

**DEVELOPMENT OF WOMEN SELF HELP GROUPS IN MWINGI CENTRAL
CONSTITUENCY**

BY:

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D63/77091/2012

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE AWARD OF DEGREE OF MASTER OF SCIENCE
IN FINANCE, UNIVERSITY OF NAIROBI**

OCTOBER, 2014

DECLARATION

This research project is my original work and has not been presented for any award of degree in any University

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ACKNOWLEDGEMENTS

It is with great pleasure that I convey the most profound gratitude to the following good people, who without their assistance and cooperation this piece of work could not have been made possible.

Mrs. Angeline K. Kasalu my mother and a great friend you have made me who I am by taking me to school. Your enormous support in almost every aspect of my life is the answer to my success. May God bless you for being such a wonderful mother. My beloved husband Dr. Benjamin M. Mang'ara and lovely sons Joshi and Dani. You have all given me a new meaning to life, am very grateful for your understanding and encouragement to carry on with this research work.

Mr. Herrick Ondigo, lecturer and my supervisor. I am grateful for the helpful discussions that we held out of your busy schedule, your encouragement made my work possible.

DEDICATION

I dedicate this research work to my two beautiful sons Joshi and Dani.

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LIST OF ABBREVIATIONS

AGPO	Access to Government Procurement Opportunities
ESCAP	European Society for Child and Adolescent Psychology
GoK	Government of Kenya
ICJRC	International Criminal Justice Resource Center
IFAD	International Fund for Agricultural Development
KIE	Kenya Institute of Education
KIPRRA	Kenya Institute of Public Policy Research and Analysis
KWFT	Kenya Women Finance Trust
MDG	Millennium Development Goal
MFIs	Micro Finance Institutions
NGO	Non-Governmental Organization
RoK	Republic of Kenya
SHGs	Self Help Groups
SMEP	Small & Micro Enterprise Programme
WAD	Women and Development
WEF	Women Enterprise Fund

ABSTRACT

Due to the development of new policies, programmes and even projects, the status of women has totally been changed as they provide assistance to the low income women. Various intervention approaches have been developed in order to address the needs of the women which ultimately reveal modifications not only in social policy approaches to third World Development, state policies relating to women but also in the overall economic policy of the country as a whole. The empowerment approach is the most recent and is aimed at empowering women through greater self-reliance and internal strength. The fact that none of these studies was done on the effect of gender based financing on the growth and development of SHGs, presents a gap in knowledge, thus, the research question: Does gender based financing affect the growth and development of SHGs? The objective of the study was to establish the effect of gender based financing on growth and development of SHGs in Mwingi Central Constituency. The descriptive survey method was preferred because it ensured complete description of the situation, making sure that there is minimum bias in the collection of data. The target population had all the 10 women SHGs that have been in existence between 2009 and 2013. The study intends to use a census. Primary data was used. Descriptive statistic, content analysis and regression analysis were used in data analysis. The study found that most of SHG in Mwingi central faced challenges in repaying the borrowed amount, all the groups had witnessed some drops outs by some members due to member relocation or failure to meet targets set by the group and that Considerable number of the SHG had not received financial literacy training in the past 2 years from a Government Agency, therefore the study concludes that lack sufficient means of financing, low levels of government support, low level of financial literacy and lack of ideal group management strategies were some of the attributes linked to slow growth and development of SHGs in Mwingi Central Constituency, The study established a unit increase in NGO, support would lead to increase in the growth and development of SHGs in Mwingi Central Constituency thus the study concludes that NGO support had a positive impact of growth and development of SHGs in Mwingi. In order to ensure growth and development of SHGs in Mwingi, the study recommends that the county government of Kitui in collaboration with ministry of devolution should frequently organize financial literacy training programmes to women in the county. County government in collaboration with financial institutions needs to sensitize all registered groups on the financial product and services offered by financial organizations and the government as well as their accessibility. The non-governmental organizations need to keep on mobilizing the communities on the importance of forming self-help groups as well as the education them on group management skill. This will help to improve on the social economic status of the society in general.

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 Kenya there has been a steady increase of women SHGs. A SHG is a registered or unregistered group of persons with a homogeneous social and economic activity (Machiraju 2008). The members are persons who have close social relationship, they come together for the purposes of saving together and borrowing from this fund and also sharing news, knowledge, ideas and also helping each other out in times of need. The SHGs operate at the grass root level where they agree to contribute a common fund of the group to be lent to the members for meeting their productive and emergent credit needs (Somanath, 2009).

A self-help group may be registered or unregistered. It typically comprises a group of micro entrepreneurs having homogeneous social and economic backgrounds; all voluntarily coming together to save regular small sums of money, mutually agreeing to contribute to a common fund and to meet their emergency needs on the basis of mutual help. They pool their resources to become financially stable, taking loans from the money collected by that group and by making everybody in that group self-employed.

The group uses peer pressure to ensure proper end use of credit and timely repayment. Peer pressure is a good substitute for collateral and financing through SHGs reduces transactional costs (Machiraju 2008). In the rural areas these groups have been the key to growth especially in agricultural economic activities. In order to change the face of socio-economic scenario, micro enterprises and SHGs are playing significant role in the self-employment by raising the level of income and standard of living rural people. In this framework, one of the most vital aspects of rural self-employment is the formation of SHGs

which is a valuable investment in human capital through training and capacity building measures (Chandra, 2001).

Given global recognition of the feminization of poverty, a wave of microfinance programs directed specifically at rural women became more prevalent. Participants and planners soon realized that while these programs were initially designed as poverty reduction programs, they had the unexpected consequence of empowering women by enabling women to take more active roles in decision-making on everything from household finances to healthcare (Brody, 2004). This has resulted in the rise of gender based financing with financial institutions such as KWFT and WEF dedicated to women growing into formidable banks.

The scheme of micro financing through Self Help Groups (SHGs) has transferred the real economic power in the hands of women and has considerably reduced their dependence on men. SHGs have served the cause of women empowerment, social solidarity and socio-economic betterment of the poor for their consolidation (Sanjay, 2012). A good number of researchers including MFIs claimed that this movement helped in alleviating poverty and empowering women in particular. This has helped in empowerment of women and building self-confidence (Ghadoliya, 2011). In this research sought to demonstrate how gender based financing affects the growth and development of women self-help groups with Mwingi Central Constituency as a case study.

1.1.1 Gender Based Financing

Equal access to economic opportunities by both women and men contributes to growth in countries' economies and better development outcomes. According to *Regional Research on Barriers Faced by Women-Owned Businesses (2013)*; Globally, women enterprises comprise about a third of all enterprises and contribute significantly to employment

generation and socio- economic development therefore affirming that increased investment in economic advancement of women is ‘smart economics’.

Low income people and small firms often lack credit histories or information on their financial operations. Asymmetries of information and the risk of moral hazard and adverse selection arising from it, reduces incentive to lend to such clients. To secure such ‘risky’ loans, lenders often demand collateral such as land or property that many borrowers lack. This makes the lenders reluctant to lend to small borrowers or to charge them exorbitantly high interest rates or grant them short term loans that may not meet their needs. Most women belong to the category of low income people (Shusman & Narain, 2007).

While both men and women face similar barriers evidence from recent studies suggests that these barriers are higher for women. The reasons for this include culture, lack of traditional collateral (such as land or property which is often registered in men’s name), women’s lower income levels relative to men, and financial institutions’ inability (or lack of appetite) to design appropriate products and outreach strategies to reach women (Shusman & Narain, 2007).

Based on data from the FinScope survey in Uganda and Kenya, Johnson and Nino-Zarazua also show that variables such as age and gender had strong effects on financial access. Women for example are less likely to be ‘included via banks.’ In addition to ‘high levels of poverty and low awareness of available financial services,’ a recent World Bank report on financial access.

Another aspect of gender based financing is through government budgets are gender responsive. Gender Responsive Budgeting aims at mainstreaming a gender perspective into public finance. The process of Gender Responsive Budgeting eventually results in Gender Responsive Budgets. Gender Responsive Budgets are not separate budgets for women nor are they related to a 50/50 spending on women and men. Instead, Gender Responsive Budgets are national and local budgets of a government that are planned, approved, executed, monitored and audited in a gender-sensitive way in order to address the different priorities and needs of both female and male citizens of a country and to ensure that policies of the Government really benefit especially poor target groups (UNDP, 2005).

