

**UNIVERSITY OF NAIROBI
DEPARTMENT OF SOCIOLOGY AND SOCIAL WORK**

**THE SOCIO-ECONOMIC BENEFITS OF WAKULIMA COMMERCIAL
SAVINGS AND CREDIT COOPERATIVE LTD TO ITS MEMBERSHIP IN
NYERI COUNTY, KENYA**

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DECLARATION

This research project is my original work and has not been presented for award of degree in any other university or institution.

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DEDICATION

This project report is a special dedication to my dad Mr. Fredrick Maina for his moral support and encouragement through this journey.

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ABBREVIATIONS AND ACRONYMS

AGM	Annual General Meeting
ATM	Auto Teller Machine
BOSA	Back office SACCO activity
CAPRI	Computation Analysis Programming Interface
CIC	Cooperative Insurance Company
CRDB	Cooperative Rural Development Bank
DCO	District Cooperative officer
DFID	Department for International Development
FOA	Food & Agricultural Organization
FOSA	Front office SACCO activity
GOK	Government of Kenya
ICA	International Cooperative Alliance
IFAD	International Fund for Agricultural Development
KUSSCO	Kenya Union of Savings and Credit Cooperative
MFI	Microfinance Institution
MIS	Management Information System
MWDL	Mukurweini Wakulima Dairy Limited
NSSF	National Social Security Fund
SACCO	Savings and Credit Cooperative Society
SASRA	SACCO Societies Regulatory Authority
TIB	Tanzania Investment Bank
WFP	World Food program
WOCCU	World Council of Credit Union

ABSTRACT

Two-thirds of the Kenyan population directly or indirectly benefit from a co-operative movement. There are 14,000 registered cooperatives of which 5000 are SACCOs. SACCOs are recognized as one of the most crucial as well as visible typology of cooperatives in Kenya (SASRA, 2017). Objectives for this study were: To establish the socio economic benefits to members of Wakulima Commercial SACCO, to examine how members participate in decision making process of the SACCO, to investigate the performance of the SACCO based on service provision to the members and to investigate the challenges that SACCO members are face while seeking services from the SACCO. Descriptive research design was employed because it outlines characteristics of the defined population under study and also helps in validating existing conditions. The population was drawn from Wakulima Commercial SACCO membership and two key informants. Wakulima Commercial SACCO has a membership of 22,442 according to the audited accounts of 2019.

A sample of 118 was considered. Interviews and focus group discussion data collection techniques were adapted while a questionnaire and an interview schedule were used as data collection tools. The study found out that SACCO members have benefited from the SACCO in different ways with 36.0% having benefited by way of paying school fees, 31.0% in farming, 4.0% in business 26.0% in developments such as connection to electricity, buying water tanks, building houses and buying of property) and finally 3% have benefited by way of paying hospital bills. The analysis on the challenges that members face led to the conclusion that most members lack information on the SACCO products which limits the benefits that come with different products. Participation of SACCO members in decision making analysis led to the conclusion that the SACCO members participate in decision making through attendance of AGM. The analysis of performance of the SACCO led to the conclusion that most members were not aware of the services provided by the SACCO.

This research recommends proper education to members for awareness of the services offered by the SACCO its operations and engagement during the AGM. The level of knowledge of all the services offered is very low which could be a hindrance of getting more benefits from the SACCO. This research also recommends that the loan system should be reviewed to ensure ease access to loans by the members. The fact that access to loans is pegged on delivery of milk limits members from accessing credit. This research further recommends a strategy to reach the younger generation for posterity purposes since the current membership has a bulk of 50 years and above. This also means products like insurance cannot do well due to age limits that call for higher premiums of which most members may not afford. Employment of new technology is also hindered due to age issues. Finally this research also recommends products inclined to female members since they are the majority for instance table banking.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

GOK (2018) & SASRA (2017) posit that there are 5000 registered SACCOs in Kenya. Out of this number, 230 run Front Office Service Activity. The SACCOs managed to mobilize savings up to Ksh. 420 billion providing an asset base of Kshs. 500 billion. SACCOs therefore are vital aspects in Kenya development both socially and economically. The sub-sectors under these SACCOs have a special role to achieve vision 2030 in terms of mobilization of savings for the country's investment needs. Basically, the SACCOs contribute to mobilization of savings and developing financial products based on the demand. This boots saving of additional resources by the members. The process goes hand in hand with vision 2030, economic pillar given its mandate of mobilizing the savings to meet investment needs in Kenya. Based on this, enhancing management of the already established SACCOs by adopting best practices like accounting and management and governance is very crucial. Government recognized the cooperative movement as ideal institution for development in terms of mobilizing material resources where the majority of the citizens earn their living primarily from Agriculture. GOK (2018).

Wakulima Commercial SACCO Ltd is located in Mukurweini constituency Nyeri County. According to Mukurweini Wakulima dairy limited (2019), milk farmers in the region lacked proper financial institution since 1990 when Mukurwe-ini Wakulima Dairy Limited was established as Self-Help Group. Its general objective was collection of milk from their members and marketing it to the milk processors. This necessitated the creation of the SACCO that could offer them affordable financial as well as non-financial services beneficial to the dairy farming business. Its registration with the relevant body, Ministry of Cooperative, Development and Marketing was done on 24th September 2003. Its registration was as an extension of Wakulima Self-Help group bearing the name Wakulima Dairy Ltd with an aim to help members associated with dairy farming. It was also among the initial SACCOs licensed by the SACCO Societies Regulatory Authority (SASRA).

Wakulima commercial SACCO started its operations in March 2004 with an interim committee comprising of 7 members. The members later received confirmation to their respective office in February 2005. The initial activities of the SACCO provided both Back office Activity (BOSA) services and Front Office Activity (FOSA) services. Its membership consists of dairy farmers in Mukurwe-ini area based in Nyeri County. However, the SACCO has extended its services to farmers in coffee and tea businesses also including salaried individuals and the business community. Implementation of the SACCO activities is overseen by seven board members and also 20 staff members, Wakulima Commercial SACCO limited (2019).

1.2 Problem statement

SACCOs are recognized as key contributors in development both socially and economically in Kenya. Henehan (1997) argued that in as much as global governments engage in cutting services and also withdrawing from regulating markets, cooperatives promote management of risks and facilitate efficient markets for its members. Cooperatives also boost economic and social development nationally and globally in several ways. Cooperatives encourage ‘fullest participation of all people’ and enhance equitability in distribution of the benefits encountered in globalization. Cooperatives promote sustainable human development and social exclusion is realized. Levin (2002) outlines that promoting cooperatives is portrayed as key pillars of social and economic development both nationally and internationally. Ideally, when financial services are accessible in rural areas, they can enhance quality of life and stimulation of economic development of rural households. These benefits include; provision of investment and working capital, access of financial services promote active poor to focus in productive and income generating aspects. Credit facilities also enhance investment in education, health and nutrition considered to have a positive and long term impact in terms of productivity (Zeller, 1998). While there are great benefits emanating from Saccos, there are also issues that hinder these benefits.

Firstly, ownership of SACCO is diffused to a large membership which is associated with governance challenges Branch & Baker (1998). Based on such kind of ownership, only small number may take the duties to monitor SACCO performance through attendance of the annual general meeting or by assessing those elected as representatives to the management board. The members don’t take action to scrutinize the sensitive actions of the elected board. Odera (2012)

indicated upon election, the new board members serve to bring promises to reality thus may issue supporters with special loan treatment by side stepping the process attached to the credit committee. The governance issues are experienced given the combination of both traditional borrower-dominated service structure (with its low interest rates, lax screening and collection standards, and consequent loan rationing) together with situations whereby decision making and control element fail to be stipulated and exercised. Branch & Baker (1998) shows that these weaknesses give the board members power to dispose loans for their own benefit and for political favor.

Secondly the growing membership and weakness in governance may turn members into free-riders by getting benefits of the SACCOs without/with minimal participation. The board and supervisory committee members may allocate themselves loans without adhering to loan procedures or favor other people they know, particularly where internal and external (supervisory) controls are weak. These may result from too much and unacceptable manipulation or failure to follow procedures by the board. These weaknesses in SACCO corporate governance create inefficiency and lack of effectiveness in providing services to members like service being accessible by few, misunderstandings within SACCO and even low members' participation like in meetings, saving and even borrowing.

Thirdly Anania & Gikuri (2015) noted that SACCOs must be formed by members with common interests. There is a challenge for the SACCOs that have membership with different occupations, especially in rural and semi-urban areas. The experience from SACCOs in Tanga has shown that some SACCOs face conflict of interest as there are members with different occupations such as farmers, business persons, workers and livestock keepers. Wakulima Commercial SACCO was started to help dairy farmers but it also serves coffee and tea farmers including salaried people and the entire business community. This study therefore sought to determine the socio-economic benefits to members of Wakulima Commercial SACCO.

1.3 Research questions

1. To what extent have the members of Wakulima Commercial SACCO benefited socially and economically from their SACCO?
2. How do the SACCO members participate in the SACCO decision making process?
3. How has the SACCO performed in terms of service provision to its members?
4. What challenges do the SACCO members face while seeking services from the SACCO?

1.4 Research objectives

1. To determine the Socio-Economic benefits of Wakulima Commercial SACCO to its members in Nyeri County.
2. To examine the participation of Wakulima Commercial SACCO members in the SACCO decision making process.
3. To investigate the performance of the SACCO in terms of service provision to its members
4. To investigate the challenges that confront Wakulima SACCO members while seeking services from the SACCO

1.5 Justification of the study

This study is justified by the fact that it will provide new information based on empirical recent research. The study findings will be paramount to SACCO management teams in helping them understand the challenges that their members face and hence know on the areas of improvement. At the same time the government through the ministry of agriculture, livestock, fisheries & cooperatives will benefit in knowing areas of improvement in matters policy and strategy formulation since SACCOS have great potential in social economic development. Regulatory authorities like SASRA will benefit in understanding the challenges that SACCO members face and hence coming up with strategies that will help them in better governance of SACCOS. Moreover development agencies dealing with matters rural financing will benefit in knowing how to deal with members especially in rural areas. Further potential members will have confidence in SACCO investment in knowing of the benefits that come from such investment.

