

**FACTORS INFLUENCING THE SUCCESS OF WOMEN SELF-HELP
GROUPS IN PUMWANI INFORMAL SETTLEMENTS, NAIROBI
COUNTY, KENYA**

BY

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DECLARATION

**This research project report is my original work and has not been presented
for any academic award in this University**

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DEDICATION

This work is dedicated to the women of Pumwani informal settlements in self-help groups who despite the poverty and living conditions in Pumwani informal settlements are striving hard to ensure that they break the cycle of poverty cycle by actively participating in the self-help groups.

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TABLE OF CONTENT

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENT	v
LIST OF FIGURES	ix
LIST OF TABLES	x
ABBREVIATIONS AND ACRONYMS	xi
ABSTRACT	xii
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Study	1
1.2 Statement of the Problem.....	4
1.3 Purpose of the Study	6
1.4 Objectives of the Study.....	6
1.5 Research Questions.....	7
1.6 Significance of the study.....	7
1.7 Limitations of the study	8
1.8 Delimitations of the study.....	8
1.9 Definition of Significant terms used in the study	8

1.10 Basic Assumptions of the Study	9
1.11 Organization of the Study	9
CHAPTER TWO :LITERATURE REVIEW	11
2.1 Introduction.....	11
2.2 Group Rules on success of women Self Help groups	11
2.3 Regular Savings and Borrowing of Loans on success of Women Self Help Groups	12
2.4 Trainings Provided to Women and success of women Self Help Groups	14
2.5 Regular Group Meetings and success of Women Self Help Groups	16
2.6 Maintenance of Records on success of Women in Self Help Groups	17
2.7 Benefits of Self-Help Groups to Women.....	18
2.8 Theoretical Framework.....	20
2.9 Conceptual Framework	22
2.10 Summary of Literature Review.....	23
CHAPTER THREE:RESEARCH DESIGN	24
3.1 Introduction.....	24
3.2 Research Design.....	24
3.3 Target Population.....	25
3.4 Sampling Procedures and Sample size	25
3.4.1Sample size	26

3.4.2 Sampling procedures.....	26
3.5 Research Instruments.....	27
3.5.1 Pilot testing	28
3.5.2 Reliability of the research instruments	29
3.5.3 Validity of the research instruments	29
3.6 Data Collection Procedure	30
3.7 Data Analysis Techniques.....	31
3.8 Ethical Consideration.....	31
3.9 Operationalization of Variables	32
CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION ...	34
4.1 Introduction.....	34
4.2 Response Rate	34
4.3 Factors influencing the success of the Women Self Help Groups.....	35
4.3.1 Group rules on the success of women self-help groups.....	36
4.3.2 Regular savings and borrowing of loans on the success of women self-help groups.....	37
4.3.3 Trainings provided to women and the success of women self-help groups	40
4.3.4 Regular group meetings and the success of women self-help groups	41
4.3.5 Maintenance of records on the success of women self-help groups	42
4.4 Multiple regression analysis	42

CHAPTER FIVE: SUMMARY OF FINDINGS, DISCUSSION, CONCLUSION AND RECOMMENDATIONS.....	44
5.1 Introduction.....	44
5.2 Summary of findings.....	44
5.3 Discussions	46
5.4 Conclusions.....	48
5.5 Recommendations.....	48
5.6 Suggestions for further research	49
REFERENCES.....	50
APPENDICES.....	56
Appendix I: Letter of Transmittal.....	56
Appendix II: Questionnaire for the women in the SHGs.....	57
Appendix III: Interview Guide for Key informants.....	63
Appendix IV: Documentary checklist	64
Appendix V: List of Women Self-Help Groups in Pumwani Informal Settlements	65

LIST OF FIGURES

Figure 1:	Conceptual Framework.....	22
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LIST OF TABLES

	Page
Table 3.1: Operationalization of Variables.....	32
Table 4. 1: Group membership.....	35
Table 4.2: Penalty for not following group rules.....	36
Table 4.3: Savings per week.....	37
Table 4.4: Frequency of loans borrowed in the last one year.....	38
Table 4.5: Use of the loans borrowed.....	38
Table 4.6: Penalty for defaulting loan repayment.....	39
Table 4.7: Areas of training.....	40
Table 4.8: Attendance of group meetings.....	41
Table 4.9: Multiple regression analysis.....	42

ABBREVIATIONS AND ACRONYMS

CLA	-	Cluster Level Association
FGD	-	Focus Group Discussion
MDGs	-	Millennium Development Goals
NGO	-	Non-Governmental Organisation
PRA	-	Participatory Rural Appraisal
SHGs	-	Self Help Groups
SAPs	-	Structural Adjustment Programs
SPSS	-	Statistical Package for Social sciences
UNDP	-	United Nations Development Programme
UNECA	-	United Nations Economic Commission for Africa
UNFPA	-	United Nations Population Fund
WSHGs	-	Women Self Help Groups

ABSTRACT

The purpose of this study was to investigate the factors influencing the success of Women Self Help Groups in Pumwani informal settlements, Nairobi. SHGs are small informal associations created for the purpose of enabling members to reap economic benefit out of mutual help, solidarity and joint responsibility. The benefits include mobilization of savings and credit facilities and pursuit of group enterprise activities. Therefore, the success of these SHGs is pertinent to ensure that women become economically empowered. The main purpose of the self-help groups is to ensure that women are economically and socially empowered hence contributing to improved livelihoods. If the self-help groups disintegrate, then their original purpose will not be achieved. The study of the factors that influence the success of women self-help groups was critical to ensure that self-help groups become successful and that women and their households livelihoods is improved. The study was guided by five objectives, that is, to establish how group rules, regular savings and borrowing of loans, trainings provided to the women, regular group meetings and maintenance of records influence the success of women self-help groups in Pumwani Informal settlements, Nairobi County. The study targetted 29 WSHGs in Majengo and 13 in Kiambiu of Pumwani Informal settlements. A total of 9 WSHGs (20%) were selected for the study. The study employed a descriptive survey design. Open ended questionnaires were administered to all the members WSHGs selected for the study. Key informant interviews were conducted with the leaders of the 9 selected WSHGs, 2 community facilitators and the Economic empowerment program officer at St. John's Community Centre which has been at the fore front in forming the WSHGs. Documentary review was also done to check on the presence and use of the documents kept by the WSHGs. To establish reliability of the instruments, a pilot study was carried out and the split half method was used. A correlation co-efficient of 0.75 was obtained and this showed that the instruments were reliable. The pilot study also helped to establish validity of the instruments. Data analysis was done using both qualitative and quantitative techniques. Frequency tables were used to summarize the quantitative data. Multiple regression was done to measure the strength of the relationship between the dependent and independent variables. Qualitative data was analyzed using themes reflecting the research objectives. The findings revealed that group rules, regular saving and borrowing of loans and regular group meetings contribute to a great extent to the success of WSHGs as compared to group records and the trainings provided to the women. The study recommends that the WSHGs should set a minimum and maximum amount of money that members should save on a weekly basis, WSHGs should be linked to Micro-finance institutions to access credit facilities, the WSHGs should be provided with need based trainings

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Globally, women face more restrictions on their choices and opportunities than men. (Fukuda-Parr, 1999). Sustainable development requires the participation of both men and women. A growing body of evidence indicates that gender equality contributes to poverty reduction and sustainable growth (United Nations Development Programme, 2001). Women's increased education and participation in the labor force has been associated with improved economic performance. Indeed, global experience and a multitude of studies have proven that women have the potential to be a significant entrepreneurial force- contributing to the growth of local, national and global economies. (ESCAP, 2002). Women's empowerment is the process in which women individually and collectively become active, knowledgeable and goal oriented actors who take/or support initiatives to overcoming gender inequalities. Puhazhendi (2000) notes that Women's empowerment refers to a strategy to achieve gender equality as well as the inherent capacity building processes and various other factors. Self Help Groups have emerged as one of the major strategies for the convergence of services and activities for purposes of empowerment. PurbaBasu (2004) indicates that Self Help Groups in India have emerged as a successful means of improving the socio-economic conditions of rural families with very little administrative expenses. Seibel and Khadka (2002) state that vast number of SHGs had been established in India in the recent past are self-reliant, autonomous and despite the fact that they were mostly from the lowest and other disadvantaged groups, they had proven to be the better savers, borrowers and investors. Again, the SHGs mobilized their own savings, transformed them into loans to members and ploughed back their interest income into equity.

In many low- income countries, over half of the population lives in poverty, which does not include those who are not considered 'poor' but live under impoverished conditions and will suffer from poor health (Leon, Walt, and Gilson, 2001). Women represent about 70% of the poor (United Nations Development Programme, 1995), and are particularly vulnerable to health

problems due to persistent gender inequalities. The World Bank has suggested that empowerment of women should be a key aspect of social development programs (World Bank, 2001). In many developing countries, one strategy which has been found to be promising is participatory institution building in the self-help groups, often coupled with savings and micro credit loans (ESCAP, 2002)

Sub-Saharan Africa is among the areas where poverty is geographically concentrated, and it is so pervasive that many of the policies concerned with poverty alleviation encompass practically most of the development plans (Bardhan, 1996; Collier and Gunning, 1999). Ziderman (2003) asserted that small-scale informal sector enterprises presented enormous opportunities in Sub-Saharan Africa for the employment of women. The development of skills through targeted programs is essential to improving the livelihoods of disadvantaged groups, including women; training could enable women to function better in the informal sector (Ziderman, 2003). Rural communities are challenged by the task of organizing themselves for effective participation in economic and social development while ensuring equitable distribution of the benefits (Thomas, 1987). Local communities continue to be impoverished by the macroeconomic reforms that have influenced the elimination of social programs and the diminution of the state's role in fighting poverty (Chossudovsky, 1998).

The UNECA Economic Report on Africa, 2005, indicates that the outreach of financial institutions has covered only 30-35 percent of the population. It means that the rest of the population still relies on merchants, money lenders, and traditional co-operatives for financing of socio-economic activities with high interest rates (UNECA Economic Report on Africa, 2005). Access to credit facilities and employment is one of the major challenges faced by women in many parts of the world. Credit facilities are mainly informal savings through banks or microfinance institutions which charge high interest rates and discourage women from borrowing. Therefore, women are usually left with only one alternative of devising ways of accessing credit facilities through self-help groups in the form of merry-go-rounds or revolving funds. Money raised from the groups is loaned to individual women to enable them meet basic needs for their families and also finance income generating activities for development of the

community at large (Kinder Not Hilfe, 2008). Lennart (2007) indicates that women are more vulnerable to chronic poverty because of gender inequalities in the distribution of income, access to productive inputs such as credit, access to and control of property earned, multiple roles of women, inadequate access to formal education, training and high drop-out rates for girls.

In Kenya, an exodus of men to cities have depleted rural labour forces in thus leaving women as *de facto* leaders and sole providers for their households (Kiteme, 1992). But the position of household head for many women is disadvantageous culturally, economically, legally, and socially (Mbugua-Murithi. 1997). To that end, a poverty study by Buvinic (1997) in 41 developing countries revealed that more women in rural areas were made poorer and their economic challenges worsened by being widowed or abandoned by their husbands for long periods. They faced social and economic constraints that perpetuated a cycle of low-education and low-paying jobs from one generation of women to another. Interventions at the household level seem to be inadequate, and thus the need to expand their socio-economic opportunities (Bardhan, 1996).