Kenya is among the many countries that take serious steps towards reforming its public financial management system in order to improve the effectiveness, efficiency and gender equality results of public spending. In its current Vision 2030 the Government of Kenya states that it will pursue “gender mainstreaming in Government policies, plans, budgets and programmes. This is reiterated in the First Medium Term Plan 2008-2012 where Gender Responsive Budgeting is included as one of the expected outputs/outcomes in the implementation matrix (GoK, 2005).

Gender based financing in Kenya has come to the fore front since the inception of women enterprise fund (WEF) in 2009. Women entrepreneurs in different parts of the country have accessed the fund; these funds assist women in financing their enterprises and the growth of the enterprises and this contributes towards the overall social and economic development of Kenya as a country. The funds have also been accessed by many women SHGs. According to Ministry of Gender, Children, and Social Services, 92,000 women have benefited from ksh 682 Million disbursed from the fund (GoK, 2005).

Women can borrow from as little as ksh 1000 to ksh 500,000 but approvals of the advisory board is necessary for amounts exceeding ksh500,000 (KIPPRA, 2010) and; (RoK,2005). The international microfinance consensus is firmly based on a private sector driven development perspective and generally favors a facilitating role of the public sector: putting in place a regulatory framework that allows for unlimited entry of private sector capital and creating a level playing field for all investors and practitioners. This precludes public sector entities to become engaged in retail lending at below market rate terms and conditions (KIPPRA, 2010).

However, the Indian and Bangladesh governments have established home grown micro-finance system that works for poor people majority of whom are women. Micro-finance programmes like the Self-Help Bank Linkage Program (SHG) in India have been increasingly hailed for their positive economic impact and the empowerment women. This is based on the view that women are more likely to be credit constrained, have restricted access to wage labour market and have limited decision-making and bargaining power within the household (Sanjay, 2012).

Kenya's Women Enterprise Fund is a fairly unique program on two accounts. On one hand it goes against mainstream thinking in micro-finance that does not endorse public sector involvement in retail credit delivery other than through government banks; on the other is has installed a double implementation strategy as funds are partly placed with reputed financial institutions, (KIPPRA 2010; Abel and Oketch, 2009). There has been a steady rise of gender based financing in Kenya is evidenced by women exclusive banking such as KWFT.

1.1.2 Growth and Development

Growth and development is something for which most organizations strive, regardless of their size. Small organizations want to get big, big firms want to get bigger. Indeed, organizations have to grow at least a bit every year in order to accommodate the increased expenses that develop over time. With the passage of time, salaries increase and the costs of employment benefits rise as well. Even if no other organizations expenses rise, these two cost areas almost always increase over time. However, SHGs have experienced steady growth globally due to access to credit and capacity building.

In the early decades, the concept of women development was totally out of mind and their condition was miserable. But with the changed scenario, the thinking of people has been changed due to education, awareness and now, the problems of women are looked upon as the problems of social welfare and are considered more seriously and ultimately solved in the form of other way round particularly in the past more than 15 years. Due to the development of new policies, programmes and even projects, the status of women has totally been changed as they provide assistance to the low income women. This concern for low-income women's needs has coincided historically with recognition of their important role in development. Various intervention approaches have been developed in order to address the needs of the women which ultimately reveal modifications not only in social policy approaches to third World Development, state policies relating to women but also in the overall economic policy of the country as a whole. The empowerment approach is the most recent and is aimed at empowering women through greater self-reliance and internal strength.

One way women growth and development has been achieved is through SHGs. SHG is a small voluntary association of poor people, preferably from the same socioeconomic

background. They come together for the purpose of solving their common problems through self-help and mutual help. The SHG promotes small savings among its members. The savings are kept with a bank. This common fund is in the name of the SHG. Usually, the number of members in one SHG does not exceed twenty.

1.1.3 Effect of Gender Based Financing on Growth and Development

Many women SHGs have been impacted positively by gender based financing towards their own growth and development worldwide. For example, the Government of India has provided for SHGs to them so that proper attention should be given to their economic independence through self employment, entrepreneurial development and well being that ultimately leads to its contribution. SHGs have been emerged as a powerful instrument in order to alleviate poverty and for the empowerment of women in the rural economy.

SHGs through the network of commercial banks, co-operative banks, regional rural banks, NABARD and NGO's has been largely supply driven and a recent approach in the provision of financial services to the poor and further upgrading their status in the society (Uma, 2012). In this way, SHGs are important not only to reduce rural poverty, to promote rural savings but also to increase gainful employment.

Gender Responsive budgeting by the Kenyan Government and the establishment of the WEF and Uwezo Fund has also had a positive impact on women SHGs. This is in line with the Doha Declaration on Financing for Development (2008) where it is said that “Gender equality and women’s empowerment are essential to achieve equitable and effective development and to foster a vibrant economy. We reaffirm our commitment to eliminate gender- based discrimination in all its forms, including in the labour and financial markets, as well as, inter alia, in the ownership of assets and property rights... We will

further promote and reinforce capacity- building of State and other stakeholders in gender-responsive public management, including, but not limited to, gender budgeting”.

Women are more vulnerable to chronic poverty because of gender inequalities such as access to productive inputs such credit, access to and control of property and earned income and inadequate access to education. This is despite increasing women participation in MSEs, hence the recommendation that the government pursue policies to empower women, increase their access to credit by encouraging them to form SACCOs, promote networking with formal banks and micro-finance institutions (RoK, 2005).

Women enterprises aid in grass root economic development of a country and women entrepreneurs contribute to the economic development of their families. However women entrepreneurs lack adequate physical capital such as credit which forces them into quest for micro-financial assistance (Kuzilwa, 2005). Inability to access credit for business is occasioned by factors such as lack of asset as collateral, societal discrimination, poverty and unemployment among others (Ekuman, 2001).

However, the women SHGs have greatly benefited through gender based financing. For example the WEF provides them with access to credit and capacity building opportunities. The women enterprise fund (WEF) was established in August 2007 and launched in May 2009 as part of the government’s commitment to one of the millennium development goals on gender equality and women empowerment (KIPPRA,2010). It is a flagship project under the social pillar in vision 2030. The fund provides accessible and affordable credits to support women expand or start new businesses for wealth and employment creation. The fund also provides business support services such as capacity building, marketing, promotion of linkages and infrastructure support. Women Enterprise Fund loans reach the target

beneficiaries through partner financial intermediaries and directly through Constituency Women Enterprise Scheme (C-WES) (RoK, 2008).

Uwezo fund in Kenya, which was launched in 2013, it is a government of Kenya project initiated to empower women in Kenya and empower youths in Kenya. It is a means of availing capital for business enterprise growth in Kenya. The finance objectives of Uwezo fund include: increasing finance to Kenyan public through grants in Kenya and credits in Kenya- hence promoting women businesses in Kenya and youth businesses in Kenya at the county level in Kenya. The Uwezo Loan in Kenya also aim at boosting entrepreneurial spirit in Kenya especially among women and youths in Kenya, and to form a substitute funding base in Kenya for the whole community in general (RoK, 2008).

Due to increased access to funds these women SHGs have been able to initiate small enterprises mainly in agriculture and value addition leading to women empowerment and the growth of such groups. Many countries around the world have used the model of women SHGs as a development tool and encouraged gender based financing to such groups in turn realizing more groups (UNDP, 2005).

For example in India, Micro finance programmes are currently being promoted as a key strategy for simultaneously addressing both poverty alleviation and women's empowerment. Before 1990s, credit schemes for women were almost negligible. There were certain misconception about the poor people that they need loan at subsidized rates of interest on soft terms, they lack skills, capacity to save, credit worthiness and therefore are not bankable. Nevertheless, the experiences of several and SHGs reveal that rural poor are actually efficient managers of credit and finance.

Availability of timely and adequate credit is essential for them in their enterprises rather than subsidies. Earlier government efforts through various poverty alleviation schemes for self-employment by providing credit and subsidy received little success. Since most of them were target based involving various government agencies and banks (Ghadoliya, 2011).