1.6 Scope of the study

The study was conducted in Mukurweini constituency Nyeri County, Kenya where Wakulima Commercial SACCO Ltd is located. The study respondents were randomly selected from members of Wakulima commercial SACCO. The study focused on the socio-economic benefits to the members from the SACCO, how members participate in the SACCO decision making process, the performance of the SACCO in terms of service provision to its members and the challenges that SACCO members face as they seek services from the SACCO. Under socio-economic benefits to members the study focused on the benefits members are likely to receive from the SACCO as well as how long they have been members. In the SACCO performance the study looked at awareness of the services provided by the SACCO, Satisfaction with the services and areas of improvement while on how members' participate in decision making the study looked at the attendance of AGMs, SACCO members training and their awareness of other ways of participating in decision making. Lastly on the challenges that SACCO members are face while seeking services, the study looked at the timelines of loan processing, access to guarantors, timelines in response to enquiries from the SACCO and any other challenge.

1.7 Limitations of the study

The study was limited given that it was dependent on access to people, organizations, documents and data. Denial of access to SACCO board members limited the study since they are in charge of the SACCO management. The researcher therefore used the people and the information that was available. The research findings will not necessarily apply to all SACCOs in the country since SACCOs operate in different contexts.

1.8 Definition of key terms

SACCO - It is an association of people who join sharing common goals focused to improve their livelihood. Members sharing common bond own and manage them.

Socio-economic benefits of SACCOs- This refers to the gains that members are likely to get from the SACCO. The benefits include access to financial services that enable members pay school fees, start business, pay hospital bills, purchase of property among others.

Participation in decision making: This refers the process through which members give their ideas to effect and share control over priority setting, resource allocations, policy-making, and accessibility of services. This happens through the AGM and different trainings offered to members

SACCO Performance: This refers how well a SACCO doing based on service provision is entitled to its members. This includes the timelines in response to members enquires and awareness and satisfaction of the services offered.

Challenges confronting SACCO members: these are the hindrances that limit SACCO members from receiving the expected services from SACCOs. Some of these challenges include limited access to loans, difficulties in getting guarantors.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.0 Introduction

This section highlights data and information emerging from key thematic issues and information from the available literature in the area of study, theoretical perspectives and the conceptual framework. The specific areas covered in the literature review are: Socio- economic benefits of SACCOs, SACCO's performance, SACCO members' participation in decision making and challenges that confront SACCO members.

2.1 Socio-economic benefits of SACCOs

In this study, social –economic benefits of SACCOs refers to the gains that members are likely to get from the SACCO. According to Wanyama (2009) cooperatives are considered as key in creating opportunities for employment in Kenya. As per the Ministry of Cooperative, Development and marketing, estimated 300,000 people get employment by this movement. According to GOK (2008) these are people who carry the task of managing cooperatives for a wage. On the same, the cooperatives provide indirect employment to over 1.5 million people at various categories.

First, this category of people owe their employment aspects to the manufacturing and marketing of goods with cooperatives taking charge in purchasing i.e. office stationery utilized in cooperatives, packaging paper used by dairy cooperatives, machinery used in primary agricultural produce e.g. milk and coffee and also farm inputs found in stores of the cooperatives. Secondly, they are considered as people who acquire their job opportunities from marketing those products being produced by cooperatives e.g. ghee, fresh milk, butter and yoghurt produced by dairy cooperatives. Other products include coffee, pyrethrum, fish and eggs produced by agricultural cooperatives. Thereafter, the products are forwarded to other entities for marketing to retailers, wholesalers and then consumers.

Apart from employment creation, cooperatives provide source for income generating opportunities to majority e.g. cooperative members for example in 2007, membership of 318,000

was experienced attached to primary cooperatives with active members estimated at 50%. The SACCOs had 6,286,894 members with 98 percent active members in lending activities. Non-agricultural primary cooperatives held a total ownership of 334,000 with active members estimated at 50%. This gives an indication the primary cooperatives had over seven million high numbers of active members that relate their income with activities carried out by cooperative directly. Due to the multiplier effect associated with its membership, opportunities for income generation spill to a great number of people. Based on the above perspective according to GOK (2008), estimation of 63 percent of Kenya's population (i.e. approximately 23.4 million people) engage directly or indirectly in income activities originating from the cooperative movement.

This is a clear indication how cooperatives offer significant contribution to reduce and prevent poverty in Kenya. This supports the argument given that a lot of income earned from the cooperatives is basically invested to put in place long term prevention measures for poverty. Ie, Evans (2002) argued that the main type of back office loan granted by most SACCOs (at interest rates of 1 to 1.5 per cent on reducing balances or a 12-month period) is school fees associated. The opportunity has given many cooperatives member's chance in educating their children in assumption that poverty can be prevented in this manner. Development loans given by most of SACCOs helped to acquire land, business investment and farming, build houses, purchase of household furniture and meet other family needs. Cooperatives should be appreciated in the light given their contribution to reducing and preventing poverty.

Ideally, cooperatives operate as mainly business entities hence, focusing less on issues of communal social welfare e.g. Uriri Farmers Cooperative Society, its management committee focused to economically empower Soy bean farmers as compared to the ideas of cooperative enterprise. Restriction of education, training and also information is posed to members whereas the goal of the principles of International Cooperative Alliance (ICA) was meant to incorporate the public. Even focusing on the cooperators, training and education aspect did not concentrate directly on ICA principles over the last three years but concentrated on the cooperatives core activities including entrepreneurship, agribusiness, leadership and governance of cooperatives, savings and credit advancement regulations and how members draw benefits from the cooperatives economically, among other areas. In Kenya, it is given that those cooperative that

does not yield economic benefits get deserted by the members i.e. as it is attested by partly dormant cooperatives. As attested in the above statement, social protection attached to cooperatives draws benefits of their success economically. A sample of activities of the successful cooperative investments could be perceived as attempts to provide social protection to members.

First, there is quick development of SACCOs hence releasing advance schemes received from their back office and front office activities. Regarding the back office activities, SACCOs give emergency loans issued to their respective members for a period of twelve months. The exercise brings social protection instrument for members offering quick response to unforeseen socio-economic challenges that can arise at any given time. With regards to front office service, cash salary advances were established by the SACCOs popularly termed as 'instant loans' seen as advances on salaries based on different situations. SACCOs offer approval and advances are paid within a day and even within five minutes often to allow members attend to unplanned social costs.

Secondly benevolent kitties have been set up by most SACCOs. Here, members give their contribution on regular basis and can only access them in case of bereavement. They define the relatives in whose death the member would get assistance for burial expenses and amount of money each is entitled. In a situation where a member dies, their immediate family qualifies to get the funds from the kitty for the burial expenses.

Thirdly, the mandate of Cooperative Insurance Company (CIC) is to give protection against operation risks of cooperative enterprise that may arise including cooperators themselves. CIC went ahead and established a micro-finance insurance scheme majorly to cover savings of Micro-Finance Institutions (MFIs) incidences for a person who possessed a loan and dies before completing repayment. At individual perspective, CIC in partnership with National Hospital Insurance Fund (NHIF) recently launched the family insurance scheme at KES 3,650 (USD \$48.7) premium annually. Its purpose is to cover medical expenses of insured individuals. Emphasis is laid that this kind of protection is only accessible to the people willing and able to pay the set requisite premiums. The only exemption is where CICs corporate social responsibility programme contributes minimal funds in annual bases to offer social services to the community.

The process includes donating to institutions to be able to support particular service e.g. CIC avail funds to hospitals to help those patients unable to meet their medical bills genuinely. Those funds are treated as limited and discretionary.

Cooperatives are vital components in enhancing the living and working conditions targeting both gender. Given that the users of the services owned them, decisions made by the cooperatives bring at par the need for profitability with their member's welfare as well as the community they provide services to. As they oversee economies of scope and scale, cooperatives enhance bargaining power of their members giving them among other benefits increased income and social protection. Somavia (2012) highlighted that cooperatives provide its members with opportunity, protection and empowerment considered valuable to uplift them from degradation and poverty.

Cooperatives are formed with a goal of providing their members with quality services at the lowest cost possible which other markets may not match. According to (Rondot & Collion, 2001), cooperatives can be established in any economy sector with different sizes depending on their mandates at village, regional and national level. Cooperatives are guided universally by principles as stipulated by the Rochdale society of equitable pioneers in 1844 (Ortmann & King, 2007; Rheingold, 2008). Suber (2005) noted that profit earned by cooperatives is returned at benefits based on the cooperative structural system. Members benefits depending on how the cooperatives performs its activities. These benefits include increased market power, discount rates and share of the earnings depending on the performance of the cooperative in a particular period. The cooperative business model is the best approach to mobilize savings among the poor and the middle class. The model is informed by cooperate philosophy of people providing assistance to others.

Kariuki & Place (2005) highlights the collective action of farmers as being beneficial to them in terms of innovation and marketing. Innovation helps people to access new technologies using collective resources and at the same time learning from one another. They further state that collective marketing facilities economies of scale thus reducing costs of accessing the market due to long distances and at the same time improve farmers bargaining power. Access to markets

contributes to the welfare of the farmers by enabling them generate high incomes and opportunities for employment through value addition of their products. Cooperatives therefore become a source of market information for many people thus increasing business opportunities.

The SACCOs core mandate is to boost economic interest to its members, particularly promoting thrift to them by according them a chance to accumulate savings and pay affordable interest with no risk on such savings. They further help them develop sources of funds thereby afford relief to needy members. Moreover, providing fair and affordable interest rates, reasonable terms of repayment, and continuous education to the members on how to generate regular savings and wise usage of their savings. They provide i.e. financial counseling for members to solve some of their financial challenges. This helps reduce the risk of management services to facilitate the safety of savings and loans of their members. SACCOs also help members' access financial services by enhancing members' economic and social conditions to fight poverty. They also eradicate exploitation of the poor by the powerful individuals and institutions. Ultimately members pool their own mobilized resources to address their needs. Kabuga & Batarinyebwa (1995) noted these benefits directed to members; they are motivated to save given that SACCOs are accessible anytime, better interest rates on savings and lending than other places, members are trained on how to manage their finances. This is realized when they patronize their SACCOs efficiently and economically. The other benefit is that loans are insured such that if a member dies, the outstanding balance is cleared. It also encourages regular social interaction between members.

Development aims at rapid economic growth and focuses on reduction of disparities in wealth, income, equality of opportunities, eradication of poverty and enhanced quality of life. This happens to a majority of people thus creating an egalitarian society based on growth with social justice. Cooperative institutions are decentralized economic democratic units that fulfill lawful economic activities by enabling individual members to put together their resources for the production on viable scales. In rural areas production units are small in size, numerous in numbers and scattered by nature with which no economic activity can be got along meaningfully, unless the individual efforts are institutionalized on the basis of principles of self-help service and impulse mutual aid Vishwanathan (1994).

