

**FACTORS INFLUENCING THE IMPLEMENTATION OF  
TABLE BANKING AMONG WOMEN IN KENYA: A CASE OF  
HOMABAY TOWN SUB-COUNTY**

**BY**

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## **DECLARATION**

This research project is my original work and has not been presented for an academic award in any other university.

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## **DEDICATION**

I dedicate this research project to my late mum, Helida, to my wife, Rose, to my daughter Jill and son Daniel and finally to my father, Mr. Nashon Owigo.

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

<b>AGO</b>	-	Access to Government Procurement Opportunities
<b>CDF</b>	-	Constituency Development Fund
<b>GOs</b>	-	Government Organizations
<b>IFC</b>	-	International Finance Corporation
<b>IGA</b>	-	Income Generating Activity
<b>MFI</b> s	-	Micro Finance Institutions
<b>NGO</b> s	-	Non-Governmental Organizations
<b>SME</b> s	-	Small Micro-enterprises
<b>W.E.F</b>	-	Women Enterprise Fund
<b>Y.E.F</b>	-	Youth Enterprise Fund

## ABSTRACT

Microfinance has received significant global recognition since the year 2005. The 2005 World Summit outcome document recognized the need for access to financial services, in particular for the poor. Since then, many micro-finance initiatives targeting the poor, especially women, have emerged. Table banking is one example of such micro-finance initiative. Its popularity has been growing among governments and development agencies as a tool for achieving socio-economic development. The main purpose of this study was to investigate the factors influencing the implementation of table banking among women in Kenya with focus on Homa-Bay town Sub-County. The study was guided by four objectives: To determine the extent to which socio-economic factors influence implementation of table banking among women in Homa-Bay Town Sub-County, to assess the extent to which cultural factors influence the implementation of table banking among women in Homa-Bay town sub-County, to examine how political factors influence implementation of table banking among women in Homa-Bay town sub-County and to determine how capacity building influences implementation of table banking among women in Homa-Bay town sub-County. The study employed descriptive research design. The target population was 1970 comprised of 1962 women in registered table banking groups in the sub county and 8 staff from the department of social services working with the table banking groups. A sample of 322 respondents was selected from the women. Proportionate and systematic sampling was used to select the respondents from the women practicing table banking and census for the staff. The researcher employed the use of questionnaires and interview schedule to collect data. Validity and reliability of the instruments was determined through a pilot study in Rangwe sub-county. Their reliability was established using split half method. Data from the study was then coded and checked for coding errors and omissions. The data was presented in frequency distribution tables. Frequency and percentages was used to describe responses with regard to the research questions. The researcher analyzed the data and made appropriate discussions after each analysis. The study found out that socio-economic, cultural and political factors as well as capacity building influence implementation of table banking among the women in the sub-county. It shed light on the various aspects of these factors and how they influence the implementation of table banking among women in Kenya. From the findings, a conclusion is drawn that table banking is a complex institution that is uniquely appropriated by people as a result of the socio-economic, cultural and political milieu in which they live. Responsible government agencies and development partners should therefore not assume a universal or blanket design for table baking projects targeting women in Kenya. Since table banking contributes to women empowerment, recommendation is given that women should be encouraged to join table banking groups but with due consideration of the socio-economic, cultural and political factors as related to their specific context and circumstances. Because the factors influencing the implementation of table banking among women seem to be context specific, further recommendation is given that similar studies should be conducted in other sub-counties to determine the specific factors influencing implementation of table banking among women for comparison purposes.

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the study

One factor inhibiting the attainment of development goals in less developed countries is the populace's general inability to access factors of production, especially capital in form of finance. This limits the entrepreneurial ability of the people, especially the poor. Consequently, potential employment opportunities and household prospects for creating wealth and improving income are lost. Microcredit has been one framework adopted to address this problem. Thus microfinance institutions (MFIs) have emerged in many countries as a response to address the failure of the state-led and mainstream formal financial system to reach the poor who were not seen as bankable clients due to information asymmetry and risk perceptions. It is widely accepted that MFI programs can compensate for some of the weaknesses in developing capital markets and can help low-income entrepreneurs to improve their enterprises and raise their standards of living. Of particular interest is the possibility that microfinance support programs can promote the success of women entrepreneurs who may lack access to other forms of assistance (AIMS, 1997). The evolution of micro finance reflects acknowledgement of credit market failures especially in the formal financial sector. There has been a shift from the formal financial sector to microfinance which incorporates both savings and credit. This suggests that saving services, and not simply loans, can help to improve the welfare of the poor in general and women in particular (Vonderlack and Schreiner 2001).

Support for microfinance was strongly implied in the endorsement by the Summit of the 2002 Monterrey Consensus, which states: "Microfinance and credit for small and medium-sized enterprises, including in rural areas, particularly for women are important for enhancing the social and economic impact of the financial sector. The significance of Microfinance and its contribution in the attainment of development goals received global recognition in the 2005 World Summit. The Summit outcome document recognized the need for access to financial services, in particular for the poor, including through microfinance and microcredit. The year of 2005 was declared the International Year of Micro-credit (Khartoun report, 2009).

Reforms to the Indian financial sector over the past 15 years have resulted in significant growth and availability of financial services. These have unleashed increased competition, diversification of financial services and wider capital markets enabled by regulatory liberalization along with more stringent prudential regulation and better supervision. Yet substantial proportions of the population continue to be deprived of financial services (Bhavesh; Darshan; Chirag and Naineshkumar, 2013). The Rural Financial Access Survey (RFAS) found that 59% of rural households in Uttar Pradesh and Andhra Pradesh do not have deposit or savings accounts with the formal financial sector and 79% do not have access to credit from a formal source. As a separate group, 87% of marginal farmers and 70% of small farmers have no formal credit while 70% of marginal farmers and 45% of small farmers do not have deposit or savings accounts with a formal financial institution.

According to Bhavesh; Darshan; Chirag and Naineshkumar (2013), within the Indian financial sector, the role of the rural banks is important but not apparently pre-eminent. Of all the bank branches in the country, 49% are classified as rural branches while another 30% are regarded as semi-urban. While rural branches clearly serve people who might otherwise be excluded from the financial system, semi-urban branches are also of importance for the outreach of financial services to the urban poor.

In Nigeria, microfinance activities are rooted in the culture of the people and come in various forms. Non-governmental organizations' activities in micro financing have also emerged. In 2005, a Microfinance Policy, which provides a regulatory and supervisory framework, was initiated by the Nigerian government (Central Bank of Nigeria, 2005). One of the targets of the policy is to eliminate gender disparity in access to financial services. In spite of this initiative, access to finance by women entrepreneur still remain a daunting task despite the pivotal role of women in the economy. It is interesting to note however that women constitute almost half, 49.8 percent of the total population in Nigeria and 40.9 percent of the labour force in 2002 (World Bank, 2004). Women still suffer vulnerability to deprivation, intimidation, and extreme suffering, the numerical strength notwithstanding. It is for these reasons that women as micro and small entrepreneurs have increasingly become a key target group for micro-finance programmes (Nkamnebe, 2009).

Providing access to micro-finance is considered a precondition for poverty alleviation, but also for women's empowerment. As poor women are increasingly recognized to be better borrowers, they are starting to become of interest also to regular financial institutions. But

despite the proven positive impact of providing microfinance services to female entrepreneurs, there is still great barrier in accessing microfinance by women entrepreneurs. It is therefore important to identify and analyze the factors that constraint women entrepreneurs from gaining access to micro finance and equally examine strategies to facilitate access to microfinance services as a means of poverty reduction.

In Kenya, women entrepreneurs are considered as an integral part of economic growth (Barrett & Weinstein, 2006). Women who are activate in entrepreneurship and SMEs are able to effectively combine their productive and reproductive roles because of the flexibility in hours of work which permit them to care for their children and also contribute substantially to economic growth (Barrett & Weinstein, 2006). This has made women to be regarded as the central focus of the economic development and public policy concern (Bonnell & Gold, 2009).

The role of Women Entrepreneurs needs to be considered in the economic development of the nation for various reasons. They have been recognized during the last decade as an important untapped source of economic growth. Women Entrepreneurs create new jobs for themselves and others and by being different also provide society with different solutions to management, organization and business problems as well as to the exploitation of Women Entrepreneurial opportunities (Barrett, 2008).

Women Entrepreneurship has been largely neglected both in society in general and in the social sciences. Not only have women lower participation rates in Women Entrepreneurship than men but they also generally choose to start and manage firms in different industries than men tend to do (Miner and Haunschild, 2005). The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India (Ram, 2009).

Entrepreneurship development among rural women helps to enhance their personal capabilities and increase decision-making status in the family and society as a whole. Women Entrepreneurs depend on both the situation of women in society and the role of Women Entrepreneurship in that same society. Both the factors that affect the gender system and the factors that affect Women Entrepreneurship in society are involved (Baum, 2005).

In Homa-Bay Town sub-County, teams moot themselves into groups and start to save as low as Ksh.50 per month, take loans and pay back at low interest rates. Table banking is a model of banking whereby members come together to save money. The money is given to

individuals as short and long term loans to enable them develop or engage in entrepreneurship activities that empower the people economically. Members trade with the money and return it with profit on the table banking day according to their rules (Okello, Osamba and Parsitau, 2015).

## **1.2 Statement of the problem**

Micro and small enterprises (MSEs) play a big role in socio- economic development in terms of employment creation and their significant contribution to the economy's output of goods and services (Muthuri, 2011). The Economic Survey report (2006) indicates that the sector contributed over 50% of the new jobs created in 2005. Despite their significance, past statistics indicate that three out of five businesses fail within the first few months of operation (Republic of Kenya, 2007). Nyang'or (2010) also observed that starting and operating a small business includes a possibility of success as well as failure. Dinning (2010) found out that most of the MSEs lack sufficient capital. The Government of Kenya as a way of meeting its vision 2030 plans has identified the need to increase access to affordable micro credit and products, particularly to the low-income households. Among the strategies devised as a way of intervention is the formation and utilization of micro-finance institutions (Okurut *et al.*, 2004). One of such institution is table banking (RODI, 2014). The table banking concept was adopted by the GOK in 1999, under the Poverty Eradication Commission (PEC) as part of the National Poverty Eradication Plan (NPEP) in the country (ROK, 2009). Other agencies and development partners have also adopted this concept to boost the performance of MSEs (RODI, 2014). Despite its increasingly growing popularity, knowledge of the factors which influence the implementation of table banking as a micro finance initiative remains scanty and hence its suitability in different contexts is unclear. It is therefore not clear whether or not it can suitably and sustainably empower the beneficiaries in all contexts. This draws attention to Morvant-Roux, Guerin, Roesch and Moisseron's observation in Morocco that too often overlooked are the contextually specific and nuanced processes that influence consumers' demand for microcredit in a variety of social, moral, cultural, and political contexts (Morvant-Roux et al., 2012). According to Fernando (2006), microcredit is not a monolithic project, and its initiatives are contextually specific, nuanced processes, occurring within social, economic, political and cultural settings rife with opportunities and constraints. Local environments can impact upon credit demand and how microcredit institutions such as table banking are set up and implemented.



### **1.3 Purpose of the study**

The purpose of this study was to investigate factors influencing the implementation of table banking among women in Homa-Bay town Sub-County.

### **1.4 Objectives of the study**

The objectives of the study were:

1. To determine the extent to which socio-economic factors influence implementation of table banking among women in Homa-Bay town sub-County.
2. To assess the extent to which cultural factors influence implementation of table banking among women in Homa-Bay town sub-County.
3. To examine how political factors influence implementation of table banking among women in Homa-Bay Town Sub-County.
4. To determine how capacity building influences implementation of table banking among women in Homa-Bay town sub-County.

### **1.5 Research questions**

The study was guided by the following research questions:

1. To what extent do socio-economic factors influence implementation of table banking among women in Homa- Bay town sub-County?
2. To what extent do cultural factors influence the implementation of table banking among women in Homa-Bay town sub-County?
3. How do political factors influence implementation of table banking among women in Homa-Bay town sub-County?
4. How does capacity building influence implementation of table banking among women in Homa-Bay town sub-County?

## **1.6 Significance of the study**

In the recent years, the government of Kenya has started a number of loan schemes for various social groups. Among them is the Youth Enterprise Fund (Y.E.F), the Women Enterprise Fund (W.E.F) and the UWEZO fund. Evaluation reports have indicated low uptake of these funds. It is important that the government and policy makers understand the factors that may form hindrances to the uptake of such funds. The study is therefore of significance to the government of Kenya as it has identified and helped to increase the understanding of factors which influence the implementation of table banking as a micro finance initiative and hence the uptake and performance of UWEZO fund in increasing the growth of SMEs and improving the living standards of poor women. In general, the study findings give insight on what to consider when designing table banking oriented programmes. It give valuable information to help development organization design table banking related projects targeting women and the financial needs of the voiceless and poor people in order to raise the income levels of such vulnerable groups. In terms of policy, the study shed light on the challenges financial inclusion policies face in the country. The findings of this study provides useful information for research institutions, students and other researchers interested in table banking and related areas of study.