1.1.4 Women SHGs in Mwingi Central Constituency

Women SHGs in many parts of the country have achieved success in bringing the women to the main stream of decision making. The SHG in our country has become a source of inspiration for women's welfare formation of SHG is a viable alternative to achieve the objectives of rural development and to get community participation in all rural development programmes. SHG is also a viable organized set up to disburse micro credit to the rural women and encouraging them together into entrepreneurial activities (Abdul, 2007). To alleviate the poverty and to empower the women, the micro-finance, SHGs and credit management groups have also started in Kenya.

The typical SHG in Mwingi Central Constituency is a small voluntary association to form a group. It is informal and homogenous group of not more than twenty members. These SHGs consist of around 20 members because of operational challenges and directives by credit service providers such as KWFT and WEF. That is why, it is recommended to be informal to keep them away from bureaucracy, corruption, unnecessary administrative expenditure and profit motive. In fact, it is a home grown model for poverty reduction which simultaneously works to empower and shape the lives of its members in a better way.

Groups are expected to be homogenous so that the members do not have conflicting interest and all the members can participate freely without any fear. SHGs movement has triggered off a silent revolution in the rural credit delivery system in Kenya and Mwingi Central is no

exception. SHGs have proved as an effective medium for delivering credit to rural poor for their socioeconomic empowerment.

Most members of these women SHGs are semi-illiterate and therefore need capacity building on financial literacy and enterprise development. Although many are already involved in small savings schemes such as table banking and merry-go-rounds they are yet to formalize into groups that can draw up proper business and fiscal plans to enable them access credit from financial institutions. However, MFIs and even larger banks are targeting them through capacity building workshops done using community based training.

Members of these SHGs have in turn become able providers to their families. A corollary of participation in SHGs is an improvement in a woman's access to credit. Since many home based women's project are perhaps too early in its implementation to directly improve women's access to credit. The financial mobility due to participation in the SHG has led to an improvement in the quality of life, according to some of the successful groups. Overall, many families were able to address their basic needs better than before. Some of NGOs reports have shown that the record on the repayment of loans by women was often better than that of men, and that women were also more likely to spend the income earned, on their families, leading to improved health and nutrition of the poor population and for improving the quality of their lives.

1.2 Research Problem

Due to the development of new policies, programmes and even projects, the status of women has totally been changed as they provide assistance to the low income women. This concern for low-income women's needs has coincided historically with recognition of their important role in development. Various intervention approaches have been developed in order to

address the needs of the women which ultimately reveal modifications not only in social policy approaches to third World Development, state policies relating to women but also in the overall economic policy of the country as a whole. The empowerment approach is the most recent and is aimed at empowering women through greater self-reliance and internal strength.

One way women growth and development has been achieved is through Gender Based Financing. Gender based financing in Kenya has come to the fore front since the inception of women enterprise fund (WEF) in 2009 and Uwezo fund in 2013. Women entrepreneurs in different parts of the country have accessed the fund; these funds assist women in financing their enterprises and the growth of the enterprises and this contributes towards the overall social and economic development of Kenya as a country. The funds have also been accessed by many women SHGs. According to Ministry of Gender, Children, and Social Services, 92,000 women have benefited from ksh 682 Million disbursed from the women enterprise fund (GoK, 2005).

The origin of SHG is from the brain child of Grameen Bank of Bangladesh, which was found by the economist, Prof. Mohammed Yunus of Chittagong University in the Year 1975, to provide micro-finance to rural 87 women. It is recognised that SHGs represent vital links to programmes, both governmental and external development partnerships, which have also been established to support population and address poverty. The Kenyan Government recognizes that interventions aimed at creating employment and reducing poverty must be localized. In Kenya, women SHGs 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). Although most of the studies on women SHGs, have been done in India (Anad, 2004; Devalatha, 2005; Sahu and Das, 2006; Sowjanya, 2007), limited number of studies have been conducted in Kenya. 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. 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 none of these studies was done on the effect of gender based financing on the growth and development of SHGs, presents a gap in knowledge, thus, the research question: Does gender based financing affect the growth and development of SHGs?

1.3 Objective of the Study

To establish the effect of gender based financing on growth and development of SHGs in Mwingi Central Constituency.

1.4 Value of the Study

It will benefit from the identification of the effects of gender based financing on the growth and development of women self-help groups which is critical in helping them achieve efficiency in planning and resource allocation.

The research study will also build on the public body of information on the effects of gender based financing on the growth and development of women self-help groups which will aid other financial and governmental development programs and their partners in the sector. It will help them compare challenges and exchange effective solutions towards sector-wide development and program implementation.

The results of the study will be of significance to government in understanding the factors the effects of gender based financing on the growth and development of women self-help groups. The implications of the study can be extended to help the government in creating and enhancing effective strategies towards the implementation of gender based financing and human development.

Academically, this research will generate fresh knowledge and guidance to future or upcoming researchers who wish to carry out further investigations on the issue by revealing useful strategies, procedures and measuring instruments; this will help them to avoid unnecessary duplication; demonstrate familiarity and form a framework within which future research findings will be interpreted.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter discusses the literature review of this study, review of theoretical literature, summary of literature and gaps to be filled, review of critical.

2.2 Theoretical Review

This section reviews literature related to the study in hand and draws material from several sources closely related to the objectives of the study and thus, it will help in the up bring of useful information to strengthen the study. This study deals with the effect of gender based financing on the growth and development of women SHGs in Mwingi Central Constituency.

The study will examine theories that deal with growth and development of organizations such as SHGs. It will also look at organizational development theory to determine what defines organization's development and the characteristics or cycles of it such as an SHG.

2.2.1 Organizational Theory

This theory was developed by Greiner (1972) is helpful when examining the problems associated with growth on organizations and the impact of change on employees/members. It argues that growing organizations move through five relatively calm periods of evolution, each of which ends with a period of crisis and revolution. The first stage of organizational growth is called creativity. This stage is dominated by the founders of the organization, and the emphasis is on creating both a product and a market. In the case of women SHGs is forming the group and its mandates, goals and objectives. But as the organization grows,

management problems occur that cannot be handled through informal communication and dedication Greiner (1972).

It then goes to direction and autonomy where the leaders are identified and roles for all defined. Implementation of project starts but soon autonomy is demanded by lower level managers; second stage. Yet it is difficult for top managers who were previously successful at being directive to give up responsibility (Greiner, 1972).

Moreover, lower level managers are not accustomed to making decisions for themselves hence the growth stage of delegation, it usually begins to develop a decentralized organization structure, which heightens motivation at the lower levels. Finally the organization forms red tape to give control to top managers and collaboration with low level managers achieving stability (Greiner, 1972). The relevance of this theory to this study is to serve as guide to what stages of development these women SHGs are and the specific indicators to look for.

2.2.2 Cultural Theory

It was developed by Harrison (2006). This theory states cultural aspects of people and not the environment or powerful countries determine economic success. Things like time management, punctuality, work ethic, religion, time focus, focus on education, political and economic liberty and history just to mention a few are more important to determine development and underdevelopment.

Its relevance to this study is that it gives us and insight into how much culture affects the women SHGs members' performance towards growth and development of their groups in relation to gender based financing.

2.2.3 Women and Development Theory

This is a theoretical and practical approach to development. It was introduced into gender studies scholarship in the second half of the 1970s, following its origins, which can be traced to the First World Conference on Women in Mexico City in 1975, organized by the UN. It is a departure from the previously predominant theory, WID (Women in Development) and is often mistaken for WID, but has many distinct characteristics (Rathgeber, 1990)

Theoretical Approach WAD arose out of a shift in thinking about women's role in development, and concerns about the explanatory limitations of modernization theory. While previous thinking held that development was a vehicle to advance women, new ideas suggested that development was only made possible by the involvement of women, and rather than being simply passive recipients of development aid, they should be actively involved in development projects (Rathgeber, 1990)

WAD took this thinking a step further and suggested that women have always been an integral part of development, and did not suddenly appear in the 1970s as a result of exogenous development efforts. The WAD approach suggests that there be women-only development projects that were theorized to remove women from the patriarchal hegemony that would exist if women participated in development alongside men in a patriarchal culture, though this concept has been heavily debated by theorists in the field (Rathgeber, 1990).