2.2 Performance of the SACCO

This refers to how well a SACCO is doing in terms of service provision to its members. According to Nyanjwa (2008), how SACCOs perform depend on the way they efficiently operate and largely affected by low capacity in operating and managing their activities. It is important to remove all the bottle necks that cause inefficiency hence affecting their overall performance. In many SACCOs, internal control and minimal capacities of board members is experienced. There is weak reporting systems between the management and the board of directors in that no written evidence of the existence of meetings. Most of the SACCOs also lack management information system (MIS) causing challenge to track its performance adequately (Distler and Schmidt, 2011; USAID, 2007).

Tanzania is estimated to have more than 5000 SACCOs with generally distinct structures of management, policies and procedures as well as financial products. They are characterized with weak institutional capacity due to challenges like, lack computer technology, low portfolio, quality, untrained leadership, reduced planning, poor management, frail asset/liability management and corruption. The weakness in leadership limits the capacity of the SACCO to create effective institutional capacity to initiate and lead change towards its expected futures. This may be in terms of absence or poor implementation strategic plan in SACCOs. All these limit their capacity to grow into stronger organization capable of meeting members' expectations.

ICA (2005) argued that major challenges in SACCOs is the ignorance tendency of management staff on some of the accounting system's requirements such as keeping up-to-date records and making timely, accurate and complete records. There is also the temptation for leaders not to pay attention to lending policies and procedure like issuing loans without recording the borrowers' details as well as over lending to members even if their savings do not enable them to do so. Mukama et al, (2005) indicates, failure to keep quality of loan books contributes to credit risk, delinquency and payment default risk. Most of the SACCOs in Tanzania do not have well trained and educated staff that have capability of doing accounting works. The accountants used to work as volunteers and have no adequate knowledge in accounting; as a result, they cannot do such professional works effectively. The presence of good accounting and record keeping enable

effective management of funds by the co-operatives including the SACCOs. The management of financial resources in co-operatives include managing assets i.e. accounts receivable, inventories, cash, fixed assets, and investments in other organizations. This also involves managing liabilities e.g. accounts payable and also current notes payable as well as acquiring favorable long term financing.

Ideally, there is no standardized performance measurement to facilitate evaluation of the status of a SACCO. However, Kigathi (2016) recommends that cooperative managers must have defined policy on fund management. The policy should stipulate transparency and accountability of member's funds. She further recommends dairy cooperative managers should allow participation of farmers in decision making especially on issues of prices, markets, products and promotion. Involvement of organizational stakeholders is crucial to determine the ability of the dairy in achieving its goals. Reforms of the SACCOs are vital as recognized by the government to mobilize savings among low income households with no accessibility to commercial banks. Based on this, the government has embraced structures with ultimate goal to diversify avenues for savings mobilizations, setting standards and enforcement mechanism to enhance the financial management. This also includes soundness of the SACCOs thus ensure savings of the members are protected.

Miriti (2014) posit that management board must acquire basic financial skills to facilitate interpretation of the financial statements. He also recommended that marketing should also be enhanced to boost the members hence increasing the capital base of a SACCO. Further, he argued that diversification of products by the SACCO should be encouraged to allow perfect market competition as well meet members demand. Nyaga (2017) noted that reviewing of the SACCO should be allowed to have a team with versed knowledge especially board of directors to manage the SACCO faithfully and ethically. He further noted necessity in training of staff and facilitate them with decent working environment that is appreciated, conducive and well-motivated. This is to allow charming service delivery hence growth of the SACCO in return.

Mwangi (2011) noted that it is important for SACCOs to continuously educate and entice their members to the idea of saving for prosperity purpose hence create ownership of a governance

model a SACCO wish to implement. He further recommended that SACCO members interested in borrowing from the kitty need to carefully understand the lending policies and what it contributes to the SACCO. Continuous training of administrators of SACCO management policies and how it links up with daily SACCO operations and better service delivery to SACCO members is also important. The study therefore concluded that ignoring the role of SACCO's as an intermediary financially in this modern environment will be harmful in the economic aspect. In any given economy currently immune financial resources that are controlled by SACCOs. This is also due to increase in membership day by day in both informal and formal sectors of the economy.

Kiarie (2011) noted that in order to build greater population especially the rural areas accessible financial services must be developed. He further noted that sensitization should be embraced to establish SACCOs in such areas. Emphasis on education and also awareness campaigns by the government and other interested parties should be encouraged, equip people with knowledge of their rights and the possibility to access financial services derived from their self-owned institutions. Supervising authority should ensure principles of good governance are adhered to when managing SACCOs to enhance confidence and trust among the members. It can also be a way of encouraging more people to join the SACCOs. In order to attain institutional sustainability, SACCOs must give an array of financial services and products. Some of these products include insurance products i.e. funeral and credit life insurance. Money transfer is also another product including developing deposit products with attractive packages i.e. payment of interest to deposits for attraction of more depositors to the SACCOs treated as also a source of capital.

There is emphasis to develop tailor made products particularly credit products. The process can be suitable to the majority of the society members taking into account the nature of the activities they involve in. Agriculture is seen as the major activity in rural areas. To facilitate effectiveness, farmers are supported with farm implements and also inputs. In such a scenario, SACCOs should be built to a capacity presenting products with demand by giving credit products which fit members' requirement. Ideally, it is important to rally SACCOs capital from both internal and external sources. The Government should provide sufficient budget to allow training and ensure

that supervisors of the cooperatives are well distributed in the country for efficient monitoring of SACCOs spreading over wider areas. The idea will also improve monitoring of increased rates of loan defaulters to most SACCOs. Revising of effective legal framework and court practices is necessary to effect the ruling of SACCOs in cases of loan default. At the same time, the regulatory framework should be capable of taking legal action which includes seizing of personal property of the SACCO leaders who mismanage resources.

2.3 Participation of SACCO members in decision making

This refers the process through which members give their ideas in influencing and sharing control of priority setting matters, resource allocations, policy making process and access to services. Based on Maalim (2019) arguments, people's participation concept is efficient, ideal and effective for their own development. Both gender who are shareholders or members should contribute in the process of decision making directly or through the set organs representing them. The process should allow free and fair participation i.e. free of intimidation, undue influence or duress. The processes, relevant decisions made and information shared should be carried out in a transparent way allowing accessibility to all concerned parties. Regular meetings are encouraged held by government organs to manage SACCO affairs.

The committee is recommended to meet at least once a month. On the other hand, general meeting are advised to be conducted at least once a year. Regular meetings should be done by the working committees, the credit/loans and supervisory/audit committees for loose supervision of the SACCOs leading and general business of the SACCO. All decision makers including supervisory committee, administrative committee and audit committee must prove accountability to their immediate supervisors. Accountability should also extend to the members (through the general assembly) and community. Ideally, it is crucial to reach broad consensus with relevant concerned parties on matters pertaining to SACCOs operations. This can be attained in an all-inclusive participatory approach, transparent systems/operations and being accountable to the members.

According to Etkind (1989), training of members should be embraced for full participation in the full cycle of the cooperative. Members or shareholders of the SACCOs should initiate, finance,

own and manage. Based on the rule that all members must be shareholders (by buying shareholding) enhances the link towards success of the bank and also creates partial ownership when people contribute equally in shareholding. SACCO members (including board of directors) should be trained given the fact that Saco movement does its operation in a different angle and manner compared to the way commercial banking operates. Trainings conducted must meet status of different users amongst the current and prospective SACCO users. This is because services provided by the SACCO can meet people's needs who by any chance could be completely unaware initially of the internal working aspects of a given cooperative working for the common good of the cooperative members rather than stakeholder's interest. Financial services must be designed for the SACCO members as suggested by Sasuman (2002).

Mwabulanga (2009) argued that there was weakness in member's involvement and participation in the affairs of the SACCO. Orute (2004) noted that the management of most SACCOs was handled by the management committee. They were also elderly and holding executive power. Their predisposition was to resist change and fight new ideas from all quarters. They regard any form of criticism even if it's genuine as a conspiracy against them. Low participation of members in some aspect in SACCOs is caused by lack of skills and knowledge on their rights and obligation on co-operative societies. The existence of capacity building and democratic leadership in SACCOs has been regarded as fundamental facilitating member participation in SACCOs affairs, one of the key factors of member empowerment.

According to SASRA (2015), the AGM is considered the supreme organ of the participation of the SACCO members, the board should fully participate. This should involve timely delivery of the meeting notice and documentation including yearly monetary statements. Before the AGM, members should share their concerns to deliberations of the same. This involves vigorous deliberations at zonal meetings and delegates' pre-AGM briefings and conferences to make sure opinions and positions are well aligned. During AGM, members should have ample opportunity to air their issues as well as satisfactory feedback pertaining their enquiries. By-laws of the AGM should be adhered in voting process. Thereafter, minutes of the AGM should be distributed as soon as possible. The management ought to facilitate members with easy information access on

society matters. This includes registers, supervisory committee meetings, internal regulations minutes of the general meetings, investigation reports and all regulations on force.

2.4 Challenges that confront SACCO members

These are the hindrances that limit SACCO members from receiving the expected services from SACCOs. According to Anania & Gikuri (2015) some of the challenges that members face are as follows:

Interest rates on loans compared to other Financial Institutions

In Tanzania and elsewhere in the World, SACCOs are formed with the expectation of providing good financial services at low cost compared to the option of going to other Microfinance institutions or/and commercial banks. Grace (2008) argues that there should be competitive deposit rates for financial cooperatives to draw savings and grow. Loan rates need to be appropriately set to allow financial cooperative to earn profit and establish sufficient capital meant to boost the strength of the financial cooperative. Ondieki et al (2011) identified that, the external funds (loans) are always associated with high interest rates hence become a burden to the members. The SACCOs are sometimes charging higher interest rates in contrast to other financial institutions including banks. This reduces the rate of borrowing among the membership. As a result members tend to not to use SACCO's services and decide to go borrow elsewhere like from other MFIs and banks.