## **1.7 Limitations of the study**

The study was carried out only within Homa-Bay town sub-County, but factors affecting implementation of table banking may not be uniform among the entire table banking groups. There was also limitation on some respondents being uncooperative. Some did not understand the significance of the study to them and therefore were unwilling to give out information. The result of the study can therefore only be generalized to certain sections of the entire table banking sector.

## **1.8 Delimitation of the Study**

There are different issues that can be researched in relation to table banking and other microfinance groups, but this study was delimited to the social, economic, cultural and political factors influencing implementation of table banking in Homa-Bay Town Sub-County, which may be used to represent other table banking groups in the County and the Country Kenya.

## 1.9 Assumptions of the Study

This study was conducted under the following basic assumptions:

- i. The respondent were willing to give correct information
- ii. Credit from table banking is mainly used in SMEs
- iii. The findings of the study were to be generalized for the entire table banking groups in Kenya.

## 1.10 Definition of Significant Terms

**Table banking;** a model of banking whereby members come together to save money. The money is given to individuals as short and long term loans to enable them develop and engage in entrepreneurship activities to empower the people economically.

**Micro finance:** refers to the provision of financial services to low-income clients, including consumers and the self-employed.

**Socio-economic:** The social and economic experiences and realities that help mold one's personality, attitudes, and lifestyle.

**Cultural Factors:** The established beliefs, values, traditions, laws and languages of a nation or society.

**Political Factors:** An activity related to government policy and its administrative practices that can have an effect on something.

**Capacity building:** The "process of developing and strengthening the skills, instincts, abilities, processes and resources that organizations and communities need to survive, adapt, and thrive in the fast-changing world."

## 1.11 Organization of the study

This report is organized in five chapters. Chapter one contains the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, significance of the study, limitations and delimitation of the study, assumptions and finally definition of significance terms. Chapter two contains literature review with the following sub topics; Introduction, the table banking concept, Socio-economic factors and the implementation of table banking, Cultural factors and the implementation of table banking, political factors and implementation of table banking, capacity building and implementation of table banking. Chapter two concludes with a look at the theoretical and conceptual framework and finally the knowledge gap. Chapter three outlines the research methodology.

It begins with an introduction then proceeds to describe the research design, study area, target population, sample size and sampling procedure, the research instruments, data analysis procedure, data analysis and presentation, ethical consideration and finally the operational definition of variables. Chapter four contains data analysis, presentation, interpretation and discussion. Chapter five contains a summary of the findings, conclusions and recommendations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter examines the relevant literature related to table banking and factors affecting its implementation in Kenya. The literature examined includes the table banking concept, the social, economic, cultural and political factors and implementation of table banking. The chapter also discusses the theoretical framework under which the assumption of the study was based.

#### **2.2 The Table Banking Concept**

Table banking is a group funding strategy where members of a particular group meet once every month, place their savings, loan repayments and other contributions on the table then borrow immediately either as long term or short term loans (Joywo, 2014). According to Kariuki (2014), on a given date in a month, members place their savings and loan repayments on the table and immediately borrow all the monies placed on the table except a small percentage for administration hence “table banking’. The concept takes on the model of the Grameen bank of Bangladesh and the village savings and loans schemes of Zanzibar (Kariuki, 2014). It is founded on the principle that credit should be accepted as a human right to anyone, thus no one should be denied that opportunity of borrowing money. According to Joywo, (2014) table-banking concept is not based on assessing the material possession of a person, but on the potential of a person. To them they believe that all human beings, including the poorest, are endowed with endless potential.

Poor women are the ones making majority of table banking groups in Kenya, which usually according to the registration rules set by Joywo, (2014) should not be less than 15 members. Women identify themselves with these groups, since all of them live the same lifestyle and none will feel more superior to the other or bring the issue of class, unlike banks where loans are viewed to be for the middle class and rich people only (RODI, 2014). Savings include monthly contributions for insurance and education, various penalty fines, membership fees and other micro funds. Initial capital comes from the members. The managing institution provides further funding, also known as Table Top-Ups, to boost the capital and pay for social mobilization and administration services in the early stages (ROK, 2009). The group guarantees each member, and a member’s household items such as TVs, Chairs etc serves as

the only collateral one need to qualify for the loan. This is very helpful to most women entrepreneurs who are looking for capital to start a business.

In order to join a table banking group, you only need to find an active group that you are very familiar with the members then pay the membership amount and start making your contribution (Joywo, 2014). According to Joywo (2014), for the groups to be registered with the organization, they must be duly registered with the ministry of gender and social services, they must have not less than 15 members, they must have legally elected officials, the male gender must not exceed 30% of total group members and they should not be officials, they must have a set of bylaws / constitution and the group should abide by the rules and regulations of the organization in regard to Table-banking.

In 1999, the GOK, through the Poverty Eradication Commission (PEC), adopted this concept as part of the National Poverty Eradication Plan (NPEP) in the country (ROK, 2009). Other institutions have also adopted this concept to boost the performance of SMEs. The concept caters for small business people who require credit to finance their income generating activities but are neither able to access credit from formal banks nor from most micro-finance institutions due to long distances, high charges and interest rates and conditions which they cannot meet (ROK, 2009). Table Banking groups have therefore become lately a source of capital for entrepreneurs since their interest rates are very friendly and easily accessible compared to banks. The interest gained from the loans remains with the group and is eventually shared as bonus and dividends (Kariuki, 2014).

### **2.3 Socio-Economic factors and implementation of table banking**

Despite their significant contribution to economic development, women's productivity is often constrained by a lack of access to productive resources (World Bank, 2001, Odame et al., 2002 and Welch et al., 2000). For instance, empirical studies have shown that the deprivation women face in terms of agricultural production resource access is influenced by the socio-economic characteristics of women. These socioeconomic characters include women's level of education and credit access (Okunade, 2007), access to extension information and cooperatives (Ogato et al., 2009), and decision making powers (Damisa and Yohanna, 2007). A study by Ogato (2009) found that socio-economic factors of respondents in that study affected women's ability to access resources. The socioeconomic characteristics of respondents are important determinants of women's accessibility to production resources.

In most developing countries, there is a patriarchal system of social setting where men hold the sovereign power to control households and society as a whole, while women are ascribed a lower hierarchy compared to men (Balk, 1997). The likelihood that such a system will affect women's access to socioeconomic factors has implications for women's access to production resources.

### **2.3.1 Social factors and implementation of table banking**

The norms and rules defining social relationships among different groups in society, which place some in positions of dominance over others and differentiate the choices available to them — including in relation to access to and control over resources—have been termed “structures of constraint” (Folbre, 1994). Gender-specific structures of constraint refer to the social norms, values and practices which define inequalities between women and men in societies, generally allocating different roles and responsibilities and assigning a lower value to those aptitudes, capabilities and activities conventionally associated with women. Gender-specific norms typically include the assignment of responsibility for reproductive work within the family to women and the primary wage-earning responsibility to men. Women's concerns and gender-related constraints tend to negatively affect equal participation of both sexes at the local, institutional and policy levels. Hence, this may lead to a failure to utilize the full potential of human resources for wealth creation, as one section of the population, which forms the majority, is left out or only allowed limited opportunities. Disabled women entrepreneurs face bigger barriers than other women entrepreneurs in general, in the form of limited mobility, discrimination, myths/negative cultural attitudes, over-protection, marginalization and lack of specific funding that takes into consideration their conditions

### **2.3.2 Economic factors and implementation of table banking**

Financial availability and accessibility is cited in many studies as being one of the major barriers and constraints to growth. In a study of NGOs and women small-scale entrepreneurs in the garment manufacturing sector of the textile industry in Nyeri and Nairobi by Macharia and Wanjiru (1998), the factors that inhibit credit availability to women include: lack of start-up (seed) capital; lack of awareness of existing credit schemes; high interest rates; lengthy and vigorous procedures for loan applications; and, lack of collateral security for finance. These factors have become a major barrier to the growth potential of businesses owned by women. Although more than a quarter of households in Kenya are women-headed, only five

per cent of the women own land in their own name (Feldman, 1984). At a "Kenya Gender and Economic Growth Assessment" seminar in May 2006, a case clearly illustrating the plight of women was presented by an official from the Ministry of Trade and Industry. A loan approved for the woman applicant by the Joint Loan Scheme at the Ministry, failed to materialize because her husband refused to pledge the family's land title deeds as collateral. Owning title deeds as collateral to finance expansion is still a hurdle for most women entrepreneurs, given that property is not usually registered in their names (Karanja, 1996). The Government is, however, moving towards solving this problem through the Sessional Paper No. 2 of 2005 and the Micro-Finance Bill of 2005. The latter became an Act of Parliament in December 2006. Accessibility to initial capital, even when available, is also a major hurdle for women entrepreneurs.

Microfinance institutions (MFIs) and commercial banks choose where they locate, thus excluding entrepreneurs in remote regions, leading to regional disparities. Credit conditions when forming a group, paying membership fees, group registration fees and joining saving plans, result in delays in accessing initial capital, thereby worsening the women's household financial burden (Stevenson and St-Onge, 2005; Alila 2002). However, this is no longer the key barrier and constraint, but a lack of creativity, innovativeness and responsiveness (on the part of capital suppliers) that now hampers women's entrepreneurship in Kenya. Whereas many MFIs emerged to provide initial and working capital, relevance and cost-effectiveness is often inappropriate in satisfying the particular needs of potential and operating women entrepreneurs (Government of Kenya, 1999).

#### **2.4 Cultural factors and implementation of table banking**

In most developing countries, there is a patriarchal system of social setting where men hold the sovereign power to control households and society as a whole, while women are ascribed a lower hierarchy compared to men (Balk, 1997). The likelihood that such a system will affect women's access to socioeconomic factors has implications for women's access to production resources. According to Malamound (1980), debt can be considered a normal part of human condition for social, cultural and moral reasons. On the contrary, Bourdieu (1977) view debt generally, and micro credit in particular, as something that should be avoided for the same reasons.



Morvant-Roux, Guérin, and Roesch found that in rural Morocco, many rural households are reluctant to go into debt and this explains why participation to microcredit is low (on average). The trio thus argues that microcredit has multiple context-specific, contextually generated meanings and that, structural factors such as the norms of debt, honor and dignity, the local history of credit planned interventions, and relations to authority and the state, are important. They conclude that Microcredit “markets” do not result from supply confronting demand, but emerge within a historically and socially produced, instituted process (Morvant-Roux et al., 2012).

In light of the foregoing discussions, it is important to identify ways, factors or indicators which can be used to detect how people build and negotiate multiple meanings and understandings of microcredit, which in turn shape the way they experience, use, misuse or reject microcredit services from micro finance institutions such as table banking.

Due to the chauvinistic attitude of men and other cultural barriers, women are restricted to perform their productive roles and household chores (Parveen, 2007). From an early age, women are taught to be submissive and self-sacrificing, and are prevented from interacting with society (Fakir, 2008). Women and girls are in a disadvantaged situation compared with men in many aspects of their lives in the society, especially in developing countries like Bangladesh (ADB, 2007). Resulting from this situation, women are denied participation in income activities as well as access to microfinance and market facilities (Sultana, 2010). Women themselves are considered as an internal sub-system, due to their own reluctance or willingness that may influence their participation in IGAs. It is assumed that government and other agencies need to take initiative to help increase participation in IGAs of rural women that may gradually eliminate the widespread barriers of rural women’s life by enhancing their access to micro-finance.

#### **2.4.1 Debt-related norms and the implementation of table banking**

According to Morvant-Roux (2009), beyond agro-ecological factors, the application of economic anthropology and ethnography of development project indicates that microcredit demand and use is influenced by two main inter-related factors: debt-related norms and the “social life” of microcredit. According to Long, the ethnography of development, which is regrettably underused in the field of microcredit, allows us to approach microcredit as part of a social fabric where pre-existing cultural repertoires are reworked through social

interactions. He reasons that development project stakeholders, be they beneficiaries, fieldworkers, managers or local leaders, do not consume or passively implement development, but “coproduce” it. Development projects should be understood as ongoing negotiation processes within which stakeholders engage, interact, cooperate; conflict and more often compromise, while attributing values and meanings according to their own frameworks, interests and constraints. Looking at the social fabric of development projects allows analysing diverging responses to “similar structural circumstances, even if the conditions appear to be homogeneous” (Long, 1992: 9).