Rather than focus specifically on women's relationship to development, WAD focuses on the relationship between patriarchy and capitalism. This theory seeks to understand women's issues from the perspectives of neo-Marxism and dependency theory, though much of the theorizing about WAD remains undocumented due to the persistent and pressing nature of development work in which many WAD theorists engage (Rathgeber, 1990).

Practical Approach the WAD paradigm stresses the relationship between women, and the work that they perform in their societies as economic agents in both the public and domestic spheres. It also emphasizes the distinctive nature of the roles women play in the maintenance and development of their societies, with the understanding that purely the integration of women into development efforts would serve to reinforce the existing structures of inequality present in societies overrun by patriarchal interests (Rathgeber, 1990).

The relevance of this theory to this study is to help understand the women SHGs and their development. To seek to understand how women work in exclusive groups so as to link with the effect of gender based financing to their growth and development. The theories above however have no direct linkage with gender based financing but give a background of women, women groups and organizational growth and development laying the foundation for the study.

2.3 Determinants of Growth and Development in Women SHG

This section presents the determinants of growth and development in women SHG

2.3.1 Gender Based Financing

Access to credit is the biggest determinant of growth and development of SHGs. It is seen as a good means both from the perspective of group members, who do not have direct access to bank loans, and also from the viewpoint of financial institutions regarding recovery success, since members with loans will experience neighbourhood (group) pressure to repay the loans. In many of the cases, microcredit has helped Self-Help Groups to start self-employment projects in groups as well. Thus since last decade, SHG banking is becoming the primary mode of microfinance in India. Today, financing through SHGs is becoming the best medium to include the rural poor in the formal financial sector (Singh, 2011).

In all the groups, Kerr and Kaufman (1994) findings observed that the lesser the risk involved in the group in acquiring the credit higher is the social performance of groups and vice versa, indicating the risk involved in acquiring the credit through the SHG is also a crucial factor that influences the members' participation and, in turn, the performance of the group. The performance of SHGs was observed to be better in all three models when the cost involved in acquiring the credit was most expensive, compared to the lesser cost in acquiring the credit through SHGs, indicating the increased cost in getting credit forces the members to bind themselves more in the group to do better, thereby increasing the performance.

2.3.2 Government Support

Gender Responsive Budgeting aims at mainstreaming a gender perspective into public finance. The process of Gender Responsive Budgeting eventually results in Gender Responsive Budgets. Gender Responsive Budgets are not separate budgets for women nor are they related to a 50/50 spending on women and men. Instead, Gender Responsive Budgets are national and local budgets of a government that are planned, approved, executed, monitored and audited in a gender-sensitive way in order to address the different priorities and needs of both female and male citizens of a country and to ensure that policies of the Government really benefit especially poor target groups.

Kenya is among the many countries that take serious steps towards reforming its public financial management system in order to improve the effectiveness, efficiency and gender equality results of public spending. The former PRSP/ MTEF Secretariat had started a program on Gender Mainstreaming in the National Budget and in Macro and Sectoral Economic Policies – Year 2002 and Beyond already in 2002.

The Government of Kenya aims to substantially reduce the number of people living in absolute poverty by the year 2030 and is committed to achieve the MDGs by 2015. It is widely acknowledged that women and men experience poverty differently and face different constraints to get out of the poverty trap. Data for Kenya indicate that women are more likely than men to be poor, and more vulnerable to adverse shocks than men. Thus, in order to achieve the MDGs and the objective of the Vision 2030 with regard to poverty reduction, public spending needs to reach poor women and men alike. However, studies such as benefit incidence analyses have found that women benefit to a lesser extent from public spending than men, for example in education. Hence the need for mainstreaming a gender perspective into budget planning, implementation and monitoring that will improve the pro-poor targeting of public spending.

Women desiring to borrow money as individuals must approach financial intermediaries who were selected “through a competitive and transparent open tendering process.” They are Taifa Sacco, BIMAS, Co-operative Bank, Family Bank, Kenya Industrial Estates (KIE), Wakenya Pamoja (formerly Gussi Rural Sacco), K-REP Development Agency, Jitegemea Credit Scheme, Mathira Sacco, Pamoja Women Development Programme and Small & Micro Enterprise Programme (SMEP). Those who receive funds from financial intermediaries are charged an interest rate of eight per cent per year, while those who get the money through the C-WEF are charged zero interest. However, a one-time administrative fee of five per cent is charged.

2.3.3 NGO Support

Self-help groups are generally facilitated by NGOs, and increasingly educate, train and advise members in a variety of on- and off-farm income-generating activities. For example,

women's empowerment has long been a central feature of the partnership between IFAD; an NGO and the Government of India. Key instruments for supporting women's empowerment are self-help groups, whereby 10-20 rural women from the same village, mostly poor women, come together to contribute two-weekly or monthly dues as savings and provide group loans to their members. The self-help group approach was not created by IFAD-supported operations, but IFAD has contributed to the mainstreaming of this approach in India and to financing programmes for promoting self-help groups in states such as Tamil Nadu and Maharashtra supported by the Women's Development Corporation, an arm of the State Government involved in supporting women's development.

According to IFAD, NGOs played the central role in implementation of the project in all five districts, particularly in: identifying women beneficiaries, forming and supervising women's self-help groups (SHGs), establishing credit linkages for women group members and training animators to work to with the women's groups.

2.4 Empirical Review

Many studies have been done on the international level concerning women SHGs particularly in India but Limited number of studies have been conducted in Kenya.

2.4.1 International Evidence

The study by Kerr and Kaufman (1994) stated that face-to-face communication enhances the likelihood of the individual members to cooperate and, in turn, strengthens solidarity in the group and results in better group functioning. Another study supporting to it, was conducted by the Consultative Group to Assist the Poor (CGAP) in India on sustainability of SHGs.

While conducting the study, it analysed nine SHG models to assess the potentials of the SHG movement (CGAP, 2007). The study reveals that performance depends on their management, systems of operation, membership criteria, freedom of participation, and transparency in administration, record keeping, and social and community action.

In a study on performance of SHGs in Karnataka, Narayanaswamy (2007) analysed about 50 SHGs and inferred that the SHGs attained medium-level performances and their performances could be improved by conducting more need-based training programmes and market linkages for Income Generating Activities taken by the groups. Their findings reveals that transparency in the functioning of the group contributes significantly to the variation in the performances of the groups and that other factors such as functional linkage, conflict management and communication between the members are also important factors influencing the performances of the groups.

While conducting a study on Self Help groups who had received micro credit lending in India, Singh (2011) found that, the successful self-help groups were those groups with members attending the meetings always. This study involved interviews, observation, banking data collection and analysis. This study is supported by Bardan and Dabas (2007), where member participation is very active, the transparency in SHG activities is always ensured, accessibility to low risk credit and regular open communication by women SHGs were also cited as reasons for the growth.

2.4.2 Local Evidence

LaFerrara (2002) did a study in informal settlements of Dandora, Gikomba, Kayole, Korogocho and Mathare Valley. The aim of this study was to understand the functioning and

the scope of self-help groups in the informal settlements of urban areas as a means of generating income for poor households. It used a unique data set collected by the author in 1999 surveying all individual group members from several informal settlements in Nairobi. It studies the individual determinants of earnings within groups and relates group composition to various indicators of group functioning. The findings were that Sex, age and ethnic identity are among the most important determinants of individual reliance on group income and of access to group loans. Heterogeneity in earnings among members is shown to reduce their ability to borrow from the group as a whole but not from each other.

Jivetti and Edwards (2009) did their study. The purpose of this study was to describe selected factors affecting the performance of women who belonged to self-help groups in Shaviringa Location, Vihiga District of Western Kenya. Semi-structured, focus group interviews were used to collect data from 11 groups, including 64 women. Factors that the groups' perceived affected their performance included issues related to marketing, transport of goods produced, lack of motivations (intrinsic and extrinsic), general group governance, management, and leadership. Most women's self-help groups were involved in entrepreneurial activities including some form of business ventures.

