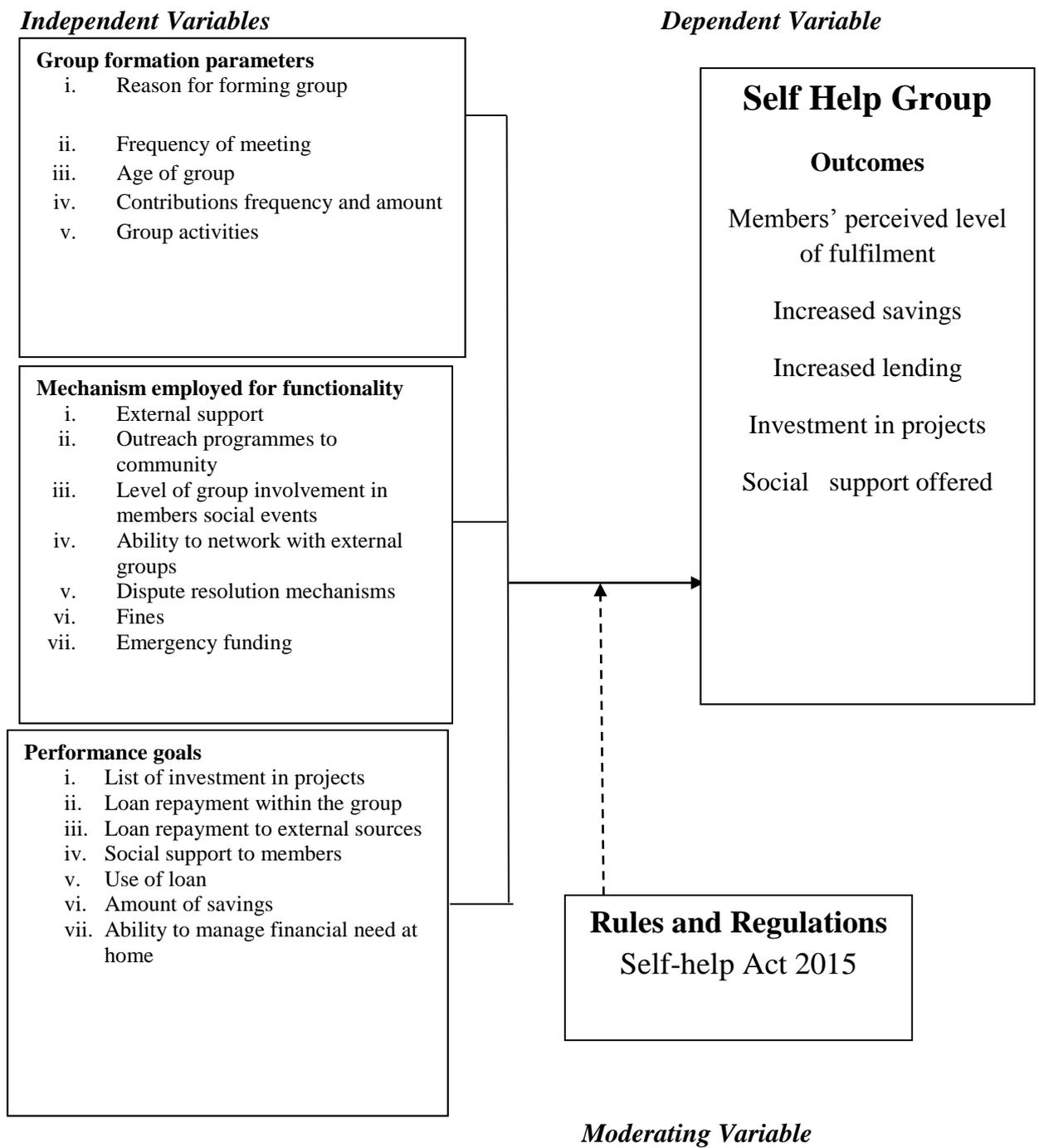
The conceptual framework was necessary in order to focus and shape the research process. It informs the methodological design and influences the data collection instruments that are used (Mitchell and Jolley, 1988). The framework (Figure 2.1) is an illustration of the independent and dependent variables used in this study. The independent variables are those that influence the dependent variable. In this case, the dependent variables are the outcomes expected from the self-help groups. The first independent variable were the parameters used when forming the groups. First, a group profile was laid out by identifying the reason for forming the group, how often the group met, the period in which the group had been in operation, frequency and amount of contribution, and the activities in which the group engaged in.

The second independent variable was the mechanism employed to ensure proper functioning of the group. The indicators for this were; identifying external support that may have aided the groups, outreach programmes that the groups had as a way of giving back to the communities. The level of group involvement in members' social events was also used. Also, the ability of the group to network with external groups. Dispute resolution mechanisms were necessary to illustrate the ability of the group to function when people disagreed. Fines were important to show the offences that attracted a penalty and how this was settled. Emergency funding was used to show the group's preparedness during times of weddings, funerals and other life events.

The third independent variable was the performance goal of the group. This would be addressed by looking at the number of projects invested in, the state of loan repayment within and out of the group and also how the loan was utilized. Social support offered to members was also used to indicate performance. Lastly, the amount of savings and the ability to manage financial needs at the household level by group members, was also used to show how the group performed.

The dependent variable that was influenced by these variables were; the outcomes displayed in the self-help groups. Increased savings in the group, members perceived level of fulfilment from the group, increased lending, investment in projects, and increased social support offered to members were noted.

**Figure 2.1: Conceptual Framework**



**Source: (Author's conceptualization, 2019)**

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Research Design**

A research design is a structure that is logically constructed in order to guide inquiry (De Vaus, 2005). This study was undertaken using a case study research design. The study design incorporated qualitative and quantitative research methods. It was adopted in order to allow a rich context and a better explanation of the phenomenon under study (Bryman, 2012). Quantitative data was relevant in capturing statistical data from the interview guide. The quantitative data would assist in the analysis of demographic information. The qualitative data would be important as it would capture themes that would help in thematic analysis. Furthermore, it would capture the narratives of participants and result into a more holistic understanding of the groups.

#### **3.2 Study Site and Case Selection**

The study was conducted in Dagoretti South which is one out of the seventeen constituencies in Nairobi County. The constituency covers an area of 25.3 square kilometres and is divided into five administrative wards. Namely; Riruta, Waithaka, Uthiru/ Ruthimitu, Mutuini and Ng'ando. The central place is at Waithaka, which hosts a health centre, administration police camp, office of the chief and the gender and social services offices where groups are registered. Some of the major land uses in the area include agriculture, market areas, residential and commercial buildings, river, and schools (NCC, 2018).

The population structure in this constituency resembles that of the county of Nairobi. Majority of the people are between the ages of fifteen and sixty four. The registered voters amounted to 6.6 percent of the total population. This was estimated at 107,288 voters during the 2017 elections (NCC, 2018). Some of the socioeconomic activities carried out in the area include farming, Jua kali artistry, beadwork, and investments in the real estate sector. The informal sector employs most of the residents in this area. Also, the concept of working in groups for financial stability is dominant.

The area was selected as the study site since; self-help groups exist in the area both registered and unregistered groups. Also, the researcher was familiar with the terrain, making access to the field easy. Moving from one point to the other would consume less time. Moreover, the area had a good road network and proper means of transport which made commuting from one area more affordable. The languages spoken by most of the residents were English and Kiswahili; therefore language barriers were not experienced.

### **3.3 Target Population and sampling procedure**

The target population of the study were group members of self-help groups in Dagoretti South constituency. The study used non-probability sampling in selecting the groups. The group members were purposively selected to act as respondents through the help of the social development officer at Waithaka. The groups selected included women and men groups' altogether. The researcher reached out to ten groups and interviewed seventy nine group members. The groups were identified through a snow ball effect where one group recommended the other. The numbers of group members interviewed were the people who gave their consent to be interviewed. These were the people present during the group meeting, and were willing to provide information based on the questionnaire.