The experience obtained from Tanga region shows that, higher interest rate in SACCOs is due to overdependence of external financing. Such dependency is due to low saving culture, members' failure to fulfill the provision for minimum number of shares and reluctant to do voluntary savings be used to add internal capital. For example, the Manundu SACCO Ltd in Korogwe is charging an interest of 24.0 % per annum on loans given to members where, 17.0% is the for repay CRDB loan and 7.0% is the SACCO interest to get profit (working capital). This has recently made the members reduce rate of borrowing from the SACCO and opting to borrow directly from CRDB bank. With a huge amount of loan from the bank (more than Tshs 200 million), the repayment capacity of the SACCO may at risk.

Uninformed membership

The presence of uninformed membership is the greatest threats to a SACCO. Training of the SACCO members should include the values of the cooperatives, members' responsibility and also the basic questions they should be directing to the board and management. Basically, these themes are normally tackled during member education days or annual general meetings (AGMs). Members should be aware of everything going on in their organization like being informed by their leaders and staff as well as the access to various reports available. Furthermore, uninformed membership and inadequate education and training are contributing to dropout of members, reluctance to save and make various mandatory payments and even neglect to borrow from their SACCOs as well as poor participation in SACCOs' affairs. Lack of effective means of communications and sometimes transparency make it difficult for the SACCOs members to be well informed adequately and timely for issues concerning their organization.

Inadequate education and training Programmes

SACCOs members are also not being equipped with various education and training Programmes to build their capacity. It is evident that in many SACCOs in Tanzania, the Board members and staff are the one mostly enjoying the education and training opportunities than the rest of the SACCO members. Issues of lack of information and adequate training hinder members to identify misconduct for example misappropriation of funds understand the financial status of the society and analyze various financial reports. As Levi & Litwin (1986) indicated, cooperative education allows people to be conversant with the business world and base its operations in its democratic system and also observing ethical aspects. The inadequate education, training and lack of transparency/information may result into abuse of funds, for example, literate committee members may violate regulations and policies i.e. issuing of unauthorized/ oversized loans among themselves and/or their supporters when they fail to repay. The cashier and manager/ leaders may even forge documents to apportion funds for their own purpose without members' awareness. All these usually result to financial problems as the SACCOs fail to effectively provide services to its members, repay debts and expand its operations (such as new business investment and product development).

Lack of common interests among members

The SACCOs must be formed by members with common interests. There is a challenge for the SACCOs that have membership with different occupations, especially in rural and semi-urban areas. It happens that members of certain occupation feel deserve more priority or have more rights to get services than others. The experience from SACCOs in Tanga has shown that some SACCOs face conflict of interest as there are members with different occupations such as farmers, business persons, workers and livestock keepers. For example, in year 2014 Annual General Meeting (AGM) at Talanta SACCOs in Mombo, contradiction arose as from which financial institutions among CRDB Bank, NSSF and TIB where the SACCO intended to borrow for the budget of 2015/2016. It was identified that, the previous loans from CRDB and TIB were mostly given to members engaging in business and other non-farm activities that those who are livestock keepers and farmers. Therefore, the group of farmer-members proposed borrowing from NSSF (the new creditor/lender) hoping that they will get more agricultural loans to buy farm inputs including machines and tractors. The other slightly similar confusion was observed at Manundu SACCOs at Korogwe which also have members with different occupations. The SACCOs with members with identical occupation were observed to have strong bond and less conflict of interest, for example the performance of the Handeni Teachers SACCO in Handeni district is impressive. Furthermore, SACCO formation should avoid having more with much differences in status especially education, occupation and income.

Limited range and low quality of products (services) offered

The types of product and quality have strong influence on members interested in using SACCO's services. In Tanzania many SACCOs are offering a limited range of products (services) especially those with low capital base including those in rural areas, for example, mostly they provide savings and credit services. Loan is major product used by many members (customers). The other kinds of services like long-term housing loans, micro-insurance, micro-leasing pension benefits, children/minors' related services (like fixed savings for children under age of 18 years) are not well adapted to be provided by most of the SACCOs in the country. The challenge of timely delivery of services in accessing loans, making savings, processing loan applications and lack of auto-teller machines (ATMs) are limiting efficiency of service provisions in SACCOs. This call for SACCOs in Tanzania to diversify their products (services)

like providing majority of financial services provided by the commercial banks and other financial institution to satisfy customers (members). They do not have (enough) staff with innovative capacity to develop new financial products and services that reflect members needs. The findings by Auka & Mwangi (2013) indicated that mostly people had attraction to other financial institutions as they received quick service focusing on length of time and variety of loan types or services offered. The study by Mwakajumilo (2011) established that for a long time SACCOs in Tanzania have been putting much attention on mobilization of saving and loan disbursing only while failing to adopt any innovative measure to come up with other new financial products.

The Internal contradictions (conflicts) in SACCOs

According to Chao-Bérouff et al., (2000), governance issues are encountered due to SACCO structure with diluted ownership. This can drive the elected committee members to concentrate on their own vested interest instead of focusing on member's interest. It can also bring about communication problem. Furthermore, Odera (2012) as quoted from Branch & Baker (1998) indicated that, there is the "moral hazard" conflict between "net borrowers" and "net savers" in SACCOs. In a typical SACCO, some clients acquire more loans than savings, while others are in the exact opposite circumstance. Odera, (2012) indicated that the situation can cause two major types of conflicts in SACCOs. Firstly, domination of the net borrowers; if the management board consider favorable conditions in loan provision affecting SACCO viability. Secondly, domination of the net savers; here the board may set restrictive conditions to allow loans (to protect their savings). As Cuevas (2000) indicates, the perception that co-operative financial institutions (including SACCOs) are associated with the "middle-class" customers and others with influence or close relation with the Board or management has resulted into endless contradictions within SACCOs.

Misuse of Funds in SACCOs

According to Mukama et al (2005), Banturaki (2012) fraud i.e. embezzlement, corruption, misappropriation and theft of assets have impacted into high administrative costs relevant to the growth of MFIs including SACCOs. Fraud arises from many sources but especially from manual accounting manipulation of entries such as ghost savings withdrawals or not crediting customers

who back their loans and pocketing the money. Lack of strong internal control system in many SACCOs made it easier for the unfaithful leaders and staffs to misuse the SACCO funds. There is a need for SACCOs in Tanzania to strengthen their internal control systems to improve financial performance/profitability and prevent losses. It can help ensure that the SACCO's leaders and staff adhere to laws and regulations, preventing damage to its reputation and other consequences. Ideally, it can promote the SACCOs achieve its objective, minimize risks and satisfy its members.

Non adherence to Co-operative principles

The co-operatives have unique characteristics and regulations that are compiled which include co-operative principles. People must see the possibility through forming co-operatives to feel the need and bring conviction that engaging in such an organization, their needs will be met (Ouma, 1989). The SACCOs are in most cases violating the co-operative principles (and values) in their operations. The study by Pelrine, (n.d.) indicated that in Uganda , Ethiopia and Kenya, the operations of SACCOs are much deviating from the co-operative principles (and values) for instance, violated Voluntary and Open Membership principle by servicing members incapable of supporting the loan and by including non-shareholders/government promoters on the Board, violated Democratic Member Control, through the Board deciding or adapting financial products without members' concerns/approval, violated concern for Community by charging higher interest rate. This also violates education, training and information principle by not informing members of their rights and responsibilities. Some SACCOs are charging higher interest rates just like banks and other microfinance institutions (MFIs), the Board and managers taking full control of the SACCOs affairs.

The women are in most cases not given priority in leadership positions hence feel isolated from other members and the Board of directors and/or staffs (managers) exercise full control of the SACCOs instead of members (against democratic member control) hence members feel powerless in their own initiated organization. There are tendency of lending credit even to non-members of SACCOs. Also education and also training is given to the staff and Board members and none or less to members. Also there is a tendency of creditors (mostly banks) to intervene in SACCOs internal affairs like attending Board, AGM and committee meetings and try to

influence decisions. For example, in the field visit in Tanga co-operatives, the Board members of Manundu SACCO said that usually commercial banks force to attend in their meetings to know what they are planning and demanding see various reports and contracts without Board's approval.

2.5 Theoretical framework

Different theoretical perspectives exist in the area of study. This study focused on social capital and agency theory perspectives because they bring out the relationships that exist in SACCO settings.

2.5.1 Social capital theory

Basargekar (2010) argues that social capital is “the abilities of people to work together towards resolving community/social issues and promote equitable access to benefits of development”. It is perceived as an economic development tool for people. Based on this, it affects people's social environment as well as the community at large in a negative or positive manner. The process depends on people's collective action. Rankin (2002) further argued that social capital is not generated by individuals and hence cannot be considered as the primary unit of analysis with regards to how the theory is applied in measuring a given phenomenon. This theory also enhances unity, member's promotion and cooperation of those involved bearing similar relationship hence self-trust is achieved. The theory focuses on many aspects including the type of social networking people engage in, interactions and relationship. The idea comprises of the set regulations, norms and rules governing the member's social action and trust (Anderson et al 2002). Basargekar (2010) highlighted that the theory emphasizes on the shared obligations to enhance system of loan repayment. It stipulates that there is boosting of economic and social development in situations where people respond communally in a group set-up and at the individual level.

Kalongo (2017) concurs with Coleman approaches to social capital from a structural functionalist perspective, focusing on groups and organizations, and views it as being held within structures rather than by individuals. Social capital is a public good, and individuals are able to benefit based on their differential ability to access it. This idea of individual agency is an

important development in Coleman's approach. Even so, Coleman assumes that membership of a social structure is synonymous with having social capital, and downplays the importance of the individual actor. Putnam approach to social capital drew heavily from Coleman's conceptualization. Rather than focusing on individuals, like Bourdieu, or on social structures, like Coleman, Putnam's social capital focuses on the ties between individual actors – social capital is created in the relationships between people. An integral element of Putnam's approach is the norm reciprocity within communities. This reciprocity between members of a group, you scratch my back and I'll scratch yours, is an underlying necessity for the mutual aid expectation inherent in social capital. If reciprocity is not required, the system would fall apart.

The reciprocity of positive actions between people contributes to the idea of generalized trust, which is the basic assumption of good intent between members of a group. Trust is a vital element of Putnam's social capital, and can be further defined via thin trust and thick trust. Thin trust is tied to the generalized trust within a community, whereas thick trust relates to the strong relationships built between individuals, such as family members or good friends Putnam (2000). The relationships between individuals itself is further categorized into either bonding or bridging capital. Bonding capital refers to those resources made available via relationships in a close network characterized by thick trust, such as a family. Bridging capital refers to the resources an individual may access based on ties outside of a close network, such as a friend of a friend who owns a bank. Putnam further outlines functions of social capital, two of which give relevance to this study:

- Social capital reduces the complexity of solving shared problems
- Social capital allows the creation of a common consciousness that individual experiences are in fact connected to one another.