From economic anthropology we know that individuals often accumulate debt and credit and repay loans on the basis of their own informal hierarchies and frameworks of calculation (Bouman & Hospes, 1994; Guérin, 2006, 2011b; Morvant-Roux, 2006; Bloch & Parry, 1989; Servet, 2006; Shipton, 2007; Zelizer, 1995; Villarreal, 2004). This transcends material or self-centred motivation to reflect issues of status, honour, power, and individual as well as group identity. A study conducted in Morocco revealed that reluctance to take on debt is a matter of identity and social status;- not being in debt is a matter of honor.( Morvant-Roux et al., 2012). Debt is often seen as a disgrace and a loss of dignity. Pierre Bourdieu observed households’ resistance to debt in Algeria and argued that indebtedness implied that the head of a household had failed to meet his family’s material needs (Bourdieu, 1977). Sila-Goncalves found out that household conservatism measured by household heads’ views on the rights or freedoms to be accorded to women significantly lowers the probability of a household requesting any kind of credit (Silva- Gonçaves, 2011).

On women participation in social activities, Aktaruzzamman (2006) showed that the participation of rural women in social activities lay mainly between low to medium, while a majority had low participation (57%). One third (38%) had medium participation and very few (only 5%) had high participation. Aktaruzzamman (2006) and Sharmin (2005) found that 71% of rural women in Bangladesh have low participation in social activities, while Rahman (2006) and Nazneen (2004) reported that 69% of rural women have medium participation. All studies including the present research found a lack of participation in social activities that might deprive rural women to get better livelihood opportunities.

It is not usual for rural women to attend any program arranged outside of the house in Bangladesh due to the restrictions imposed by cultural and religious norms. Women’s limited participation in social activities is also mentioned in the study of Naved (2000). The results

revealed that rural women's participations are predominately associated with family programs such as marriage ceremonies, invitations and Chehlum offered by other families.

#### **2.4.2 Decision making power and implementation of table banking**

Decision-making power of rural women in the family is a key determinant for improving livelihood (Naved, 2000). Without the active participation of women and the incorporation of women's perspective at all levels of decision-making at the household level, development and peace cannot be achieved. In a study conducted by Naved (Navad, 2000), it emerged that the decision-making power of women is very low, with 79% of rural women having low to medium freedom to take decisions at household matter. Their area of decision-making is concentrated mainly on minor household repairs, child education and loan repayments. In contrast, decision-making capability on investment and health care is very low. Studied women still need to negotiate or seek prior permission from their husband or other male members of the family in order to visit neighbor house or other place and participate in village meetings and microfinance initiatives such as table banking. Promoting rural women's potential through education, skill development, income activities, participation in rural development programs, and raising gender awareness may encourage equal participation of rural women in different aspects of decision-making processes at household level. Navad argues that, a conscious effort and motivational campaign by GOs (e.g. Ministry of Health and Family Welfare, Department of Agricultural Extension) in collaboration with local NGOs (SUS, ASA, Gramen Bank), community leaders and religious elites may change the current situation of women particularly regarding their decision-making power. He concludes that promotion of enterprise selectively for women may improve their economic situation and help to hold a better position in the society as well as to improve decision making power even in microfinance sector.

#### **2.4.3 Entrepreneurial culture, management skill and implementation of table banking**

There is a general lack of an entrepreneurial culture in developing countries. For instance, in Kenya and more particularly for potential and operating women owner/managers of MSEs. Njeru and Njoka (1998) point out that due to patriarchal social authority structures, women received substantial family support in the start-up stages of their businesses, but later on such support is limited, restricted or withdrawn for fear of husbands losing dominance over their wives. Moreover, there are many socio-cultural factors in Kenya impacting negatively on the

upbringing of girls. Many ethnic cultures socially condition girls to acquire the need for affiliation, rather than achievement. The situation is worse for disabled girls since they are discriminated against in their access to education, in addition to being viewed as "a bad-omen" for the family. They are sometimes even hidden by their families from the outside world. The role of Women Entrepreneurs needs to be considered in the economic development of the nation for various reasons. They have been recognized during the last decade as an important untapped source of economic growth. Women Entrepreneurs create new jobs for themselves and others and by being different also provide society with different solutions to management, organization and business problems as well as to the exploitation of Women Entrepreneurial opportunities (Barrett, 2008).

Women Entrepreneurship has been largely neglected both in society in general and in the social sciences. Not only have women lower participation rates in Women Entrepreneurship than men but they also generally choose to start and manage firms in different industries than men tend to do (Miner and Haunschild, 2005). The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India (Ram, 2009). Entrepreneurship development among rural women helps to enhance their personal capabilities and increase decision-making status in the family and society as a whole. Women Entrepreneurs depend on both the situation of women in society and the role of Women Entrepreneurship in that same society. Both the factors that affect the gender system and the factors that affect Women Entrepreneurship in society are involved (Baum, 2005).

## **2.5 Political factors and implementation of table banking**

### **2.5.1 Political Reservations for Women and implementation of table banking**

The increased role and status of women seen in the 20th century has contributed substantially to the changing economic and political fabric of developing and developed countries alike. While much of this progress has come about organically, many governments have implemented policies to increase the speed at which gender parity is achieved along various social and economic dimensions. Some popular policies in line with this include the reservation of positions for women (quotas) within governmental bodies, affirmative action in government funds and access to government procurement opportunities (AGPO). In particular, there have been significant efforts in recent decades to increase the political participation of women in countries where women's involvement in politics has traditionally

been low. By 2001, quotas for women in parliaments were in force in more than 30 countries (Duflo 2005).

India presents one such case: at the national level, reservations for women in elected bodies originated with the 73rd and 74th Indian Constitutional Amendment Acts. These Amendments gave national support to the formalization and implementation of a historical decentralized governance structure known as the panchayat (or, more formally, Panchayati Raj Institutions). Traditionally, panchayats operated at the village level and consisted of a small number of individuals chosen by a village to oversee various local affairs. However, panchayats were not standardized in their structures, organization, operations, or responsibilities, nor were they necessarily elected bodies. By the mid-20th century, panchayats were widely recognized to embody “concealed forms of social prejudice, oppression, and exploitation that were firmly rooted in local power structures” (GOI, 2008). In the latter half of the 20th century, there was support for the revival of a reformed system, with some states indeed restructuring their local government systems to provide for the decentralized panchayat system. By 1989 there was strong support at the national level to give constitutional status to a broadly-implemented panchayat system. In 1993, two pieces of national legislation came into effect: the 73rd Constitutional Amendment Act instituted a three-tiered system of local government at the village, sub-district (block), and district levels in rural areas of the country, while the 74th Constitutional Amendment Act instituted a revised local governance structure in municipalities (hereafter referred to as “the Amendments”). The Amendments intended to provide large-scale devolution and decentralization of powers to the local bodies. Responsibilities of the panchayat include administration of state transfer programs, planning and implementation of schemes for economic development, establishment and administration of local public goods such as educational and medical facilities, oversight of local infrastructure (water, sewage, roads, etc.), and the monitoring of civil servants (Duflo 2005). Furthermore, the Amendments stipulated that members of the local governance bodies were to be elected at five-year intervals, and at least one-third of all seats at each governance level were required to be filled by women.

Women leaders may also affect their institutional environment. Topalova and Duflo (2004) found that women leaders in India are less likely to take bribes than their male counterparts. Duflo and Topalova (2004) and Beaman et al. (2009) noted that while the public goods

provided by reserved women leaders are in greater abundance and at least equal in quality to other villages, residents may express lower satisfaction with the provided goods. Another strand of literature looks at how attitudes towards women change once quota policies are in effect. Hoff and Stiglitz (2010) developed a conceptual framework to show how changes in power, technology, and contacts with the outside world matter especially because they can lead to changes in ideology. Beaman et al. (2009, 2012) show how perceptions of women improve once men are exposed to women in leadership roles, providing substantial evidence of the framework regarding attitudes and bias implicit in the Hoff and Stiglitz (2010). Duflo (2005) provides an assessment of the case for political reservations for women and other historically underrepresented groups. Using evidence from India, Duflo (2005) concludes that reservations have been shown to incur a significant reallocation of public goods toward the preferred allocation of the group in power. According to Ghani et al. (2014), the unorganized sector accounts for a large share of establishment counts and employment. Moreover, these shares are very persistent, as discussed in Ghani et al. (2013c). Women-owned establishments in the unorganized sector account for a small share of total manufacturing activity: in 2005, they represent 36% of establishments, 19% of employment, and 1% of output. Most of this activity is household based. For example, 90% of employment in women-owned establishments was in household-based operations in 2005. While being a small share of total activity, women-owned establishments have experienced much more rapid growth during the 1994-2005 period than the manufacturing sector as a whole. While manufacturing employment generally grew 17% from 1994 to 2005, employment in women-owned establishments in the unorganized sector grew by 138%, roughly doubling the share of total activity accounted for by these establishments.

In Kenya, the Uwezo Fund, which utilizes table banking concept as a model to reach the target women, is one of the flagship programmes for vision 2030 aimed at enabling women, youth and persons with disability access finances to promote businesses and enterprises thereby enhancing economic growth. The Fund was launched by His Excellency the President of the Republic of Kenya on 8<sup>th</sup> September 2013 and enacted through a Legal Notice No. 21 of the Public Finance Management Act, 2014, and published on 21st February, 2014. It seeks to expand access to finances and promote women, youth and persons living with disability led enterprises at the constituency level. It also provides mentorship opportunities to enable the beneficiaries take advantage of the 30% government procurement preference through its Capacity Building Programme (ROK, 2014). In February 2012, His

Excellency the Retired President, Hon. Mwai Kibaki directed that 10% of all Government contracts be earmarked and awarded to the youth. The Policy directive was informed by the Government's realization that in order to meaningfully address the issue of youth unemployment, it is necessary to give them opportunities to participate in government contracts and tenders. In 2013, His Excellency the President Uhuru Kenyatta, pledged that the procurement rules would be amended to allow 30 per cent of contracts to be given to the youth, women and persons with disability without competition from established firms. The President, warned that those who will fail to effect the directive will be sacked. This initiative is known as Access to Government Procurement Opportunities (AGPO) (ROK, 2014). This can be seen as another affirmative action aimed at empowering youth, women and persons with disability-owned enterprises by giving them more opportunities to do business with Government. This initiative is known as Access to Government Procurement Opportunities (AGPO)

### **2.5.2 Local leadership and implementation of table banking**

Several studies have shown that local leadership can facilitate or slow down the launch and performance of informal microcredit institutions such as table banking. According to Mosse, In north India, local business networks were very useful for launching a British development project with a microfinance component. Muslim clients in certain villages of Andhra Pradesh in India failed to repay or dropped out of schemes, in partial response to the instructions of local Muslim leaders (Mosse, 2005).

The fluctuating regional success in the 1990s of a newly launched *Crédit Mutuel* microcredit program for women in Senegal was partially attributed to how the project was driven forward using "key" people (rural civil servants, elected leaders, local political leaders, men or women), by way of their availability, proximity, or charisma (Guérin, 1999). These examples indicate that in some communities, local leaders play an active role in influencing the image of microcredit, whether negatively or positively. According to Shipton, the ethics of repayment and default of credit from microfinance institutions such as table banking are very much bound up with the social distances perceived between borrowers and lenders. Credit officers, and at times local leaders, partly frame repayment and default ethics, which strongly influences whether people are willing to participate in micro-finance initiatives such as table banking or not (Shipton, 2010).

## **2.6 Capacity building and implementation of table banking**

Women have limited access to vocational and technical training especially in developing countries. In fact, women on average have less access to education than men, and technical and vocational skills can only be developed on a strong foundation of basic primary and secondary education. South Asia is characterized by low enrolment among women in education, high dropout rates and poor quality of education. Figures are testifying to the existence of gender discrimination in building capacity of women and providing them with equal opportunities (UNECE, 2004).

Education and training in Africa is believed to be the unlocking of the golden door of freedom for all. It is perceived to be the bedrock of social and economic development. In Kenya, the small business sector has both the potential and the historic task of bringing millions of people from the survivalist level including the informal economy to the mainstream economy. Recognizing the critical role small businesses play in the Kenyan economy, the Government through Kenya Vision 2030 envisages the strengthening of MSEs to become the key industries of tomorrow by improving their productivity and innovation (Ministry of Planning, National Development & Vision 2030 [MPNDV2030], 2007). However, it is generally recognized that entrepreneurs face unique challenges, which affect their growth and profitability and hence, diminish their ability to contribute effectively to sustainable development. The International Finance Corporation (IFC, 2011) identified various challenges faced by MSEs including lack of innovative capacity, lack of managerial training and experience, inadequate education and skills, technological change, poor infrastructure, scanty market information and lack of access to credit.

