

**THE ROLE OF SOCIAL ENTERPRISE IN THE EMPOWERMENT OF  
HOUSEHOLDS: THE CASE OF RIZIKI KENYA SUPPORTED ENTERPRISES IN  
KIBRA, NAIROBI COUNTY.**

**BY**

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**DECLARATION**

This research project is my original work and has not been submitted for examination in University of Nairobi or any other institution for any award.

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## **DEDICATION**

I devote this work to my family members-Mary, Nathan, Neema, Joshua and Sifa for their  
endless love and emotional support.

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## **ABBREVIATIONS AND ACRONYMS**

<b>CMA</b>	Capital Markets Authority
<b>EASEN</b>	East Africa Social Enterprise Network
<b>EU</b>	European Union
<b>GDP</b>	Growth Domestic Product
<b>KI</b>	Key Informant
<b>Ksh</b>	Kenya Shilling
<b>KSIX</b>	Kenya Social Investment Exchange
<b>NGO</b>	Non-Governmental Organization
<b>SE</b>	Social Enterprises
<b>SME</b>	Small and Medium Size Enterprises
<b>UN</b>	United Nations
<b>WRI</b>	World Resources International

## **ABSTRACT**

The socio-economic empowerment of households in Kibra, in Nairobi County and the rest of urban slum areas in Kenya are declining. There is need for individuals and the community to be socio-economically empowered in order to handle the current hard economic situations. This study examined the role of social enterprise in the empowerment of households supported by Riziki Kenya in Nairobi county, Kibra sub-county. Multi-stage sampling was employed. Purposive sampling method was used to select 6 key informants predominately from Riziki Kenya managers and staff members. Purposive sampling was used to select 12 groups, supported by Riziki Kenya. A sample size of 84 members of the sampled groups were selected using simple random sampling. Findings are presented in tables, graphs, charts and narratives. The study found that Riziki Kenya had enhanced the access of households to financial services with which to operate their businesses, thus improving the growth of their enterprises. The findings revealed that the percentage of respondents who generated profits between Kshs 20,000 to Kshs 30,000 increased from 8% to 20%. The findings also revealed that 49% of the respondents said that their sales grew between 30% and 50% on average after intervention. This in turn helped many households to improve their socio-economic life. The study established that there was need for capacity building for households to continue being trained on basic entrepreneurial and business management skills in order to improve their enterprises. There was also need for the government to support social entrepreneurs to operate at greater scale through organizational growth. The study also found out that there are many details left out on the intervention strategies. Thus, the study recommends that more focus should be directed to the effect of savings, credit and training on the growth of households' businesses. The study also recommends that Riziki Kenya should collaborate with other organisations which have similar goals for networking.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background to the Study**

Social enterprise refers to organizations that apply commercial strategies to intentionally and strategically tackle social problems such as poverty through promoting wellbeing, environment preservation or financially empowering the supported beneficiaries (Social enterprise UK, 2012). It is an important consideration in activities targeted at country development. Governments, donors and NGOs have over the years initiated and implemented programmes aimed at empowering households socially and economically. The term ‘social enterprise’ was coined in the UK, in reference to organizations that were using the power of business to bring about social and environmental change. The social enterprise holds that the primary aim of all social enterprises is anchored on social or environmental change (Social Enterprise UK, 2012).

Despite social enterprise being a new term in Africa, Kenya as a country has indicated its warmth to the concept. A fact that had well been brought out by the Kenyan Vision 2030 blueprint. The blueprint has three pillars: economic, political and social. All the pillars are interdependent with the latter aiming for a just and cohesive society that enjoys equitable social development in a clean and secure environment (Government of Kenya, 2007). Experience of action research projects reveal that the operational aspects, such as the extent of enabling that goes into the community self-help processes and sharpening the mind set of every household improves the cohesiveness of the community through integration and transformation of households.

In developing countries, social enterprise is a platform towards sustainability, growth and development as it cushions Government Agencies and Non -profit making Organizations from the dependency syndrome, donor fatigue and a fatal collapse (Nganga, 2013). According to IMF (2006) developing countries, Kenya included, represent the most rapidly expanding economies and hence offer the most lucrative market for business. Yet, despite all this, they are a hot bed for social and environmental crises usually most acutely felt in the world (WRI, 2005; UNDP, 2006). Kenya, being technologically globalized with an advancing economy with regards to

innovation, investment and business activity is likely to experience positive and negative social and environmental impacts (World Bank, 2006).