The theory as outlined by Rankin (2002), acknowledges strong socio-political environment which creates social groups to handle their common interest both at personal level and group level for attaining their economic development potentials. It encourages utilization of the network developed socially and relationship towards SACCOs economic development of the group, individuals and community at large. Social capital focus in assessing how cooperatives contribute to their members in relation to standards of living which ideally investigates

household income. It also looks at enterprise profitability and household assets. It monitors enterprise asset condition with its expectation to benefit financially and physically.

The three benefits were emphasized by Henry & Schimmel's (2011), who concluded that cooperatives are established to meet member needs socially, economically and financially. Financial and physical benefits can facilitate to meet economic needs while on the other hand social needs relate to social benefits. Member's contribution in social, physical and social aspects include accumulation of savings, loan accessibility and acquisition of assets. Benefits emerge in terms of capital and financial benefits due to the level of trust interpersonal relationship developed. It promotes efficiency and reduces costs of working collectively hence growth of financial capital .In this study it is also noted that Wakulima Commercial SACCO was started to address dairy farmers need for financial services.

2.5.2 Agency theory

Jensen & Meckling (1976) identified the 'agency problem' arising due to this relationships that exist in organizations. According to the theory, managers employed its agents to work towards minimizing shareholders returns (the principals) fail in making their decisions beneficial to the shareholders. Moral hazards are normally committed including shirking duties for leisure. They also hide their incompetency to curb loss of rewards. They do this to promote their own personal interest at the expense of the principals. Asymmetric information characterizes the approaches of the principal agent when trying to attain the principal's goal. The principal becomes incapacitated by lacking specific information ideally the management only is conversant with.

Agency theory has the ability to extend the coalition perspective in a significant manner. It brings understanding on how the members (the many small principals) relate with their cooperatives (the agent). However, it is critical looking at the efficiency of the cooperative form and also this critique is multi-faceted. In cooperative form, the theory assumes that many fundamental problems are inherent i.e. problems to do with common ownership, horizon problem, portfolio, follow-up as well as decision maker problem (Nilsson, 2000. Hakelius, 1996. Van Bekkum, 1997).

Agency theory perspective stipulates how efficiency and fairness of the cooperative is inhibited on how members are treated given the situation that equity capital is owned collectively (unallocated). Direct or personal control is not allowed by individual member over their respective portion of the unallocated capital. According to the theory, is in everybody's hands though not in anyone's hands. Bearing assumption that the rational member questions why(s) he should participate on issue(s) he cannot impact. Ideally, it is rational for individual to participate on issues organizations they can influence easily. According to Nilson (2000), not surprisingly, cooperative members are required to be apathetic.

The theory highlights that that the horizon problem occurs in cooperative organizations for two causes. First, members are expected to be occupied predominantly with shortsighted perspectives regarding their cooperative membership .In this case, here-and –now action takes dominance in a strategic, long term perspective. Secondly, residual rights are not tradable. The right of the individual member to a cooperative fair proportion is not tradable. The theory stipulates that the system of tradable owner shares will overcome the horizon issue. It establishes a relationship between portfolio problem and the horizon problem though it focuses on the various risks/reward profiles associated to members instead of the diversity of time horizons. By the fact members of the cooperatives bear varying time horizons, different viewpoints must arise focusing on risk/reward profile of the cooperative. Laying emphasis on this theory, all members require an investment portfolio showing preferred trade-off between risk and reward of the members.

This theory is ideal to the cooperative aspect given efficient proportioning of this type is considered unattainable in cooperative organizations. The cooperative organizations don't have a trading system giving opportunity to the members to have investments portfolio in line with their preferred risk/reward profile. Follow-up problem and decision making problem emerge in a scenario where there is diverse and specialized increase of the number of members. Ideally, they lose interest gradually in the cooperative overall strategic issues. Decrease in engagement and commitment in the cooperative happens when members feel there is insufficient effort to promote their outlined interests in comparison with the interests of other member groups. Moreover, active member participation is realized in small cooperatives than in large cooperatives. There is more demand of trust building in large, impersonal organizations

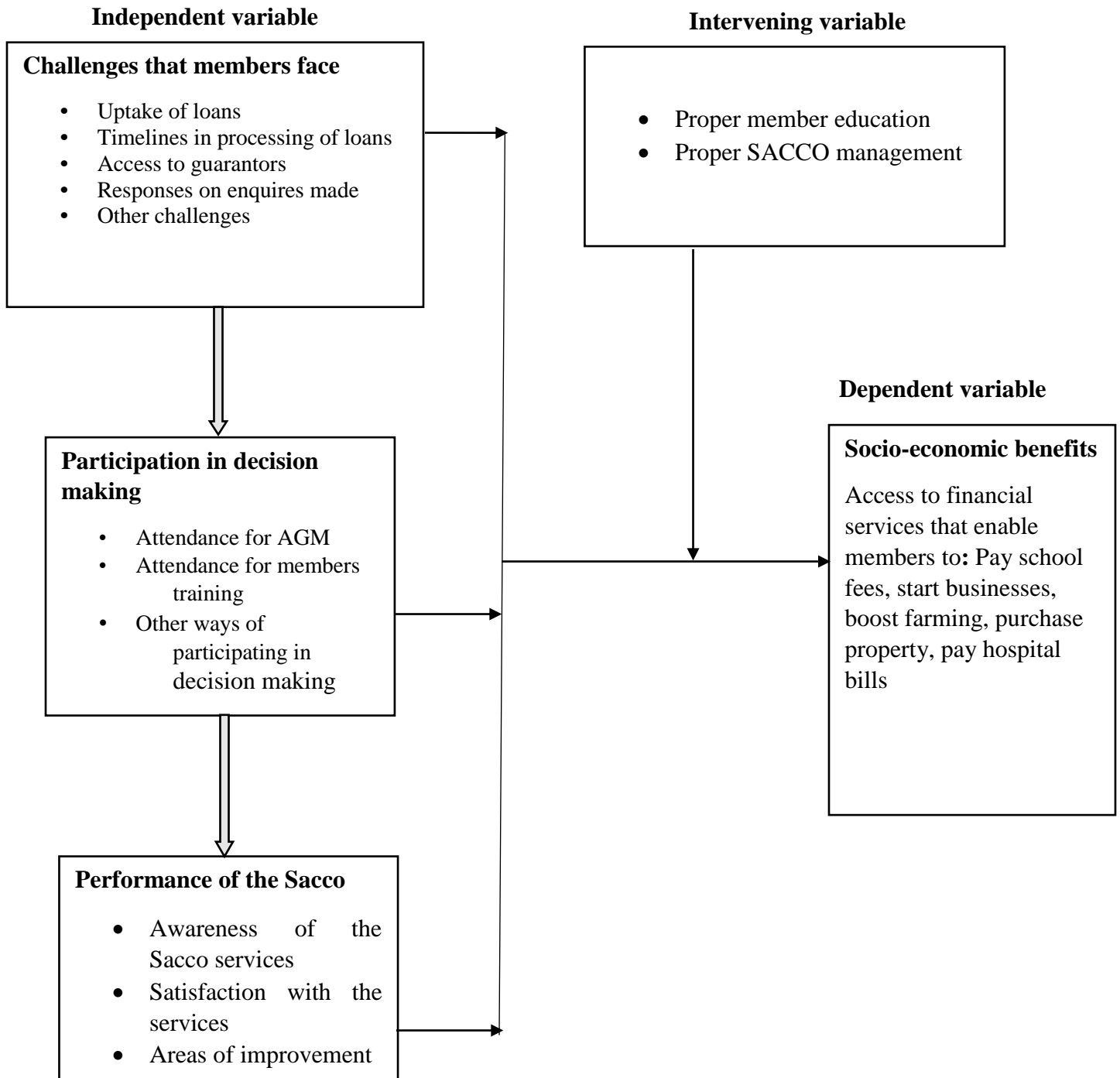
compared to smaller organizations in cases where face-to-face contacts is significant Borgen (1998). It becomes complicated to access crucial information in very large cooperatives an also participation of members in strategic matters is an issue. In addition, it is challenging for members to identify themselves with the cooperative.

Hood (2011) suggests that, there is a need for SACCOs' management to assess as to whether power hierarchy in the society does actually save the interest of members. Prevailing of transparency in SACCOs' decision and finally whether SACCOs' boards do deliver good governance. Hood concludes that in USA credit union had overtime been plagued members passiveness as members are much interested in the benefits of ownership rather than participation in the governance process. This in itself creates principal-agents problems.

SACCOs allow members to elect board of directors to manage issues on their behalf. According to Mataba and Haule (2011), there is a principal agent relationship within the SACCOs where SACCO members are the principals while the SACCO board of management are the agents. The main challenges arising from principal - agent relationship comprise of conflicts of interest among themselves. This impacts negatively on large SACCOs as they pave way for agents to maximize their own interests (Yegon et al, 2004). Mataba & Bamanyisa (2006) argue that growth in membership size, their savings and loan portfolio make SACCOs management think deeply on how they can cope with emerging demands for example, create opportunities for members to borrow more than savings.

2.6 Conceptual framework

The study was guided by the framework below



2.7 Interaction of variables

The challenges that members face in the SACCO influence their participation in decision making. When challenges are not addressed members may feel their participation in decision making does not count. Further participation in decision making influences the performance of the SACCO because it is at the point of decision making and in this case the AGM and members get to set the terms of service. With proper members' education and SACCO management members are able to receive social economic benefits from the SACCO.

2.8 Summary of literature

Different views have been picked from the literature review. The review examined there were numerous benefits that members get from the SACCO. However for members to enjoy maximum benefits the challenges that they face must be addressed as this influences their participation in decision making whose lack could mean reduced SACCO activity from members. Further the review also established that participation in decision making affects the SACCO performance in terms of service provision because it is at the decision making forums that terms of service are spelt out. For instance in the AGMs members get to ascertain financial position and performance of the SACCO, network with future loan guarantors and raising any other issues at the Any Other business section.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter highlights the main components of research methodology used for this study which includes study site, units of analysis and observation, research design, study respondents, sampling procedure and techniques, research instruments, data collection procedure, data analysis procedure and ethical considerations.