Chepchirchir (2013) in a study assessed the impact of women participation in SHGs on self-economic empowerment. A descriptive study design was used with the study population being drawn from registered women SHGs in Keringet division and respondents were only the registered members. The sample of SHG studied was drawn from the thirty (30) women self help groups (SHGs) registered in Keringet division. The sample size of ten (10) SHGs was identified through systematic random sampling and fifteen (15) respondents from each group were picked thus a total of one hundred and fifty (150) respondents. The study used` in

depth interview and data captured using semi structured questionnaire. The study concludes that by participating in SHG there was an enhanced self economic empowerment in terms of savings, access to loan and trainings. The SHG has improved the saving culture of the respondents through making it compulsory for all to save and encouraging members to increase their savings and reinvest them in entrepreneurial activities. The study noted that by participating in SHG the respondents were able to access formal banking institution with easy and access better amount of loan as compared to pre SHG period. Most respondent were able to attend training after joining SHG which had an impact in enabling them increase asset, improve book keeping, spend wisely, and diversify investment. Banks were noted to be the major organizers of trainings Although these findings are relevant to the study in understanding the dynamics of women SHGs and factors for their success, they do not deal specifically with gender based financing.

2.5 Summary of Literature Review

The theoretical review identifies three theories related to culture, Women and Development and organizational development. They point out the specific indicators of growth and development of an organization like women SHG, the specific roles and work ethics in exclusive groups and the influence of culture on their performance in these groups.

However, in the empirical review the studies done on women SHGs, have been done in India: Kerr and Kaufman (1994), Narayanaswamy (2007), Singh (2011), limited number of studies have been conducted in Kenya. 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. 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. There exists a gap in linking these theories directly to the effect of gender based financing on women SHGs growth and development therefore the need for this study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section presents the different methods that the researcher used to collect, analyze, present and discuss the findings of the study. This includes details on the research strategy, the different categories of respondents and how the data was collected during fieldwork. Also the ways through which the different data sets was analyzed and presented is discussed.

3.2 Research Design

Research design is the plan and structure of investigation so conceived so as to obtain answers to research questions (Mugenda & Mugenda 2004). Cooper and Schindler (2003) summarizes the essentials of research design as an activity and time based plan; always based on the research question; guides the selection of sources and types of information; a framework for specifying the relationship among the study variables and outlines the procedures for every research activity.

The study used descriptive survey approach in collecting data from the respondents. Descriptive survey research portrays an accurate profile of persons, events, or account of the characteristics, for example behaviour, opinions, abilities, beliefs, and knowledge of a particular individual, situation or group (Burns and Grove 2003). The descriptive survey method was preferred because it ensured complete description of the situation, making sure that there is minimum bias in the collection of data (Kothari, 2008).

3.3 Population

Target population refers to the entire group of individuals or objects from which the study seeks to generalize its findings (Cooper and Schindler, 2008). The target population had all the 10 women SHGs (Appendix 2) that have been in existence between 2009 and 2013. The study intends to use a census.

3.4 Data Collection

Primary data was used. The researcher used self-administered questionnaire. The self-administered questionnaire is a questionnaire that a respondent completes on his/her own, either on paper or via computer (Oso & Onen, 2009). Self-administered method is preferred because the potential anonymity of the respondent can lead to more truthful or valid responses, it is inexpensive and allows the respondents to complete the questionnaire at a convenient time. The questionnaires contained closed and open ended questions to the sample respondents. Open-ended questions are those questions that solicited additional information from the inquirer, are broad and allow an unrestrained or free response, while closed ended questions are those questions, which can be answered finitely by either yes or no, they are restrictive and can be answered in a few words (Kuter & Yilmaz 2001). The Questionnaire had five sections: section A Background information, section B Gender Based Financing, Section C Growth and Development, Section D Government Support and Section E NGO Support.

3.4.1 Data Validity and Reliability

Reliability is the degree to which an assessment tool produces stable and consistent results while Validity refers to how well a test measures what it is purported to measure (Hengel, 2003).

Data collection instrument was pre-tested for Validity and reliability so as to ensure good quality research. Expert validity views and suggestions of the supervisors will initially be incorporated in the questionnaires which was aimed at capturing specific information from the respondents. Then the instruments thereafter be pilot tested with three similarly situated respondents` As a result of the pilot test, changes in word selection and instructions was made to the questionnaire.

3.5 Data Analysis

Quantitative data, which was collected using closed ended questions in the questionnaires, will be chronologically arranged with respect to the questionnaire outline to ensure that the correct code is entered for the correct variable. Data cleaning was done and tabulated.

The study employed the use of correlation and regression models to assess the effect of gender based financing on the growth and development of women self-help groups in Mwingi Central Constituency. In designing these models with the help of SPSS 17, the study categorized the effects of gender based financing on the growth and development of SHGs into dependent and independent variables. The dependent variable of this study is growth and development of SHGs, while independent variables include, Gender Based Financing, Government Support (Gender Responsive Budgeting) and NGO support

3.5.1 Analytical Model

The model was presented in the equation below.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Y = Growth and Development of Women SGHs

α = constant

β_{1-3} = Regression Coefficient

X_1 = Gender Based Financing

X_2 = Government Support (Gender Responsive Budgeting)

X_3 = NGO support

ε = error term

The above variables are operationalized in table 3.1 below

3.5.2 Operationalization of Variables

Table 3.1 shows the operationalization of variables. The independent variables namely Financing, Government support and NGO support, indicators that shows effect on growth and development of SHG of each, the measurement scale that was used and data analysis technique is shown below;

Table 3.1: Operationalization of the Study Variables

Variables	Indicators	Measure	Measurement scale	Data analysis technique
Independent Variable Gender Based Financing	Number of SHGs able to get loans and the amount	Number of SHGs able to get loans and the amount	Ordinal Interval	Descriptive Thematic analysis
Independent Variable Government Support	-Number of SHGs who have been able to access Uwezo Fund -Number of SHGS who have received Training from Government -Number of	-Number of SHGs who have received Uwezo Fund and amount -Number of SHGS who have received Training - Number of SHGs who have able to access AGPO tenders and the value of tender awarded	Ordinal Interval	Descriptive Thematic analysis

	SHGs who have able to access AGPO			
Independent Variable NGO Support	-Training courses attended -Duration of courses attended	-Number and types of training courses attended -Period of each training course attended	Ordinal Interval	Descriptive Thematic analysis
Dependent Variable -Growth and Development of self-help groups	-Number of group members -Amount of savings -Amount of assets	-Number of group members -Amount of savings -Amount of assets	Ordinal Interval	Correlation analysis Use of frequency tables and percentages Thematic analysis

Source; Researcher

3.5.3 Testing of Significance

The model was estimated using adjusted R-square and F-statistics to assess the overall strength and reliability of the model. T-test was used to evaluate the significance of individual coefficients. F-statistics and t-test was evaluated at 0.05 significance level.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter discusses the interpretation and presentation of the findings obtained from the field. The chapter presents the background information of the respondents, findings of the analysis based on the objectives of the study. Descriptive and inferential statistics have been used to discuss the findings of the study. The study targeted a sample size of 10 respondents from which 10 filled in and returned the questionnaires making a response rate 100%. This response rate was satisfactory to make conclusions for the study as it acted as a representative. According to Mugenda and Mugenda (1999), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was excellent

4.2 Findings

This section present the research finding on the effect of gender based financing on growth and development of SHGs in Mwingi Central Constituency. Descriptive analysis and regression analysis were used in the analysis of data.

4.2.1 General Information

The study sought to determine the name of the self-help group, from the research findings the study revealed that respondents came from the following groups, Iveti twiyukilye SHG, Kyume SHG, Kalisasi SHG, Wikililye SHG, Mwingi genesis SHG, Kathonzweni Amazing SHG, Mutomo SHG, Mutitu SHG, Ithangathi SHG, and Kwakeaya SHG The study requested

the respondents to indicate the year which the self-help group was formed, from the research findings the study established that most of the groups were formed between 2005 to 2013.