Of great relevance to this nation are the strategic measures put in place by social enterprises to incorporate social responsible investments aimed at impacting the society in the long term while remaining competitive. History shows that economic progress had been significantly advanced by pragmatic people who are empowered and innovative, able to exploit opportunities and willing to take risk. Every population segment comprises half of human resources which are key agents of sustainable development and household equality is as central to a more holistic approach towards stabilizing new patterns and process of development that are sustainable (Karani, 2017).

Social enterprises have been particularly of great importance in social economic empowerment among Kenyan households. At its best, social enterprise strategies utilize three key entrepreneurial strategies. The first one is resource mobilization and community organizing. It involves mobilizing people to combat common problems and increase their voice in institutions and decisions that affect their lives and communities. The community organizers build power to create change. They recruit, train and mobilize a large base of members directly affected by the organization's issue. The power base ultimately shifts to the members (Minieri and Getsos, 2007). The second one is community development which involves neighbourhood-based efforts to improve households' physical and economic infrastructure.

These mainly comprise of financing, construction or rehabilitation of housing, businesses, parks, common amenities and other communal resources. The social enterprises will engage the 'households' in activities such as training them to acquire skills for property development and business management. Empowerment is gradually fostered by building community participation (Valencia, 2007).

The third strategy is the community service provision. This involves neighbourhood-level efforts to deliver social services and meet immediate direct needs. The approach here is to provide goods such as food, clothing or services such as job training, health care or counselling, parenting skills, immunization and literacy that will improve households' lives and opportunities. The constituents here are usually referred to as clients or consumers (Minieri and Getsos, 2012).



According to the Oxford dictionary, a household is defined as a number of people who dwell under the same roof that compose a family. Additionally, this could be extended to include a social unit composed of those living together in the same dwellings. It could be looked at from a community perspective. Gusfield (1975), describes community in two ways. First, it is the territorial and geographical notion of community- neighborhood or living together. The second is the relational, which ascribes to the quality of how human relationships are without reference to the location, occupation, affiliation and so forth. Empowerment is the process in which people gain control over the decisions and factors that shape their lives. It is the process by which they increase their assets and attributes, build capacities to gain access, networks and or a voice so as to gain control (Misheck, 2011).

Household empowerment refers to the act or process of enabling households to increase control over their lives. It is more than the involvement, participation or engagement of households. It implies community ownership and action that explicitly aims at social and political change. It is a process of re-negotiating power in order to gain more control. It recognizes that if some families are going to be empowered, then others are sharing their existing power and giving some of it up (Baum, 2008).

According to Otero (1999), social economic empowerment involves strategic interventions such as financial services, education and training among others. Micro-finance is “the provision of financial services to low income earners and very poor self-employed people.” Schreiner and Colombet (2001), define microfinance as “the attempt to improve access to small deposits and small loans for less privileged households neglected by banks.” A general agreement in the economic field is that micro financing causes economic development. The money or funds that are provided by microfinance institutions in terms of credit and micro loans enable those who once lacked to invest in productive activities that are bound to earn them income helping them boost their economic level and improve livelihoods in the entire economy.

Social enterprise institutions are an opportunity for sustainable development. They make opportunities available to generate income and the ability of households to respond to the available opportunities that are to a large extent determined by the degree or ability to access financial services that are affordable. Initially, social enterprises aimed at providing donor finances and financing experimental projects. This had developed to financial institutions that

provided a wide range of services and several routes to opportunities that are significant for economic development and expansion (Khan, 2005).

## **1.2 An overview of Riziki Kenya Enterprise**

Riziki Kenya is a welfare and community development organization formed in the year 2000. It was registered on the 10<sup>th</sup> May 2001 under the name “Window Development Fund” (WDF) under Section 10 of the Non-Governmental Organizations Co-ordination Act, Laws of Kenya. It focused its interventions on providing a window for development for the marginalized groups in Kenya living under difficult conditions in the slums. In the year 2007, it changed its orientation away from just providing a window for development, to one of enhancing the capacity of its target population to transform their lives holistically.