3.2 Study Site

The study site was in Mukurweini Constituency Nyeri County, Kenya where Wakulima Commercial SACCO is located. The constituency has four wards Gikondi, Rugi, Mukurweini west and Mukurweini central wards. Most inhabitants are farmers in subsistence, dairy, coffee and tea sectors. The terrain is rough with only two tarmac roads in the constituency. This makes transport difficult especially during the rainy season. The site was chosen being a rural setting which is in line with the researcher's area of specialization, Rural and Community Development.

3.3 Units of analysis and observation

The unit of analysis for the study was the Socio-economic benefits to members of Wakulima Commercial SACCO in Nyeri County while the unit of observation was the members of Wakulima Commercial SACCO.

3.4 Research design

Descriptive research is a type of research that describes a population, situation, or phenomenon that is being studied. This research design was utilized because it describes the characteristics of the population being studied and is also applicable in validating existing conditions.

3.5 Study respondents

The study respondents were drawn from the Wakulima Commercial SACCO membership. Key informants were selected purposively. These were the SACCO CEO who is in charge of day to day running of the SACCO and the District Cooperative officer who is in charge of supervision

of SACCOs in Nyeri County. A focus group discussion with eight SACCO members was also conducted.

3.6 Sampling procedure

The research sample was drawn from Wakulima SACCO membership of 22,442. Yamane (1967) establishes a simplified formula in finding a sample size as indicated below:

$$n = \frac{N}{1 + (N(e)^2)}$$

Where

n=Desired minimum sample

N = Total population

e = level of precision at 95% confidence level e = .05

Therefore

$$n = \frac{22,442}{1 + (22,442(.05)^2)}$$

n=392.99

n=393

The central limit theorem describes that the sampling distribution of the sample means approaches a normal distribution as the sample size gets larger no matter what the shape of the population distribution. This fact holds especially true for sample sizes over 30. The reference to the central limit theorem is important because Yamane's formula for determining a sample size results to a minimum of 393 sample units, which is rather large for a descriptive study hence for the purpose of this particular study, the researcher took 30% of the sample, which gives a sample of 118.

3.6.1 Sampling Techniques

The researcher employed multi stage sampling to pick the members of the Wakulima Commercial SACCO who were the main respondents for the study. The first stage was to get a

sample using Yamane formula. Since the sample was still too large central limit theorem was applied to get the sample of 118 that the researcher used. The researcher then picked on the members randomly at the SACCO head office who came to seek services. Purposive sampling was also engaged to pick on the key informants because of the positions they hold in SACCOs.

3.7 Data collection Methods

The study heavily relied on information derived from primary and secondary data. Primary data is first-hand information collected by the researcher while secondary data is information obtained earlier by someone else. Interviews and focus group discussion data collection techniques were adapted while questionnaire and interview schedule were engaged as a tools.

Interviews were employed to collect information from the 118 SACCO members with the questionnaire being the tool .The researcher made requests randomly to individual members by introducing herself and seeking consent. Once consent was granted questions were read out to the respondent and filled in the questionnaire. To ensure that the respondents gave as much information as possible, the questionnaires had open and close –ended questions.

Two key informant interview was also used to collect information from the SACCO CEO and the District Cooperative Office. Interviews were booked through the offices of the CEO and the DCO.Once consent was granted the interviews were carried out. An interview schedule was used where questions were asked and responses given were filled in the schedule.

One focus group discussion was employed to collect information in a group setting where eight SACCO members participated. The researcher made requests randomly to members and once consent was granted, members were gathered around the researcher’s desk where questions were asked and the responses given were filled in the interview schedule.

3.8 Data analysis procedure

Both quantitative and qualitative data was generated in the research. Quantitative data is statistical and is measured by use of numbers and values while qualitative data is non statistical and is categorized on attributes, properties, labels and other identifiers. Quantitative information

was generated from the questionnaires while qualitative data from interviews. Quantitative information was analyzed using SPSS and presented by use of tables, summarized percentages and proportions. Qualitative data from interviews was analyzed in line with the thematic areas of the study by way of incorporating them under each of the theme.

3.9 Ethical Considerations

In considerations of research ethics, the researcher sought an introduction letter received from the University that was submitted to the SACCO management .The letter was also used by the researcher to introduce herself to the respondents. Respondents consent was sought before administering the questionnaire to ensure it is informed consent. The names of the targeted respondents were not required on the questionnaire to ensure anonymity. Further the respondents were assured that the study was purely for academic reasons and their responses were to be treated with confidentiality.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

This section gives presentation of the study findings and supportive data generated in response to the study objectives. Subsequent analysis has been done and presented in the chapter.

4.1 Response rate

Barcuh, Y & Holtom, B.C (2008) argued that averagely, 52% response rate is acceptable in social studies. All the 118 questionnaires prepared were filled accounting for 100.0% of the response rate. This is attributed to the fact that the researcher administered the questionnaires. Out of the three key informants targeted two responded accounting for 67.0% response rate while all the eight members targeted for the focused discussion responded accounting for 100.0% response rate. This was therefore a good response rate for the study.

4.2 Demographic characteristics of respondents

This study focused on the distribution of the respondents according to their gender, education, age and occupation. The demographic characteristics are important because they could influence the products and programs offered by the SACCO.

4.3 Distribution of respondents by gender

Here, gender distribution of the SACCO members was examined. It is believed that SACCOs have a higher membership of women. The findings are in the table below.

Table 4.1 Respondents by gender

Gender	Frequency	Percent
Male	41.0	35.0
Female	77.0	65.0
Total	118.0	100.0

Out of the 118 respondents 35.0% were male while 65.0% were female. This means that Wakulima Commercial SACCO has a higher membership of female than male. This also implies that the design of the SACCO products should be inclined to female members who form the majority of the membership. It also suggests that most women are empowered to know the importance of SACCOs whereby they have membership in different SACCOs. Infact one of the women noted that “I am not only a member of Wakulima SACCO but also Kenya Women Finance Trust”

4.3.1 Distribution of respondents by level of education

Moreover this study also focused on the respondent distribution on their level of education. Education level could influence the level of understanding and processing of information. Illustration is in the table below.

Table 4.2 Respondents by level of education

Level	Frequency	Percent
Primary	65.0	55.0
High school	41.0	35.0
College	5.0	4.0
University	1.0	1.0
Not educated	6.0	5.0
Total	118.0	100.0

Out of the 118 respondents interviewed, 55.0% have gone up to primary level of education, 35.0% have gone up to high school level, 4.0% have gone up to college level, 1.0% has gone up to university level and 5.0% are not educated. This means that a large portion of the SACCO members have only basic education which implies that the SACCO should devise mechanism of reaching out to people at that level especially in matters SACCO education.

4.3.2 Distribution of respondents by Age

This study also focused on how respondents were distributed by age. There has been an assumption that SACCOs are made up of an old membership. This limits access to particular services such as insurance. Table 4.3 below illustrates.

Table 4.3 Distribution by age

Age	Frequency	Percent
20-30	5.0	4.0
31-40	12.0	10.0
41-50	17.0	14.0
51-60	36.0	31.0
61-70	27.0	23.0
71&Above	21.0	18.0
Total	118.0	100.0

From the table above 4.0% of the respondents were between 20-30 years, 10.0% were between 31-40 years, 14.0% were between 41-50 years, 31.0% were between 51-60 years, 23.0% were between 61-70 years and 18.0 %were 71 years and above. This means that 72.0% of the SACCO members are above 50 years which could limit them in accessing services like insurance due to the high premiums for the people in these ages. It also means that there is need to mobilize the younger generation since they account for only 14.0% for posterity purposes. This could be done by way of designing products that are affordable to the youth.

4.3.3 Distribution of respondents by occupation

The study further focused on the respondent distribution by occupation. This is because Wakulima Commercial was started to offer financial service to dairy farmers who are the direct beneficiaries. Over time the SACCO has also opened up their services to people in both formal as well as informal sectors. The findings are shown below.

Table 4.4 Respondents by occupation

Occupation	Frequency	Percent
Farmer	100.0	93.0
Trader	3.0	3.0
Others	5.0	4.0
Total	118.0	100.0

Out of 118 respondents who participated, 93.0% are farmers, 3.0% are traders and 4.0% are in other occupations. This means that most members of Wakulima Commercial SACCO are farmers and productive farming is dependent on good climatic conditions. This means that proper education should be given on farming so that farmers are informed on how to manage through different seasons. There is also need to reach out to those in the formal and informal sectors since their membership is still low.

4.4 Social economic benefits

Under this theme the study looked at years of membership and benefits from the SACCO. A lengthy membership may be an indication of loyalty which means security in terms of share capital of the SACCO. This could also mean that members are getting some benefits.

4.4.1 Years of membership

Retention is vital for continuity of any organization and more so the SACCOs whose capital is solely financed by members. A lengthy membership is therefore key in the stability of the SACCO. The years of membership are shown below.

Table 4.5 Years of membership

Duration	Frequency	Percent
Less than a year	7.0	6.0
1-4 years	21.0	18.0
5-9 years	10.0	8.0
10-15 years	80.0	68.0
Total	118.0	100.0

From the table above 68.0% have had membership between 10-15 years. This implies that members have had some benefits that have made them stick with the SACCO. This is also an indication of stability of the SACCO capital.

4.4.2 Benefits from the SACCO

This study also focused on the benefits that members receive from the SACCO. The DCO noted that SACCOs have been of great help in improving people’s living standards through provision of loans in education, farming and business. This was also the case in the focus group discussion where members noted that they had benefited by way of paying school fees, building houses, boosting farming, and paying hospital bills. The SACCO CEO also noted that members have benefited from the SACCO through: Prompt access to finances, financial advice during issuing of loans, dividends and Interest from fixed deposits. It was noted that the overall benefit was access to finances that enabled members benefit in different areas as analyzed in table 4.6 below.

Table 4.6 Benefits from the SACCO

Benefit	Frequency	Percent
Paying school fees	42.0	36.0
Farming	37.0	31.0
Business	5.0	4.0
Development(Connection to electricity, buying water tanks, building of houses, buying of property)	31.0	26.0
Paying hospital bill	3.0	3.0
Total	118.0	100.0

From the table above it is clear that the SACCO members have had benefits from the SACCO with 36.0% having benefited by way of paying school fees, 31.0% in farming, 4.0% in business 26.0% in developments such as connection to electricity, buying water tanks, building houses and buying of property) and finally 3% have benefited by way of paying hospital bills.