According to Stevenson & St-Onge (2005a), inadequate access to training, as well as follow-up to training inputs, and limited opportunity to avail them of external and formal managerial capacity-building support is a challenge affecting women entrepreneurs. In addition, they have difficulties finding premises and land for production/services. Acquiring up-to-date technology also is another factor hindering empowerment of women entrepreneurs. Finally, they lack the strength of numbers that would be gained through representation by a women entrepreneurs association, which would not only provide networking and value-added membership services, but also a collective “voice” for the concerns and needs of women entrepreneurs in the country (Stevenson & St-Onge 2005a). Inadequate access to training, as



well as follow-up to training inputs, and limited opportunity to avail them of external and formal managerial capacity-building support is a challenge affecting women entrepreneurs.

McCormick (2001) identified three factors that account for these differences in business performance. The first factor being the level of education, women entrepreneurs are less educated than their male counterparts. The major reasons for this difference are institutional in nature. Marriage institutions discourage investment in women's education and the division of labour assigns a lower cadre to female workers.

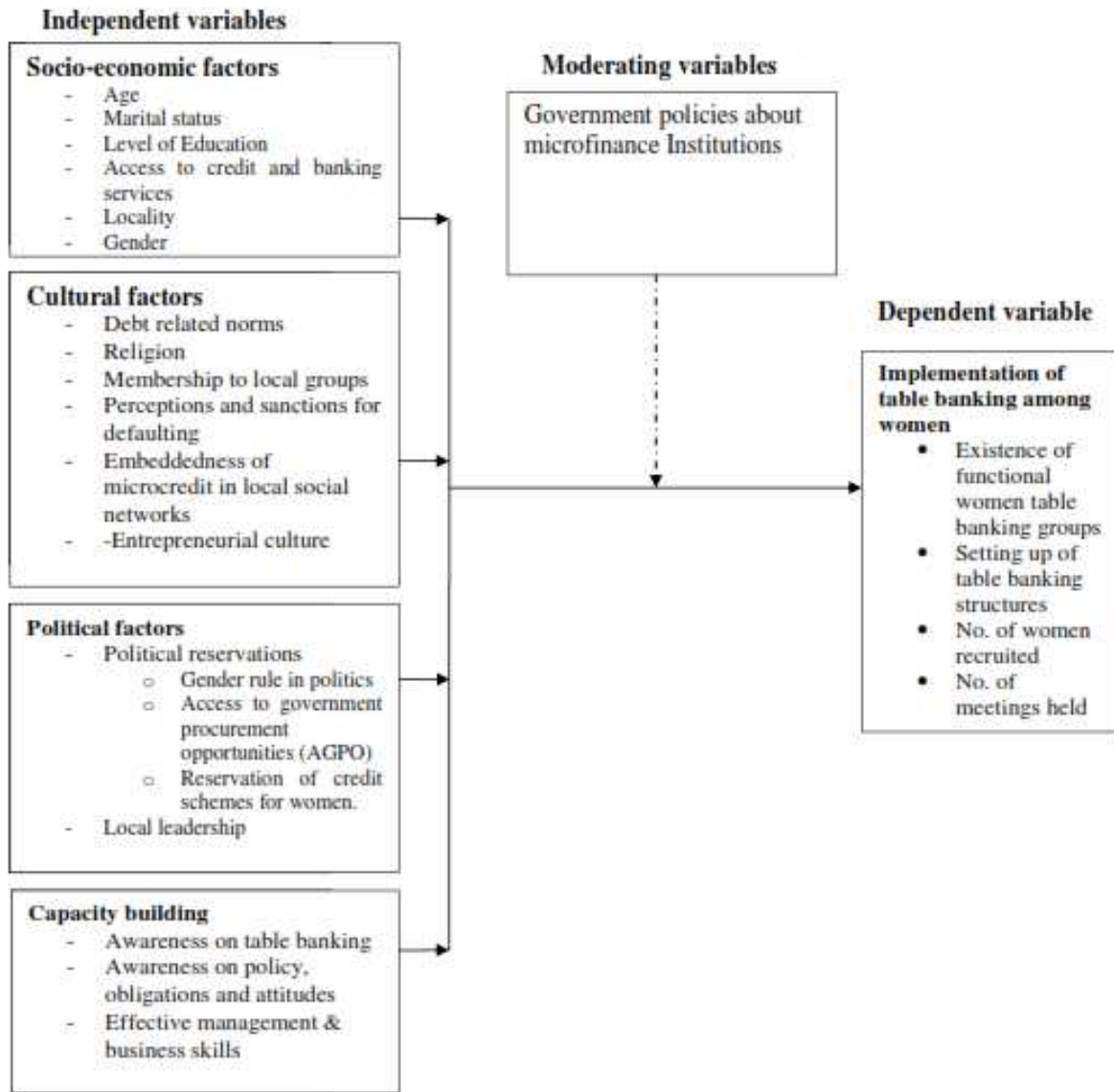
## **2.7 Theoretical Framework**

This study adopted the social network theory that was put forth by Mark Granovetter in 1973. Social network refers to ties and relationships, associations and norms that shape the quality and quantity of social interactions. In this respect social ties are critical for economic prosperity and sustainable development which is formed out of repeated social interactions between individuals and groups such as gift circles, credit associations like table banking, SACCOS and ROSCAs (Atterton, 2007). The various relationships and associations among individuals affect the implementation of the table banking system. As a result, social ties such as group solidarity enable the property less and voiceless to access credit. In addition, the existence of social relations in the form of indigenous networks and norms of association are seen as substituting the physical collateral like land titles which the poor lack, in the selection of loan beneficiaries and loan disbursement and recovery (Mayoux, 2001). In table banking, important issues and current events about borrowing, using the credit, the interest rates charged, time of pay back and the possible viable investment opportunities for the borrowers is shared among the table banking group members. The conceptualization of entrepreneurship, in terms of people's organizational and operating capacity to use micro-credit evolves from an emphasis on the characteristics and attitudes of individual members which are socially embedded in social context (norms)/ relations channeled and facilitated or constrained and inhibited by the density of the network as well as local and group leadership.

## 2.8 Conceptual Framework

The study was guided by the following conceptual framework:

**Figure 1: Conceptual framework**



Source; Researcher

### 2.8.1 Discussion of conceptual framework

The conceptual framework indicates how the five independent variables which include socio-economic factors, cultural factors, political factors and capacity building are related to implementation of table-banking among women. This framework assumed that once the independent variables are taken care of and observed, they establish positive effect on implementation of table banking. Thus the indicators under the variable. However, the

moderating which is government policies on micro finance institutions might influence the implementation of table banking either positively or negatively.

## **2.9 Summary of the literature review**

From this chapter it is evident that the independent factor of this study is the influence of socio-economic, cultural and political factors on microfinance institution. The literature review also studies the dependent variable which is table banking. The study discusses in details the factors that may have influence on the microfinance institution and their influence on implementation of table banking based on the four objectives.

## **2.10 Knowledge gap**

The role of informal micro-finance in economic development has been substantially endorsed. This has seen a rise in the number of informal micro finance initiatives. Table banking as an informal micro finance initiative has been adopted by the government of Kenya and other development agencies. According to the World Bank, the focus in micro finance has now turned to its contribution to poverty reduction (World Bank 2008). This new focus requires that policy makers and development partners have an adequate understanding of the factors influencing the implementation of table banking. In particular the influence of specific socio-economic, cultural and political factors needs to be better understood in addition to capacity building. In many developing countries, these factors are important to people's livelihoods and successful implementation of table banking need to operate in ways that complement rather than undermine them (Johnson, S. et al ( 2011). As Claessens (2006) observed, factors which influence the implementation of table banking among the women in Homa-Bay town Sub County are complex and range from socio-economic, cultural, political as well as capacity. He argues that studies to determine the status of implementation need to utilize a range of socio-economic, demographic and geographic indicators which influence implementation. Empirical studies have shown that the deprivation women face in terms of production resource access is influenced by their socioeconomic factors. These socioeconomic characters include women's level of education and credit access (Okunade, 2007), access to extension information and cooperatives (Ogato et al., 2009), farming experience, and decision making powers (Damisa and Yohanna, 2007). In this study, the researcher determined the extent to which Age, Level of Education, and Access to credit and banking services influence implementation of table banking.

In most developing countries, there is a patriarchal system of social setting where men hold the sovereign power to control households and society as a whole, while women are ascribed a lower hierarchy. Due to the chauvinistic attitude of men and other cultural barriers, women are restricted to perform their productive roles and household chores (Parveen, 2007). According to Fakir, they face restriction in interacting with society and participating in social interventions such as micro finance initiatives (Fakir, 2008). Micro finance also has cultural dimensions whereby, microcredit has multiple context-specific, contextually generated meanings and, structural factors such as the norms of debt, honor and dignity, the local history of credit planned interventions, and relations to authority and the state, are important. It is therefore necessary to identify ways, factors or indicators which can be used to detect how people build and negotiate multiple meanings and understandings of microcredit, which in turn shape the way they experience, use, misuse or reject microcredit services from micro finance institutions such as table banking. According to Harriss-White, dimensions of hindrances to performance of informal micro finance institutions may be at work that arise from the role of social institutions- defined as those arising from „primordial identity“ such as those of age, gender, class, caste, religion, race and ethnicity – but which are rarely the focus of economic analysis (Harriss-White 2004). The study identified specific cultural factors influencing the implementation of table banking and sought to establish the extent to which these influence the implementation of table banking among women in Homa-Bay Town sub County.

Political reservation is one strategy that has been employed by different governments to encourage women participation in economic development (Ghani, Kerr and O’Connell, 2014). With the recognition of the role of women and micro finance in economic development, government institutions and development agencies have been promoting the implementation of table banking among women in Kenya. Funds such as UWEZO fund have been established and earmarked for women, youth and people with disability. To access such funds, the women beneficiaries are expected to organize themselves into table banking groups. The researcher looked at scenarios in Kenya and explored how political factors including political reservations such as affirmative action in government financed micro finance funds and access to government procurement opportunities as well as local leadership influence the implementation of table banking among women in Homa-Bay Town sub County.

Inadequate access to training, limited opportunity to avail them of external and formal managerial capacity-building support is a challenge affecting women entrepreneurs (McCormick (2001. The researcher sought to establish how capacity building influences implementation of table banking among women in terms of awareness on table banking, Awareness on policy, obligations and attitudes and Effective management & business skills.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the research approach that was used in the execution of the study. These include description of the research design, the study area, target population, sample size and sample selection, data collection procedures, data analysis techniques and data processing.

#### **3.2 The Research Design**

The researcher adopted descriptive research design. Descriptive research designs are used in preliminary and exploratory studies to allow researchers to gather information, summarize, present and interpret results for the purpose of clarification (Ordho, 2002). Mugenda and Mugenda (1999) also give the purpose of descriptive research as determining and reporting the way things are. Factors influencing implementation of table banking are ongoing and the researcher therefore sought to find out the opinion of the respondents pertaining it, thus it befits descriptive research design. The researcher collected data and reported the way things are without manipulation of variables.

#### **3.3 Study Area**

The study was carried out among women practicing table banking in Homa-Bay Town sub-County in Homa-Bay County. Homa-Bay County is located in South Western Kenya along Lake Victoria where it borders Kisumu and Siaya Counties to the North, Kisii and Nyamira Counties to the East, Migori County to the South and Lake Victoria and Republic of Uganda to the west (Homa-Bay CDP, 2013). The sub-County has four wards.

#### **3.4 Target Population**

A population is one the researcher wants to generalize the result of study (Cooper& Emory, 1995). Mugenda & Mugenda (1999) defines population as an entire group of individuals, events or objects having common observable characteristics. The target population for the study was 1970 comprised of all the 1962 women practicing table banking in the 121 registered table banking groups in Homa-bay town Sub County and 8 staff from the department of social services working with the table banking groups. The groups are registered with the department of social services (Homa-Bay County, department of social services 2015).

### 3.5 Sample size and Sampling procedure

This section describes the sample size and sampling procedure that was employed in this study.

#### 3.5.1 Sample size

According to Krejcie and Morgan (1970), for a population of 1962, a sample size of 322 is deemed adequate for a study (See the sample size determination table in Appendix 1). Consequently for this study, a sample size of 322 respondents was taken for women practicing table banking in Homa-Bay Town Sub-county. All the staff working with the table banking groups in the four wards was studied hence a census

**Table 3.1: Population and Sample Sizes**

Ward	Target women Population Size	Target women Sample Size	Staff population size
Homa- Bay East Ward	461	76	2
Homa-Bay Central Ward	559	92	2
Arujo Ward	422	69	2
Homa-Bay West Ward	520	85	2
<b>Total</b>	<b>1962</b>	<b>322</b>	<b>8</b>

#### 3.5.2 Sample selection

In qualitative studies, size and representativeness are of minimal importance: diversity of situations and data saturation is much more key (Morvant-Roux et al., 2012). There are four wards in Homa-Bay town sub-County. Proportionate sampling was used to pick respondents from each ward as shown in table 3.1. The researcher used systematic random sampling to pick the respondents from each ward. Every sixth respondent was picked using systematic random sampling procedure. Census method was employed for all the 8 staff from the department of social services since they were few and the researcher could easily access them.