Pumwani Informal settlements were established in the 1920s when Africans were moved from Pangani area to facilitate settlement of the Asian Community. Unlike other slum areas in Nairobi, Pumwani Informal settlement was originally well planned with properly laid mud and wattle structures. It was well serviced with water, sanitation and electricity. However, this has changed over the years. It is characterized by conditions of poor services, high population density and dilapidated housing (Onyango, 2009).

Some women in Kenya already demonstrate competence through the use of informal networks frequently known as Women's Self-Help Groups (WSHGs). Their actions also complement efforts of various agencies to reduce poverty (Snow and Buss, 2001) and improve the lives of rural people. Community groups are popular institutions in Kenya's rural areas; groups help provide services that the government may have failed to deliver. They take the forms of burial, church mission, women, or youth groups (Freeman, Ellis, and Allison, 2004). Kenya's local self-help development efforts are predicated in the spirit of *Harambee* - a *Swahili* word that connotes

community efforts for a common goal (Thomas, 1988). The concept of Self-Help Groups (SHGs) gained significance, especially after 1976 when Prof. Mohammed Yunus of Bangladesh began experimenting with micro-credit and WSHGs. The strategy made a revolution in Bangladesh in poverty eradication by empowering the poor women (Stiglitz, 1993). SHGs are small informal associations created for the purpose of enabling members to reap economic benefit out of mutual help, solidarity and joint responsibility. The benefits include mobilization of savings and credit facilities and pursuit of group enterprise activities. The group based approach not only enables the poor to accumulate capital by way of small savings but also helps them to have access to formal credit facilities (Shylendra, 1998). These groups by way of joint liability enable the poor to overcome the problem of collateral security, thus free them from challenges associated with money lenders (Stiglitz, 1993)

1.2 Statement of the Problem

Women frequently encounter limitations and fewer opportunities than men, especially in regards to income-generating activities (GoK, 2007). They face social and economic constraints that perpetuate poverty and span generations. However, significant opportunities exist in the informal, small-scale enterprise sector for which women may be advantaged. The United Nations (2001) reported that the poorest of the world's poor are women. The Kenyan Government recognises that interventions aimed at creating employment and reducing poverty must be localised. In Kenya, WSHGs have become popular avenues through which women in rural areas and urban informal settlements complement efforts towards alleviating poverty. This is in line with Kenya Vision 2030 which emphasizes gender equity in power, resource distribution and improved livelihoods for all vulnerable groups (Kenya Vision, 2030).

A growing proportion of the population in contemporary developing countries live in urban settings, and the urban poor also face a considerable degree of income risk. Many donors now see local associations as an essential relay for development assistance. The SHG approach has grown out of the study and application of development concepts at community levels, and seeks to combine the social, economic and political aspects of community development, leading to

empowerment. It is founded on rights-based principles that facilitate an atmosphere where individuals and communities can realize their potential and work towards their own development (Kinder Not Hilfe, 2008).

Modern women groups' objectives now focus more on income-generating projects rather than solely welfare activities. They are multi-purpose and combine mutual financial assistance in the form of rotating credit associations to provide the means to pursue social, educational, and economic activities (Feldman, 1983; Mbugua-Murithi, 1997). These groups open new opportunities to generate, save, and invest income and assist women in effectively responding to dynamic socio-economic changes as individuals, family heads, or as a community (Kiteme, 1992). Many international development aid agencies are now embracing informal institutions because of their role in economic development, especially in Sub-Saharan Africa. The informal institutions help complement bottom-up community development and correct government failures where national policies may have hindered growth (Snow and Buss, 2001). So, it is important to examine the pertinent issues arising from such affiliations, especially as it may promote sustainable local development (Thomas, 1987, 1988).

Although most of the studies on WSHGs, have been done in India (Anad, 2004; Devalatha, 2005; Sahu and Das, 2006; Sowjanya, 2007), limited number of studies have been conducted in Kenya. While Jivetti and Edwards (2009) and LaFerrara (2002) did their studies in Western Kenya and informal settlements of Dandora, Gikomba, Kayole, Korogocho and Mathare Valley respectively, to date no study has been done in Pumwani informal settlements. LaFerrara (2002), Jivetti and Edwards (2009) in studying SHGs concentrated on factors related to marketing, transport of goods produced, lack of motivations, general group governance, management and leadership. However, Anad (2004), Devalatha (2005), Sahu and Das (2006) and Sowjanya (2007) specifically studied regularity in attending meetings, active saving and borrowing of loans, group rules and regulations, maintenance of records and business training programmes as basic factors influencing the success of any WSHGs. The fact that these studies were done outside Pumwani informal settlements, presented a gap in knowledge, thus, the need to undertake a study on factors that influence the success of WSHGs in Pumwani informal settlements,

Nairobi County. Pumwani informal settlements was selected as the focus of the study because it is one of the areas that Kinder Not Hilfe, a German based NGO operating in Kenya has managed to mobilise women to form the SHGs through one of its local implementing partner, St. John's Community Centre.

The main purpose of formation of women self-help groups is to ensure that women are economically empowered and hence improved livelihoods. If the self-help groups disintegrate, then their original and main purpose will not be achieved. This means that the poverty cycle will continue as the women will have challenges in meeting their household needs. Therefore, it is important to examine the factors that influence the success of women self-help groups. The success factors ensure that self-help groups function properly and that their purpose of empowering and improving the livelihoods of the households is achieved.

1.3 Purpose of the Study

The purpose of this study was to investigate the factors influencing the success of Women Self Help Groups in Pumwani informal settlements, Nairobi.

1.4 Objectives of the Study

The study was guided by the following objectives;

- a) To establish how group rules influence the success of women self-help groups in Pumwani Informal settlements, Nairobi County.
- b) To assess how regular savings and borrowing of loans influence the success of women self-help groups in Pumwani Informal settlements, Nairobi County.
- c) To establish how the trainings provided to the women influence the success of women self-help groups in Pumwani Informal settlements, Nairobi County.
- d) To assess the influence of regular group meetings on the success of women self-help groups in Pumwani Informal settlements, Nairobi County.

- e) To establish how maintenance of records influences the success of women self-help groups in Pumwani Informal settlements, Nairobi County.

1.5 Research Questions

The following research questions guided the study:

- a) How do group rules influence the success of women self-help groups in Pumwani Informal settlements, Nairobi County?
- b) In what ways does regular savings and borrowing of loans by women influence the success of women self-help groups in Pumwani Informal settlements, Nairobi County?
- c) How do the trainings provided to women influence the success of women self-help groups in Pumwani Informal settlements, Nairobi County?
- d) How do regular group meetings by women in the self-help groups influence the success of women self-help groups in Pumwani Informal settlements, Nairobi County?
- e) Does the maintenance of records influence the success of women self-help groups in Pumwani Informal settlements, Nairobi County?

1.6 Significance of the study

The study was useful as it examined in details the factors that influence the success of WSHGs. The findings serve as guidelines in formulating further policy and improvement of similar programmes. Hence, more and more of the SHGs would have better opportunities to cross the poverty line. The recommendations may also help the researcher and NGOs that implement the SHG approach, policy makers and the women in the SHGs identify the best practices in implementing the SHG approach through formation of WSHGs. It is hardly possible to find a developmental and research organization or governmental program that does not attempt to work with community based groups in pursuance of developmental goals. The importance of this study is to help see the WSHGs succeeding with adherence to group rules and regulations, regular

savings and borrowing of loans, access to relevant trainings and maintenance of group records which contributes to strengthening of the SHGs and holding regular group meetings to enhance group cohesion. In addition, the findings will likely influence the body of knowledge on the empowerment of women through the SHG approach.

1.7 Limitations of the study

The study was faced with some limitations. Firstly, the respondents had high expectations. This was overcome by clearly clarifying the purpose and objectives of the study from the onset. The researcher was limited by financial resources required to carry out the study as well as time restriction due to the expansive area to be covered and the many SHGs within Pumwani informal settlements. To overcome this challenge, the researcher selected SHGs to represent the target population. A sample was drawn from the total number of SHGs in order to be studied.

1.8 Delimitations of the study

The study targeted women who belong to self-help groups. Pumwani informal settlements in Nairobi County formed the geographical scope of the study.

1.9 Definition of Significant terms used in the study

Group meetings: This refers to members in the SHGs meeting regularly on a weekly basis.

Group rules: This includes; regular attendance of group meetings, keeping time during the group meetings, saving regularly and respecting one another.

Maintenance of records in the women self-help groups: For this study maintenance of records will refer to the documentation kept by the SHGs either at individual or group level. The records include; individual passbooks, attendance and minute book, savings, fines loans book, and a loan ledger.

Regular saving and borrowing of loans: In the present study saving refers to the total group savings in the last one year, individual savings refers to savings of WSHG member for last one

year, and how frequent the members save (weekly, fortnightly or monthly). Borrowing of loans will refer to how many members have accessed the loans and the frequency of accessing the loans.

Success of Women Self-help groups: In this study, success will be taken to refer to those WSHGs which adhere to basic criteria of holding regular group meetings, regular savings and loan borrowing and repayment, adhering to rules and regulations, attending trainings and maintaining group records.

Trainings provided to the women in the self-help groups: In this study, this will refer to the SHG approach of learning the skills that one needs to do something, for instance business related skills provided to the women in the SHGs.

Women Self-help group: This refers to an informal association of poor women in a community with a common objective of working together for their economic and social development, empowerment and also for their overall development.

1.10 Basic Assumptions of the Study

The study will assume that the information obtained from the women in the SHGs and the key informant interviews will help determine whether the WHGs are successful or not.

1.11 Organization of the Study

Having introduced the research problem, objectives and research question, the researcher reviewed the relevant literature relating to the variables of the study in Chapter two. The researcher then identified the appropriate theory for the study in form of the theoretical framework. The conceptual framework showing the relationship between the dependent, independent and moderating variables has been discussed in chapter two. In chapter three, the researcher has highlighted the research design, sampling procedure, reliability and validity of research instruments, data collection and data analysis techniques. This chapter has introduced the background of the study and the factors influencing the success of women self-help groups in

Pumwani informal settlements. The factors influencing the success of WSHGs include; group rules and regulations which are adhered to, active saving and borrowing of loans, trainings provided to the women, regular group meetings and maintenance of records. The objective of this study was therefore to investigate how these five factors influence the success of WSHGs in Pumwani informal settlements. Data obtained from the study has been analyzed in Chapter four. Summary of findings, discussions, conclusion and recommendations of the study have been discussed in Chapter five.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents literature which has been reviewed based on the following themes which form the objectives of the study; group rules on the success of WSHGs, regular savings and borrowing of loans on the success of WSHGs, trainings provided to the women and the success of WSHGs, regular group meetings on the success of WSHGs and maintenance of records on the success of WSHGs will be reviewed. Conceptual framework which shows the relationship between the dependent, independent and moderating variables is discussed. Theoretical framework based on Bruce Tuckman's theory of group development is also presented. Overall, the review of literature serves as a link between the study and those previously done in related areas in Kenya and other countries.