4.2.2 Financing

Table 4.1: Whether the SHG Had Obtained a Loan

Opinion	Frequency	Percentage
Yes	8	80.0
No	2	20.0
Total	10	100

Source: Research Findings

The study requested the respondent to indicate whether the SHG had obtained a loan, from the research findings the study revealed that most of the SHG has as shown by 80% had obtained a loans whereas 20% of the respondents indicated that their groups had not, this implies that most of the SHG had obtained some financing.

Table 4.2: Number of Times the Group Obtained a Loan in a Year

Number of times the group had obtain a loan	Frequency	Percentage
Once	4	50
two to four times	3	37.5
five to seven times	1	12.5
Total	8	100

Source: Research Findings

The sought to establish the number of times the group borrowed loan in a year, from the study findings, 50% of the respondent indicated that the group had borrowed funds once in a year, 37.5% of the respondent indicated that the group borrowed funds two to four times in a year, whereas 12.5% of the respondent indicated that the group borrowed funds five to seven times in a year.

Table 4.3: Amount Borrow by SHG

Amount borrowed	Frequency	Percentage
Below Kshs 50,000	6	75.0
Between Ksh 50,000-Ksh 100,000	2	25.0
Total	8	100

Source: Research Findings

The study requested the respondent to indicate the amount of loan which the group had obtained, from the research findings, 75 % of the respondents indicated that the groups had obtained an amount less than Kshs 50,000 whereas 25% of the respondents indicated that their group had borrowed Ksh 50,000-Ksh 100,000. This implies that most of the groups had obtained an amount not exceeding Kshs 50,000

Table 4.4: Utilization of the Amount Borrowed

Amount borrowed	Frequency	Percentage
To start a business	3	37.5
To boost the business	4	50
To meet household expenses	1	12.5
Total	8	100

Source: Research Findings

The study requested the respondent indicate the manner in which the borrowed amount was utilized, from the research findings the study revealed that most of the SHG members as shown by 50% used the borrowed amount to start up business, 37.5% of the group members used the borrowed amount to boost their business, whereas 12.5% of the group members used the borrowed amount to meet household expenses. This is an indication that most of the SHG used the borrowed amount to venture into business.

Table 4.5: Whether Group Members Repaid Loans with Some Interest

Opinion	Frequency	Percentage
Yes	8	100
Total	8	100

Source: Research Findings

The study sought to determine whether the borrowed amount was repaid with interest, from the research findings all the respondents as shown by 100% response rate agreed that the loan carried an interest rate

Table 4.6: Amount of Interest Rate Charged On Loans

interest rate	Frequency	Percentage
Between 1%-5%	3	30.0
Between 6%-10%	5	50.0
Between 11%-15%	2	20.0
Total	10	100

Source: Research Findings

The study requested the respondents to indicate the amount of interest rate charged on the borrowed amount; from the research findings, the study revealed that most of the loans borrowed carried an interest rate of between 6%-10%, as shown by 50 percent response rate, 30 percent of the respondents indicated that the borrowed amount carried an interest rate of between 1%-5% whereas 20 percent of the respondents indicated that the loan carried an interest rate of between 11%-15%. This implies that most of the borrowed amount carried an interest rate of between six percent to ten percent.

Table 4.7: Whether the SHG Faced Challenges in Repaying the Loan

Opinion	Frequency	Percentage
Yes	7	70
No	3	30
Total	10	100

Source: Research Findings

The study sought to establish whether the respondent encountered problems in repaying the loan, from the research finding the study, most of the respondents as shown by 70% indicated that the SHG faced challenges in repaying the borrowed amount whereas 30% of the respondents indicated that their groups did not face repayment difficulties.

Table 4.8: Consequences of Failure to Repay Loan in the Required Time

Opinion	Frequency	Percentage
We are given more time to pay back the loan	2	20
Our savings are used to cover the loan	8	80
Total	10	100

Source: Research Findings

The study sought to establish what happened after the group failed to repay their premiums in time, from the study findings, the study established that, the loaning organization used the SHG savings to cover the premium as Shown by 80 percent, 20 percent of the respondents indicated that the loaning organization gave the extent the repayment grace period to the group as shown by 20 percent the study also established that failure to meet the repayment deadline the group stood a chance of losing its collaterals

4.2.3 Growth and Development

The study sought to determine the number of members that existed upon group formation, from the research findings the study revealed that, most of the groups had between 10 to 25 members during their formation. The study requested the respondent's to indicate the current number of group members, from the study findings, the study established that that there is a decline of members in every group with majority having between 7 to 15 members.

Table 4.9: Whether Some Group Members Have Dropped Out From the Group

Opinion	Frequency	Percentage
Yes	10	100
Total	10	100

Source: Research Findings

The study sought to establish whether some members of the group had dropped out, from the research findings, it was revealed that in all groups as shown by 100 percent response rate had witnessed some drops outs by some members. Among the reasons which led to member drop outs include, failure to relocation by some members, failure to meet individual targets as required by the group, death, and voluntary will.

Table 4.10: Whether the Members Saved Money with Their Group

Opinion	Frequency	Percentage
Yes	10	100
Total	10	100

Source: Research Findings

The study sought to establish whether members saved money with their group, from the research findings, all the group members as shown by a 100% indicated that they saved with the group.

Table 4.11: Amount Which the SHG Started With

Opinion	Frequency	Percentage
Below Kshs 50,000	8	80
Between Ksh 50,000-Ksh 100,000	2	20
Total	10	100

Source: Research Findings

The study requested the respondent to indicate the amount which the SHG started with, from the research findings, the study revealed that most of the SHG as shown by 80% started with less than Ksh 50, 000, whereas 20% of the rest started with saving amounting to Ksh 50,000-Ksh 100,000. This implies that most of the SHG started with less than Kshs 50,000 savings.

Table 4.12: Current Group Savings

Current group savings	Frequency	Percentage
Below Kshs 50,000	3	30
Between Ksh 50,000-Ksh 100,000	6	60
Between Ksh 100,000- Ksh 150,000	1	10
Total	10	100

Source: Research Findings

The study requested the respondent to indicate the current savings of the Savings of the SHG, from the findings, the study revealed that, most of the SHG as shown by 60% had savings of around Ksh 50,000-Ksh 100,000, 30% of the respondents indicated they group had savings of Below Kshs 50,000 whereas 10% of the respondents indicated they group had savings of Between Ksh 100,000- Ksh 150,000. This implies that most of the groups had savings ranging between Ksh 50,000-Ksh 100,000

Table 4.13: Whether the SHG Have Assets

Opinion	Frequency	Percentage
Yes	7	70
No	3	30
Total	10	100

Source: Research Findings

The study sought to establish whether the SHG had some assets, from the research findings, most of the respondents indicated that their group had fixed assets where as 30 percent indicated that the group had no assets, this implies that the most of the groups had made considerable investments.

Table 4.14: Value of Assets Owned By the SHG

Value of assets	Frequency	Percentage
Below Kshs 50,000	2	28.6
Between Ksh 50,000-Ksh 100,000	4	57.1
Between Ksh 100,000- Ksh 150,000	1	14.3
Total	7	100

Source: Research Findings

The study requested the respondent to indicate the value of assets owned by the group, from the study findings the study revealed that most of the groups as shown by 57.1% owned assets valued between Ksh 50,000-Ksh 100,000, 28.6% of the respondents indicated that the group owned assets valued below Ksh50, 000 whereas 14.3% of the respondents indicated that the group owned assets valued Between Ksh 100,000- Ksh 150,000. This is an indication that most of the groups had made considerable investments.

4.2.4 Government Support

Table 4.15: Whether the Group Had Accessed Uwezo Fund

Opinion	Frequency	Percentage
Yes	4	40
No	6	60
Total	10	100

Source: Research Findings

The study sought to establish whether the group had accessed Uwezo fund, from the research findings 60% of the respondents indicated that their group had not accessed Uwezo fund whereas 40% of the respondents indicated that the group had accessed Uwezo the fund. This implies that quite a significant number of self-help groups has not accessed Uwezo fund.