The two key informants were purposively selected due to their availability and willingness to provide information. The focus group discussions involved five groups with members present ranging from six to ten people. The discussions were conducted at the groups' meeting location. Notes were taken during the group discussions and referred later during data analysis.

### **3.4 Information Required in Addressing Specific Questions**

The first research question: "What are the parameters considered during group formation?" "This question will be addressed by looking at; the criteria the group used to recruit its members, the purpose of forming the group.

Research question 2: "What mechanisms are employed by the group in order to remain functional?" This question will be addressed by looking into; the external support provided by other agencies; group norms and rules and their way of enforcement, length

of time the group has been in existence, frequency of meetings and contribution, source of funds, the level of participation in group members' social events-weddings, funeral and other ceremonies, dispute resolution mechanisms and outreach programmes exercised in the group.

In conclusion, the third research question; "Have these groups performed in relation to their intended goals?" This will be catered for by looking at the projects they have invested; loan repayment within and outside the group; social support to members; household financial capacity and use of credit amount of savings.

### **3.5 Sources and Means of Data Collection**

The study relied on the following sources and means of data collection: Primary data was collected using questionnaires that had open and close ended questions. This tool had been pre-tested through an interview with twelve group members belonging to two different groups. This allowed further revisions of the questions for clarity and simplicity. An interview schedule was used for the respondents.

The questionnaire was based on the objectives of this study so as to respond to the research questions. The first section contained the consent form and questions that focused on group formation. The second part had questions delving into the various ways that groups adopt for functioning. The third section had questions that touched on group performance.

The other sources of data were key informants, focus group discussions, and secondary sources. Secondary information was retrieved from the group records and records kept at the social development office. The register at the office contained the list of groups that had been registered whether in operation or not. Google scholar a search engine was relevant in availing electronic books, journals, articles, and theses on related studies.

### **3.6 Data Analysis**

The quantitative information collected was analysed using descriptive statistics. The various variables were analysed through SPSS version 25. This information was presented using frequency tables and figures. The qualitative data gathered was noted using the key informant guide and the focus group discussions. It was then keyed into Microsoft word tables. Codes were developed based on the data that was collected. This data was then classified according to the recurring themes. This formed the basis of the findings and discussion on this study. Secondary data from reviewed literature and the results from the quantitative analysis were used for triangulation of the findings.

### **3.7 Data Needs Table**

The data needs table (Table 3.1) illustrates the questions that were used in this study and the type of data that was to respond to each question. The information was sourced from group members, key informants and discussions with group members. The data was recorded through the questionnaire, key informant guide and the focus group discussion guide.

**Table 3.1: Data need table**

<b>Research question</b>	<b>Type of data</b>	<b>Source</b>	<b>Means of data collection</b>
1. How does group formation influence group performance?	No. of members Reason for forming group Criteria for inclusion Frequency of meeting Age of group Contributions frequency and amount Group activities	Group members and leaders Key informant Focus Group Discussion	Questionnaire Key informant guide Focus group discussion guide
2. Which mechanisms are employed by the groups in order to remain functional	External support Type of support Outreach programme Fines Disputes or challenges experienced Dispute resolution mechanisms Engagement with other SHGs Use of fines and membership fees Emergencies Account with formal institution Loans acquired Loan utilised	Group members and leaders Key informant Focus Group Discussion	Questionnaire Key informant guide Focus group discussion guide
3. How have these groups performed in relation to their goals?	Project investment Ability to manage household financial needs Loan repayment within group Loan repayment to external source Amount of savings made Social support offered by group	Group leaders and members Key informant Focus Group Discussion	Questionnaire Key informant guide Focus group discussion guide

Source: ((Author's conceptualization, 2019)

### **3.8 Ethical Considerations**

In order to collect data within the ethical standards of research, several permits were obtained. An introductory letter was obtained from the Institute for Development Studies, University of Nairobi. Further permission was sought from the Department of Gender and Social Services in Dagoretti South constituency and Nairobi County, where groups are registered.

Informed consent was obtained from the respondents before any engagements into the study. The respondents had the right to withdraw at any point of the interview. The persons involved were above the age of 18 years. The purpose of this study was clearly stated to allow a better understanding to the participants and the names of group members involved in this study would not be disclosed to ensure anonymity. Information gathered would not be used for any other purposes apart from this study. The findings and recommendations derived from this study would be shared to the relevant authorities at the end of study.

### **3.9 Field Challenges and Mitigation Measures**

There were many types of groups in the area which prompted the researcher to select self-help groups purposively. The researcher settled on two male groups and eight women groups. For the groups that met once a month the researcher had to wait until the following month which delayed data collection. Some of the group members were sceptical since they had lost money to intruders. The researcher had to convince the group members that the information was solely for academic purposes. Others thought that the researcher would pay them for filling in the questionnaire. The researcher had to make clear that there would be no money awarded and that this was a voluntary process. There would be no consequences if any member chose not to engage.

## CHAPTER FOUR

### FINDINGS AND DISCUSSION

#### 4.1 Introduction

This chapter presents the findings and discussion of the study. This is based on the specific research questions in the context of reviewed literature and theoretical framework. The discussion lays focus on; examining the parameters considered during group formation; the mechanisms employed by groups in order to remain functional and; how the groups have performed in relation to their intended goals. The findings are portrayed using tables, charts, and graphs.

#### 4.2 Characteristics of Respondents

This demographic information presents the characteristics of the study respondents. The research involved 79 participants, two percent of whom were below the age of 28 years. In the age brackets of 29 to 33 years, there was a slight increase to 8 percent. This percentage went on increasing to 47 percent for those aged above 43 years. In terms of gender, 85 percent were female and 15 percent were male (Table 4.1).

**Tables 4.1: Characteristics of Respondents**

Character	Variation	Frequency (79)	Percentage (100)
Gender	Female	67	85
	Male	12	15
Age	24-28	1	1
	29-33	6	8
	34-38	15	19
	39-43	20	25
	Above 43	37	47
Education	Primary certificate	26	33
	Secondary certificate	34	43
	Diploma certificate	8	10
	Bachelor degree	1.3	1
	Never attended formal school	10	13

Source: (Field work data, 2019)

From the demographic information, women made up a large proportion of the respondents. This may be a factor of the economic position of many women who result to self-help groups as a way of supporting each other and pulling together of resources for empowerment. This is relevant based on prior research by other scholars showing that women engaging in these groups were able to command respect and become financially stable (Podlashuc, 2009). Financial independence would allow them to address structural hindrances caused by lack of funds. This would involve challenging unemployment, illiteracy, diseases, and power struggles in the community (Musingizi, 2016). Women also engaged in these groups so as to protect their savings from immediate consumption (Baland and Anderson, 2002).

In addition, this finding relates to the homophily hypothesis which suggests that interactions occur among individuals with similar ways of life and socioeconomic characteristics (Lin, 2001). This might be informed by the fact that many women in this area go through similar experiences in terms of their financial and economic predisposition which makes self-help groups useful avenues for empowerment.

Most of the respondents were literate at a cumulative percentage of 87 percent. About 13 percent had not attended formal school. Having looked at the marital status of study participants, 21 percent of them were single; 71 percent were married; while 9 percent were widowed. This shows that as individuals get older, they have more reasons to join and need for being in self-help groups. This may be caused by increase in family responsibilities and also rational actions due to the need for social support, savings and also investment. The young population also has a poor saving culture and are financially unconscious. They put little effort towards pulling together for group benefits that are borne by members of self-help groups. Their responsibilities are also less pressing and may have no dependants therefore, may not have much need for self-help groups.

Members of the groups involved in the study reported that they had dependants whose wellbeing depended on them (Table 4.2). Most of them (42 percent) had 4 to 6 dependants to take care of. Very few of them (3 percent) had 12 and more dependants to look after. The ability of the members to take care of the family indicated empowerment. This finding resonates with Samanta (1999) who states that meaningful

empowerment has to reach down to the household. Enabling these women to access credit and pay school fees enhanced relations at the family level. The participation at the household enhanced the social acceptance of these women even at the group level.