2.2 Group Rules on success of women Self Help groups

According to Saluja (2010), the rules and regulations of SHGs vary according to the preferences of the members and those facilitating their formation. The self group members should form their own rules and regulations which should be written down. Some of the rules include; coming regularly to the meeting and being on time, saving regularly and respecting one another. Once the group starts giving out loans, rules related to lending are added. For example, a rule relating to paying fines if members come to the group meetings late has been identified by Kinder Not Hilfe, (2008). SHGs follow a predetermined set of rules, delineated by the group, for loan distribution and repayment. The APMAS/EDA (2006) in Singh, Ruivenkamp and Jongerden (2011), study of Indian SHGs reported the problem of drop out among members, revealing the need for clear norms. They suggested that for SHGs to be successful they must discuss and finalise a set of rules and regulations for group functioning. According to ILO (2006), the groups should make some decisions, which will be written down in the group rules, such as: the amount of savings that all members will contribute every week, the loan term, the interest rate on loans,

the amount of fine for late repayment, the amount of fine for non-attendance without good reason etc. Thus, for any successful SHGs, Sign and Jain (1995) noted that they must have rules and regulations which all members must know and follow.

2.3 Regular Savings and Borrowing of Loans on success of Women Self Help Groups

Thomas (1998) and Karmakar (1998) in defining a SHG indicate that members contribute their savings which is convenient to all the members and agreed upon and re-lend within the group on informal basis. The heart of the SHG is Savings. Savings increases the group resources for investment in productive activities; that is, loans for your business. Most SHGs start without any external financial capital by saving regular contributions by the members. These contributions can be very small. After a period of consistent savings (for example, 6 months to one year) the SHGs start to give loans from savings in the form of small internal loans for micro-enterprise activities and consumption. All the members get loans for different purposes. The various purposes for which loans obtained by the respondents are to start business, to educate their children, to meet medical expenses, to meet marriage expenses, to maintain house expenses, to redeem other loans and to meet festival expenses (Saluja, 2010). Access to credit can help in expansion of material base of women by enabling them to start and expand small businesses, often accompanied by market access; the women also experienced 'Power within': feelings of freedom, strength, self identity and increases in levels of confidence and self-esteem. However, gender discrimination is most deeply entrenched in the family, evident in attitudes towards daughters in law, daughters, the gender based division of work, roles and responsibilities as well as the mind-set towards domestic violence and issues of ownership and inheritance of land. (Umashankar 2003)

Karlan (2001) examined the impact of members' composition on savings and repayment performance in group lending programs offered by a Peruvian organization. The author focused on geographic and 'cultural' dispersion (Western versus indigenous) and found that both types of heterogeneity increase the probability of defaulting on group loans. As for savings, which can be viewed as a form of 'collective' good to the extent that capital is lent back to the members,

geographic distance among the members significantly reduces saving rates, while cultural dissimilarity has a negligible effect. Puhazhendi (2000) observed that regular attendance of meetings and saving habit is likely to influence the success of SHGs. Thus, SHGs are required to provide the financial (savings and credit) services as financial intermediaries in a cost effective and sustainable manner to facilitate access for rural women (Sing *et al*, 2011).

According to the success story of Annai Indhira WSHG in India, “13 members started conducting regular weekly meetings and influencing small savings, which led to the gradual increase of their group amount, maintained in their savings bank account with Indian Overseas Bank, Odathurai. Simultaneously, they started withdrawing small sums of money as internal loans in order to meet their consumption and other needs”. Therefore, saving and borrowing of loans is a key success factor for WSHGs. Gurumoorthy (2000) in his study on "Self Help Group Empowerment of rural Women" observed that the SHGs disburse micro credit to the women for the purpose of making them enterprising and for encouraging them to enter into entrepreneurial activities. SHGs enhance the equality status of women as participants, as decision makers and as beneficiaries in the economic, social and cultural spheres of life. Modky (1999) in his article, on "SHG's and Micro Credit; Sustaining Rural Women" stated that the WSHG's usually generate a common fund out of the small savings of persons or groups collected on a regular basis by curtailing unproductive expenditure. These funds are then used for internal lending. The group rotates the money to the needy members for various purposes at a specified interest rate. As the repayment and recycling is fast, the savings amount increases rapidly owing to the accumulation of income from interest. The saving habits help members to escape from the clutches of money lenders (Saluja, 2010). Loans are one of the greatest benefits of the Self Help Group. A loan enables a member to invest money in a business to make a quick profit, enough to pay back the loan and have money left to reinvest in the business or use for personal needs. The success of the SHG depends on the way the Group manages the loans that are given to the members. It is the responsibility of all members of the Group to make sure that the loans are given responsibly and paid back on time. (ICA, Zimbabwe, 2010)

Based on the above literature, active savings and borrowing of loans seems to be a key success factor for SHGs. Therefore, it becomes imperative to establish the extent to which this factor influences the success of the WSHGs in Pumwani informal settlements. It is the responsibility of all members to deposit the same amount of savings every week and to pay their loans plus interest back on time. If the members cannot carry this responsibility, the group will not be successful (ILO, 2006)

2.4 Trainings Provided to Women and success of women Self Help Groups

Training is an important asset to an individual since it gives the necessary skills required to run a business. Proper accounting in any enterprise helps one to know what is going on as far as the business is concerned. Entrepreneurial, management, and technical training is very important to enterprise development (Stevenson and St-Onge, 2005).

The processes of group formation and training are critical stages for stability of the group. Training includes teaching rules and regulations, governing bank procedures and administrative requirements, maintenance of book of accounts, rules for internal lending and repayment of loans, keeping the group fund intact (Saluja, 2010). There are many governmental, private, and non-governmental agencies professing to offer training in areas such as starting a business, continuing its existence, and expanding it, yet very few female entrepreneurs have access to such. In addition, many women who own micro-enterprises still cannot access this type of training, which they need for the expansion of their livelihoods (Stevenson and St-Onge, 2005). In explaining the importance of training and utilising the knowledge women already have, Yunus, (1999) noted as follows: “I firmly believe that all human beings have an innate skill. I call it the survival skill. The fact that the poor are alive is proof of their ability. They do not need us to teach them how to survive, they already know. So rather than waste our time teaching them new skills, we try to maximize use of their existing skills. Giving the poor access to credit allows them to immediately put into practice the skills they already know..... ” (pp. 56).

Using a randomized control trial, Paulson and Townsend (2004) measured the marginal impact of adding business training to a Peruvian group lending program for female micro entrepreneurs.

Treatment groups received thirty to sixty minutes entrepreneurship training sessions during their normal weekly or monthly meetings over a period of one to two years. Control groups remained as they were before, meeting at the same frequency but solely for making savings and loan repayments. They found that the treatment led to improved business knowledge, practices and revenues. The program also improved repayment and client retention rates for the microfinance institution. They concluded that there is evidence that microfinance institutions can improve client outcomes effectively by providing entrepreneurial training along with credit that is equipping entrepreneurs with entrepreneurial skills like marketing, management and record keeping (Townsted and Paulson, 2004).

There is need to train more women in group dynamics and team building strategies, record keeping, leadership skills, monitoring and evaluation of projects as well as proposal writing, including grants and business plans (Kane, Walsh and Nelson, 1991). Kane *et al* (1991) further noted that the immediate social and economic environment experienced at the household level can be linked to a trend that makes most women groups struggle to operate their businesses efficiently. So, efforts must be made to strengthen women groups' management and logistical capacity (Herz, 1989). In addition, Jivetti and Edwards (2009), recommend that WSHGs should be provided with training in the development of business plans and guidance on how best to avoid redundancy or undue duplication of income generating activities and projects. Shylendra (1998) evaluated the performance of eight WSHGs promoted in Vidaj village, Western state of Gujarat in India and established that by ensuring a clear understanding of SHG among women groups is crucial to the success of any SHG. This is done through the trainings offered to the women in the SHGs and subsequent refresher trainings.

Kinder Not Hilfe (2008) suggests that training and competence building should be provided to members of SHGs to enhance their capacity. Most of these poor members have missed out on education and its benefits. The capacity building is functional and centered around individuals and group activities. Therefore, the current study intends to find out what specific trainings are provided to the women in the SHGs and the extent to which such trainings could influence their success.

2.5 Regular Group Meetings and success of Women Self Help Groups

According to Mohindra (2003), SHG meetings open up a space for women to not only engage in financial activities, but also as a place of discussion. Through regular meetings, women become more comfortable in sharing their ideas, and learn to speak up for themselves and for each other. In turn, they begin to increase their voice outside of SHGs, in private and public domains creating a political autonomy for themselves. This voice may be used both within the household, to have more control over household decisions, positively impacting on the wellbeing of the family, or by participating in public debates and forums, potentially impacting on the formation of public health programs, services, and policies. It is important for members in the SHGs to meet on a weekly basis. The members should decide the place of the meeting, the day and time of the meeting suitable to them. The regular meetings give them a sense of belonging. They start sharing their lives with one another, which leads to a strong support system. The regular meetings lead to collective action, which may be beneficial to themselves, to the community or even enable them to take necessary action against unfair and harmful practices in the community (Kinder Not Hilfe, 2008). A group generally has ten to twenty members. Mohindra (2003) indicates that the women meet weekly on a rotational basis at each other's homes. Groups begin their meetings with a prayer, proceed to business affairs, and conclude by socialising. During each meeting they will make their weekly contribution. The funds are collected and deposited in the bank by the book writer who also carefully records all transactions and minutes from their meetings in notebooks. This position is rotated each year, distributing power and sharing responsibilities among members. Sowjanya (2007) conducted a study on comparative analysis of successful and unsuccessful SHGs in Gadag District, India using sixteen SHGs. He found out that in successful SHGs, majority (75%) of the groups conducted meetings on weekly basis, which is indispensable if they have to maintain frequent contact with SHG members to discuss about ongoing activities and also enable them to carry out weekly transactions of the group.

The participation of all the members in the meeting is important. The attendance of all the members guarantees the correctness of the accounts and the success of the group (ILO, 2006). The implication here is that regular group meetings are crucial in enhancing group cohesion.

When the groups do not meet regularly, it is an indication that there are problems within the group and hence they are not able to perform optimally. This study therefore intended to find out how regular group meetings influence the success of WSHGs in Pumwani informal settlement, Nairobi County.

2.6 Maintenance of Records on success of Women in Self Help Groups

SHGs are facilitated to understand the need for maintaining records and are trained to maintain the same. The bookkeeper of the group maintains the records. Where members of the group may not be literate, they may request a literate member of the community to keep the records on their behalf (Kinder Not Hilfe, 2008). Record keeping is keeping accurate information concerning activities and group funds. Record keeping builds the confidence of the members that their money is safe plus helps them remember what has happened and provides data and information to monitor the progress of the group. Record keeping; builds and maintains trust in the group, builds the confidence of members that their money is safe, helps members remember what has happened, monitors progress of group information and actions, provides information for follow up (loans, repayment), provides a check on the leaders. Each Self Help Group maintains records on the Group activities. (Mohindra, 2003). In addition, each SHG member should have a Passbook that shows all her transactions regarding the group. Individual passbooks are where each member has recorded the weekly savings, cumulative savings, and loans taken and paid back with interest.