Table 4.16: Means through Which the Group Utilized Funds Borrowed From Uwezo Fund

Amount borrowed	Frequency	Percentage
To start a business	3	75
To boost the business	1	25
Total	4	100

Source: Research Findings

The study requested the respondent indicate the manner in which the the group utilized funds borrowed from Uwezo fund, from the research findings, most of the SHG members as shown by 75% indicated that the borrowed amount was used to start up a business, whereas 25% of the respondents indicated that the group utilized funds borrowed from Uwezo fund. This is an indication that most of the SHG used the Uwezo funds reinforce or to start to a new business.

Table 4.17: Whether the Group Had Received Any Training in the Past 2 Years from A Government Agency

Opinion	Frequency	Percentage
Yes	3	30
No	7	70
Total	10	100

Source: Research Findings

The study sought to establish whether the group had received any training in the past 2 years from a Government Agency, from the research findings, majority of the respondents as shown by 70 percent indicated that the group had not received training in the past 2 years from a Government Agency whereas 30 percent indicated that the group had received training from the government agency in the past two years, this implies that a big number of the SHG had not received training in the past 2 years from a Government Agency; The study sought to establish the length of time which the financial literacy training lasted for, from findings the study revealed that most of the seminars relating to financial literacy lasted for four to five days.

Table 4.18: Areas Tackled During Financial Literacy Training Seminar Organized By the Government

Areas trained on	Percent
SHG	45
Book Keeping	68
Business Management	89
Product Development	70

Source: Research Findings

The study requested the respondent to indicate the areas tackled during the training sessions sponsored by the government, from the research findings 89% of the respondent indicated

Business Management 70% of the respondent indicated Product Development 68% of the respondent indicted Book Keeping whereas 45% of the respondent indicated SHG. This implies that various areas of financial management were huddled during financial literacy training.

Table 4.19: Whether the Group Has Been Able To Access AGPO Tenders

Opinion	Frequency	Percentage
Yes	6	60
No	4	40
Total	10	100

Source: Research Findings

The study sought to establish whether group had been in a position to access AGPO tenders, from the research findings, 60% of the respondents indicated that the group had not been in a position to access AGPO tenders whereas % indicated that the group had been in a position to access AGPO tenders. This implies that considerable number of tenders have not been in a position to access AGPO tenders

4.2.5 NGO Support

Table 4.20: Whether Group Members Had Received Any Training in the Past 2 Years from an NGO

Opinion	Frequency	Percentage
Yes	9	90
No	1	10
Total	10	100

Source: Research Findings

The study sought to establish whether the respondent had any training in the past 2 years from an NGO, from the findings the study revealed that 90% of the respondents had had

received training in the past 2 years from an NGOs whereas 10% of the respondents indicated that the group had not had received any training in the past 2 years from an NGO. This implies that most of the groups had had received training in the past 2 years from an NGO. The study sought to establish the period which the training lasted for, from the research findings the study established that most of the training sessions offered by the NGOs lasted for one and half weeks.

Table 4.21: Topics Covered During Training Session

Topics covered during training session	Percentage
SHG	70
Book Keeping	75
Business Management	90
Product Development	89

Source: Research Findings

The study sought to establish the areas covered during training session sponsored by NGOs. From the research findings the study revealed that among the training sessions covered include, Business Management as shown by 90, percent product development as shown by 89 percent book keeping as shown by 75 percent and SHG as shown by 7 percent, this implies that training agencies facilitated by NGOs had covered some of the financial management topics to a greater extent.

4.2.6 Regression analysis

In this study, a multiple regression analysis was conducted to test the influence among predictor variables. The research used statistical package for social sciences (SPSS V 20) to code, enter and compute the measurements of the multiple regressions

Table 4.22: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.839	0.703	0.681	.32561

Source: Research Findings

Adjusted R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable. From the findings in the above table the value of adjusted R squared was 0.681 an indication that there was variation of 68.1 percent on the growth and development of SHGs in Mwingi Central Constituency due to changes in Financing, Growth and development, Government support, and NGOs' support, and Interest rates at 95 percent confidence interval . This shows that 68.1 percent changes in growth and development of SHGs in Mwingi Central Constituency could be accounted to Financing, Growth and development, Government support, and NGOs' support. R is the correlation coefficient which shows the relationship between the study variables, from the findings shown in the table above is notable that there exists strong positive relationship between the study variables as shown by 0.839.

Table 4.23: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.708	4	.427	2.083	.002 ^b
	Residual	1.025	5	.205		
	Total	2.733	9			

Source: Research Findings

Critical value =1.997

From the ANOVA statics, the study established the regression model had a significance level of 0.2% which is an indication that the data was ideal for making a conclusion on the population parameters as the value of significance (p-value) was less than 5%. The calculated value was greater than the critical value (2.083>1.997) an indication that Financing, Growth and development, Government support, and NGOs' support all affects the growth and development of SHGs in Mwingi Central Constituency. The significance value was less than 0.05 indicating that the model was significant

Table 4.24: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.638	.371		4.415	.002
	Financing	.314	.128	.293	2.453	.001
	Growth and development	.297	.126	.267	2.357	.000
	Government support	.446	.141	.316	3.163	.001
	NGOs support	.356	.139	.305	2.561	.002

Source: Research Findings

From the data in the above table the established regression equation was

$$Y = 1.638 + 0.314 X_1 + 0.297 X_2 + 0.446 X_3 + 0.356 X_4$$

From the above regression equation it was revealed that holding Financing , Growth and development, Government support , and NGOs' support to a constant zero, the growth and development of SHGs in Mwingi Central Constituency would be at 1.638, a unit increase in Financing would lead to increase growth and development of SHGs in Mwingi Central Constituency by a factors of 0.314, a unit increase in Growth and development strategies would lead to increase in growth and development of SHGs in Mwingi Central Constituency by factors of 0.297, a unit increase in Government support would lead to increase in growth and development of SHGs in Mwingi Central Constituency by a factor of 0.446, a unit increase in NGO, support would lead to increase in the growth and development of SHGs in Mwingi Central Constituency by a factors of 0.356 and . All the variables were significant as their significant value was less than ($p < 0.05$).

4.3 Interpretation of the Findings

From the finding of the adjusted R square the study reveal that there was variation of 68.1 percent on the growth and development of SHGs in Mwingi Central Constituency due to changes in Financing, Growth and development, Government support, and NGOs' support, and Interest rates, this shows that changes in growth and development of SHGs in Mwingi Central Constituency could be accounted to Financing, Growth and development, Government support, and NGOs' support. From the Anova finding the study found that Financing, Growth and development, Government support, and NGOs' support all affects the growth and development of SHGs in Mwingi Central Constituency. From the regression equation the study found that there was positive relationship between Financing, Growth

and development, Government support and NGOs' support and the growth and development of SHGs in Mwingi Central Constituency.

The study finding concur with the finding of Kerr and Kaufman (1994) , who found that performance depends on their management, systems of operation, membership criteria, freedom of participation, and transparency in administration, record keeping, and social and community action. Karnataka, Narayanaswamy (2007) found that transparency in the functioning of the group contributes significantly to the variation in the performances of the groups and that other factors such as functional linkage; conflict management and communication between the members are also important factors influencing the performances of the groups. Singh (2011) found that, the successful self-help groups were those groups with members attending the meetings always. Bardan and Dabas (2007) found that where member participation is very active, the transparency in SHG activities is always ensured, accessibility to low risk credit and regular open communication by women SHGs were also cited as reasons for the growth.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

From the analysis and data collected, the following discussions, conclusion and recommendations were made. The responses were based on the objectives of the study. The study sought to establish the effect of gender based financing on growth and development of SHGs in Mwingi Central Constituency.

5.2 Summary

The objective of the study was to establish the effect of gender based financing on growth and development of SHGs in Mwingi Central Constituency. Primary data was collected from 10 women self-help group where data was analysed using descriptive statistics and regression analysis. From the finding the revealed that most of the SHG had obtained loans from financing institutions, considerable number of SHG usually borrowed funds once in a year, most of the groups had borrowed less than Kshs 50,000, which they used to start up business, or to boost their business, all the loans carried an interest rate carried of between 6%-10 percent , 1%-5% or 11%-15%. The study further revealed that most of SHG faced some challenges in repaying the borrowed amount, when the group failed to repay their premiums in time, the loaning organization used the groups' savings to cover the premium, in some other times the loaning organization extended the repayment grace period to the group and failure to meet the repayment deadline the group stood a chance of losing its collaterals.