### 3.6 Research Instruments

The researcher used questionnaires and interview schedule to collect the data. Questionnaires are research instruments consisting of a series of questions and other prompts for the purpose of gathering information from respondents (Mugenda and Mugenda, 1999). It was a convenient tool since a large number of respondents were involved. They also enabled the researcher to collect the data within a short time. The questionnaires were administered to help capture both qualitative and quantitative data. In addition, Mugenda and Mugenda

(1999) says that questionnaires give a detailed answer to complex problems. Additionally, they give a relatively objective data and thus are most effective when it comes to their usage. The researcher also used an interview schedule. According to Lewis & Bryman (2004), an interview guide is used by the interviewer when conducting a structured interview. The interview schedule was administered to 8 officers from the department of social services in Homa-Bay County. Interview schedule was used to gather in depth information and to probe the respondents' views on table banking. If information is needed in depth and people's views are to be probed, then interviews are better (Fink and Kosekoff, 1985).

### **3.6.1 Pilot Testing**

Pilot testing was used to determine the reliability and validity of the two instruments. Pre-testing of the instrument was done by administering the questionnaire to women members of two registered table banking groups in Rangwe sub-county and the interview schedule to two staff from the department of social services based in Rangwe Sub County. The pilot study was done to determine any ambiguities in the items of the questionnaire. Following the pilot testing, the questionnaire was modified to capture information on the respondent's ward/locality, main source of income and access to other sources of micro credit.

### **3.6.2 Validity of the Research Instrument**

Validity of research is concerned with the extent to which an instrument measures the data that is intended or supposed to be measured (Mugenda and Mugenda, 1999). Validity of the instrument was tested by consulting the supervisor and validating further the questionnaire which had been pre-tested through a pilot study. The researcher also asked peers in the graduate class to validate the questionnaire. From the feedback, the instruments were then modified to ensure that there was no form of ambiguity in them.

### **3.6.3 Reliability of the Instrument**

Reliability of measuring instruments is the ability of the instrument to yield consistent results each time it is applied. Mugenda and Mugenda (2003) also sees it as a measure of the degree to which a research instrument yields consistent data after repeated trials. Reliability can be quantified by taking several measurements on the same subjects.

Reliability of the instrument was established using the split half method. Questionnaire was administered to women members of two table banking groups who were not respondents in the study. Cronbach-Alpha coefficient was used to calculate the reliability coefficient. The



reliability coefficient of was found to be 0.72, an indication that the research instrument had a strong reliability hence its acceptance (Mugenda & Mugenda 2003).

### **3.7 Data collection procedure**

A letter was requested from the University of Nairobi to apply for a research permit from the National Commission for Science, Technology and Innovations (NACOSTI). On receiving the permit from NACOSTI, a second authorization from the department of Social Services was sought so as to interview the 8 staff and also visit the registered table banking groups and administer the questionnaires to the sampled members of the table banking group in the four wards. The 332 questionnaires were issued to the registered table banking groups to be filled by the sampled members. The 8 staff from the Ministry of Social Services were also interviewed.

### **3.8 Data Analysis and Presentation**

According to Ngau and Kumssa (2004), data analysis is needed before any intelligent and rational planning of an area can be undertaken. Its goal is to clarify problems, identify alternatives, and provide a sense of direction. Data analysis began with the organization / representation of collected data inform of statistical tables. Maps, charts, diagrams and explanatory texts also accompanied these where necessary (Ngau and Kumssa, 2004). In this study, the collected raw data from the questionnaires was checked for proper recording of responses and for completeness. They were then coded and checked for coding errors and omissions. The data was presented in frequency distribution tables. Frequency and percentages was used to describe responses with regard to the objectives. The researcher analyzed the data and made appropriate discussions after each analysis. Cross tabulation was used in some cases to show the relationship between the variables.

### **3.9 Ethical Considerations**

The researcher obtained a letter from the university to carry out the study. In order to achieve the objectives of the study, the researcher treated all responses with utmost confidentiality. Besides that, no respondent was coerced to participate in the research; participation was voluntary through informed consent of potential respondents. Most importantly, the researcher consulted the supervisors on matters pertaining to field work and post field work logistics.

### 3.10 Operational Definition of Variables

**Table 3.2 Operational definition of variables**

Objectives	Variables	Indicators	Measurement Scale
To determine the extent to which socio-economic factors influence implementation of table banking among women in Homa-Bay Town Sub-County.	<b>Independent</b> Socio-economic factors	- Gender - Age - Level of Education - Extent of Credit access - Extent of access to banking services and information - Existence of table banking groups - Extent of setting up table banking structure	Ordinal Nominal
	<b>Dependent</b> Implementation of table banking among women	- No of recruited groups - Extent of uptake of table banking	
To assess the extent to which cultural factors influence implementation of table banking among women in Homa-Bay Town Sub-County	<b>Independent</b> Cultural factors	- Debt related norms - Extent of participation in table banking activities - Religion - Entrepreneurial culture - Perceptions and sanctions for defaulting - Embeddedness of microcredit in local social networks	Ordinal Nominal
	<b>Dependent</b> Implementation of table banking among women	- Existence of table banking groups - Extent of setting up table banking structure - No. of recruited groups - Extent of uptake of table banking.	
To examine how political factors influence implementation of table banking among women in Homa-Bay Town Sub-County.	<b>Independent</b> Political factors	- Political reservations - Gender rule in politics - Access of government procurement opportunities - Reservation of credit schemes for women - Local leadership	Ordinal Nominal
	<b>Dependent</b> Implementation of table banking among women	- Existence of table banking groups - Extent of Setting up table banking structure - No. of recruited groups - Extent of uptake of table banking	
To find out how capacity building influences implementation of table banking among women in Homa-bay Town Sub-County.	<b>Independent</b> Capacity building	- Existence of table banking groups - Extent of awareness on table banking - Extent of awareness on policy, obligations and attitudes - Effective of management and business skills	Ordinal Nominal
	<b>Dependent</b> Implementation of table banking among women	- Existence of table banking groups - Extent of setting up table banking structure - No of recruited groups - Extent of uptake of table banking	

## **CHAPTER FOUR**

### **DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION**

#### **4.1 Introduction**

This chapter consists of analysis, presentation, interpretation and discussion of data. It includes the respondents' demographics and is organized according to the objectives of the study. Data is presented using frequency distribution tables preceded by interpretation and discussions of findings on the factors that influence the implementation of table banking among women in Homa-Bay town sub-County.

#### **4.2 Questionnaire return rate**

The researcher gave out 322 questionnaires to respondents. The researcher collected 210 questionnaires from the respondents. This represented 65.22% of all the questionnaires given out. This was seen as a good number for analysis.

#### **4.3 Respondents Demographics/Background information**

The respondents' demographics/background information was analyzed. The areas that were analyzed included age, marital status, level of education, number of years that the table banking group has been in existence, number of years the respondent had been in the table banking group, number of members in the group, if they owned any enterprise and the type of enterprise of the respondents, residential location and the main source of income.

##### **4.3.1 Age of respondents**

Respondents were asked to state their ages in years. This is because age plays a critical role when it comes to understanding issues. This is also because people of different ages share different views concerning similar issues. Findings on respondents' age are presented as in Table 4.1.

**Table 4.1 Age bracket of the respondents**

<b>Age bracket</b>	<b>Frequency</b>	<b>Percent</b>
Between 18-24	17	8.1
Between 25-34	63	30.0
Between 35-44	97	46.2
Between 45-54	27	12.9
Above 55	6	2.9
<b>Total</b>	<b>210</b>	<b>100.0</b>

Findings on age of the respondents showed that, majority of the respondents, (46.2%) were in the age bracket of 35-44 years, followed by those in the age bracket of 25-34 years (30%), then those in the age bracket of 45-54 years (12.9%), those in the age bracket of 18-24 years followed at 8.1% and finally those in the age bracket of 55 years were least at only 2.9%. It can be deduced that, majority of the respondents and those participating in table banking activities are in the age bracket of 35-44 years. In this age bracket, the women are settled down in their homes and are having consistent and responsibilities at the household level. They need reliable and consistent access to finance and table banking provides them with this hence their participation in table banking activities.

#### **4.3.2 Marital Status**

The study sought to establish the marital status of the respondents. The results were as shown in Table 4.2.

**Table 4.2: Respondents' Marital Status**

<b>Marital status</b>	<b>Frequency</b>	<b>Percent</b>
Single	2	1.0
Married	166	79.0
Widowed	42	20.0
<b>Total</b>	<b>210</b>	<b>100</b>

The findings on the marital status showed that most of the respondents' were married (79.2%), followed by the widowed (20.0%). Single women constituted the least proportion of the respondents (1%).

Marital status as a socio economic factor has a bearing on the level of freedom and need to participate in table banking. This is also because people of different marital status will have different motivations to participate or not participate in table banking activities. From the findings, it can be deduced that a majority of women participating in table banking are married.

#### **4.3.3 Level of education**

The study sought to establish the respondents' level of education. The findings were as shown in Table 4.3.

**Table 4.3: Respondents level of education**

<b>Level of Education</b>	<b>Frequency</b>	<b>Percent (%)</b>
No formal Education at all	2	1.0
Primary Level	128	61.0
Secondary level	80	38.1
<b>Total</b>	<b>210</b>	<b>100.0</b>

The findings of the study showed that a majority of the respondents (61.0%) had primary level of education, 38.1% had secondary and above level of education while a paltry 1.0% had no formal education. It can be deduced that a majority of women practicing table banking have lower than secondary level of education. These findings are a clear indication that there is lack of professionalism among the respondents. Majority have attained minimum education requirements hence lack professional experience.

#### **4.3.4 Number of years that the table banking groups have existed**

The respondents were asked to state the number of years that their table banking groups have been in existence. The findings were as shown in Table 4.4.

**Table 4.4: Age of the respondent's table banking groups**

<b>Number of years that the table banking groups have existed</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Less than 5 years	164	78
5 -9 years	42	20
10-14 years	4	2
More than 15 years	0	0
<b>Total</b>	<b>210</b>	<b>100</b>

The findings showed that 78% of the table banking groups to which the respondents belonged had existed for less than five years, 20% had existed for between 5-9 years and 2% for between 10-14 years. No group had existed for more than 15 years. From this, it can be deduced that most of the table banking groups in Homa-Bay town Sub County are young. The existence of most of them can be traced back to the introduction of UWEZO fund which has been in existence for less than five years. The fund require that potential women beneficiaries register in table banking groups and this can explain most of the table banking groups in the sub-county got registered recently

#### **4.3.5 Number of years in groups**

The study also sought to find out the number of years they have been in their groups. Their responses were as shown in Table 4.5.

**Table 4.5: Number of years in a table banking group**

<b>No of years in table banking group</b>	<b>Frequency</b>	<b>Percent (%)</b>
Less than 5 years	151	72.0
5-10 years	55	26.0
10-15 years	4	2.0
More than 15 years	0	0.0
<b>Total</b>	<b>210</b>	<b>100</b>

Findings indicated that, majority of the respondents 72% had been in the table banking groups for less than five years, 26.0% had been in the groups for between 5 to 10 years, while only 2% had been in the groups for between 10 to 15 years. None of the respondents had

been in the groups for more than 15 years. This indicates that most of the women of Homa-Bay town Sub County have been in the table banking groups for less than 5 years.

#### 4.3.6 Membership of the table banking groups

When respondents were asked to give the membership of their groups, their response was as shown in Table 4.6.

**Table 4. 6: Membership of the table banking groups**

No. of member in the table banking groups	Frequency	Percentage (%)
Less than 10	11	5.2
10-19	111	52.9
20-29	48	22.9
30+	40	19.0
<b>Total</b>	<b>210</b>	<b>100.0</b>

The findings showed that 11(5.2%) respondents are less than 10 members in their groups, 111(52.9%) are between 10-19 members in their groups, 48(22.9%) have between 20-29 members in their groups while 40 (19.0%) have 30 and above members in their groups.