4.5 Challenges that members face

Under this theme the study focused on loan uptake, timelines in receiving loans, access to guarantors , time taken to receive feedback on enquires made and other challenges that members face to get a feel of the challenges that SACCO members face.

4.5.1 Loan uptake

Loan uptake is critical in SACCOs revenue generation from interests charged. Low loan uptake implies low revenue while high loan uptake implies high revenue. It is through this revenue that members are given dividends. The respondents took loans as shown below.

Table 4.7 Loan uptake

Loan	Frequency	Percent
Education loan	12.0	10.0
Health loan	1.0	1.0
Farming loan	18.0	15.0
Business loan	1.0	1.0
Never taken loan	86.0	73.0
Total	118.0	100

From the table above it is clear that most of the SACCO members do not take loans with those who have never taken a loan at 73.0%.This could mean that the loan conditions may not be appropriate and hence members could be seeking such services from other institutions. Further this implies that the SACCO is not able to generate enough revenue and hence the dividends to members are low. One of the members confirmed this fact by noting “Here the dividends are very low”

4.5.2 Time taken to receive a loan

Timely processing of loans is key in encouraging members to take up loans. The respondents who have taken loans indicated the timelines in receiving loans as follows:

Table 4.8 Time taken to receive a loan

Timeline	Frequency	Percent
Less than a week	19.0	46.0
One week	17.0	42.0
Two weeks	2.0	4.0
One month	3.0	8.0
Total	41.0	100.0

From the table above it shows 46.0% receive their loans in less than a week, 42.0% receive loans in one week time, 4.0% receive loans in two weeks' time while 8.0% receive loans in one month time. Most of the members receive their loans in a week's time which is reasonable. This could be the reason why they opted to get loans from the SACCO.

4.5.3 Difficulties in getting loan guarantors

This study also focused on access to guarantors since this is a requirement for access to loans in most SACCOs. Difficulties in getting loan guarantors become a challenge to members seeking loans. The respondents answered as follows:

Table 4.9 Difficulties in getting loan guarantors

Difficulty	Frequency	Percent
Difficulty	45.0	38.0
No difficulty	73.0	62.0
Total	118.0	100.0

From the table above 62.0% of the members don't have difficulties in getting loan guarantors. Some of the reasons that they gave for this is that they have rapport with other members and that members are accessible. Moreover 38.0% who had difficulties in getting loan guarantors noted that some members hold back due to defaulters cases while others are not aware about their shares.

4.5.4 Timelines in receiving feedback on enquires made

Response to enquiries forms part of customer service. This could promote member retention and a good rapport of SACCO members with the SACCO management. Slow or lack of response could put off SACCO members. The respondents answered as follows.

Table 4.10 Timelines in receiving feedback on enquires made

Timeline	Frequency	Percent
Immediately	118.0	100.0
One week	0	0
Two weeks	0	0
One month	0	0
Total	118.0	100.0

From the table above all the respondents noted that their enquires are responded to immediately. This could be an indication that the SACCO is efficient in responding to members enquires. This further could imply that the SACCO has well trained staff in matters customer service.

4.5.5 Other challenges that members face

Apart from the challenges this study has captured above the study also looked at other challenges that members face as indicated below:

- Lack of proper information on loan conditions and what to do if one had challenges in repaying.
- Lack of a clear distinction between shareholding in Wakulima Commercial SACCO and Mukurweini Wakulima Dairy Ltd
- Lack of information about shares
- Cumbersome loan system where one has to give guarantors copies of national Identification
- Lack of clarity on loan reducing balance and unstable loan interest rates.
- Lack of education
- Low income from dairy farming hence less finances to participate in saving with the SACCO
- Share certificates are not given.

From the listed challenges there is a clear indication for the need of proper education on the SACCO products, services and its operations in general. This could lead to an increase in the benefits that members receive from the SACCO having prior knowledge on the available service products and how to access them.

4.6 Participation in decision making

Under this theme the study looked at how SACCO members participate in decision making. The main areas of focus in matters participation in decision making were attendance in AGMs, members' trainings and other ways that members participate in decision making.

4.6.1 AGM attendance

AGM forms the core of members' participation in decision making. The SACCO CEO noted that through the AGM members are able to contribute in decision making on the following: Election of SACCO board members and the supervisory committee, approval of borrowing power, approval of external auditors, approval of the banker and rates of dividends. The respondents answered as follows as indicated in table 4.11 below.

Table 4.11 AGM attendance

Attendance	Frequency	Percent
Attendance	96.0	81.0
Non-Attendance	22.0	19.0
Total	118.0	100.0

From the above table, 81% of the respondents highlighted that they attend the AGM. Some of the reasons that they gave for attending the AGM are that they are shareholders, to participate in the elections of the board and to get information on how the SACCO is doing and the plans for the future. Further 19% of the respondents indicated that they do not attend the AGM with reasons such as having other engagements, lack of information and new members who are less than a year in the SACCO.

4.6.2 Attendance in members training

Members training is critical in enabling informed decision making. It through training that members are informed about new products, how to better their investments and any other developments in matters SACCO. The SACCO CEO noted that the SACCO organizes for members training periodically. Further the DCO noted that her office offers such training not only to the members but also to the SACCO board and staff. For this reason this research focused on how members attend trainings. The responses are illustrated in table 4.12 below.

Table 4.12 Attendance in members training

Attendance	Frequency	Percent
Attendance	83.0	70.0
Non-attendance	35.0	30.0
Total	118.0	100.0

From the table above 70.0% of the respondents established that they attend SACCO members training. Some of the reasons of the attendance to training were to know about the SACCO products, to gain more skills in dairy farming for increased production and to ask about any issues of concern. Further 30.0% of the respondents indicated that they don't attend members training. Some of the reasons for not attending the trainings include lack of information, new membership and other commitments.

4.6.3 Other ways of participating in decision making

Apart from AGM and training attendance this research also focused on other ways that members use to participate in decision making. The responses are in table 4.13 below.

Table 4.13 Other ways of participating in decision making

Other ways of participating in decision making	Frequency	Percent
Knowledge of other ways in decision making	5.0	4.0
No knowledge of other ways in decision making	113.0	96.0
Total	118.0	100.0

Only 4.0 % respondents indicated other ways of participating in decision making which include: Use of the suggestion box, raising their issues of concern in meetings and election of the board members.96.0% of the respondents did not indicate. This means that there is need to sensitize members on other ways that they can participate in decision making.

4.7 Performance of the SACCO

Under this theme the researcher looked at the awareness of the services offered by the SACCO, satisfaction about the services and the areas of improvement in the SACCO as a measure of performance by the SACCO. According to the DCO Wakulima Commercial SACCO has been meeting its obligation to its members in terms of service provision. As the enforcement officer she has not received any complaints in this regard. Infact the SACCO has become a lender to the coffee cooperatives that have been struggling. The SACCO has also been compliant with the Ministry of Agriculture, livestock, fisheries & cooperatives.

4.7.1 Awareness of the Services provided by the SACCO

Awareness is very important in enabling members to know the services available and how they can access them. Without this knowledge member's access to service could be limited. This could imply that there is limited participation in SACCO activities. The responses were as follows.

Table 4.14 Awareness of the services provided

Awareness of service provided	Frequency	Percent
Awareness of service provided	118.0	100.0
Non awareness of service provided	0	0
Total	118.0	100.0

From the table above, there was 100.0% response that they were aware of the services offered by the SACCO. This means that they could have accessed the services given by the SACCO. It also could mean that the SACCO has done well in matters awareness raising about the services.

Table 4.15 Services provided by the SACCO

This research also looked at the number of services that members knew having noted that all who participated were aware of the services provided by the SACCO. The respondents answered as indicated in the table below.

Listing of services	Frequency	Percent
All services	3.0	3.0
3and above	63.0	53.0
One service	52.0	44.0
Total	118.0	100.0

From the table above only 3.0% of the respondents knew all the services given by the SACCO, 53.0% knew of 3 and above services while 44.0% knew only one service. This means that most of the SACCO Members were not aware of the services provided the SACCO and hence the SACCO management should work towards raising this awareness. This also implies that the SACCO is losing in terms of revenue collected from accessing different services.

4.7.2 Satisfaction about the SACCO services

This research also focused on members' satisfaction in the services offered by the SACCO. Satisfaction could be critical for membership commitment and participation. This could mean that poor services reduce members' commitment and participation in SACCO activities. The respondents answered as follows.

Table 4.16 Satisfaction about the SACCO services

Satisfaction	Frequency	Percent
Satisfied	112.0	95.0
Not satisfied	3.0	2.5
Did not indicate	3.0	2.5
Total	118.0	100.0

From the table above 95.0% of the respondents expressed satisfaction with the services provided by the SACCO. Some of the reasons for their satisfaction was that the SACCO services are good, they are fast, and they are efficient and that they have had no challenge in accessing the services. On the other hand 2.5% were not satisfied with the SACCO services because access to loans was limited to delivery of milk and hence those who were not delivering milk could not access loans. Lastly 2.5% didn't indicate.

4.7.3 Recommendation on areas of improvement in the SACCO

Under this theme this research sought to know the desires of the SACCO members that would make the Wakulima Commercial SACCO better. Members responded as follows.

Table 4.17 Recommendation on areas of improvement

Recommendations	Frequency	Percent
Recommendations	105.0	89.0
SACCO is on the right track	7.0	6.0
Did not indicate	6.0	5.0
Total	118.0	100.0

On this theme 6.0% of the respondents highlighted that the SACCO was on the right track, 5.0% didn't indicate and 89.0% recommended the following:

Better dividends which was also recommended from the Focus group discussion. This could be enhanced by encouraging members to participate in SACCO activities especially in saving and borrowing more.

More education which was also a recommendation from the SACCO CEO. This could lead to increase in awareness of the SACCO products and services consequently leading to an increase in participation of SACCO activities.

Low interest rates on loans which could be addressed by fair competition with other financial institutions as noted by the SACCO CEO. For instance banks have a bankers association that push their agenda, such an association is also critical for SACCOs.

Opening of other branches across the Nyeri County since the SACCO has only branch that is located in Mukurwe-ini Constituency. This could help in ease of access to SACCO services.

The SACCO should seek other avenues of investment especially in the real estate. This could boost SACCO revenue leading to better dividends.