The low percentage of group engagement by people under the age of 28 years was attributed to the fact that most of them were under the care of their parents. They were not eager to interact in self-help groups (Key respondent1, 2019). This finding may be a factor of reasons given by Oviawe (2010) who attributed unemployment of the youth to a poor knowledge-based economy, and low ability to develop entrepreneurial skills. This affects their investment opportunities which have an influence on income to invest in a saving group.

**Table 4.2: Characteristic of Respondents**

<b>Characteristic</b>	<b>Variation</b>	<b>Frequency (79)</b>	<b>Percentage (100)</b>
Number of dependants supported by group member	1-3	2	35
	4-6	33	42
	7-9	13	17
	10-12	3	4
	12 and above	2	3
Marital status	Single	16	20
	Married	56	71
	Widowed	7	9

Source: (Field work data, 2019)

#### **4.2.1 Parameters for forming the group**

From the key respondent, the requirements for registration included; a list of members, minutes of the last meeting, group constitution and registration fees. Hence, all these groups had met these requirements. It was also noted that a large number of groups existed without being registered. This was attributed to ignorance on the benefits for operating as a recognized group. Group registration would ease the access to government and bank services by the group (Key respondent 2, 2019).

In looking out for the parameters that were considered during group formation, gender displayed itself as an important factor. Each group had members of the same gender; two of them being male groups (Group KM and Group WZ). From the key respondent, few men engaged in group activities as they were engaged in financial activities that took most of their time. Also, they did not have much interest in engaging as a group. Moreover, most of them were not ready to take the risk of investing together (Key respondent 1, 2019).

#### **4.2.2 Reasons for forming or joining the group**

When forming these groups the members had a clear vision of what they wanted. From the focused discussions, it was noted that most of the groups had the primary aim of saving money. They also joined these groups so as to get access to credit. Social support reinforced the engagements in these arrangements. Some of the members joined the groups since their friends had initiated the process.

From the table labelled (Table 4.3); the groups are labelled in alphabets so as to maintain anonymity of the groups involved in this study. The first group (Group K) started with an aim of visiting the parents of group members. Once this had been achieved they started saving and lending money to group member. In the second group, at the initial stages, Group D was formed in order to act as a support group for mothers that had children with special needs. Later, it incorporated saving and lending to the members. They also agreed to involve other women who did not have children living with disability. The third group (Group WG) involved women who wanted to have secure savings and a reliable source of loan.

The fourth group (Group G), focused on providing social support whenever they met. It consisted of persons aged sixty five years and above. Whenever one of the members fell ill, they would visit them, give them food stuff and pray together. There were no savings or lending of money to group members in this group. The contributions made facilitated soap making activities for their own use and the rest was sold.

**Table 4.3: Reasons for forming or joining the group**

	<b>Group Identity</b>	<b>Reason for forming or joining the group</b>	<b>Amount Contributed (Kshs)</b>
1	K	Visiting parents, savings, loan,	1500 per month
2	D	Savings and loans, social support	300 per week
3	WG	Saving, loan	500 per week
4	G	Social support	20 per week
5	V	Saving, loan	500 per week
6	C	Saving, loan	1000 per month
7	MC	Saving, loan, daily needs	7500 per month
8	GA	Saving, loan	500 per month
9	KM	Saving, loan, social support, investment	1500 per month
10	WZ	Investment, Social support	2500 per month

Source: (Field work data, 2019)

In Group V, C, MC and Group GA, saving and lending money was the primary reason. The ninth group (KM) combined savings, land investment and lending to the members. The tenth group (WZ) monthly savings were dedicated to land investments only. “Social support was available to the members whenever the need arose.” (Respondent 2, 2019).

These groups had varied monetary contributions depending on the capabilities of the members. The men’s group (WZ) made a contribution of Kshs.2500 once a month. Group KM and Group K gave out Kshs.1500 while Group C that consisted of family members contributed Kshs.1000 once a month. The special mothers, (Group D) made a contribution of Kshs.300 on a weekly basis. The older persons, (Group G) contributed Ksh.20 on a weekly basis. Group WG and Group V made contributions of Ksh.500 per week while Group GA collected Kshs.500 each month. The key respondent noted that these contributions were controlled by the income that a member earned. “Their aim

was to improve their income levels by saving and borrowing from the group” (Key respondent 1, 2019).

In response to the activities that these groups engaged, none engaged in farming, awareness programs or even art work. Table banking was the main activity in these groups, except for Group G that sold liquid soap and Group WZ that bought pieces of land for the members.

From these findings, it is notable that the need for autonomy as explained by Suguna (2006) drove most women into starting their own business units. This is similar to the findings of this study which shows most of the study participants dedicated their time and money into their own personal businesses. Further to this, it is also crucial to pinpoint that this study findings on the formation of self-help groups are similar to findings of Egolf and Chester (2013) who found that some of the practical reasons on why people form groups include the realization that there are some duties that people cannot perform on their own. This means they have to pull together with others.

### **4.3 Functioning Mechanisms in Self-help groups**

The second objective of this study was to examine the mechanisms employed by groups in order to remain functional. The indicators for these were; external support, outreach programmes to community, involvement in members’ social events, and ability to network with external groups among other factors adopted in order for the group to remain relevant. The study had proposed that mechanisms within the group would sustain the self-help groups.

#### **4.3.1 External assistance**

From the study only Group K had managed to secure a loan from the Women fund offered by the government (Table 4.4). The group received Kshs.50,000 through the bank. Each member got Kshs. 2500 that was repaid with Kshs 250 interest for the group. The rest was repaid to the bank in a period of three months.

**Table 4.4: External assistance**

<b>External entities</b>	<b>Frequency</b>	<b>Percentage of respondents that received external assistance</b>	<b>Type of support acquired</b>	<b>Frequency</b>	<b>Percentage</b>
Bank /MFI	1	11	Loans/ Credit	1	11
None offered assistance	9	89	No type of support by external agency	9	89
Total	10	100		10	100

Source: (Field work data, 2019)

The key respondent acknowledged that they emphasized group registration in order for the groups to get assistance from government funds. The respondent stated that most of the groups did not access these funds as they did not have unified projects. Increasingly, some of them did not have proof of cash flow accounts due to poor record keeping (Key respondent 2, 2019).

It was hypothesized that part of the group's sustainability would stem from external sources. This study revealed that there was a gap between external agencies and the access to aid that these bodies could provide. This negates the second proposition of this study that anticipated the aid of external agencies in sustaining the group. This does not support the discussion by Munyao (2011); Kebaki (2011) and Okumu (2012) whose studies confirmed that external support in form of trainings and funds contributed to sustainability of self-help groups.

Also it goes against other findings including those alluded by Munyao (2017) who argued that sustainability of self-groups is dependent on financial support from the government in ensuring the sustainability of these groups. He had also noted that most groups continued to survive even after the support had been withdrawn by the government. This makes sense in light of this study's findings.

However, this ought not to undermine the important role of external support evident in other studies. A study conducted in Uganda illustrated the role of non-governmental agencies in rallying women to form saving groups (Musunguzi, 2016). Non-governmental organisations have been identified as relevant institutions in creating programs that empower women through financial stability (Amin, Becker, and Bayes, 1998). Similar in these studies is the fact that these organizations were not involved in maintaining these groups once they had been involved in initiating them.

Moreover, this study looked into the ability of these groups to network with other external agencies including other self-help group. The findings indicated that there were no interactions with similar structures by all the groups. They did not conduct outreach programmes with an aim of enlightening community members. These groups had not listed this as an agenda to pursue. It was an offence for group members to talk about the group with non-members. The groups operated as closed systems as a way of safeguarding the unity of the group.