#### 4.3.7 Entrepreneurship

Respondents were also asked to indicate if they owned any enterprise. 130 (62%) indicated that they owned at least an enterprise. The remaining 80 (38%) indicated they did not own any enterprise. The enterprises owned included baby care centers, grocery shops, salon and beauty shops, bookshops and small eateries. This is in agreement with earlier studies which indicated that women generally choose to start and manage firms in different industries than men tend to do (Miner and Hauns child, 2005). The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India (Ram, 2009).

It was noted that some of the women did not own any enterprise. One of the main assumptions of micro finance initiatives is that micro credit is used to fund SMEs by the beneficiaries. The finding of this study that some of the women participating in table banking do not own business enterprises challenges this notion. The findings support the recommendation by Shipton that micro credit interventions should have a strong basis for the promotion of their implementation. Not all the rural poor women may need microcredit

services in order to start businesses. The narrative that accompanied the emergence and huge growth of the microfinance industry and gave microfinance one of the highest profile policies for fighting poverty was based on two naive assumptions. The first was that the poor are all potential entrepreneurs, and the second that contractual innovations would allow microcredit offers to inevitably meet unmet demand among the poor. As Shipton rightly observed, to be effective and legitimate, micro such supply must be grounded both in people’s financial needs and constraints, and in local economies (Shipton, 2010).

Those who owned enterprises had the following to say when asked to state the nature of the ownership of the enterprises.

**Table 4. 7: Nature of respondent’s enterprises ownership**

<b>Nature of ownership of the enterprise</b>	<b>Frequency</b>	<b>Percent (%)</b>
Sole ownership	74	56.9
Joint ownership	20	15.4
Family ownership	36	27.7
<b>Total</b>	<b>130</b>	<b>100</b>

Out of the 130 respondents who indicated they owned enterprises, 74 (56.9%) had sole ownership of the enterprises, 36(27.7%) had business with family ownership while 20 (15.4%) had joined ownership. It was seen that the common types of ownership in the area were sole ownership followed by family businesses then joint ownership. This trend can be attributed to financial constraints, small scale production resulting in little profits and the need to retain authority over business when it comes to sole ownership.

#### **4.3.8 Residential location of the respondents**

The respondents were asked to indicate whether they live in urban or rural areas. 90 (42.9%) indicated that they live in urban areas while 120 (57.1%) indicated that they live in rural areas. Those who indicated to live in urban areas were mainly from Homa Bay central ward and Aruja ward which are found in Homa-Bay town. From this it can be deduced that most of the women implementing table banking live in rural areas



#### 4.3.9 Respondent's main source of income

The respondents were also asked to state their main source of income. The responses were as shown in Table 4.8.

**Table 4. 8: Respondents main source of income**

<b>Main source of income</b>	<b>Frequency</b>	<b>Percent</b>
Formal employment	13	6.2
Casual labourer	57	27.1
Farming	48	22.9
Running own business	92	43.8
<b>Total</b>	<b>210</b>	<b>100.0</b>

The main sources of income for the respondents was running own business at 43.8% (92), casual labour at 27.1% ( 57), Farming at 22.9% (48) and employment at 6.2% (13). It can be deduced that a majority of women engaging in table banking in Homa-Bay town sub-county are those that get more frequent income such as on daily or weekly basis. This make it possible for them to make more frequent savings and borrowing from the table banking groups

#### 4.4 Analysis of the main themes of the study

Data was analyzed in terms of the objectives of the study under the following themes.

##### **4.4.1 To determine the extent to which socio-economic factors influence implementation of table banking among women in Homa-Bay Town sub-County.**

The study sought to determine the extent to which socio-economic factors influence implementation of table banking among women in Homa-Bay Town sub-County. The respondents were asked to state some of the socio-economic factors that affect implementation of table banking in their area. Some of the factors commonly mentioned by the respondents included the following: main source of income, level of household income, trust among members, convenience, age, access to credit, access to banking services and information, poverty level, need and ability to save, cost of financial and banking services, employment and social support and connectedness and locality.

Only 17(8%) of the respondents indicated that they had access to other sources of micro credit other than table banking. Out of the 8% who indicated that they had access to other sources of micro credit, 94.10% (16) had secondary level of education and above and only 5.9% (1) had primary level of education. None of those without any formal education had access to any other source of micro credit other than table banking. From this, it can be deduced that a majority of women engaging in table banking (92%) do not have access to other sources of micro credit

Respondents were asked to respond to questions that sought to establish the effects of credit access on women socioeconomic empowerment. They were asked if credit led to self-employment. 127 (60.5%) respondents agreed that credit access led to self-employment, 55 (26.2%) strongly agreed, 23(11.0%) disagreed while 5 (2.3%) strongly disagreed. When women access credit from table banking and other microfinance institutions, they start entrepreneurial activities thus making them to be self-employed. According to the Government of Kenya (1999), many MFIs have emerged to provide initial and working capital. The relevance and cost-effectiveness of most of these MFI though is inappropriate in satisfying the particular needs of potential and operating women entrepreneurs. This gap is being filled by table banking. The study also sought to establish if credit leads to creation of employment. Responses were tabulated in the table below:

**Table 4. 9: Credit and creation of self employment**

<b>Respondents reaction to the statement that credit lead to creation of employment</b>	<b>Frequency</b>	<b>Percent (%)</b>
Strongly Agree	46	21.9
Agree	103	49.0
Undecided	12	5.7
Disagree	26	12.4
Strongly Disagree	23	11.0
<b>Total</b>	<b>210</b>	<b>100.0</b>

From the study, 103(49.0%) respondents agreed that credit access led to employment. 46 (21.9%) strongly agreed, 26(12.4%) disagreed and 23(11.0%) strongly disagreed while 12(5.7%) were not sure. It is evident that when women access credit, they engage in income generating activities and employ other people to work for them. The finding that over 70% of

the respondents agreed that micro credit lead to creation of employment confirms the findings of the Economic Survey report (2006) which indicated that the SME sector contributed over 50% of the new jobs created in 2005. It is evident that when women access credit, they engage in income generating activities and employ other people to work for them. Women Entrepreneurs create new jobs for themselves and others and by being different also provide society with different solutions to management, organization and business problems as well as to the exploitation of Women Entrepreneurial opportunities (Barrett, 2008).

The study also sought to establish if credit leads to acquisition of basic needs like education as a means to socio economic empowerment.

**Table 4. 10: Respondents’ reaction to statement that credit leads to acquisition of basic needs like education**

<b>Response to statement that credit lead to acquisition of basic needs like education</b>	<b>Frequency</b>	<b>Percent (%)</b>
Strongly agree	46	21.9
Agree	109	51.9
Undecided	12	5.7
Disagree	20	9.5
Strongly disagree	23	10.95
<b>Total</b>	<b>210</b>	<b>100.0</b>

Results showed that 51.90% of the respondents agreed that credit leads to acquisition of basic needs like education. 21.90% strongly agreed, 10.95% strongly disagreed, and 9.52% disagreed while 5.71% were not sure. It is possible that when women engage in income generating activities through access to credit, profit is generated. Then income acquired is used to cater for basic human needs including education. Employment is an indication of socio economic empowerment among the women. Creation of employment is associated with, poverty reduction, self-sufficiency such as access to basic needs, improvement of living conditions like housing and access to education for their children. For these reasons, the fact table banking activities enhance economic empowerment leads to implementation of more table banking in the sub-county and the county as a whole. According to Stevenson and St-Onge (2005) and Alila, (2002), credit conditions when forming a group, paying membership fees, group registration fees and joining saving plans, resulted in delays in accessing initial

capital, thereby worsening the women's household financial burden. However, this is no longer the key barrier and constraint, but a lack of creativity, innovativeness and responsiveness (on the part of capital suppliers) that now hampers women's entrepreneurship in Kenya and hence their participation in micro finance initiatives.

Respondents were asked to list some of the benefits of table banking among women in the Sub-County. They mentioned the following: improvement in family support after accessing credit including providing basic needs such as food and shelter for their families, provision of education for their children and acquiring non basic needs for example Television sets and expensive household items like fridges. Some indicated that through table banking, they were able to borrow money for their husbands and this increased love in the house. Borrowing money from table banking for their husbands brings into light a socio-cultural dimension to table banking. The study established that a majority of the women practicing table banking are married. It can be argued that the women are allowed to participate in table banking activities by their husbands because they are able to borrow money from the group for family use on behalf of the husband. Men are reluctant to participate in table banking groups and borrow money directly because of the stigma associated with credit. This confirms findings by Morvant-Roux .et al, (2014), Bourdieu (1977) and Silva- Gonçalves (2011). Staff from the department of social services who were interviewed had also indicated that, the women were unable to provide the family support before acquiring the credit from table banking. Other benefits given by the respondents were; Improve living standards of the members, Contribute to socio-economic development of the communities, Results in independence of women, Minimizes idleness among the women, Brings a sense of pride and dignity among the women and result in psychosocial well being of the women

The study too sought to establish the effects of savings services offered by table banking on women socioeconomic empowerment that influences their implementation. The respondent were asked to indicate if saving services offered by table banking generate revenues/profits yearly. Responses were tabulated in the table below:

**Table 4. 11: Table banking and generation of revenues/profits**

<b>Reaction to statement that table banking generate revenues/profits</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	46	21.9
Agree	121	57.6
Disagree	20	9.5
Strongly disagree	23	11.0
<b>Total</b>	<b>210</b>	<b>100.0</b>

Results showed that 57.62% of the respondents agreed that saving services by table banking generates revenue/profits yearly, 21.90% strongly agreed, 10.95% strongly disagreed and 9.52% disagreed. Some members save their contributions in the bank which later earn interest. Others ask members of the groups to borrow and return at the end of every month with an interest that is set by the group.

The respondent were also asked to indicate if saving services offered by table banking improved the quality of life of members. Respondents said the following:

**Table 4. 12: Saving through table banking and improved quality of life of members**

<b>Respondents reaction to statement that saving services by table banking improves the quality of life of members</b>	<b>Frequency</b>	<b>Percent (%)</b>
Strongly Agree	40	19.0
Agree	123	58.6
Undecided	20	9.5
Disagree	22	10.5
Strongly Disagree	5	2.4
<b>Total</b>	<b>210</b>	<b>100.0</b>

Out of the 210 respondents, 58.6% agreed that saving through table banking improved quality of life of the members.19.0% strongly agreed, 10.5% disagreed, 9.5% were not sure and 2.4% strongly disagreed. From this, it can be deduced that table as an institution offers saving services that allows the members to accumulate finance for use in investment, purchase of high cost household goods, health and education services. All these are vital for improving the quality of life of the members. The respondent were asked to indicate if saving services

offered by table banking was able to make them continue operation of their businesses. Results were as shown in Table 4.13.

**Table 4. 13: Table banking and continued operation of businesses**

<b>Respondents reaction to statement that table banking enables members to continue with operations of their business</b>	<b>Frequenc y</b>	<b>Percent (%)</b>
Strongly Agree	56	26.7
Agree	99	47.1
Not sure	17	8.1
Disagree	19	9.0
Strongly Disagree	19	9.0
<b>Total</b>	<b>210</b>	<b>100.0</b>

From the 210 respondents, 99(47.1%) agreed that saving services offered by table banking was able to make them continue operation of their businesses, 56(26.67%) strongly agreed, 19(9.05%) disagreed, 19(9.05%) strongly disagreed and 17(8.10%) were not sure. The savings by the women in the table banking groups can be borrowed by the members and used in the running of their businesses by replenishing their stocks or expanding the business altogether.

Savings and profit earned from table banking can be invested in members businesses thus their growth and expansion. Macharia and Wanjiru (1998) urges that the factors that inhibit credit availability to women include: lack of start-up (seed) capital; lack of awareness of existing credit schemes; high interest rates; lengthy and vigorous procedures for loan applications; and, lack of collateral security for finance. These factors have become a major barrier to the growth potential of businesses owned by women. With table banking enable the women to access micro credit with convenience in terms of place and, interest rate as well as procedure and time. In table baking the women apply for the loans and these are approved instantly by the members based on the social collateral. According to Okunade (2007), the socioeconomic factors that affect production resource access include women's level of education and credit access.

#### 4.4.2 To assess the extent to which cultural factors influence implementation of table banking among women in Homa-Bay Town Sub-County

The study sought to assess the extent to which cultural factors influence implementation of table banking among women in Homa-Bay town Sub-County. The respondents were asked to state the cultural factors that influence the implementation of table banking among women in the sub-county. They stated religion, cultural ties, trust among members and in the group, entrepreneurial culture and attitude, Norms and perceptions associated with gender and debt and social networks

Respondents were asked to indicate if there were entrepreneurship businesses and projects in the community which are associated with table banking. Their responses were as shown in Table 4.14.