Since most members of the SACCO are dairy farmers, stability in milk prices is key to their participation in saving with the SACCO. This could be mostly influenced by government policies such as regulation of the markets where milk import is regulated to avoid flooding of the county's market that leads to low milk prices.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter includes the summary of findings, discussions, conclusions and recommendations of the study.

5.2 Summary of the findings

The main objective of this study was to examine the socio-economic benefits of Wakulima Commercial SACCO to its members. Other objectives included the challenges that members face, participation of members in decision making and performance of the SACCO in terms of service provision. The findings are summarized under the following themes:

5.2.1 Socio-economic benefits

As it had been noted members of the SACCO have benefited from the SACCO in different ways. Out of the 118 respondents who participated in this study, 36.0% benefited by way of paying school fees, 31.0% in farming, 4.0% in business, 26.0% in developments such as Connection to electricity, buying water tanks, building of houses, buying of property and 3.0% have benefited by way of paying hospital bills. These benefits may not be from uptake of loans since 73.0% of the SACCO members have never taken a loan rather from other financial services offered by the SACCO.

5.2.2 Challenges that members face

It was noted that 76.0% of the respondents indicated that they have had no challenge while 24.0% indicated that they have had challenges. Some of the challenges that members have include .Lack of clarity on loan reducing balance and unstable loan interest rates. Lack of education, Low income from dairy farming hence less finances to participate in saving with the SACCO, Lack of proper information on loan conditions and what to do if one had challenges in repaying, Lack of a clear distinction between shareholding in Wakulima Commercial SACCO and Mukurweini Wakulima Dairy Ltd. On the other hand 27.0% of the members have ever taken a loan from the SACCO while 73.0% of the SACCO members have never taken a loan. 62.0% of

the members don't have difficulties in getting loan guarantors. Some of the reasons that they gave for this is that they have rapport with other members and that members are accessible. 38.0% who had difficulties in getting loan guarantors noted that some members hold back due to defaulters cases while others are not aware about their shares.

5.2.3 Participation of members in decision making

In the SACCO setting, members participate in decision making through the AGM. 81.0% of the respondents indicated that they attend the AGM. Some of the reasons that they gave for attending the AGM are that they are shareholders, to participate in the elections of the board and to get information on how the SACCO is doing and the plans for the future. Further 19.0% of the respondents indicated that they do not attend the AGM with reasons such as having other engagements, lack of information and new members who are less than a year in the SACCO. Attendance of the AGM and participation in election of the SACCO board is a way of contributing in decision making by representation.

At the same time 70.0% of the respondents indicated that they attend SACCO members training. Some of the reasons of the attendance to training were to know about the SACCO products, to gain more skills in dairy farming for increased production and to ask about any issues of concern. 30.0% of the respondents indicated that they don't attend members training. Some of the reasons for not attending the trainings include lack of information, new membership and other commitments. Attendance to members training gives them information that enables them make informed decisions.

5.2.4 Performance of the SACCO

It was noted that 95.0% of the respondents showed satisfaction with the services provided by the SACCO. Some of the reasons for their satisfaction were that the SACCO services are good, they are fast, and they are efficient and that they have had no challenge in accessing the services. On the other hand 2.0% were not satisfied with the SACCO services because access to loans was limited to delivery of milk and hence those who were not delivering milk could not access loans. While most of members were satisfied with the SACCO service most of them were not aware of the services provided by the SACCO. Only 3.0% of the respondents knew all the services provided by the SACCO, 53.0% knew of 3 and above services while 44.0% knew only one

service. This means that high number of the SACCO Members was not aware of the services provided the SACCO and hence the SACCO management should work towards raising this awareness.

5.3 Conclusions

The study concludes that members of Wakulima Commercial SACCO have had enormous benefits from the SACCO. The analysis on the challenges that members face led to the conclusion that most members lack information on the SACCO products which limits the benefits that come with different products. Participation of SACCO members in decision making analysis led to the conclusion that the SACCO members participate in decision making through attendance of AGM. However there is no show of active engagement during the AGM. For members it is about knowing how the SACCO is doing but there on engagement in asking questions or giving recommendations. The analysis of performance of the SACCO led to the conclusion that most members were not aware of the services provided by the SACCO. This means that they may have not accessed those services.

5.4 Recommendations

1. This research recommends proper education to members for awareness of the services offered by the SACCO its operations and engagement during the AGM. The level of knowledge of all the services offered is very low which could be a hindrance of getting more benefits from the SACCO.
2. This research also recommends that the loan system should be reviewed to ensure ease access to loans by the members. The fact that access to loans is pegged on delivery of milk limits members from accessing credit.
3. This research further recommends a strategy to reach the younger generation for posterity purposes since the current membership has a bulk of 50 years and above. This also means products like insurance cannot do well due to age limits that call for higher premiums of which most members may not afford. Employment of new technology is also hindered due to age issues.
4. This research also recommends products inclined to female members since they are the majority for instance table banking.

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APPENDICES

Appendix 1

Questionnaire for SACCO Members

THE SOCIO-ECONOMIC BENEFITS OF WAKULIMA COMMERCIAL SAVINGS AND CREDIT COOPERATIVE LTD IN NYERI COUNTY

My name is Esther Maina from the University of Nairobi. This research is meant for academic purposes and seeks to assess the socio economic benefits of Wakulima Commercial SACCO in Nyeri County with a view to get more ideas on what can be done to help the SACCO improve its service delivery. You are kindly requested to provide answers to these questions honestly and precisely. Responses to these questions will be treated with confidentiality.

Personal Information

1. Gender

Male

Female

2. What is your highest level of education?

Primary

High School

College

University

Not Educated

3. How old are you?

20-30

31-40

41-50

51-60

61-70

71&Above

4. What is your occupation?

Farmer

Civil servant

Trader

Others specify.....

Socio-economic benefits

1. How long have you been a member of Wakulima Commercial SACCO?

.....
.....

2. What benefits do you normally get from the SACCO?

.....
.....

Please Specify

.....
.....
.....

3. Have you ever taken a loan from the SACCO?

Yes

Never Taken

4. What type of loan did you take?

.....
.....

Challenges that SACCO members face

1. How long does it take to receive your loan?

Less than a week

One week

Two weeks

One month

More than a month

2. Do you have difficulties in getting loan guarantors?

Yes

If yes why?

No

If no why

3. How long does it take for you to receive feedback on enquires from the SACCO?

Immediately

One week

Two weeks

One month

More than a month

4. What other challenges do you face in the SACCO? Please specify

SACCO members' participation in decision making

1. Do you attend SACCO AGM?

Yes

If yes why?

No

If No why?

2. Do you attend SACCO members' trainings?

Yes

If yes why?

No

If No why?

3. In what other ways do you participate in decision making?

Performance of Wakulima Commercial SACCO

1. Are you aware of the services provided by the SACCO?

Yes

No

2. List the services that you receive from the SACCO

3. Are you satisfied with the SACCO services?

Yes

If yes why?

No

If yes why?

4. What would you recommend for improvement in the SACCO?

Appendix 2

Interview Schedule for District Cooperative Officer

**THE SOCIO-ECONOMIC BENEFITS OF WAKULIMA COMMERCIAL SAVINGS
AND CREDIT COOPERATIVE LTD IN NYERI COUNTY**

My name is Esther Maina from the University of Nairobi. This research is meant for academic purposes and seeks to assess the socio economic benefits of Wakulima Commercial SACCO in Nyeri County with a view to get more ideas on what can be done to help the SACCO improve its service delivery. You are kindly requested to provide answers to these questions honestly and precisely. Responses to these questions will be treated with confidentiality.

1. How would you describe SACCOs in Mukurweini Sub County?

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.....
.....

2. How many SACCOs are there in Mukurweini Sub County?

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.....
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3. What regulatory measures have you put in place to ensure proper management of SACCOs?

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4. Wakulima Commercial SACCO has been in existence for a while now. What would you say about the SACCO in terms of meeting its obligations to the members?

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.....
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5. In what specific areas would you say Wakulima Commercial SACCO has failed to deliver?

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6. What advice would you give Wakulima Commercial SACCO in order for it to improve its service delivery to the members?

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7. What policy changes would you propose in the SACCO sector?

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.....
.....

Thank you

Appendix 3

Interview schedule for SACCO CEO

THE SOCIO-ECONOMIC BENEFITS OF WAKULIMA COMMERCIAL SAVINGS AND CREDIT COOPERATIVE LTD IN NYERI COUNTY

My name is Esther Maina from the University of Nairobi. This research is meant for academic purposes and seeks to assess the socio economic benefits of Wakulima Commercial SACCO in Nyeri County with a view to get more ideas on what can be done to help the SACCO improve its service delivery. You are kindly requested to provide answers to these questions honestly and precisely. Responses to these questions will be treated with confidentiality.

- 1. What SACCO services do you offer to the SACCO members?

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- 2. What benefits do you think that members of the SACCO get from the services that you offer?

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- 3. How do you prepare for the SACCO AGM?

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4. How often do you organize for SACCO member's training?

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5. What challenges and obstacles make the SACCO unable to deliver as efficiently and as effectively as the members would wish?

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6. What are the timelines of responding to members enquires?

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.....

7. What do you feel should be done to enable the SACCO improve its service delivery to the members?

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Thank You

Appendix 4

Interview Schedule for the Focus Group Discussants

THE SOCIO-ECONOMIC BENEFITS OF WAKULIMA COMMERCIAL SAVINGS AND CREDIT COOPERATIVE LTD IN NYERI COUNTY

My name is Esther Maina from the University of Nairobi. This research is meant for academic purposes and seeks to assess the socio economic benefits of Wakulima Commercial SACCO in Nyeri County with a view to get more ideas on what can be done to help the SACCO improve its service delivery. You are kindly requested to provide answers to these questions honestly and precisely. Responses to these questions will be treated with confidentiality.

- 1. Are you aware of the services provided by Wakulima Commercial SACCO?

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- 2. Which services do you receive from the SACCO?

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- 3. What specific benefits have you been receiving from the SACCO since you joined?

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- 4. In what way do you participate in the Wakulima Commercial SACCO activities?

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5. Whom do you feel are the major decision makers in the SACCO?

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6. Are you satisfied with the services that you receive from this SACCO?

If yes why?

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If no why?

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7. What challenges do you encounter while seeking your service from the SACCO?

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8. In your view, what should be done to improve the service delivery of Wakulima Commercial SACCO for more socio-economic benefits to its members?

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Thank you