According to (Mcpherson and Popielarz, 1992) closure in a group facilitated social capital by inhibiting external factors that would undermine trust within the group. Coleman (1988) argues that an open structure allows violation of rules which goes without being noticed and unpunished. This weakens social capital which is built on trust between the group members.

#### **4.3.2 Dispute and challenges encountered**

The survival mechanisms were challenged by disputes or challenges encountered across all the groups. Majority of respondents (26 participants) acknowledged that there were no major challenges they could not handle (Table 4.5). Repaying a loan in a slow manner was the most reported challenge. Low attendance during meetings was also noted, 13 respondents cited this in all the groups. Wituk (2002) noted that absenteeism discouraged members from attending meetings.

Group G reported illness as a challenge that affected their ability to meet. This group also stated lack of food at their homes as a challenge, since they were not able to work in order to provide for themselves. They mostly relied on well-wishers and their children for food. Their contribution could not cover for this need. This group

comprised of members who were 65 years and above. Physical weakness due to old age was visible in members of this group.

The health of the older women affected the wellbeing of their households. The dependants had to take care of them. Their productivity was minimal thus affecting the food security in these homes. This finding resonates with findings made by Samanta (1999) who emphasizes physical health as part of the empowerment process; due to the fact that it influences the ability to access resources.

Moreover, this segment of the population had low income which excluded them from formal financial systems. They were disadvantaged due to their old age. This study finding is a challenge highlighted by Amaeshi (2006) who attributed this exclusion to the financial system in that; it needed people who had funds; those that could be able to borrow and repay to the banks. Lack of money that affected the regular contributions was a major issue for some of the interviewees (12 participants). Differing opinions brought out disagreements though to a small extent, this was mainly reported in Group KM and Group WG.

**Table 4.5: Challenges or disputes that occur regularly in the group**

<b>Dispute or challenge</b>	<b>Frequency</b>	<b>Percentage</b>
Repaying a loan in a slow manner	14	18
Members escaping with group money	2	3
No disputes or challenges	26	33
Illnesses related to old age	10	13
Lack of money individually	12	15
Low attendance	13	17
Members disagreeing on issues during the meeting	2	3
Total	79	100

Source: (Field work data, 2019)

Having noted the challenges that occurred in these groups (Table 4.5), it was necessary to find out whether they had any impact on the groups. Seventy three percent of respondents described them as having no influence on the goals set by the group. Those

that indicated a slight influence on how the group progressed were 27 percent. They also noted that these disputes were not persistent, they did not occur in every meeting.

In order to settle disputes the groups had various ways of conducting themselves (Table 4.6). Group K, Group D and Group WG resorted to fines as a way of disciplining members. Dialogue with the members was dominantly used in Group V. No disputes were noted in Group G, hence there were no documented measures to align the members. This was also true in Group C and Group M.

In Group GA some members indicated fines as a way of resolving disputes while half of the members present reported the absence of disputes. In Group KM members were denied loans if they were not able to repay the borrowed money. In Group WZ before any measure was taken the leaders of the group dialogued with the group members. At some point in the group, some members were expelled as they did not adhere to the group rules.

**Table 4.6: Measures taken to settle disputes**

<b>Group Identity</b>	<b>Measures taken</b>
K	Dialogue with member, fines
D	Dialogue, fines
WG	Fines
G	No disputes
V	Dialogue
C	No disputes
MC	No disputes
GA	Fines, no disputes
KM	Deny loans, fines
WZ	Expel members, dialogue

Source: (Field work data, 2019)

During group meetings, fines were charged for any behaviour that was inappropriate to the members. For most of the groups lateness and absenteeism were charged a fine of Kshs.50 to Kshs. 100. In Group KM and WZ the person presiding over the meetings

determined the amount that would cover for any offence. Group K cooked meals during the monthly meeting. Wastage of this food from the members was charged Kshs.150 that was given to the hosting member. The use of abusive language was also found to be an offence in this group.

In group G (Table 4.6) there were no fines charged as it acted more of a support group. In Group V making noise during meeting proceeding was charged, this also happened in Group WG, where phone ringing was an offence. All members were required to put their phones on silence mode. Talking about the group with outsiders whether positively or negatively was considered an offence in Group KM and Group WZ. “Most of disputes presented come from defaulters and those that had misused group funds and were not willing to pay back” (Key informant1, 2019).

Major disputes could be settled by the Social Development Officer (SDO) and at the Chief’s office in the area. However, none of the groups selected had made such a presentation to these offices. External enforcement would be unreliable in most cases as the group members would prefer building networks that were sustainable outside the group meetings. The members followed up defaulters even in their homes so as to recover group funds. “Exposing defaulters to the authority would destroy the reputation of defaulters in the community, members choose to follow defaulters” (Key informant 1, 2019).

#### **4.3.3 Use of fines and membership fees**

These fines were used to cater for; stationery, airtime to alert members on any issue, and depositing into the group’s bank account. Membership fees that were collected from members were used to register the groups at the beginning. The money was shared among older members at the end of the year once the group had been registered. This was not the case for Group G (older persons) where new members were not charged any amount for joining the group.

The fines that were charged reminded members to avoid lateness, absenteeism, use of abusive language, and any unwanted behaviour in the group. One of the major attributes of social capital is the existence of norms and sanctions in social relations. Fieldman

(1984) argues that the establishment of these rules and regulations guides the behaviour of group members. They assist in preventing collisions between group members.

In order for these groups to have security for their money and prevent loss they had bank accounts. Group G had a dormant account as they stated that they did not have any money in the account for the past five years. The rest of the groups had bank accounts where they deposited their savings after lending. This was to ensure that the money was not stolen or misused by any member. However, when it came to borrowing, none of the groups had secured a loan from any financial institution. Group K had secured a loan from the Women Enterprise Fund (WEF) which was a government initiative.

#### 4.3.4 Members' contribution during emergencies

When it came to emergencies such as death of a family member, chronic illness, or any other unplanned disasters, a large percentage of the groups contributed an agreed amount. The rest of the groups contributed any amount the individual member decided on. This was one way that the groups showed their social support which was highly rated by all the respondents. This was one of the unifying factors that sustained these groups.

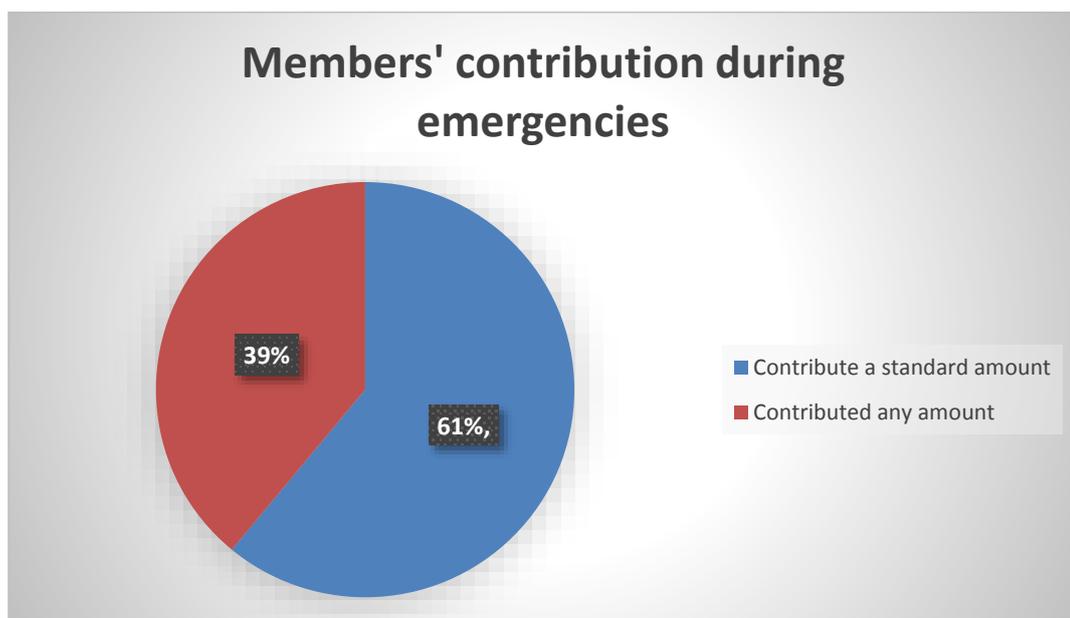


Figure 4.1: Members' contribution during emergencies

#### **4.4 Group performance in relation to set goals**

Performance in this study related to the ability of group members to become socially and financially empowered. The results of this study indicated that the groups achieved increased social stability. The group was the place where friends could listen and act on particular issues. The groups were mainly composed of friends and neighbours. These were reliable members as they mentioned that they looked into the character of the people before engaging them into the group. Support during weddings, funerals and other ceremonies reinforced social stability to the group members. “During funerals and weddings members contribute and also issue material support to fellow members” (Key informant 2, 2019).