Kinder Not Hilfe (2008) and Sowjanya (2007) observes that the SHGs are required to maintain certain account books like loan and savings ledger, cash and receipts book, payment and bank pass book, in addition to an attendance cum minute book where the attendance of members, the agenda for meeting and the minutes are noted. All the fines collected, loans given out and loans paid back are noted. These books and records are supposed to be maintained and updated on a regular basis, especially during the meetings. The Cash Book is usually kept by the Book Keeper. All the financial transactions of Group members are recorded in the Cash Book. Usually the weekly changes in cash are shown in the front of the book. Also, there is a separate section

for loans. One page for each member in the Group. The Cash Book is very important, because all the transactions should be verifiable through this book. This book shows that the group is a functioning Self Help Group. Open and documented financial transactions are essential to the operation of the Group. (ICA, Zimbabwe 2010)

A review of studies done in India shows that successful SHGs maintain and keep records in a systematic manner. For instance, Puhazhendi (2000) found that records were maintained either by a literate member of the group or by an animator. Suriakanthi (2000) in the study conducted at Tamil Nadu reported that since majority of the women were illiterates, records were maintained with the help of their husbands or educated wards. Vasudeva Rao (2003) in the study conducted at Andhra Pradesh reported that in maintenance of records, group leaders were playing a major role because the other members have faith in the group leader or avoid taking responsibility. Sawjanya (2007) found that the groups records were moderately maintained (not so neatly written) 31.25 per cent maintained very well (up to date and neatly written) followed by 25 per cent not maintained well (not maintain up to date data). In successful SHGs, 62.50 per cent of group's maintained records very well or neatly up to date followed by 37.50 per cent moderately maintained (not so neatly written). In unsuccessful SHGs, equal per cent (50 per cent) of the group's maintained group records moderately and not maintained well (not maintain up to date data). Thus, the study intended to establish the extent to which women in SHGs maintains their records, since this is key to their successful functioning.

2.7 Benefits of Self-Help Groups to Women

There are numerous benefits for communities that accrue from women participating in self-help groups such as the provision of education, collective labor, mutual support, and income generation. Through group activities and dynamics, skills can be acquired in accounting and management of group affairs and projects (Mbugua-Murithi, 1997). Women's groups act as convenient organizational structures that are appropriate for use with rural development approaches (Srujana, 1996). According to Noordin, Niang, Jama, and Nyasimi, (2001), women's groups help disseminate information to their members in a participatory manner through group

activities. When used by external facilitators or development agents, they serve as good entry points for understanding village development needs and problems. Groups also are useful instruments for changing the attitudes of members towards taboos, myths, farming practices, and overall local development (Noordin *et al*, 2001). Srujana (1996) argued that women's groups are important connections between the local people and the government because of their ability to mobilize communities for development. Poverty in Pumwani informal settlements in Nairobi County, has for long been in liaison with disease and for the communities, the situation has not been different. On embracing the SHG approach, the women started to move away from disease as well. They monitor each other's hygiene, both personal and domestic. This has enabled them to do away with hygiene related diseases. Loans are also accessible from the groups to acquire treatment when family members fall ill. All these are possible because of conducting weekly meetings where discussion of such social issues take place. (Kinder Not Hilfe, 2008)

The poorest communities in slum areas are learning to save. The initial mindset that the poor cannot save has been relegated by the SHG approach, which teaches people to save. One does not have to have a lot of money in order to save; rather, they only have to plan. Planning as an activity is taught to members because having no plan leaves one without direction. They are also enabled to access loans, which they would not otherwise get through micro-finance institutions. The money got out of these projects is put into their savings books and loaned out for income generating activities and personal use such as in times of bereavement and meeting the needs of their families specifically school fees, medical care for children and clothing (Kinder Not Hilfe, 2008).

SHGs have been instrumental in empowerment by enabling women to work together in collective agency. Women's networks do not usually obtain business or political favours as they command few economic resources and frequently rely on time and non-monetized labour exchange. However, self-help groups, when combined with savings and credit, have enabled women to benefit economically by monetizing their contributions and in the process have empowered them to become agents of change. A related aspect is that self-help groups have facilitated the formation of social capital, where people learn to work together for a common

purpose in a group or organization (Putnam, 2000). The ability to associate depends on the degree to which communities share norms and values and are able to subordinate individual interests to those of larger groups. Out of these shared values comes trust, with the potential for social, economic and political changes. However, these groups are often narrowly focused on microcredit, which, although useful as an entry point, can also limit and confine these groups to very small-scale activities with limited impact beyond the immediate family.

2.8 Theoretical Framework

Bruce Tuckman's theory of Group Development

For the self-help groups to be successful, they must be cohesive. Cohesion is the “glue” that binds a group of people together. A cohesive group acts together and sees itself as unified. A non-cohesive group pulls in different directions and sees itself as a collection of individuals. Several factors influence group cohesion: Group size, External threats, Homogeneity, Stability, Success. (Carron & Spink, 1995)

In the study of the factors influencing the success of WSHGs, the researcher adopted Bruce Tuckman's “forming, storming, norming & performing” theory. He maintained that these phases are all necessary and inevitable in order for the team to grow, to face up to challenges, to tackle problems, to find solutions, to plan work, and to deliver results. In the Forming stage which is the first stage, team members get to know each other, work out their roles and where they stand in relationship to one another. Crucially, Tuckman points out how people at this stage test their relationships (rivalries begin, etc.). The second stage is the Storming stage where conflict and polarization brews and there may be a rebellion against the leader. This is usually an unhappy time for the group, but it is a vital stage in the group's development. The third stage is the Norming stage where cooperation replaces conflict as members work towards common goals: this is where Group Cohesion occurs, increasing mutual respect. People feel comfortable expressing intimate personal opinions in this stage. The fourth stage is the Performing stage where roles become flexible and functional. Relationships have stabilized and the main goal now

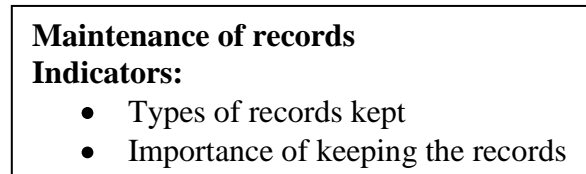
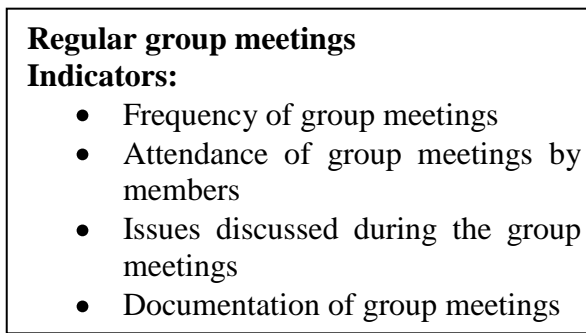
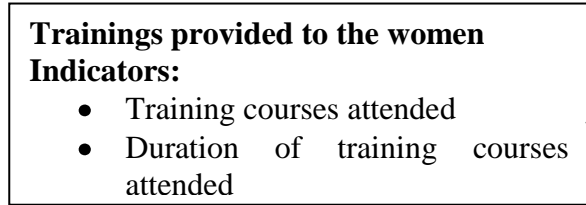
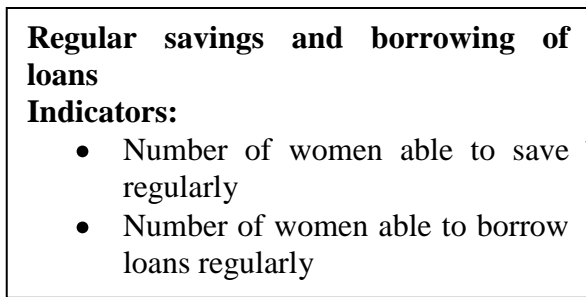
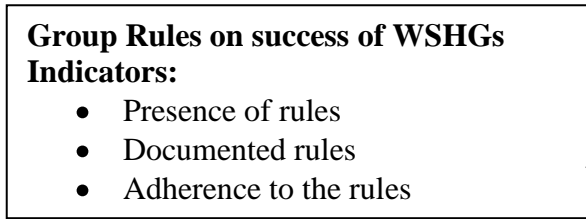
is group success. In 1977, Tuckman and Mary Ann Jensen proposed a fifth stage which they called Adjourning.

Self-help groups may typically go through the five stages. However, the last stage which is adjourning is not desirable. From this theory, it is clear that the women self-help groups go through the forming stage whereby the women are mobilized to form a self-help group. Since the groups comprises of women of different backgrounds, the self-help groups go through the storming stage as they try to cope with each other in order to achieve the main purpose of the self-help groups. To overcome this stage, self-help groups usually formulate rules to govern all their activities. The rules are discussed and agreed upon by all the members. By doing this, the self-help groups will have moved to stage three which is the Norming. At this stage, members make regular saving and meet on a weekly basis. Failure to attend the meetings usually attracts a fine which is stipulated in the group rules. At the fourth stage, the self-help groups are performing well as members are able to take loans for various purposes. They also continue contributing their savings as they repay their loans. This increases the capital base of the group and hence other group members can also borrow loans for various purposes. The self-help groups which are not able to go through the four stages successfully usually disintegrate and hence the purpose of forming the self-help groups is not achieved. This theory therefore fits well into the study as it examines the factors that influence the success of women self-help groups by ensuring that they move from the forming stage to the performing stage at which level they are successful.

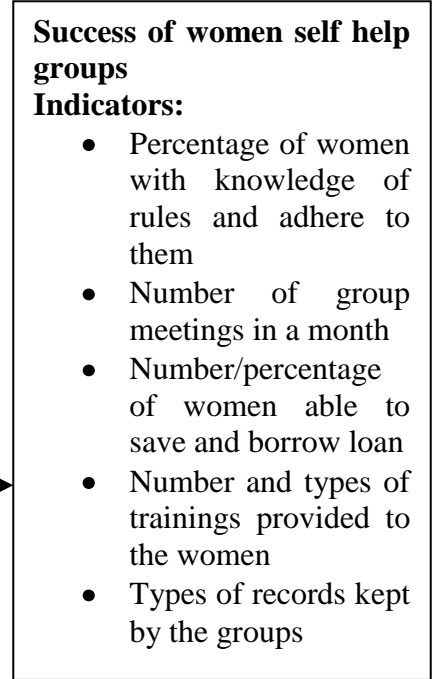
2.9 Conceptual Framework

Figure 1 represents the conceptual frameworks that shows the relationship between the independent variables, dependent variable and the moderating variables

Independent Variables



Dependent Variable



Moderating variables

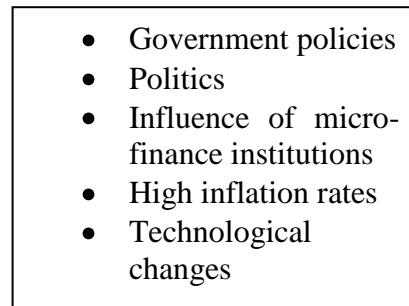


Figure 1: Conceptual framework

The conceptual framework helps identify concepts of the study and the relationship between the independent variables namely group rules and regulations, regular saving and borrowing of loans, trainings provided to the women in the SHGs, regular group meetings, maintenance of records and the dependent variable which is the success of women self-help groups. The dependent variable is also moderated in that there are issues beyond the reach of the WSHGs namely the government policies, politics, technological changes, high inflation rates and the emergence of many micro-finance institutions.