The study revealed that, most of the groups had a total number of 10 to 25 members during their formation, the study also revealed that there has been a great decline of members in every group with majority having between 7 to 15 members currently, all the groups had witnessed some drops outs by some members due to relocation by some members, failure to

meet individual targets as required by the group, death, or by voluntary will. The study further revealed that most of the SHG in Mwingi county started with less than Ksh 50, 000 saving, which currently ranged between Ksh 50,000-Ksh 100,000 which indicating a positive but slow growth, most of the groups had made considerable investments in fixed assets with most of the groups owning assets valued at Ksh 50,000 to Ksh 100,000,

The study establish that significant number of self-help groups has not accessed Uwezo fund, the few which had, had the opportunity utilized the Uwezo funds to reinforce or to start new business, considerable number of the SHG had not received training in the past 2 years from any Government agency, most of the seminars organized by government agencies relating to financial literacy lasted for four to five days. Among the areas tackled during the training session, included business management tactics, product development, and book keeping and of SHG governance principals, it was also noted that SHG had not been in a position to access AGPO tenders. The study establish most of the groups had had received training in the past 2 years from an NGO. Most of the training sessions offered by the NGOs lasted for one and half weeks. Amongst the areas covered during training session sponsored by NGOs included, Business Management, percent product development, book keeping, and SHG

5.3 Conclusion

From the findings, the correlation coefficient (R) which shows the relationship between the study variables, stood at 0.839. which implies that there exists strong positive relationship between the study variables. The study also noted that most of SHG in Mwingi central faced challenges in repaying the borrowed amount, all the groups had witnessed some drops outs by some members due to member relocation or failure to meet targets set by the group and that Considerable number of the SHG had not received financial literacy training in the past

2 years from a Government Agency, therefore the study concludes that lack sufficient means of financing, low levels of government support, low level of financial literacy and lack of ideal group management strategies were some of the attributes linked to slow growth and development of SHGs in Mwingi Central Constituency, The study established a unit increase in NGO, support would lead to increase in the growth and development of SHGs in Mwingi Central Constituency thus the study concludes that NGO support had a positive impact of growth and development of SHGs in Mwingi.

5.4 Recommendations for Policy and Practice

In order to ensure growth and development of SHGs in Mwingi, the study recommends that the county government of Kitui in collaboration with ministry of devolution should frequently organize financial literacy training programmes to women in the county; this will help to equip women in the SHG with financial management skills which will enhance their social economic status.

County government in collaboration with financial institutions needs to sensitize all registered groups on the financial product and services offered by financial organizations and the government as well as their accessibility

The non-governmental organizations need to keep on mobilizing the communities on the importance of forming self-help groups as well as the education them on group management skill. This will help to improve on the social economic status of the society in general.

5.5 Limitations of the Study

The method used is descriptive research design whereby the variables cannot be controlled by the researcher. The study intended to use questionnaire as the instrument for collecting

data. This is because time for the data collection will be limited to two weeks. The study was carried out in only one sector due to financial constraints of the researcher.

In attaining its objective the study was limited to 10 respondents who were selected from the various women groups .

The study was also limited to the degree of precision of the data obtained from the respective respondents.

5.6 Areas for Further Research

There is need to conduct a study on empowerment levels amongst group members as low level of courage amongst group members were perceived to affect group performance

There is need to conduct a study to establish challenges facing gender based financing on growth and development of SHGs in Mwingi Central Constituency

The study recommends that a study should be done on the role of gender based financing on poverty alleviation in Mwingi Central Constituency

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APPENDICES

Appendix 1: Authorization Letter



**UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME**

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P.O. Box 30197
Nairobi, Kenya

DATE 19/09/2014

TO WHOM IT MAY CONCERN

The bearer of this letter IRENE MATHONI KASALI
Registration No. D63/77091/2012

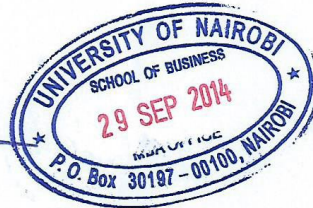
is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

**PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS**



Appendix II: Questionnaire for SHG group leaders

My name is Irene Kasalu. I am a Master of Science Student, University of Nairobi. I am carrying out a study on the effects of Gender Based Financing on the growth and Development of WSGS in Mwingi Constituency. Being the leader of your self-help group, you have been selected to participate in this study. The information that you will give will be treated with utmost confidentiality and will only be used for academic purposes. Fill in your responses in the spaces provided in each of the questionnaire items.

SECTION A: BACKGROUND INFORMATION (Please write the answers in the spaces provided)

1. What is the name of your SHG?

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

2. When was your SHG formed?

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

SECTION B. FINANCING

3. Has your group ever taken a loan?

Yes () No ()

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

- Once ()
- Between two to four times ()
- Between five to seven times ()
- More than seven times ()

5. How much was the loan ?

- Below Kshs 50,000 ()
- Between Ksh 50,000-Ksh 100,000 ()
- Between Ksh 100,000-150,000 ()

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

- To start a business ()
- To boost the business ()
- To pay school fees for the children ()
- To meet household expenses ()

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

- Yes () No ()

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

- Between 1%-5% ()
- Between 6%-10% ()
- Between 11%-15% ()
- Above 16% ()

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

- Yes () No ()

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

.....

11. What happens to your group when you are unable to repay your loan in the required time?

- We are given more time to pay back the loan ()
- Our savings are used to cover the loan ()
- Others (Please specify) ()

.....

SECTION C: GROWTH AND DEVELOPMENT

12. How many members were there when the group was formed?

.....

13. How many members are there currently in the group?

.....

14. Are there some group members who have dropped out from the group? (Tick where appropriate).

Yes () No ()
15. If YES, why did they drop out? (Tick the appropriate answer(s))

They moved out of Mwingi Constituency ()

Others ()
.....
.....
.....

16. Do you save any money with your group?

Yes () No ()

17. How much savings did u start with?

Below Kshs 50,000 ()

Between Ksh 50,000-Ksh 100,000 ()

Between Ksh 100,000- Ksh 150,000 ()

Above 150,000 ()

18. What is your savings now?

Below Kshs 50,000 ()

Between Ksh 50,000-Ksh 100,000 ()

Between Ksh 100,000- Ksh 150,000 ()

Above 150,000 ()

19. Do you have any assets?

Yes () No ()

20. Whats the value of your Assets?

Below Kshs 50,000 ()

Between Ksh 50,000-Ksh 100,000 ()

Between Ksh 100,000- Ksh 150,000 ()

Above 150,000 ()

SECTION D. GOVERNMENT SUPPORT

21. Have you accessed Uwezo fund?

Yes () No ()

22. How did you make use of the funds that you borrowed from Uwezo fund?

To start a business ()

To boost the business ()

To pay school fees for the children ()

To meet household expenses ()

23. Have you received any training in the past 2 years from a Government Agency?

Yes () No ()

24. How long was the training?
25. What areas have you been trained on in the past 2 years? (Please tick the appropriate choices)

- SHG ()
- Book Keeping ()
- Business Management ()
- Product Development ()
- Others (Please indicate) ()
-
-
-

26. Have been able to access AGPO tenders?

- Yes () No ()

27. What was the value of the AGPO tender?

.....

.....

.....

SECTION E. NGO SUPPORT

28. Have you received any training in the past 2 years from an NGO?

- Yes () No ()

29. How long was the training?

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

- SHG ()
- Book Keeping ()
- Business Management ()
- Product Development ()
- Others (Please indicate) ()

Thank you.

Appendix III: Self-help Group in Mwingi Constituency

Population

	Name of the group	No. of members
1.	Iveti twiyukilye SHG	15
2.	Kyume SHG	16
3.	Kalisasi SHG	18
4.	Wikililye SHG	15
5.	Mwingi genesis SHG	15
6.	Kathonzweni Amazing SHG	18
7.	Mutomo SHG	15
8.	Mutitu SHG	17
9.	Ithangathi SHG	16
10.	Kwakya SHG	15
	Total	160

Source : Mwingi Constituency Development Fund