Financial stability was also achieved as the participants reported increased financial management at the household level. The key informant stated that most of the groups had managed to secure wealth for most members (Key informant1, 2019). “Most of the groups brought members together and attained wealth in the process” (Key informant 2, 2019).

##### **4.4.1 Project investment**

From the study eight of the groups did not have joint projects. These groups had not set this as a goal, although Group WG mentioned that they were in the process of making land investments. Group KM and Group WZ had joint projects where they had bought land together.

The chairman in one of the groups stated that the process of selecting which project to invest in took a lot of discussions and time. It involved identifying the project, visiting the site by all group members, hiring of lawyers to make a legal transaction, and payment of these services. “When we are discussing land investments, people do not easily agree. It takes a lot of time to come to an agreement (Respondent 1 Group WZ, 2019)”.

Through the discussions, it emerged that investing in one business for the group would be risky. Most of the members opted to invest in their own activities. The process of initiating a business together would also be time consuming. Some of the members

stated that in case an enterprise was introduced some would be actively involved in its management while the others would be passively engaged.

It was evident that, social capital developed within the group allowed for collaboration in projects that were meaningful to the members (Knowles, Luke and Barraket, 2013). Physical projects that enhanced the lives of group members were minimal due to the low contributions and the long duration it would take to accumulate funds. Instead, members focused on strengthening the social relations between the members. These relations were necessary when called upon especially during social events. The social value placed in these relations translated into resources for the members and therefore were necessary.

#### **4.4.2 Individual financial assistance from financial institutions**

In order to understand whether financial assistance from other entities could have played a part in enhancing financial stability, only six percent of the respondents had borrowed from an external source other than the group. Ninety four percent of group member had not secured any credit from the financial institutions (Table 4.7). These respondents acknowledged that even at their personal level they did not borrow from banks despite having accounts.

**Table 4.7: Loan repayment to other institutions**

<b>How is your loan repayment to other external sources</b>	<b>Frequency</b>	<b>Percent</b>
Satisfactory	5	6
No loan acquired from external entities	74	94
Total	79	100

Source: (Field work data, 2019)

On probing further on why members did not secure loans from the banks; majority of the people stated that the banks charged higher interest rates. Also that there was a lot of book work some which they did not understand. Some of the group members stated that they did not have group assets that could secure their loan. Others mentioned that

institutions were not willing to lend to self-help groups unless they grew into larger entities, for instance gistered companies (Respondent 2 Group KM, 2019).

Access to bank services was cited as having a bias towards people who were financially stable and those that are socially advantaged (Amaeshi, 2006). This resulted into financial exclusion of certain social groups particularly the poor and older persons.

#### 4.4.3 Personal financial accounts

Seventy one percent had bank accounts where they made their savings; while 29 percent of them did not have any bank accounts as illustrated in (Table 4.8). In the discussions, some stated that the group was a better bank as they could easily borrow money. Also the income they got would not be enough to save in a bank and for consumption. Household consumption took a great percentage of their money.

This finding resonates with the literature pointing out that owning a bank account is emphasized as a step towards financial inclusion. As captured by Bhatia and Singh (2019) emphasized that the inclusion should go further into utilization of financial services that empower women. This would lead to economic growth.

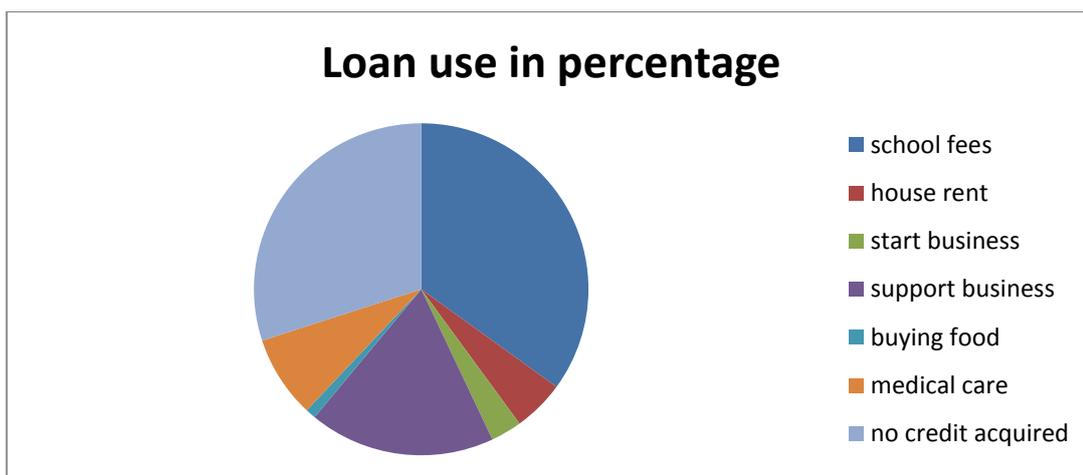
**Table 4.8: Personal financial accounts**

<b>Financial Institution</b>	<b>Frequency</b>	<b>Percentage</b>
Microfinance Institution	1	1
Bank	55	70
No personal account	23	29

Source: (Field work data, 2019)

#### 4.4.4 Purpose of credit

Most of the borrowed funds were dedicated to school fees (35 percent) as shown in (Figure 4.2). This was followed by 18 percent of participants who used the loan to support their existing businesses. Others (8 percent) used the money to cater for medical expenses in their families. Very few of the respondents (1 percent) used their credit to buy food items for their household. From observation, the group records showed that almost all the group members had acquired a loan from the group at different times.



**Figure 4.2: Loan use in percentage**

Loans provided by the group played a great role in empowering the women financially. These were used in great percentages to support businesses that generated an income for the respondents. A study by (Gichuki et al, 2014) associated the increase in size of business ventures to the credit obtained from the group. The ease of access and low interest rates charged promoted lending to the members. This affordability ensured that the groups performed accordingly and prevented borrowing from banks.

#### **4.4.5 Members satisfaction on group loan repayment**

Loan repayment back to the group became a necessary indicator of how the groups were performing. From the group members, 15 percent indicated that they were very satisfied with how the loans got repaid in their various groups. Majority of the respondents (39 percent) showed that they were satisfied (Table 4.9). Twenty five percent of the participants were slightly unhappy with how the money got back into the group. Sixteen interviewees had not secured a loan from their group. These were members of Group G and Group WZ.

These findings relate to the social capital theory which emphasizes on trust. Trust is important in these relations; especially in lending money. This enabled members to borrow, creating an obligation to pay; while the other members expected repayment. The trust emanating from these relations allowed the development of joint liability

(Gangopadhyay, Ghatak and Lensink, 2005). The concept allowed banks to lend to groups without physical collaterals.

Furthermore, social security from group members guaranteed these loans. Another scholarly piece that relates to this study is by Dufhues et al (2011) who in their study concluded that social capital assisted in loan repayment by creating personal networks among the members. In order to maintain these networks members had to fulfil their obligation by repaying what they owed. The self-help groups depended highly on trust in order to operate and function effectively.