The independent variables give the various factors that influence the success of WSHGs in Pumwani informal settlements. The independent variables influence the success of the WSHGs. If a WSHG has rules and regulations which are strictly followed, is able to hold regular meetings, maintains all the records consistently, receives some form of training to build the capacity of the women and the women are able to save regularly and borrow loans, then that WSHG can be termed to be successful.

2.10 Summary of Literature Review

This chapter has presented a review of both primary and secondary literature on WSHGs both from Kenya and other countries especially India, the origin of SHG approach. The review has shown that although studies have been done on variables under investigation, that is, group meetings, regular savings and loan borrowing, rules and regulations, maintenance of records and trainings there seems to exist a gap in knowledge in Kenya, particularly in Pumwani informal settlement, Nairobi County. The review also reveals the critical success factors of women self help groups such as group rules, regular saving and borrowing of loans, provision of trainings to women in SHGs, regular group meetings and maintenance of records. The theoretical framework outlines the postulations of Bruce Tuckman's theory of group development. The theory outlines the five stages of group development as forming, storming, Norming, performing and adjourning. The conceptual framework that brings out the relationship between the dependent and independent variables has also been described in this chapter.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that was used in the study. The chapter is structured into the research design, target population, sampling procedure and sample size. The research instrument, pilot testing, reliability and validity of research instrument are also explained. The data collection procedures and analysis, as well as ethical consideration are elaborated in this chapter.

3.2 Research Design

Zikmund (1988) in Ahuja (2003) describes research design as a master plan specifying the methods and procedures for collecting and analyzing the needed information. In order to achieve the research purpose which was to establish the factors that influence to the success of WSHGs in Pumwani informal settlements, the researcher used descriptive survey design. Descriptive survey design is used to collect data at a particular point in time with the intention of describing the nature of existing conditions, or determining the relationships that exist between specific events, phenomena and situations (Cohen, Manion and Morrison, 2000; Ahuja, 2003). This research design fitted into this study since the aim was to establish how the selected factors influence to the success of WSHGs in Pumwani informal settlements. Thus, the design allowed the researcher to provide descriptive, inferential and explanatory information through the use of closed ended questionnaires (Cohen *et al*, 2000), interviews (Ahuja, 2003) and documentary review. In addition, Cohen *et al* (2000) and Ahuja (2003) further note that descriptive survey designs help a researcher to gather information about a large number of people as is described in 3.3 and 3.4 Target population and Sampling procedures respectively.

3.3 Target Population

Target population refers to “all those people with the characteristics which the researcher wants to study within the context of a particular research problem” (Ahuja, 2003: 155). This means that the target population should have some observable characteristics, to which the researcher intends to generalise the results of the study (Mugenda and Mugenda, 2008). The target population for this study was the WSHGs in Pumwani informal settlements. The number of WSHGs in Pumwani informal settlements as at April 2012 was 42. The 42 WSHGs are located in two villages: Majengo and Kiambiu. Majengo the larger village has 29 WSHGs while Kiambiu has 13. The number of members vary from one self group to another with the highest having 17 members and the lowest 5 members (St. John’s Community Centre, 2012). The average number of members per group ranges between 5-20 people. This information is summarized in Appendix V. The unit of analysis for this study was WSHGs in Pumwani informal settlements.

3.4 Sampling Procedures and Sample size

The main principle behind sampling is to seek knowledge about population and extend the inferences about the sample to the entire population where all the elements are given an equal chance of being selected (Ahuja, 2003). Thus, sampling ensured that some elements of a population are selected as representative of the population (Denscombe, 2008). May (1999) and Ahuja (2003) underscore the importance of selecting a representative sample through the use of a sampling frame. A sampling frame is a systematic list of subjects, elements, traits, firms or objects to be studied (Ahuja, 2003). Once a sampling frame has been established the required number of subjects, respondents, elements and firms were selected in order to make a sample. In this study, the sampling frame comprised of the 42 WSHGs in Pumwani Informal Settlements.

3.4.1 Sample size

Mugenda and Mugenda (2008) argue that a representative sample is one that is at least 10%-20% of the accessible population. In applying this criterion to the current study, 20% of 29 WSHGs from Majengo and 20% of 13 WSHGs from Kiambiu villages were approximately 6 and 3 WSHGs. Thus, a total of 9 WSHGs were selected for the study (6 from Majengo and 3 from Kiambiu).

3.4.2 Sampling procedures

To be able to get the 9 WSHGs, the researcher used stratified and lottery sampling techniques. According to Ahuja (2003) stratified sampling involves dividing the population into strata. In this case the strata were Majengo and Kiambiu villages. This was followed by use of lottery sampling technique to get the desired number of WSHGs from each of the two stratas. Use of lottery method guarantees and ensures each member of the population has an equal opportunity of being selected to participate in the study (May, 1997; Cohen *et al*, 2000; Ahuja, 2003). Thus, the researcher used the following three steps as given by Ahuja (2003): constructing the sampling frame (list of all WSHGs in Pumwani informal settlements divided in two villages). This was followed by writing numbers listed in the sampling frame on small pieces of paper and placing these papers in a container. All the papers were mixed up in two different containers each representing the two villages. The researcher with help of the research assistant then picked one piece of paper from each of the containers one at a time until the required number 9 WSHGs (3 from Kambiu and 6 from Majengo villages) was reached. All the women from the 9 SHGs participated in the study. The total number of women from the SHGs who were involved in the study was 115.

The researcher made use of purposive sampling technique to identify respondents for the key informant interviews and also obtain documents for review (Pass books, minute books, savings and loaning book, documented rules and regulations). Fraenkel and Wallen (1996) indicate that researchers use their judgment to select a sample that they believe, based on prior information, provides the required data. In this study, the Economic empowerment program officer and two

community facilitators from St. Johns Community Centre, an NGO operating within the Pumwani informal settlements formed part of key informants. Other key informants included leaders of the 9 SHGs. A total of 12 key women informants participated in the study.

3.5 Research Instruments

In this study, the researcher made use of three research instruments to generate data in accordance to the research objectives. They included closed-ended questionnaires, in-depth interviews and documentary check list. Use of more than one research instruments enhances triangulation (Ahuja, 2003; Cohen *et al*, 2000). Triangulation in a study of the same phenomenon is a strategy of strengthening and enhancing validity and reliability of the data collected (Cohen *et al*, 2000 and Fraenkel *et al*, 1996). Since each method has its own strength and weaknesses, a combination of the three methods increases the validity of the data collected, since the strength of one approach can compensate for the weakness of another approach (Marshals and Rossman 1989 in Patton, 1990). Thus, triangulation provided trustworthiness and credibility of data through corroboration of data yielded from the two different methods.

Closed ended questionnaires are fixed choice questions describing the range of responses from which the respondent may choose (Cohen *et al*, 2000). Such type of questions are quick to complete and easy to code (Cohen *et al*, 2000). Since the respondents may be geographically dispersed and sample size may be large (Ahuja, 2003), while some respondents might be illiterate thus the researcher found use of closed ended questionnaires important for this study. The structured closed items were accompanied by appropriate but limited options from which the respondents selected the responses to describe different phenomenon of the study. The questionnaires items were divided into five sub-sections in reference to the study objectives (Mugenda and Mugenda, 2008). That is, group rules, regular savings and borrowing of loans, trainings provided to the women, regular group meetings and maintenance of records (Appendix II). All members from the 9 WSHGs completed these questionnaires.

In addition, the study made use of in-depth interviews to get information from the 12 key informants. Fraenkel *et al* (1996) emphasize that interviewing is an important way for a

researcher to check the accuracy of-to verify or refute-the impressions he or she has gained through other data collection methods, in this case closed ended questionnaires. Garder 1968 in Ahuja (2003: 221) defines an interview as “a two-person conversation, initiated by the interviewer for the specific purpose of obtaining research-relevant information and focused by the researcher on the content specified by the research objectives of description and explanation”. Use of interview guide was useful to this study since the information gained helped strengthen data collected from the closed ended questionnaires. The interview guide covered the 5 objectives of the study and was divided into 5 sub-sections based on the variables of the study. That is, rules and regulations, regular savings and borrowing of loans, trainings provided to the women, regular group meetings and maintenance of records. (Appendix III).

The documentary checklist was used to check for the presence and use of the various documents or records that are kept by the Self Help Groups. The researcher used a documentary checklist (Appendix IV) to guide the process of reviewing the records kept by the WSHGs. The following records were studied: individual passbooks, attendance and minute book, savings, fines, loans book, and the loan ledger.

3.5.1 Pilot testing

The researcher carried out a pilot study to test the closed ended questionnaires and interview guide. According to Cooper and Schindler (2003), the pilot group can range from 10 to 15 subjects depending on the method to be tested but it does not need to be statistically selected. The researcher randomly selected two SHGs, one from each of the two villages (Majengo and Kiambiu) at Pumwani informal settlements to test the reliability of the research instruments. These two SHGs did not participate in the main study. From this group, the researcher administered the closed ended questionnaires and conducted an interview with the leader and also checked for the necessary documents. This was done through administering the research instruments once to the two selected WSHGs.

3.5.2 Reliability of the research instruments

Reliability of the research instruments is increased by including many similar items on a measure, by testing a diverse sample of individuals and by using uniform testing procedures. The split-half technique of measuring reliability was used to establish the degree to which the same results can be obtained within a repeated measure of the same concept. This involved splitting the questionnaires into halves and finding the extent of correspondence or reliability between the halves. The items in the instrument were split into two and each group responded to half of the items. Scores from the two groups were then be correlated in order to establish the extent to which the content of the questionnaires was consistent in eliciting the same response every time the instrument is administered. The Spearman's rank correlation coefficient (r) was analyzed for the two scores. A correlation coefficient of 0.75 was obtained. A correlation coefficient of 0.7 and above for the two halves is considered high enough to judge the reliability of the instrument. Therefore, the questionnaire was reliable. The pilot study also enabled the researcher to be familiar with the research instruments and their administration procedures.

3.5.3 Validity of the research instruments

Content validity which was employed in the present study is a measure of the degree to which data collected using a particular instrument represents a specific domain or content of a particular concept. "Content validity refers to the content and format of the instrument. How appropriate is the content? How comprehensive? Does it logically get at the intended variable? How adequately does the sample of items or questions represent the content to be assessed? Is the format appropriate? The content and format should be consistent with the definition of the variables and the sample of subjects to be measured" (Fraenkel *et al*, 1996: 154). Mugenda and Mugenda (2008) contend that the usual procedure in assessing the content validity of a measure is to use a professional or expert in a particular field. To establish validity, the researcher piloted the research instruments, to validate them and to determine their accuracy, clarity and suitability. Piloting helped in checking how far the measuring instruments are a representative of the full

content of the variables being studied. Based on the analysis of the piloting, modification and removal of ambiguous, irrelevant or unclear items was done.