**Table 4. 14: Association of entrepreneurship projects and table banking**

<b>There are entrepreneurial businesses and projects associated with table banking in the community</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	62	29.5
Agree	148	70.5
Not sure	0	0.0
Disagree	0	0.0
<b>Total</b>	<b>210</b>	<b>100.0</b>

From the table, 148(70.5%) respondents agreed that there are entrepreneurship businesses and projects in the community and 62(29.5%) strongly agreed. The government of Kenya for the past decade has tried to empower its people through development projects and businesses. Njeru and Njoka (1998) point out that due to patriarchal social authority structures, women received substantial family support in the start-up stages of their businesses, but later on such support is limited, restricted or withdrawn for fear of husbands losing dominance over their wives. Moreover, there are many socio-cultural factors in Kenya impacting negatively on the upbringing of girls. Many ethnic cultures socially condition girls to acquire the need for affiliation, rather than achievement. Since table banking is mainly associated with women, the entrepreneurial projects which are associated with table banking can be said to be associated with women. It can thus be argued that the women of Homa-Bay town sub-county's involvement in table banking partly to enable them access credit to invest in their

entrepreneur endeavors. It indicates that a majority of the women participate in community development activities. This seems not to agree with Parveen (2007) who said that due to the chauvinistic attitude of men and other cultural barriers, women are restricted to perform their productive roles and household chores. The study sought to establish if community leaders do not hinder them from participating in the community activities. The respondents said the following:

**Table 4. 15: Influence of community leadership on implementation of table banking among women**

<b>Reaction to statement that community leaders do not hinder the respondent from participating in table banking</b>	<b>Frequency</b>	<b>Percent (%)</b>
Strongly agree	42	20.00
Agree	77	36.67
Not sure	33	15.71
Disagree	34	16.2
Strongly disagree	24	11.4
<b>Total</b>	<b>210</b>	<b>100.0</b>

Results showed that 36.67% of the respondents agreed that community leaders do not hinder members from participating in the community activities, 20.00% of the respondents strongly agreed, 16.19% disagreed, 15.71% were not sure and 11.43% strongly disagreed. The study also sought to establish if religion does influence the implementation of table banking among women in the sub-county. A statement was put to them that religion doesn't influence their participation in table banking. Their response was as shown in Table 4.16.

**Table 4. 16: Religion and implementation of table banking in among women**

<b>Response to statement that religion doesn't influence the implementation of table banking</b>	<b>Frequency</b>	<b>Percent (%)</b>
Strongly agree	32	15.23
Agree	120	57.14
Not sure	12	05.14
Disagree	20	09.24
Strongly disagree	26	12.38
<b>Total</b>	<b>210</b>	<b>100.00</b>



From the table, 57.14% of the respondents agreed that religion doesn't affect the entrepreneurship activities members engage in. 15.23% strongly agreed, 12.38% strongly disagreed, 09.24% disagreed and 05.14% were not sure religion doesn't restrict women from participating in income generating activities. From this, it can be seen that religion does not influence implementation of table banking among women in Homa-Bay County.

#### **4.4.3 To examine how political factors influence implementation of table banking among women in Homa-Bay Town Sub-County**

The research also examined how political factors influence implementation of table banking among women in Homa-Bay Town Sub-County. To begin with, the respondents were asked to state some of the political factors they are aware of which influence the implementation of table banking among women in the sub county. Some of their responses were; UWEZO fund, access to government tenders and the stand of local leaders. The UWEZO fund mentioned is a government initiated micro credit fund which is reserved for women, youth and people with disability. Women can only access the fund through table banking groups and this encourages them to join table banking. In procurement, there is a government policy which requires that 30% of government tenders are reserved for women, youth and people with disabilities. Women thus join table banking groups to access credit or accumulate capital to take up such tenders. The responses confirm findings from several studies that local leadership can facilitate or slow down the performance of informal micro credit institutions. According to Mosse, in north India, local business networks were very useful for launching a British development project with a microfinance component. Muslim clients in certain villages of Andhra Pradesh in India failed to repay or dropped out of schemes, in partial response to the instructions of local Muslim leaders (Mosse, 2005). The fluctuating regional success in the 1990s of a newly launched *Crédit Mutuel* microcredit program for women in Senegal was partially attributed to how the project was driven forward using "key" people (rural civil servants, elected leaders, local political leaders, men or women), by way of their availability, proximity, or charisma (Guérin, 1999). These examples indicate that in some communities, local leaders play an active role in influencing the image of microcredit, whether negatively or positively. According to Shipton, the ethics of repayment and default of credit from microfinance institutions such as table banking are very much bound up with the social distances perceived between borrowers and lenders. Credit officers, and at times local leaders, partly frame repayment and default ethics, which strongly influences whether people

are willing to participate in micro-finance initiatives such as table banking or not (Shipton, 2010). Respondents were asked if there was politics in running of microfinance institutions especially where women were concerned. 184 (87.62%) of the respondents said there was politics. 26 (12.38%) declined that there was politics. The response was seen to be in line with the earlier response that access to government procurement opportunities influence the implementation of table banking. In the Sub-county, women are encouraged to start businesses to benefit from the one 30% procurement opportunities in government tenders. When asked if women do own business establishments, 156(74.29%) agreed while 54 (25.71%) disagreed that women own their establishments. Some of the establishments are registered in the name of women yet they actually belong to men who only want to benefit from the reservation for women in government procurement. Those who agreed gave the following as the establishments they owned: Poultry farming, supply business, dairy farming, real estate and horticulture farming, cleaning services, printing and bookshops. Respondents also agreed that there are some hindrances in running these enterprises. They mentioned political factors which affected the success of their businesses and influenced their participation in table banking. Most of the respondents singled out the UWEZO fund and said that to access UWEZO funds, they are forced to join table banking groups, but even after joining, they are not guaranteed of getting the loan as political patronage plays a role on which group gets the loan and which one does not due to the group's political affiliation. Other factors mentioned; the one third rule in leadership and procurement, when applying for money from women enterprise fund, they said there is a lot of discrimination and politics from political leaders. Also the government tenders are awarded based on political patronage and the access to government procurement policy which reserves 30% of the tenders for women, youth and people with disabilities is often abused by political leaders

#### **4.4.4 To determine how capacity building influences implementation of table banking among women in Homa-Bay Town Sub-County.**

The researcher sought to establish how capacity building influences implementation of table banking among women in Homa-Bay Town Sub-County. The researcher asked the respondents if they have ever attended any training and capacity building programmes. 68.57% said that they have attended some while 31.43% had not attended. Those who had attended said that the programmes were either organized by the ministry of social services, Catholic Dioceses of Homa-Bay, Hand in Hands, Joyful Women Organization (Joywo),

UWEZO fund, Women Development Fund, Plan Kenya, Care Kenya and World Vision. From this, it could be deduced that there are many development agencies working with table banking groups. A majority of women participating in table banking had been given trainings which helped to create demand for micro credit; this, together with the presence of many development agencies in the sub county could have led to their motivation to participate in table banking

When asked about the skills they acquired from the trainings, the respondents gave the following: customer relations skills, management skills and marketing skills. It can be deduced that, women entrepreneurs were well equipped with skills to run their enterprises and hence the need continue participating in table banking activities. Respondents gave the following benefits of training and capacity building as the effects it has on women socio economic empowerment: Training offered enabled the women gain business skills, awareness to business obligations and acquisition of management skills.

The study also sought to establish the extent to which acquisition of business skills to run businesses effectively affected implementation of table banking among women. Respondents were asked to indicate if there was awareness to rights duties and obligation to business policy hence being able to comply with County Business. The responses given were as in Table 4.17.

**Table 4. 17: Awareness to rights, duties and obligations to business policy and being able to comply with county business requirements**

<b>Women in table banking groups are aware of their rights, duties and obligations to business policy hence are able to comply with county business requirements</b>	<b>Frequency</b>	<b>Percent (%)</b>
Strongly agree	45	21.43
Agree	56	26.67
Not sure	49	23.33
Disagree	30	14.29
Strongly disagree	30	14.29
<b>Total</b>	<b>210</b>	<b>100.00</b>

From the table, 56 (26.67%) respondents agreed they received awareness to rights duties and obligation to business policy hence were able to comply with County Business requirements, 49(23.33 %) were not sure, 45(21.43%) strongly agreed, 30(14.29%) disagreed and 30(14.29%) strongly disagreed. Capacity building enabled women entrepreneurs acquires awareness on policy obligations and awareness on markets. Respondents were able to acquire business permits as per the County requirement. They were aware of markets within and outside the county and this motivated their participation in table banking. According to Stevenson & St-Onge (2005a), inadequate access to training, as well as follow-up to training inputs, and limited opportunity to avail them of external and formal managerial capacity-building support is a challenge affecting women entrepreneur, and they have difficulties finding premises and land for production/services. As such this can impact negatively on the implementation of table banking in the county.

#### **4.5 Analysis from the interview**

The researcher interviewed Staff from the Ministry of Social Services in Homa-Bay town Sub County on the factors that influence implementation of table banking among women in Homa-Bay Town Sub County. Respondents were asked to identify socio-economic factors present in the sub-county that have affected the implementation of table banking among women. In response, they mentioned; Age, level of education, level of household income, access to credit, access to banking/financial information, main source of income, poverty level, convenience, trust, need or ability to save, cost of financial services, employment. Most of the responses were similar to those given by the women participating in table banking. When asked how the factors influence the implementation of table banking among the women, most of them concentrated on entrepreneurship and human capital aspect of the factors. They said that these give a people potential for further growth, job creation and poverty reduction. According to them, most of the women participating in table banking have low level of education and are not able to plan their business well to attract loan awards from other financial institutions; they participate in table banking because they have very limited alternatives to save. Very few women in formal employment do participate in table banking as they are able to save and get loans from the formal banks. Table banking is convenient and attractive for women who have little but very frequent income flows hence it is best suited for traders, business people and casual labourers. Members of a table banking group are closely

knit together and trust each other. They live in the same vicinity and know each other well, they share the same norms and watch over each other hence the level of trust is high.

The study also sought to establish the cultural factors present in Homa-Bay Town sub-county and how they had affected the implementation of table banking among women. The respondents identified; gendered dynamics, perceptions and sanctions for defaulting, self centered motivations. From the interviews, the researcher learnt that indebtedness imply that the head of a household has failed to meet his family's material needs. It is for this reason that men rarely join table banking groups, instead they secretly encourage their wives to join. Women predominately borrow credit from their table banking groups, while men are responsible for repayment. This gendered dynamic serves to preserve the men's sense of honor. This finding brings to fore the findings of earlier research that in most developing countries, there is a patriarchal system of social setting where men hold the sovereign power to control households and society as a whole, while women are ascribed a lower hierarchy compared to men (Balk, 1997). The likelihood that such a system will influence implementation of table banking among women in the sub county is therefore almost obvious. Although debt is viewed negatively in the area and despite the fact that some women are negative about the debt, they regularly borrowed money from the table banking group for use by their husbands. In this way the dignity of the household head is not lowered as it is seen that it is the woman borrowing. Because of this way, many men encouraged their wives to join table banking groups.

This finding is not a unique phenomenon. A study conducted in Morocco also revealed that reluctance to take on debt is a matter of identity and social status:– not being in debt is a matter of honor.( Morvant-Roux .et l., 2014). Debt, is often seen as a disgrace and a loss of dignity. Pierre Bourdieu observed households' resistance to debt in Algeria and argued that indebtedness implied that the head of a household had failed to meet his family's material needs (Bourdieu, 1977). Sila-Goncalves found out that household conservatism, measured by household heads' views on the rights or freedoms to be accorded to women, and significantly lowers the probability of a household requesting any kind of credit (Silva-Gonçalves, 2011). In Homa-Bay, it can be seen that the men use women to borrow so that the dignity of the household head is held. It can be argued that women in Homa-Bay town sub-county are allowed to participate in table banking activities and take credit from the group

since their dignity matter less compared to the dignity of their husbands. Table banking is thus a family affair and not only for women to make decision to participate or not participate.

The respondents agreed that capacity building was offered to the women groups in the sub-County. Institutions that offer training included Women Development Fund, UWEZO fund, Micro finance oriented Institutions and the ministry of social services in the County. The areas which are taught include: customer relations skills, management skills and marketing skills. The respondents of said that these had some impact in the groups and as a result improved their lives economically.

The staff also concurred that a number of political factors influence implementation of table banking among the women in the sub county. They said that the political context of table banking has been heavily shaped by historic domestic tension contestation associated with centralization and abuse of power, high levels of corruption. Although with the new constitution, there is an expanded bill of rights that includes social, economic and cultural rights (with a strong focus on the needs and entitlements of children and women). They mentioned the 30% access to government procurement opportunities and reservations in UWEZO fund.

## **CHAPTER FIVE**

### **SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

The major purpose of the study was to investigate the factors that influence implementation of table banking among women in Homa-Bay Town sub-county. The chapter focuses on the summary of the findings, conclusions and recommendations.