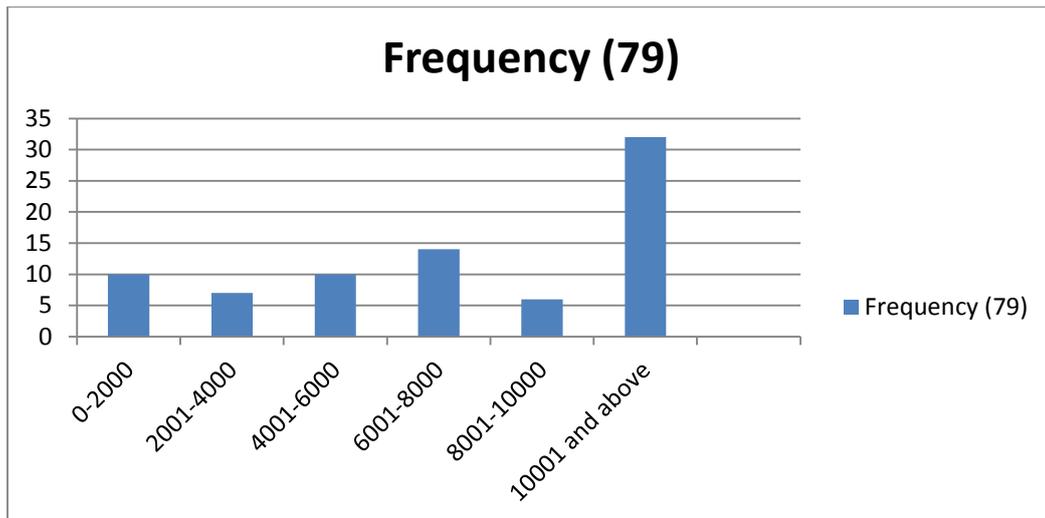
**Table 4.9: Members satisfaction on group loan repayment**

<b>Members satisfaction on loan repayment</b>	<b>Frequency(n=79)</b>	<b>Percentage (100)</b>
Very satisfied	12	15
Satisfactory	31	39
Slightly satisfactory	20	25
No loan acquired	16	20

Source: (Field work data, 2019)

#### **4.4.6 Group Savings**

Increased savings was observed from the group's financial records. Most of the group's savings were above Kshs.10, 000 as illustrated in (Figure 4.3). These monies had been accumulated for the past twelve months. The last division of savings in most of the groups occurred at the last financial year. This happened after a rotation of the weekly or monthly contribution to all the members.



**Figure 4.3: Savings in the self-help groups**

The more savings that the group had the more they could circulate in terms of loans. This was not the case in Group G (older persons), and Group WZ where the savings were for long term investments. From the respondents, when the savings were distributed, they were first dedicated to household consumption. This finding is critical especially in light of literature such as that by Podlashuc (2009) who describes the ability to save as an initiative that is proactive in the process of poverty alleviation. It provides a solution to scarcity and overcomes limitations caused by insufficient funds. Therefore, these groups are able to insulate the members from difficult financial situations.

#### **4.5 Summary**

From the findings, most of the groups had literate members who had family obligations. Fines were used to regulate behaviour during group meetings. Membership fees were used to reward older members and to finance stationery needs. From this study, it was evident that the members highly rated the support provided from the group. The role of social capital in making these groups functional was evident from the emphasis on social relations. In these interactions a sense of belongingness was created. It became easy for the members to obey group rules as they owned the process. The trust that emanated from the group went on to create support for the members. This supported Coleman (1988) ideas, where social capital was composed of expectations, obligations, trust, and norms that controlled actions by people.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Summary of the study**

From the literature reviewed, self-help groups are necessary in achieving development. They adopt a bottom-up approach to development. This ensures that people at the community level become active participants in their social and financial lives. Moreover, the basic need of belonging is fulfilled by being a member of a group.

The aim of this study was to understand the parameters considered in group formation. Formation of a group involved identification of participants who were mostly neighbours; they then set the rules of engagement and registered the group. The source of income to facilitate contributions was generated mainly from jobs in the informal sector. The respondents were people of low income levels based on their weekly and monthly contributions. Most of the groups were involved in table banking. Saving and lending the money were the main activities in these groups.

The participants were characterized as literate as most had secured formal education up to various levels. This made it easy for them to keep records and be able to follow on these records. Most of the participants were women acknowledging what most studies have observed; for instance the study by Mbai (2017). There were few group participants for people under the ages of twenty eight. This was attributed to the less financial independence at this stage. The participants had obligations at the household level. This made them more cautious on how they spent their money.

The second objective of this study was to examine the mechanisms employed by groups for them to be functional. It was noted that, assistance from other sources in terms of training, grants and loans was negligible in this study. These groups did not conduct outreach programs as that was not part of their goals. Also, they did not engage with other groups that had the same ideas. This signified the operation of a closed structure. Information from within or outside the group was not allowed. Increasingly, the contributions made during emergencies greatly contributed to the survival of these

groups. This reinforced the social support in the group. Sanctioning of deviant group members through fines was the most effective way of maintaining order in these groups.

Thirdly, this study was set on examining the ways in which these groups considered their own achievements. For most of the groups joint ventures were not part of their goals unlike what was anticipated at the beginning of the study. The groups that had investments had taken more than five years to realize their projects. These groups had not experienced major changes that could have altered their performance. The social support received from these groups was highly rated and considered as a major achievement.

The increased savings in the groups indicated commitment from the members to make the group perform accordingly. This translated into more loans to the members, which they repaid at flexible terms. This increased the ease of accessing money in the group. As a result, majority of the members reported being in control of their finances from the time they joined the group.

## **5.2 Conclusions**

This study reinforces the social capital theory that revolves around the relations between people. The benefits generated by people working together for a common goal is evident in these groups. The willingness of the participants to remain together made the groups to function over a long period. Social capital created an obligation for the members to meet at the scheduled time. A lot of expectations existed between the members that one member will uphold the other when necessary. The aspect of trust was evident from the social support that was accorded to every member.

It is important to note that most of the people joined these groups so that they could get their money accumulated. Access to finance enabled them to settle their educational, shelter, medical and personal needs at the household level. This gave them a sense of wellbeing as they were able to meet their basic needs. The findings illustrated increased ability to manage household finances due to group membership.

It was also convenient for the members of these groups to have their money in a bank. The savings they made were deposited by the treasurers in these groups. This gave them time to concentrate on other activities that generated income. Loss of money was prevented by making these deposits. This was the main motivation for the groups to have bank accounts. At the time of the study, borrowing from financial institutions had not been realized.

The fines derived from the groups acted as the most effective functioning mechanism. The delayed contributions, absenteeism and lateness that could cause the collapse of the group were countered by appropriating fines. The seizure of assets, expulsion and suspension were found to be intense measures. They could not be undertaken without the involvement of a third party from the community. The groups involved in this study avoided these measures.

The members of these groups were localized in one area. This made them more conscious of how they treated one another. More so, when it came to the way in which they handled collection of debts. They wanted to remain as good neighbours even after the group activities. In fact, the fines that were charged when a member was found talking about the group were meant to enhance the social relations.

### **5.3 Recommendations**

The Ministry of gender, sports, culture and social services in collaboration with other ministries could make use of these platforms to create awareness on various issues that face society. At the grass root level they ought to employ trainers on health issues such as ways of preventing diseases. This space could also be utilized to illuminate on education, child protection, gender based violence and farming practices where applicable. This would make group meetings more effective and diversified. It would be a source of credible information that would enable alleviation of various societal problems.

Financial institutions could find a way of bridging the gap between them and self-help groups. This would be done by formulating loan packages that the groups could afford. They could also educate them on the various ways that they can make their money grow.

Moreover, when political leaders want to be elected they make the most of these groups by rallying their support. In the same manner policy makers should ensure support from these groups for proper implementation of the various laws that exist in the country.