3.6 Data Collection Procedure

The researcher first sought formal consent from St. John's Community Centre, a local NGO operating within the Pumwani informal settlements working under Kinder Not Hilfe and which has been at the forefront in forming the SHGs and promoting the SHG approach. Once the permission was granted, the researcher contacted the leaders of each of the 9 selected WSHGs; first explain to them the purpose of the study. The group leaders were requested to inform the members in their groups about the purpose of the study. The group leaders were then requested to organise the members for a meeting with the researcher, where the closed ended questionnaires were administered. Only the group members who were present during the group meeting participated in the study. The researcher took the members through the research process showing them how they should go about filling in the closed ended questionnaires. After the members completed answering the questionnaires, the researcher had some quiet time with the group leader for purposes of conducting the key informant interview. Meanwhile, the researcher also requested the group leaders to organise the group records. The documents were then reviewed after the key informant interview with the group leader and further clarifications were sought from the group leader. The same procedures were repeated in all the 9 WSHGs that were selected for the study. This was followed by interviews with the other key informants; one program officer at St. John's Community Centre in charge of all the SHGs in Pumwani informal settlements and two community facilitators from St. John's Community Centre who have had interactions with the SHGs.

3.7 Data Analysis Techniques

Data analysis involves the ordering of data into consistent parts in order to obtain answers to research questions (Ahuja, 2003). Data analysis was done using both qualitative and quantitative techniques.

Codes were assigned especially to the open ended items in the questionnaires. Coding of data was done so as to enhance processing and tabulation. The quantitative data from the closed ended questionnaires was analyzed using the Statistical Package for Social Sciences (SPSS) to generate frequencies and percentages. Multiple regression analysis was used for comparison of variables. Tables were used to present the data collected for ease of understanding and analysis. The use of percentages was important as it reduced all the numbers to range between 0 and 100.

The data obtained from the Key Informant Interviews was organized into themes based on the objectives and questions of the study. Bogdan and Bilken (1992) indicate that analysis of qualitative data involves working with data, organizing them, breaking them into manageable units, synthesizing them, searching for patterns, discovering what is important and what is to be learned and deciding what you will tell others. Thus, data from the interviews and documents was organized, sorted and analyzed using themes reflecting the research objectives. The qualitative data was used to reinforce and enhance descriptive data drawn from the closed ended questionnaires.

3.8 Ethical Consideration

Mugenda and Mugenda (2008) noted that a researcher has to be careful to avoid causing physical or psychological harm to respondents by asking embarrassing and irrelevant questions, threatening language or making respondents nervous. Similarly, Sommer and Sommer (1997) argue that ethical considerations such as confidentiality, anonymity and avoidance of deception are important ethical issues in social research.

For the purpose of this study, permission was first sought from relevant authorities and a letter granted to allow the researcher to carry out the research. Furthermore, the researcher explained

the purpose of the study to the respondents and assured them of confidentiality of their responses and identities. The researcher emphasized that information obtained from in depth interviews, closed ended questionnaires and documents was to be used for academic purposes only.

3.9 Operationalization of Variables

Table 3.1 shows the operationalization of variables. The independent variables namely rules and regulations, regular saving and borrowing of loans, trainings provided to the women, regular group meetings and maintenance of records, indicators that will show success of each, the measurement scale that will be used and data analysis technique is shown below;

Table 3.1: Operationalization of variables

Research Objectives	Variables	Indicators	Measure	Measurement scale	Data analysis technique
To establish how group rules and regulations influence the success of women self-help groups in Pumwani informal settlements, Nairobi County.	Independent variable -Group rules	-Presence of rules -Documented rules -Adherence to the rules	Different kinds of rules and regulations present within the SHGs Extent to which the rules and regulations are adhered to	Nominal Ordinal	Descriptive Thematic analysis
To identify how regular savings and borrowing of loans influence the success of women self-help groups in Pumwani informal settlements, Nairobi County.	Independent variable -Regular savings and borrowing of loans	-Number of women able to save regularly -Number of women able to borrow loans regularly	Number of women able to save regularly Number of women able to borrow loans regularly	Ordinal Interval	Descriptive Thematic analysis
To establish how the trainings provided to the women influence the success of women self-help groups in Pumwani informal settlements, Nairobi County	Independent variable- Trainings provided to the women	-Training courses attended -Duration of courses attended	Number and types of training courses attended Period of each training course attended	Ordinal	Descriptive Thematic analysis

To establish the influence of regular group meetings on the success of women self-help groups in Pumwani informal settlements, Nairobi County.	Independent Variable -Regular group meetings	-Frequency of group meetings -Attendance of group meetings by members -Issues discussed during the group meetings -Documentation of group meetings	Number of times the group members meet Percentage of women who attend the group meetings Group meetings minutes	Ordinal Interval	Descriptive Thematic analysis
To establish how maintenance of records influences the success of women self-help groups in Pumwani informal settlements, Nairobi County.	Independent variable -Maintenance of records	-Types of records kept (passbooks, minute books, savings and loaning book) -Importance of keeping records	Presence of records	Ordinal	Descriptive Thematic analysis
	Dependent variable -Success of Women self help groups	-Group rules documented and followed -Regular group meetings on a weekly basis -Active savings and borrowing of loans -Training provided to the women -Maintenance of records	Percentage of women with knowledge of rules and regulations and adhere to them Number of group meetings in a week Number/Percentage of women able to save and borrow loans Number of trainings provided to the women Types of records kept by the groups	Interval Ordinal	Correlation analysis Use of frequency tables and percentages Thematic analysis

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the data that was generated to answer the research questions. The data was collected mainly through closed ended questionnaires. Key informant interviews were done to get in depth information regarding the variables of study namely group rules, regular savings and borrowing of loans, trainings provided regular group meetings and maintenance of records. The researcher reviewed key documents kept by WSHGs, a way of enhancing data from closed ended questionnaires and key informant interviews. The purpose of data analysis and interpretation was to determine how the presupposed factors influence the success of WSHGs in Pumwani Informal Settlements.

4.2 Response Rate

The study targeted 127 respondents from 9 WSHGs in Pumwani Informal Settlements. A total of 115 women filled the questionnaires. This represents a response rate of 90.4%. This was achieved as a result of the researcher informing the group leaders about the study and its purpose and consequently requesting all the members to be present during the study as the questionnaires were being filled.

Table 4.1 gives a summary of the membership of the 9 WSHGs when the groups were formed and the current membership status

Table 4.1: Group membership

Name of WSHG	Membership at start	Current membership
Women with Vision	26	15
Furaha	7	20
Ebenezer	22	15
Mwanzo Mpya	16	13
Haba na Haba	28	20
Bidii	12	11
Riziki	13	10
Istikama	10	18
Bahati	10	5
Total	144	127

Table 4.1 shows that in 7 WSHGs, membership had dropped from the time when the groups were formed. It's only in Istikama and Furaha WSHGs that membership had increased since the group's inception. However, some groups had new membership.

4.3 Factors influencing the success of the Women Self Help Groups

The purpose of this study was to investigate the factors influencing the success of WSHGs in Pumwani informal settlements, Nairobi. The variables of study were; group rules, regular savings and borrowing of loans, trainings provided to the women, regular group meetings and maintenance of records.

4.3.1 Group rules on the success of women self-help groups

In order to establish how group rules influence the success of WSHGs, a set of questions were asked to the respondents.

All the respondents indicated that their groups have rules which have been agreed upon by all the members and are written down. The key informants mentioned some rules like; respecting other people's opinions, no disclosure of group secrets, not attending or going late for group meetings late attracts a fine, during group meetings members raise their hands to ask questions. These rules have been formulated by the members of the groups themselves. The key informants indicated that the group rules are generally discussed and agreed upon by all the members.

Table 4.2 gives the frequencies of the various penalties that can be given to the group members who do not follow the group rules that have been laid down and agreed by all the members.

Table 4.2: Penalty for not following group rules

Response	Frequency	Percentage (%)
Expelled from group	0	0
Pay fine	83	72.2
Given warning	32	27.8
Total	115	100

A total of 83 respondents (72.2%) indicated that members who do not follow the set rules usually pay a fine. A further 27.8% indicated that members who do not follow rules are given a warning. The amount of money paid as fine varies from group to group. Therefore, the women try to attend the group meetings to avoid paying fines.

4.3.2 Regular savings and borrowing of loans on the success of women self-help groups

Regular savings and borrowing of loans is a key success factor for Self Help Groups. Therefore, the second objective was to establish how regular savings and borrowing of loans by women influence the success of women self-help groups in Pumwani Informal settlements, Nairobi County.

4.3.2.1 Regular savings

All the 115 respondents indicated that they save some money with their groups. This amount varies from one individual to another and from group to another. The amounts saved are dependent on the financial ability of the individual members. However, saving on a weekly basis is mandatory.

Table 4.3 gives the categories of savings made by the group members on a weekly basis

Table 4.3: Savings per week

Response	Frequency	Percentage (%)
Between Ksh 1-Ksh 50	51	44.4
Between Ksh 51-Ksh 100	37	32.2
Between Ksh 101-Ksh 150	12	10.4
Above Ksh 151	15	13
Total	115	100

According to the findings, 44.4% of the women are able to save between Ksh 1 to Ksh 50, 32.2% save between Ksh 51-Ksh 100, 10.4% save between Ksh 101-Ksh 150 while 13% save above Ksh 151 on a weekly basis.

4.3.2.2: Borrowing of loans

Majority of the women (90.4%) indicated that they had borrowed loans from their Self-help groups. Only 9.6% of the women indicated that they had never borrowed loans from their SHGs. The loans borrowed are usually generated from the savings made by the members.

Table 4.4 shows the number of times the respondents had accessed loans over a one year period;

Table 4.4: Frequency of loans borrowed in the last one year.

Response	Frequency	Percentage (%)
Once	41	39.4
Between two to four times	46	44.2
Between five to seven times	7	6.8
More than seven times	10	9.6
Total	104	100

Out of the 104 women who had accessed loans with the last one year, 44.2% of them had taken loans between two to four times, followed by 39.4% who had taken loans only once. 9.6% of them had borrowed loans more than seven times while 6.8% had taken loans between five to seven times.

The women in the WSHGs borrow loans from the groups for various purposes. Table 4.5 shows a summary of how the women put into use the loans that they borrowed from their groups

Table 4.5: Use of the loans borrowed

Response	Frequency	Percentage (%)
To start a business	33	23.7
To boost the business	55	39.6
To pay school fees for children	39	28.1
To meet household expenses	12	8.6
Total	139	100

The loans cover an array of purposes. The nature of the question elicited multiple responses based on the number of times the women had borrowed loans from their groups. The response with the highest frequency (55) was to boost business. Majority of the women had therefore taken loans to boost their businesses. This was followed with payment of school fees for children which elicited 39 responses. There were 33 responses to use of loan to start a business and only 12 responses of using the loan to meet household expenses. All the 115 respondents indicated that they repay their loans with some interest. Specifically, the interest paid on the loan is 10% for all the groups and is not dependent on amount borrowed or duration of repaying the loan.

Out of the 104 women who had borrowed loans over the last one year, nearly half of them (53.8%) indicated that they had experienced some difficulties in repaying their loans. This they attributed to poor business performance and therefore they could not make enough profit to meet their basic needs and at the same time pay back their loans. 46.2% of them indicated that they had not experienced any difficulties in repaying their loans.