It was founded after the conceptualization of the vision and the inspiration to start a Christian organization as a forum to transform lives, through engaging and empowering the socially and economically vulnerable members of the society. Over the years, the organization has evolved and incorporated many other projects. It has also re-branded to reflect its pursuit of transformed lives as demonstrated in its passionate service to community, hence the adoption of the new name Riziki Kenya since June 2008. Riziki is a Kiswahili word which means “provision”.

The re-branding of WDF to Riziki Kenya was mainly to reflect both this attribute and Christian mandate to transform the lives of orphaned, vulnerable children and low income people in the slums by providing opportunities for them to become self - reliant. In addition, the word Riziki helps people conceptualize opportunities provided by the organization. It also helps them to understand, appreciate, support and identify themselves with its programmes. Currently its main mandate is to transform lives through community development programmes that make positive impact among the households in Nairobi County, Kibra Sub - county. Riziki supported entrepreneurs have been catering for basic needs of the Kibra residents. Its main objective was to make education accessible to the children of Kibra.

Through donors, Riziki sponsors children to access education both at primary and tertiary levels. Through enabling of childrens’ education, Riziki supported entrepreneurs have been able to venture into other community development activities such as provision of an enabling environment for child development and empower the community for self-reliance. These initiatives are underpinned by development of Riziki’s financial services such as credit, savings

and financial education which are strategic interventions to facilitate community development and empower households.

### **1.3 Statement of the Research Problem**

Social enterprises are created with the objective of improving the social economic development of the beneficiaries in a sustainable manner. However, situations exist where beneficiaries of social enterprises fail to achieve improved social economic empowerment. In other situations, social enterprises have been known to have a positive role on the social economic conditions of beneficiaries. The social economic empowerment of households in the Kibra area remain low. Poverty levels remain high with a poverty rate of over 60 percent. This is evidenced from a report by Ngelechei (2017), who noted that even for the women who are able to participate in formal micro-finance programmes, the short-term nature of the loans, the low ceilings (of up to Ksh 500, 000) and the high interest rates are liabilities for growth and innovation of households.

The decline in social economic empowerment has had negative implications on the members of the households which is actually evidenced in Kibra slums. Households practice hand to mouth kind of living. This may bring other social issues such as increased crime rates. Additionally, the decline in social economic empowerment may have negative implication on the government. This includes reduced tax income, increased wealth disparities and overburden of few people who could pay taxes for security and health issues in the country.

Studies focusing on the role of social enterprise on the social economic empowerment of households/beneficiaries include a study by Auma (2017) on the effect of women enterprises on social economic empowerment of women in Rongai location; Kajiado County concluded that there is low credit access from women empowerment funds (WEF). Respondents were not fully benefiting from the credit being offered. It was not clear if the findings could apply to the households benefitting from Riziki Kenya, since Riziki operates under a different economic and social environment such as low income settlement in Kibra. There is no study done on the role of social enterprises in Kibra area or on the Riziki model of social enterprise. This study sought to fill that knowledge gap.

## **1.4 Research Questions**

- a) What are the characteristics of enterprises supported by Riziki Kenya and how is their business performance?
- b) What are the characteristics of the Riziki Kenya supported households and their effect on the performance of Riziki supported enterprises?
- c) What are the intervention strategies of Riziki Kenya and their effect on the supported enterprises?
- d) What is the effect of performance of Riziki Kenya supported enterprises on the empowerment of households?

## **1.5 Objectives of the Study**

### **1.5.1 Main Objective**

The main objective of the study was to establish the role of social enterprises in social economic empowerment of households through the enterprises supported by Riziki Kenya.

### **1.5.2 Specific Objectives**

- a) To examine the effect characteristics of enterprises supported by Riziki Kenya on the business performance.
- b) To examine the effect of characteristics of the Riziki Kenya supported households on the business performance of supported enterprises.
- c) To assess the effect of Riziki Kenya's intervention strategies on the performance of supported enterprises.
- d) To examine the effect of performance of Riziki Kenya supported enterprises on empowerment of households.

## **1.6 Justification of Research Study**

A study of the role played by social enterprise on social economic empowerment of households in Kibra was of great importance for a number of reasons. The study was important since it contributed to the understanding of how social enterprises affect the social economic empowerment of households in an economy. The study findings were useful in facilitating the formulation and implementation of social enterprises policies. This is particularly for policies that target communities, marginalized groups and for public welfare. The study contributes to knowledge and exiting literature on social economic empowerment and social enterprise.