#### **5.2 Summary of Findings**

The research study endeavored to assess the factors that influence implementation of table banking among women in Homa-Bay Town sub-county, Kenya. This entailed an analysis of the factors in order to determine setting up of structure, successful recruitment and uptake process of table banking among women in the sub-county.

##### **5.2.1 Respondents demographics/ Background information**

Findings were that most of the respondents were in the age bracket of 35-44 years (46%), married (79.2%), had primary level of education (61%), owned at least one enterprise (62%) and had been in the table banking for less than 5 years (72%).

##### **5.2.2 Influence of socio-economic factors on implementation of table banking among women in Homa-Bay Town sub-County**

The socio economic factors that influence implementation of table banking among women in Homa-Bay town sub county include; main source of income, level of household income, trust among members, convenience, age, access to credit, access to banking services and information, poverty level, need and ability to save, trust, cost of financial and banking services, employment and social support and connectedness and locality.

Agro-ecological and economic diversity emerged as significant factors influencing the implementation of table banking. Looking at the respondents' locality in terms of whether they live in rural or urban areas, the study established that the more women in rural areas join table banking but that table banking is more useful for the women in urban areas as it is them who mostly engage in entrepreneurship activities for which they need credit from table

banking to finance. A majority of women engaging in table banking (92%) do not have access to other sources of micro credit.

### **5.2.3 Cultural factors and influence on implementation of table banking among women in Homa-Bay Town Sub-County**

Cultural factors that influence implementation of table banking among women in Homa-Bay town Sub County include religion, cultural ties, trust among members and in the group, entrepreneurial culture and attitude, Norms and perceptions associated with gender and debt and social networks. Although some women are negative about debt, they regularly borrowed money from the table banking group for use by their husbands. In this way the dignity of the household head is not lowered as it is seen that it is the woman borrowing. Because of this way, many men encouraged their wives to join table banking groups. A mention that table banking enable women to improve family support including pay school fees, buying expensive household goods like television sets and borrowing money for their husbands implies table banking is a family affair. Borrowing money from table banking for their husbands brings into light a socio-cultural dimension to table banking. A majority of the women practicing table banking are married. It can be argued that the women are allowed to participate in table banking activities by their husbands because they are able to borrow money from the group for family use on behalf of the husband. Men are reluctant to participate in table banking groups and borrow money directly because of the stigma associated with credit. From the findings, it can be seen that table banking is a family affair and not only for women to make decision to participate or not participate.

### **5.2.4 Political reservations and influence on implementation of table banking among women in Homa-Bay Town Sub-County**

Political reservations and local leadership are the main political factors that influence implementation of table banking. Affirmative action in government procurement in the access to government procurement opportunities which reserves 30% of the tenders to women was found to be instrumental in making many women participate in table banking as they sought convenient credit. The mandatory requirement in UWEZO fund that potential beneficiaries must belong to table banking groups also made many women join table banking groups. This explains why most of the table banking groups in the Sub-County are less than five years. Most were registered following the launch of UWEZO fund.



### **5.2.5 Capacity building and influence on implementation of table banking among women in Homa-Bay Town Sub-County.**

There are many development agencies working with table banking groups in the area. A majority of women participating in table banking had been given trainings which helped to create demand for micro credit; this together with the presence of many development agencies in the sub-county could have led to their motivation to participate in table banking.

### **5.3 Conclusions**

The central purpose of the study was to investigate the factors influencing implementation of table banking among women in Homa-Bay Town sub-County. The findings of the study echoes findings of similar studies which concluded that the implementation of microfinance initiatives are differentiated and influenced by factors along various lines such as gender, social relationships, age and education, localization and agro- ecological conditions and political systems.

Overall, the study shed valuable light on the factors that influence the implementation of table banking among women in Kenya. From the findings, it can be seen that table banking is a complex institution that is uniquely appropriated by people as a result of the socio-economic, cultural and political milieu in which they live. Responsible government agencies and development partners should therefore not assume a universal or blanket design for table banking projects targeting women in Kenya.

### **5.4 Recommendations for the study**

The following recommendations are made from the study:

- 1 Women should endeavor to join table banking groups and engage in table banking programme to spur economic growth by engaging in entrepreneurship activities. This is because table banking provides convenient micro credit and banking services with independence, flexibility and freedom.
- 2 Many women who participate in table banking do so because they lack alternative sources of credit or banking service. Micro-finance Institutions to minimize the interest rates and make their services more accessible even to the least educated so that they can attract a big clientele.

- 3 The government of Kenya should endeavor in ensuring that Kenyan Women are empowered to run their businesses through giving them essential training. This would help them lay strategies to grow their businesses and even face challenges that come with it. Through this, other women would be encouraged to take part in table banking.

### **5.5 Recommendations for further research**

The study was conducted in Homa-Bay town sub-county, Homa-Bay County, Kenya. The following observations were noted for further research; It emerged that the factors influencing the implementation of table banking among women are context specific and as a such it is therefore suggested that that a similar study be done in other sub-counties in the country so that the context specific factors that influence table banking among women can be known for other sub counties as well.

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## APPENDICES

### Appendix 1: Determining sample size for research activities

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	140	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Source: From R.V. Krejcie and D.W. Morgan (1970). Determining sample size for research activities, Educational and Psychological measurement, 30, 608. Sage publication.



## **Appendix 2: Letter of transmittal of data collection instruments**

Date 1/7/2015

To the In-Charge,  
Ministry of Social Services, Homa-Bay County,  
P.O. Box .....  
Homa-Bay.

Dear Sir/ Madam,

### **REF: REQUEST FOR DATA COLLECTION**

Above refer.

I am undertaking a research at the University of Nairobi. The research topic is: Factors influencing the implementation of table banking among women in Homa-Bay Town Sub-County. I would wish to collect data in your Ministry and among women in registered table banking groups in Homa-Bay Town Sub-County. With me is an interview guide and questionnaire designed for your staff and the women.

Kindly assist me on the same and I assure you that the information collected will only be used for academic purposes. Thank you so much for your assistance.

Yours Sincerely

Samwel Odoyo Owigo

University of Nairobi.

### **Appendix 3: Questionnaire for the women implementing table banking**

The study is about factors influencing the implementation of table banking among rural women in Kenya with keen interest in Homa-Bay Town Sub-County. Kindly you are requested to provide answers to these questions as honestly and precisely as possible. Responses to these questions will be treated as confidential. Please do not write your name anywhere on this questionnaire. Fill or tick (✓) where appropriate.

#### **Section 1: Background Information**

1. What is your age (in years?)  
 Between 18-24    Between 25-34    35-44    Between 45-54    Above 55
2. What is your marital status [a] Single [b] married [c] divorced [d] widowed
3. What is your Level of education?  
 No formal education at all    primary level    secondary level +
4. For how many years have your table banking group been in existence?  
 Less than 5 years    5 - 9 years    10-14 years    15 and more years
5. How many years have you been a member of your table banking group?  
 Less than 5 years    5 -9 years    10-14 years    More than 15 years
4. What is the Number of members in your table banking group?  
A. Less than 10 B. 10-19 C. 20-29 D. Above 30
5. Do you own any enterprise? Yes  No
6. If Yes, What type of business ownership is it?  
A. Sole ownership B. Joint ownership C. Family business D. Cooperative  
E. Other (specify) \_\_\_\_\_
7. Where do you live (Locality of respondent?)  urban  rural
8. What is your main source of income?  
 employment    casual labour    farming    running own business

#### **Section B: Specific Information on factors influencing implementation of table banking**

##### **1) Socio-economic factor**

A. State some of the social economic factors that affect implementation of table banking in your area.

1. ....
2. ....

3. ....
4. ....
5. ....

B) Other than table banking, do you have access to any other form of micro credit as an individual? Yes[ ] No [ ]

C) Do you agree with the following statements seeking to establish the effects of table banking

on women’s socioeconomic empowerment? (Key: (SA: Strongly Agree; A: Agree; UD: Not Sure; D: Disagree and SD: Strongly Disagree)

**Effects of borrowing money from table banking**

Statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
1. Credit from table banking leads to Self employment					
2. Credit from table banking leads to creation of employment					
3. Credit from table banking leads to acquisition of basic needs Like education					

C). List some of the benefits of table banking among women in Homa-Bay town Sub-County.

1. ....
2. ....
3. ....
4. ....
5. ....

D) Do you agree with the following statements seeking to establish the effects of savings services offered by table banking on women socioeconomic empowerment that influences their implementation? (Key: (SA: Strongly Agree; A: Agree; UD: Not Sure; D: Disagree and SD: Strongly Disagree)

### Effects of table banking savings on women

Statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
Savings in table banking generates revenues/profits					
Improving of quality of life of members					
Being able to continue operation of business					
Expanding business					

### 2. Cultural factors and table banking

A) State some of the cultural factors which influence implementation of table banking among women in this sub county.

B) Do you agree with the following statements seeking to establish the influence of cultural factors on implementation of table banking among women in this sub county (Key: (SA: Strongly Agree; A: Agree; NS: Not Sure; D: Disagree and SD: Strongly Disagree)

Statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
There are entrepreneurship businesses and projects in the community financed through table banking.					
Table banking enables us to participate in community activities and projects.					
Community leaders do not hinder us from participating in table banking activities					

Religion doesn't influence our participation in table banking					
Because of table banking, we belong to local entrepreneurship groups					
We have benefited economically from the table banking groups.					

**3. Political factors and table banking**

- a) Do you agree that there is politics in running of table banking as a microfinance institution especially where women are concerned? YES [ ] NO [ ]
  - b) Do you agree that Women do own business establishments funded through table banking? YES [ ] NO [ ]
  - c) If yes, which kind of establishments do they own?
  - d) What are some political factors that influence the success of their businesses?
  - e) Are you aware of any political reservations which influence the implementation of table banking among women in this area? YES [ ] NO [ ]
- If yes, which are these reservations?

**4.Capacity building and table banking**

- a). Have you attended any training and capacity building in table banking?  
Yes [ ] No [ ]
- Who organized them?
- b) If yes, list some of the skills you have acquired

  1. ....
  2. ....
  3. ....
  4. ....
  5. ....

- c). Given the following benefits of training and capacity building in relation to table banking, do you agree with the effects it has on women socio economic empowerment?

**Acquisition of business skills to run businesses effectively**


<b>Statement</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Not Sure</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
There is awareness to rights duties and obligation to business policy hence being able to comply with County Business requirements					
Acquisition of skills and knowledge has enabled members to handle business challenges and participate more in table banking					
Acquisition of effective management skills has enabled businesses owners expand their businesses					

#### **Appendix 4: Interview schedule for officers in the ministry of social services**


1. What socio-economic factors present in the sub-county have affected the implementation of table banking among women? How have the factors affected the women?
2. What cultural factors present in the sub-county have affected the implementation of table banking among women? How have the factors affected the women?
3. Is capacity building offered to the table banking groups? If yes, who offers it? Which areas are taught? Has it had any impact in the groups and life as a whole?
4. Are there any political reservations which influence the implementation of table banking among women in the sub county? If yes, what are the factors and how do these influence the implementation of table banking in the sub-county?
5. What impacts do the above factors have on implementation of table banking in the sub-county?

**CONDITIONS**

1. **You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit**
2. **Government Officers will not be interviewed without prior appointment.**
3. **No questionnaire will be used unless it has been approved.**
4. **Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.**
5. **You are required to submit at least two(2) hard copies and one(1) soft copy of your final report.**
6. **The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice.**



**REPUBLIC OF KENYA**



**National Commission for Science,  
Technology and Innovation**

**RESEARCH CLEARANCE  
PERMIT**

**6106**

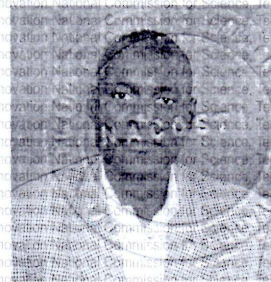
Serial No. A

**CONDITIONS: see back page**

**MR. SAMWEL ODOYO OWIGO**  
**of UNIVERSITY OF NAIROBI, 0-40300**  
**Homa-Bay, has been permitted to**  
**conduct research in Homabay County**

**Date Of Issue : 7th August, 2015**  
**Fee Received :Ksh. 1000**

**on the topic: FACTORS INFLUENCING  
 THE IMPLEMENTAION OF TABLE  
 BANKING AMONG WOMEN IN KENYA: A  
 CASE OF HOMA-BAY TOWN SUB-COUNTY**



**for the period ending:  
 28th August, 2015**

  
**Applicant's  
 Signature**

  
**Director General  
 National Commission for Science,  
 Technology & Innovation**