Defaulting to re-pay the loans attracts various penalties as summarized in Table 4.6

Table 4.6: Penalty for defaulting loan repayment

Response	Frequency	Percentage (%)
Given more time to pay back loan	78	67.8
Expelled from group	0	0
Savings used to cover loan	17	14.8
Others-Pay fine	9	7.8
Others-Defaulters reported to the area chief	11	9.6
Total	115	100

The respondents from the various WSHGs indicated that there are various penalties for members who default to pay back the loans advanced to them. 67.8% of the respondents indicated that members who are unable to pay their loans within the stipulated time are usually given more

time to do so. 14.8% said that the members' savings can be used to cover the loans, 7.8% of the respondents said that loan defaulters pay a fine and 9.6% indicated that loan defaulters are reported to the area chief. Findings from the key informants' interviews revealed that interest is usually paid before a member receives the loan. If the member does not have the interest at hand, the entire interest amount is usually deducted from the loan that is to be given to the member. The interest charged for the loans is 10% of the total amount borrowed. This was the case in all the groups studied. The interest is not dependent on amount borrowed or duration of repaying the loan.

4.3.3 Trainings provided to women and the success of women self-help groups

The third objective of the study was to establish how the trainings provided to the women influence the success of women self-help groups. Out of the 115 respondents, 80% of them had received some training in the past two years. Only 20% of the respondents indicated that they had not received any training in the past two years. The members in the WSHGs had received trainings in various areas as summarized in Table 4.7

Table 4.7: Areas of training

Response	Frequency	Percentage (%)
SHG	73	36
Book keeping	42	20.7
Business management	61	30
Product development	25	12.3
Others-Sanitation	2	1.0
Total	203	100

Majority of the women had received more than one training over the past two years. Therefore, the frequencies and percentages in this case represent the number of times training was received rather than the number of women who received the training. For the product development training, the key informants indicated that the members had received a wide variety of skills like

yoghurt making, mat making, bead work etc but did not have the required raw materials to start the business and market opportunities were either lacking or limited. This posed a challenge to the utilization of the skills which were meant to translate to members running viable business enterprises. Training women in making different products may enable them to earn supplementary income. However, it is doubtful whether these skills are contributing to women's empowerment or just accentuating women's established jobs.

4.3.4 Regular group meetings and the success of women self-help groups

The fourth objective sought to establish how regular group meetings influence the success of WSHGs. Table 4.8 shows the percentage of members that attend the group meetings

Table 4.8: Attendance of group meetings

Response	Frequency	Percentage (%)
Below 20%	0	0
Between 21%-40%	0	0
Between 41%-60%	27	23.5
Between 61%-80%	48	41.7
Between 81%-100%	40	34.8
Total	115	100

All the 115 (100%) respondents from the 9 WSHGs indicated that their groups meet on a weekly basis. Out of the 115 respondents, 41.7% of them indicated that the attendance of group meetings is usually between 61%-80%. A further 34.8% of the respondents indicated that the attendance of group meetings is usually between 81%-100%. 23.5% of the respondents indicated that the groups' attendance is between 41%-60%. Normally, the agenda for the meetings is disbursement of loans, collection of savings, fines etc. A record of loans, savings and fines are maintained by the book writer

In all the groups, there are penalties for members who default group meetings. For instance, failure to attend the group meetings attracts a fine which has been determined by the group and is also documented in the group rules.

4.3.5 Maintenance of records on the success of women self-help groups

The fifth objective was to establish how group records influence the success of WSHGs. All the 115 respondents indicated that their groups keep records. The records kept include; individual passbooks, minute books, attendance books, savings and loan book. Other records mentioned by the respondents are; interest book and visitors' book. In all the WSHGs, the book keeper is in charge of keeping the records and ensures that they are up to date. All the 115 respondents indicated that the records kept by the groups are useful.

4.4 Multiple regression analysis

Multiple regression was done to measure the strength of the relationship between the dependent and independent variables

Table 4.9: Multiple regression analysis

Table 4.9 shows the variables of the study as obtained from the regression analysis

Variables	Coef.	Std. Err.	t	P>t
Presence of group rules	-0.17	0.06	2.82	0.01
Regular savings	-0.09	0.16	0.57	0.04
Frequency of loans	0.15	0.07	-2.08	0.09
Trainings of women	0.11	0.00	-0.95	0.35
Regular meetings	-0.06	0.07	-0.95	0.00
Maintenance of records	-0.09	0.07	-1.32	0.19
Constant	6.18	1.67	3.7	0.00
N	98			
F(6, 50)	2.66			
Prob>F	0.026			
R-squared	0.84			
Adj R-squared	0.65			
Root MSE	2.68			

Dependent variable: success of women self help groups

As shown in Table 4.9, several factors influence the success of women self help groups. Among them, presence of group rules, regular savings, frequency of loans, regular meetings stand out as significant factors that influence success of women self help groups.

The study conducted a multiple regression analysis so as to determine the relationship between success of the women self help groups and the six variable factors. The equation; $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6$

Where Y is the independent variable (success of WSHGs) and X₁ is presence of group rules, X₂ is regular savings, X₃ is frequency of loans, X₄ is training of women, X₅ is group meetings and X₆ is Maintenance of records.

Therefore; $Y = 6.18 + 0.01X_1 + 0.04X_2 + 0.09X_3 + 0.35X_4 + 0.00X_5 + 0.19X_6$

From the regression equation, taking all factors (presence of group rules, savings per week, frequency of loans, training of women, group meetings and maintenance of records) constant at zero, success of women self help groups will be 6.18. The findings also shows that taking all other independent variables at zero, a unit increase in presence of group rules will lead to 0.06 decrease in dropout rate of members in the groups. Unit increase in regular savings will lead to 0.16 decrease in dropout rate, unit increase in frequency of loans will lead to 0.07 increase in dropout rate, unit increase in maintenance of records will lead to 0.07 decrease in dropout rate, unit increase in the regular meetings will decrease dropout rate by 0.07 while a unit increase in trainings provided to the women does not affect the success of women self help groups.

4.4.1 Co-efficient of Multiple Determination (R²)

Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of the variation in the dependent variable (success of WSHGs) is explained by all the six independent variables (presence of group rules, savings per week, frequency of loans, group meetings, training of women and maintenance of records). The six independent variables that were studied explain 65% of the factors that influence the success of women self help groups as represented by R².

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter gives a summary of the findings, discussions, conclusions and recommendations made as a result of the data analyzed.

5.2 Summary of findings

The summary of the findings has been done as per each of the five objectives of study;

5.2.1 Group rules in women self-help groups

According to the findings of the study, all the groups have rules and regulations which are written down and known to all members. From the regression analysis, a unit increase in group rules leads to 0.06 decrease in group dropout rates. This means that the more the rules the higher the probability of members not dropping out and hence increasing the success of women self help groups. This factor was significant at 1%, meaning that group rules was an important factor influencing success of women self help groups. The group rules are related to attendance of meetings, contribution of savings, payment of loans, and disclosure of group's agendas to non-group members. The key informants indicated that the members of the groups develop the rules themselves which are discussed and agreed by all members during group meetings.

5.2.2 Regular savings and borrowing of loans in the self-help groups

It was found out that it is mandatory for the women in the SHGs to save some amount of money in the groups. The amount to be saved varies from individual to individual within the groups. Some members are able to save as much as Ksh 200 per week while others can only save Ksh 20 per week. This has brought about some wrangles in the groups and some members feel intimidated and hence opting to drop out. From the regression analysis, holding other

independent variables constant at zero, a unit increase in regular savings leads to 0.16 decrease in dropout rates. If the members in the self help groups save on a regular basis they are likely to remain within the groups and hence contributing to success of the self help groups. This factor was significant at 5%, meaning that regular savings is an important factor in influencing the success of women self help groups. In addition, a unit increase in frequency of loans increases dropout rate 0.07. This factor was significant at 10%. Therefore, regular savings and borrowing of loans is a significant factor in influencing the success of women self help groups.

5.2.3 Trainings provided to the women in self-help groups

From the regression analysis, a unit increase in trainings does not affect the dropout rates in the women self help groups. The P value for this factor was 0.35 hence this factor was not significant. This means that the trainings provided to the women do not influence the success of the women self help groups. The trainings received include; SHG training, book keeping and product development. For the product development training, the key informants indicated that the members had received a wide variety of skills like yoghurt making, mat making, bead work etc but did not have the required raw materials to start the business and market opportunities were either lacking or limited

5.2.4 Regular group meeting in of women self-help groups

According to the findings, all the WSHGs studied meet weekly. Holding all the independent variables constant, a unit increase in regular group meetings leads to decrease in dropout rates by 0.07. This factor was significant at 1%. All the groups indicated that there are penalties for members who default group meetings. Members who default group meetings are required to pay a fine. The major issues discussed during group meetings are on savings and loaning. Some groups also discuss members' individual businesses and also share on family related issues. Regular group meetings are crucial to enhance group cohesion. The attendance of the group meetings is also good since 41.7% of the respondents indicated that the attendance of group meetings is usually between 61%-80%. A further 34.8% of the respondents indicated that the attendance of group meetings is usually between 81%-100%. This means that the group members

are committed to their groups and make an effort of attending the group meetings. This ensures group cohesion, thus contributing to the success of WSHGs.

5.2.5 Maintenance of records in women self-help groups

From the regression analysis, a unit increase in trainings does not affect the dropout rates in the women self help groups. The P value for this factor was 0.19 hence this factor was not significant. . However, all the groups studied indicated that they keep records like individual passbooks, minute books, attendance books, savings and loan book. Other records mentioned by the respondents are; interest book and visitors' book.

5.3 Discussions

The first objective of the study was to establish how group rules influence the success of WSHGs in Pumwani Informal settlements. From the multiple regression analysis, this factor is significant at 1%. According to findings, all the WSHGs have rules governing various aspects. Failure to follow the rules attracts a penalty of either paying a fine or being given a warning. The members themselves discussed and agreed on the various rules. This is in agreement with Sign and Jain (1995) who noted that for any successful SHG, they must have rules and regulations which all members must know and follow.

The second objective was to assess how regular savings and borrowing of loans influences the success of WSHGs. The study established that regular contribution of savings by members is an important factor in ensuring the success of WSHGs as represented by 5% level of significance. This means that if the members do not save regularly, there are high chances that the groups will not succeed. This is in agreement with Puhazhendi (2000) who observed that saving habits is likely to influence the success of WSHGs. In addition, 90.4% of the respondents had accessed loans from their WSHGs. However, differences in saving abilities of individual members brought wrangles in the groups. This is because financial abilities vary from one member to another. Some members had dropped out from the groups since they felt intimidated by other members who were saving a significant amount of money. The funds issued out to the women as

loans are usually generated from the savings made by the group members. This concurs with Gurumoorthy's (2000) findings which show that for self help groups to be successful, the members must be able to save regularly and borrow loans from the same pool of savings.

The third objective was to establish how trainings provided to women influence the success of women self-help groups in Pumwani informal settlements. This factor does not influence the success of women self help groups as represented by the P value of 0.35 which was obtained from the regression analysis model as compared to the other factors that were studied. However, 80% of the respondents indicated that they had received some training over the past two years. Some of the areas that the members had been trained on include: SHG Approach, book keeping, business management and product development. Similarly, Shylendra (1998) found that trainings and subsequent refresher trainings is crucial to the success of any SHG.

The fourth objective was to assess the influence of regular group meetings on the success of women self-help groups in Pumwani informal settlements. The WSHGs indicated that they hold their meetings on a weekly basis. Attendance of group meetings according to 41.7% of the respondents ranges from 61%-80%. Further, members who do not attend group meetings are required to pay a fine that is set out in the group rules. The frequency and attendance of group meetings highly contributes to the success of WSHGs. This corroborates a previous study by Sowjanya (2007) which concluded that any successful SHGs conducts meetings on a weekly basis, which is indispensable in order to maintain frequent contact with SHG members to discuss about ongoing activities and also enable them to carry out weekly transactions of the group.