People with the intention of forming groups could have a look at the different group structures and choose one that would work for them. Group members could also find a way of interacting with other self-help groups that have more projects so that they can share information. Self-help groups could also merge with other groups once in a month in order to conduct awareness programs, arrange for clean-up exercises, and conduct fund raisers for different purpose.

#### **5.4 Areas for Further Research**

Further studies could be conducted on the influence of loans from groups to the stability of families. Focusing on the quality of education to dependants, effect on the size of business and quality of medical care.

Research could be conducted on the influence of mobile banking platforms to the financial growth of group members. This would be a study on whether the ease of access to these services had increased the ability of group members to leverage on existing opportunities in business, technology and developing their skills.

More so, a census on all existing self-help groups could be conducted in this area, in order to capture the role of external agencies in empowering group members. This could be useful in overcoming the limitations of time and finances encountered in this study.

A comparative study of group activities in rural areas and those in an urban set up could also be important. This could provide more information on whether there are any operational differences in these areas.

Lastly, a study on operating groups and those that collapsed would provide comprehensive information on group dynamics that facilitate or disadvantage groups.

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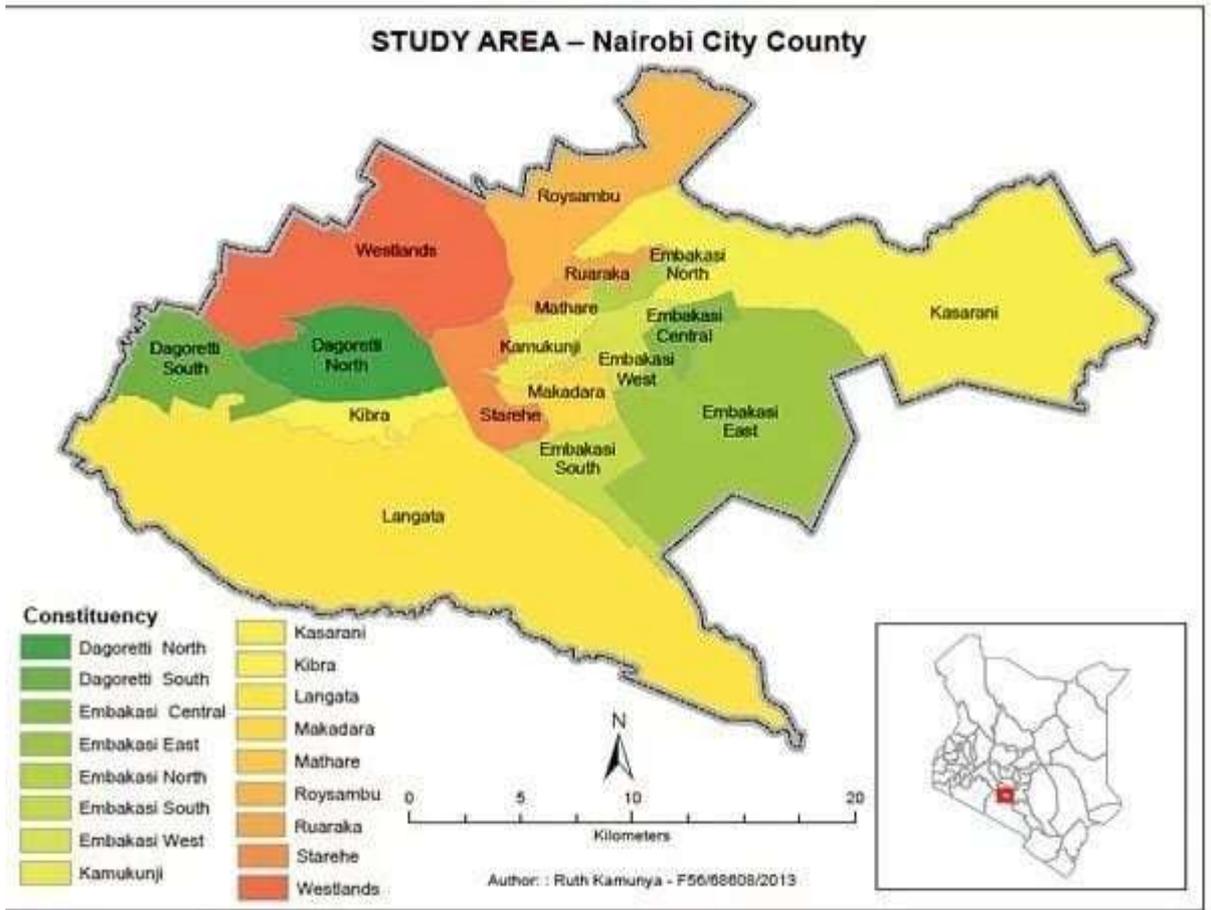
## APPENDICES

### Appendix 1: Data Needs Table

Source: (Author's conceptualization, 2019)

Research question	Type of data	Source	Means of data collection
1. How does group formation influence group performance?	No. of members Reason for forming group Criteria for inclusion Frequency of meeting Age of group Contributions frequency and amount Group activities	Group members and leaders  Key informant  Focus Group Discussion	Questionnaire  Key informant guide  Focus group discussion guide
2. Which mechanisms are employed by the groups in order to remain functional	External support Type of support Outreach programme Fines Disputes or challenges experienced Dispute resolution mechanisms Engagement with other SHGs Use of fines and membership fees Emergencies Account with formal institution Loans acquired Loan utilised	Group members and leaders  Key informant  Focus Group Discussion	Questionnaire  Key informant guide  Focus group discussion guide
3. How have these groups performed in relation to their goals?	Project investment Ability to manage household financial needs Loan repayment within group Loan repayment to external source Amount of savings made Social support offered by group	Group leaders and members  Key informant  Focus Group Discussion	Questionnaire  Key informant guide  Focus group discussion guide

**Appendix 2: Map of Nairobi County Showing Dagoretti South Constituency**



(Nairobi City County, 2014)

### Appendix 3: Questionnaire

My name is Janet Gathua a student from the University of Nairobi conducting a research. The study concerns how groups are formed, how they survive, and performance of self-help groups in Dagoretti South constituency. The information collected using this questionnaire will be confidential. I highly regard your contribution that will facilitate the achievement of goals in this study. However, participation is voluntary and you may choose not to engage.

Do I continue? Yes [ ] No [ ]

#### Section A: Demographic Information of members

1.0 Demographic Information of members			
1.1	Age?	1. Under 18 years [ ] 2. 19-23 years [ ] 3. 24-28 years [ ] 4. 29- 33 years [ ] 5. 34-38 years [ ] 6. 39-43 years [ ] 7. Above 43 years	
1.2	Sex	1. Male [ ] 2. Female [ ]	
1.3	Education level	1. Primary School Certificate [ ] 2. Secondary School Certificate [ ] 3. Diploma Certificate [ ] 4. Bachelors Degree [ ] 5. Never attended formal school [ ]	
1.4	Marital status	1. Single [ ] 2. Married [ ] 3. Separated [ ] 4. Widowed [ ]	
1.5	How many people in your nuclear family depend on you?	1. 1-3 [ ] 2. 4-6 [ ] 3. 7-9 [ ] 4. 10-12 [ ] 5. 12 and above [ ]	

2.0 Parameters considered during group formation		
2.1	Age of group	1. [ 0-3] 2. [4-6] 3. [7-9] 4. [10-12] 5. 12 and above
2.2	Has the group been registered as a self-help group?	1. Yes [    ] 2. No [    ]
2.3	What is the number of members in the group?	1. 0-10 [    ] 2. 11-20 [    ] 3. 21-30 [    ] 4. 31 and above [    ]
2.4	What were the reasons for forming/joining the group?	1. Savings [    ] 2. Loans [    ] 3. Investment [    ] 4. Social support [    ] 5. Money for daily needs [    ] 6. Access to money during emergencies [    ] 7. Gathering information [    ] 8. Spend spare time [    ] 9. Meeting new people [    ] 10. Other reasons..... .....
2.5	What was considered in order to enrol members?	1. Age [    ] 2. Income [    ] 3. Gender [    ] 4. Life events [    ] 5. Family members [    ] 6. Friends and neighbours [    ]
2.6	What is the regular amount of contribution in Kshs?	1. 100-300 [    ] 2. 301-500 [    ] 3. 501-700 [    ]