The fifth objective of the study was to establish how maintenance of records influences the success of women self-help groups in Pumwani informal settlements. The records kept by the groups include: Individual passbooks, minute book, attendance book and savings and loan book. In all the WSHGs, the book keepers of the groups are in charge of keeping the records. This is in line with what Kinder Not Hilfe (2008) and Sowjanya (2007) observes, that the SHGs are required to maintain certain account books like loan and savings ledger, cash and receipts book, payment and bank pass book, in addition to an attendance cum minute book where the

attendance of members, the agenda for meeting and the minutes are noted. All the fines collected, loans given out and loans paid back are noted. These books and records are supposed to be maintained and updated on a regular basis, especially during the

5.4 Conclusions

The study explored five factors in relation to the success of women self-help groups. According to the findings, the study concludes that group rules influences the success of WSHGs to a great extent. The WSHGs have put in place measures to ensure that the group members adhere to the group rules. The regular savings contributed by the members also influences the success of the WSHGs to a great extent. Tied to the savings, is the regular loans borrowed by the members which also influences the success of the WSHGs to a great extent. The loans borrowed by the members are drawn from the savings kitty that is contributed by the group members. Each group has set the minimum and maximum amount that each member should save in a week. Therefore, the regular contribution of savings and the active borrowing of loans by the members contribute to a great extent to the success of WSHGs. The regular group meetings also influence the success of WSHGs to a great extent. The WSHGs usually meet on a weekly basis and the main agenda of the meetings is usually saving and loaning. Trainings provided to the women do not influence the success of WSHGs. The respondents indicated that they had received some training in the past two years, and though they found the training useful, the findings revealed that this factor does not influence the success of WSHGs as was the case with other factors. The WSHGs maintain records for various activities within their groups. The maintenance of records does not influence the success of WSHGs to a great extent as compared to the other factors. The groups have book keepers who are in charge of maintaining the groups' records.

5.5 Recommendations

1. The study recommends that the self help groups should set a minimum and maximum amount that the members should save on a weekly basis to ensure that some members do not feel intimidated since they are not able to match up to the savings of the other members. This will

decrease dropout rates as all the members will be at ease to save the amounts that they are comfortable with.

2. The study also recommends that the WSHGs to be linked to Micro-finance institutions where they can access credit facilities in order to increase their capital and hence increasing their borrowing capacity. Some of the members for instance indicated that they wanted to get bigger loans to boost their businesses but could only get a limited amount from the groups.

3. The study recommends that the trainings provided to the women should be need based. The women trained in product development should be provided with some start up materials to ensure that there is utilization of the skills acquired. Training sessions which look at marketing, accounting and record keeping should be arranged. In addition, the women should be linked to markets where they can sell their products so that they are able to make profit. This will ensure that the women are able to run viable business enterprises and hence able to pay back their loans and improve their livelihoods.

5.6 Suggestions for further research

The study recommends the following areas for further research;

1. The impact of self help groups on the economic empowerment of women and their households
2. Replication of the study in rural areas of Kenya where the self help groups have been formed
3. The influence of the emergence of Micro-finance institutions on the performance of the self help groups
4. The challenges faced by women self help groups

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APPENDICES

Appendix I: Letter of Transmittal

Caroline Muasya

P.O. Box 25304-00100

Nairobi.

The Programmes Manager

St. John's Community Centre

P.O. Box 16254-00610

Nairobi

Dear Sir/Madam

Re: Permission to Conduct Research in Pumwani Informal Settlements, Nairobi County

I am a student from the University of Nairobi undertaking a Masters degree in Project Planning and Management. As part of the course requirements, I am required to conduct a research project whereby I have identified my topic of study as assessing the factors that influence the success of women self help groups in Pumwani Informal settlements, Nairobi County.

I am writing to seek for permission to conduct a research on the factors that influence the success of women self-help groups in Pumwani informal settlements. Therefore, I am requesting to be allowed to collect data regarding my topic of study. Upon completion, I will share my findings with you.

I look forward to receiving positive feedback

Thanking you in advance

Yours Faithfully,

Caroline Muasya

SECTION B. RULES AND REGULATIONS

(Please tick the appropriate responses in the boxes provided)

6. Does your SHG have rules and regulations?

Yes No

7. Are the rules and regulations written?

Yes No

8. Do you follow these rules and regulations?

Yes No

9. Do other members in your group also follow these rules and regulations?

Yes No

10. What happens when a member of the group does not follow the rules?

i) They are expelled from the group

ii) They pay a fine

iii) They are given a warning

SECTION C. REGULAR SAVINGS AND BORROWING

11. Do you save any money with your group?

Yes No

12. How much do you contribute as savings per week?

i) Between Ksh 1- Ksh50

ii) Between Ksh 51-Ksh 100

iii) Between Ksh 101- Ksh 150

iv) Above Ksh 151

13. Do other members of your group also save?

Yes No

14. How often do you save?

- i) Weekly
- ii) Fortnightly
- iii) Monthly

15. Is it a must for every member in the group to save?

Yes No

16. Have you ever borrowed a loan from your group?

Yes No

17. How many times within the last one year have you borrowed a loan?

- i) Once
- ii) Between two to four times
- iii) Between five to seven times
- iv) More than seven times

18. How did you make use of the loan that you borrowed?

- i) To start a business
- ii) To boost the business
- iii) To pay school fees for the children
- iv) To meet household expenses

19. Do you repay the loans that you borrow with any interest?

Yes No

20. How much interest do you repay the loan with?

- i) Between 1%-5%
- ii) Between 6%-10%
- iii) Between 11%-15%
- iv) Above 16%.

21. Have you ever experienced any difficulties in repaying the loan?

Yes

No

22. What are some of the difficulties that you have experienced in repaying the loans?

23. What happens to a group member who is not able to pay back the loan in the required time?

i) They are given more time to pay back the loan

ii) They are expelled from the group

iii) Their savings are used to cover the loan

iv) Others (Please specify)-----

SECTION D. TRAINING OF WOMEN

24. Have you received any training in the past 2 years?

Yes

No

25. Was the training useful?

Yes

No

26. Has the training helped in strengthening your group?

Yes

No

27. What areas have you been trained on in the past 2 years? (Please tick the appropriate choices)

i) SHG

ii) Book Keeping

iii) Business Management

iv) Product Development

v) Others (Please indicate) -----

SECTION E. GROUP MEETINGS

28. How often does your group meet?

i) Weekly

ii) Fortnightly

iii) Monthly

29. What is the attendance of the group meetings?

i) Below 20%

ii) Between 20%-40%

iii) Between 41%-60%

iv) Between 61%-80%

v) Between 81%-100%

30. Are there any penalties for members who default group Meetings?

Yes

No

31. What are some of the penalties given to members who default group meetings? (Please list them down)

32. What issues are discussed during the group meetings?

i) Savings

ii) Loaning

iii) Businesses

iv) Members' family related issues

v) Others (Please indicate)-----

SECTION F: MAINTENANCE OF RECORDS

33. Does your group keep any records?

Yes No

34. What are some of the records kept by the group? (Please tick as appropriate)

i) Individual passbooks

ii) Minute book

iii) Attendance book

iv) Savings and loan book

v) Others (please specify) -----

35. Who is in charge of keeping the records?

i) Chairlady

ii) Treasurer

iii) Book keeper

iv) Others

36. Are the records useful for your group?

Yes No

Appendix III: Interview Guide for Key informants

Date of interview: -----

Name of respondent: -----

Organization/SHG: -----

Designation: -----

A. Rules and regulations

- 1) What are some of the rules that the SHGs are governed by?
- 2) How do the SHGs members come up with those rules and regulations?
- 3) What are some of the penalties for members who do not follow the rules?

B. Regular savings and borrowing of loans

- 4) How often do the members of the self help groups save?
- 5) Who determines how much and how often the members should save?
- 6) What difficulties to the women have in meeting their savings obligations?
- 7) How is the loaning process conducted within the SHGs?
- 8) What difficulties do the women face in repaying the loans?

C. Trainings provided to women

- 9) What types of trainings have the women in the SHGs received in the past 2 years?
- 10) Who organized for the training?
- 11) How useful and relevant were these trainings?
- 12) What are some of the change that you have observed in the SHGs as a result of these trainings?
- 13) What other areas would you recommend for further trainings for the WSHGs?

D. Regular group meetings

- 14) How often do the groups meet?
- 15) What is the attendance of the group meetings (in terms of percentages e.g 50%)?
- 16) What are the penalties for members who default group meetings?
- 17) What issues are discussed during the group meetings?

E. Maintenance of records

- 18) What are some of the records kept by the WSHGs?
- 19) What is the importance of keeping the records?
- 20) Who in the groups is in charge of keeping the records and why?

Appendix IV: Documentary checklist

Documents available;

- I. Minute book
- II. Savings book
- III. Loans book
- IV. Passbooks
- V. Any other relevant documents _____

Thank you.

Appendix V: List of Women Self-Help Groups in Pumwani Informal Settlements

**ST. JOHN'S COMMUNITY CENTRE
ECONOMIC EMPOWERMENT PROGRAMME
LISTS OF SHGS-APRIL 2012**

	NAME OF SELH HELP GROUP	VILLAGE	NO. OF MEMBERS
1.	Mwamko	Majengo	17
2.	Tukumbatiane	Majengo	15
3.	Baraka	Majengo	11
4.	Riziki	Majengo	12
5.	Mwanzo Mpya	Majengo	13
6.	Changamka	Majengo	15
7.	Rauka	Majengo	14
8.	Bidii	Majengo	13
9.	Way Forward	Majengo	11
10.	Mwangaza	Majengo	13
11.	Golden Mothers	Majengo	10
12.	Lovely Mothers	Majengo	11
13.	Mavuno	Majengo	12
14.	Haba na Haba	Majengo	17
15.	Al-Noor	Majengo	14
16.	Makinika	Majengo	8
17.	Nawiri	Majengo	10
18.	Istikama	Majengo	13
19.	Haki na Ukweli	Majengo	15
20.	Wao kwa Wao	Majengo	11
21.	Sharp Mothers	Majengo	10
22.	Muongano	Majengo	17
23.	Wonderful roses	Majengo	16
24.	Tusaidiane	Majengo	9
25.	Mbukilye	Majengo	11
26.	Jikaze	Majengo	15
27.	Kinyago Women	Majengo	14
28.	Talented ladies	Majengo	10
29.	Kinyago ladies	Majengo	12
30.	Ebenezer	Kiambiu	17

31.	Good Hope	Kiambiu	16
32.	Ukweli	Kiambiu	15
33.	Nuru	Kiambiu	16
34.	Vitendo	Kiambiu	12
35.	Mdono	Kiambiu	5
36.	Women with Vision	Kiambiu	14
37.	Vision 2012	Kiambiu	18
38.	Lucky Mothers	Kiambiu	12
39.	Blessed Mothers	Kiambiu	8
40.	Furaha	Kiambiu	16
41.	Mwongozo	Kiambiu	17
42.	Eapla	Kiambiu	17