		4. 701-900 [ ] 5. 901-1200 [ ] 6. 1201-1400 [ ] 7. 1401-1600 [ ] 8. 1600 and above	
2.7	How often do you meet?	1. Daily [ ] 2. Fortnightly [ ] 3. Once a week [ ] 4. Monthly [ ] 5. Annually [ ]	
2.8	What is the frequency of your monetary contributions?	1. Once a month [ ] 2. Twice a month [ ] 3. Once a week [ ] 4. Daily [ ]	
2.9	Which activities does the group engage in?	1. Table banking [ ] 2. Investments [ ] 3. Beadwork and art [ ] 4. Awareness campaigns [ ] 5. Farming practices [ ] 6. Savings [ ] 7. Business venture [ ] 8. Other activities.....	
<b>3.0 Functioning mechanisms</b>			
3.1	Which external entities offer assistance to your group?	1. NGOs [ ] 2. Religious organizations [ ] 3. Government [ ] 4. SACCOs [ ] 5. Banks/Microfinance institutions [ ] 6. Local leaders [ ] 7. None of the above [ ]	
3.2	What kind of support has the group	1. Training from external agency [ ] 2. Grants [ ] 3. Loans/Credit services from banks [ ]	

	received from external agencies/	4. Any other support..... 5. None of the above [ ]	
3.3	What kinds of challenges occur frequently in the group?	..... .....	
3.4	Does this interfere with the realization of group goals?	1. Yes [ ] 2. No [ ]	
3.5	Does the group have outreach programmes to the community	1. Yes [ ] 2. No [ ] 3. If yes please mention..... .....	
3.6	Does the group engage with other self-help groups	1. Yes [ ] 2. No [ ]	
3.7	How does the group resolve disputes?	1. Dialogue with members [ ] 2. Dialogue involving an outsider [ ] 3. Expelling member [ ] 4. Suspending member [ ] 5. Freezing assets [ ] 6. Denying loans [ ] 7. Fines [ ]	
3.8	What are the offences that attract fines in the group?	..... .....	
3.9	How does the group cater for emergencies from group members?	1. Withdraw from group account [ ] 2. Contribute for the member a standard amount immediately [ ] 3. Contribute whichever amount [ ] 4. No contributions are made [ ]	

3.10	How are the funds collected as fines used?	.....	
3.11	How is the membership fees used?	.....	
3.12	Does the group have an account with any financial institution?	1. Yes [ ] 2. No [ ]	
3.13	Has the group acquired a loan from these institutions?	1. Yes [ ] 2. No [ ]	
3.14	How was the loan utilised? If yes to Q 3.14	..... ..... .....	

**4.0 Performance in relation to set goals**

4.1	Does the group have any investments?	1. Yes [ ] 2. No [ ]	
4.2	What are some of the things that have changed with time in the group?	..... ..... ..... ..... ..... .....	
4.6	What are the hindrances to realization of goals?	1. Poor planning 2. Scarce finances 3. Weak leadership 4. Loss of money 5. Others..... ..... ..... .....	

4.7	In your opinion does the group offer the necessary social support when needed?	<ol style="list-style-type: none"> <li>1. Yes [.....]</li> <li>2. No [.....]</li> </ol>	
4.8	For how long have you been a member of this group?	<ol style="list-style-type: none"> <li>1. 0-12 months</li> <li>2. 13months- 2 years</li> <li>3. 25months-3 years</li> <li>4. 49 months -4years</li> <li>5. 73 months -5 years</li> </ol>	
4.9	Since you joined the group how is your ability to manage household financial responsibilities?	<ol style="list-style-type: none"> <li>1. Very satisfactory [ ]</li> <li>2. Satisfactory [ ]</li> <li>3. Slightly Satisfactory [ ]</li> <li>4. Not satisfactory at all [ ]</li> </ol>	
5.0	Have you recently received credit from the group?	<ol style="list-style-type: none"> <li>1. Yes [ ]</li> <li>2. No [ ]</li> </ol>	
5.1	How did you use the last loan you received from the group?	<ol style="list-style-type: none"> <li>1. School fees [ ]</li> <li>2. House rent [ ]</li> <li>3. Start a business [ ]</li> <li>4. Support existing business [ ]</li> <li>5. Food [ ]</li> <li>6. Clothes [ ]</li> <li>7. Others.....</li> <li>.....</li> <li>....</li> </ol>	
5.2	How is loan repayment within the group?	<ol style="list-style-type: none"> <li>1. Very satisfactory [ ]</li> <li>2. Satisfactory [ ]</li> <li>3. Slightly Satisfactory [ ]</li> <li>4. Not satisfactory at all [ ]</li> </ol>	
5.3	Do you have a personal account with the following?	<ol style="list-style-type: none"> <li>1. SACCO [ ]</li> <li>2. MFI [ ]</li> <li>3. Bank [ ]</li> <li>4. No bank account</li> </ol>	

5.4	Since you joined the group how is your loan repayment to other external sources?	1. Very satisfactory [    ] 2. Satisfactory [    ] 3. Slightly Satisfactory [    ] 4. Not satisfactory at all [    ] 5. No loan acquired	
5.5	Amount of savings made	1. 0-2000 [    ] 2. 1001-4000 [    ] 3. 4001-6000 [    ] 4. 6002-8000 [    ] 5. 8001-10,000 [    ] 6. 10000 and above [    ]	

#### Appendix 4: Key Informant Guide

My name is Janet Gathua a student from the University of Nairobi conducting a research. The study concerns how groups are formed, how they survive, and performance of self-help groups in Dagoretti South constituency. The information collected using this questionnaire will be confidential. I would highly regard your contribution that will facilitate the achievement of the goals of this study. However, participation is voluntary and you may choose not to engage.

Do I continue? Yes [ ] No [ ]

Name: .....

Role.....

#### 1. Formation of self –help groups

a. What are the requirements most considered for group formation?

.....  
.....

b. What contributes to the informal operation of self-help groups (not registered)?

.....  
.....

#### 2. Survival mechanisms of self–help groups

a. What kind of support do the groups frequently seek for?

.....  
.....

b. How have you been delivering your support to the groups in this area?

.....  
.....

c. What are some of the challenges mostly presented by groups?

.....  
.....

d. How do you assist when presented with a dispute within a group?

.....  
.....

e. What hinders groups from accessing assistance from external agencies such as NGOs, religious organizations and financial institutions?

.....  
.....

**3. Performance in relation to set goals**

a. What are some of the achievements or changes that have been brought by self-help groups to this community?

.....  
.....

b. What are some of the ways that group members demonstrate their social support to one another?

.....  
.....

c. What are the reasons for some of the groups not borrowing from banks?

.....  
.....

d. What contributes to groups shying away from investing in projects together?

.....  
.....

## Appendix 5: Focus Group Discussion Guide

### 1. Formation of self-help groups

a. What do you consider when recruiting a member into your group?

.....  
.....

### Survival mechanisms of self-help groups

a. What kind of support does the group frequently seek for?

.....  
.....

b. How have you been delivering your support to the community in this area?

.....  
.....

c. What are some of the challenges you encounter?

.....  
.....

d. How do you handle disputes within the group?

.....  
.....

e. What hinders this group from accessing assistance from external agencies such as NGOs, religious organizations and financial institutions?

.....  
.....

### 3. Performance in relation to set goals

a. What are some of the achievements or changes has the group effected to this community?

.....  
.....

b. What are some of the ways that the group demonstrates social support to its members?

.....  
.....

c. What are the reasons for the groups not borrowing from banks?

.....  
.....

d. What hinders the group from investing in projects together?

.....  
.....

**END**