## 1.7 Scope and Limitations of the Study

The study sought to investigate the role played by social enterprises on social economic empowerment of households in Kibra Sub – County, Nairobi County. The study focused on Riziki Kenya beneficiaries.

The focus in this area was because despite various social enterprises conducted, the poverty levels still remain high with a poverty rate of over 60 percent. The County consists of the poorest and largest slums in Africa, Kibra (Umande Trust, 2010). The survey investigated the role of social enterprises on social economic empowerment of supported households. The study utilized primary data using questionnaires and interviews to get and quantify the attitude of supported households about the role played by social enterprises in their lives.

## 1.8 Definition of Terms

**Poverty Line:** This is the threshold where a person is said to be either poor or not poor. Above that line, the person is not poor while below that line the person is poor (Goedhart, 1977).

**Absolute poverty:** This describes the state where a person is below the poverty line and spends less than one dollar per day

**Poverty per head ratio:** Is the level as measured by the amount of money a household a person spends in day.

**Financial Institution:** An act of parliament to establish labour institution to provide for their functions, duties and powers for other matters connected thereto.

**Social Economic Empowerment:** Inclusive areas of practice such as education and financial access that facilitates socio-economic integration. Efforts to make powerless people self-sufficient and improve themselves economically and socially.

**Financial Inclusion:** Efforts to make financial services accessible and affordable to all individuals in society.

**Intervention Strategy:** The systematic process and planning employed to remediate or prevent a social, education, developmental or economic problem.

**Social enterprise:** is a commercial organization that has specific social objectives that serve its primary purposes.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter sought to review literature on social enterprises and the empowerment of supported beneficiaries. In order to meet this purpose, this chapter reviewed general and empirical literature in line with the objectives. The study also identified a theoretical framework related to social enterprises and empowerment of households. It developed a conceptual framework of the study.

### **2.2 The Performance of Social Enterprises**

Social enterprises have been of great importance in social economic empowerment among the Kenyan households. Over the last couple of years, there has been an upsurge of social enterprises. Their roles are clearly manifested in their initiatives according to the Social Enterprise Society of Kenya (SESOK). SESOK is a registered society which was founded in January 2017. It is Kenya's umbrella body for social enterprises in all sectors of the economy.

It aims to expand membership and influence throughout the East African region and possibly beyond. Its main objective is to bring social enterprises into the limelight and make it relevant in present day economy. Traditional businesses exist and make profits however, they have neglected to pay attention to the social and environmental impacts of their activities. A good benchmark or guide to use while running a social enterprise is to consider the set of sustainable development goals (SDGs). These are critical and should be linked with the daily activities of social enterprises. Social enterprises integrate holistic approach in social economic development of the community.

Economic development does not only entail the production of goods and services but also the reproductive sphere of cultural, social and environment activities. In this perspective, social enterprises approach community development activities as a cyclic process of production and reproduction. It takes care of the environmental, cultural and social resources that make up the community. Social enterprises ensure that the local resources are exploited but with adequate reinvestment (Wallace, 1999).

Additionally, social enterprises identify and serve the unmet needs. Needs of communities or people of low level of purchasing power which had been neglected by the society and the state

are served as basic. These include housing and food, environmental preservation, protection and repair among others. This is done in conjunction with empowerment by showing the vulnerable communities that they could be independent even without money. Social enterprises eliminate the dependency attitudes of the vulnerable communities (Portes, 2000).

Another important function of social enterprise is building and improving social capital. Most vulnerable localities and communities are usually characterized by lack of financial and physical capital. In such cases, the most important and available resources are the local people, their knowledge and abilities. In these vulnerable communities there are capacities of local people which are often underemployed and even neglected. The social enterprises recognize that these communities are underutilized and had capacity to produce and depend on themselves. Education and training is the most important objective of the social enterprises to social economically empower these communities. In intervening through trainings and other programmes, social enterprises unlock the capacity to utilize the social capital through formation of new commercial enterprises (Ansari, 2012).

Social enterprise is independent of donations to achieve its social mission which enables value creation and generate revenue while serving the unmet social needs (Mclean, 2006). One good characteristic of social entrepreneurship is the application of business principles to maximize revenue generation without neglecting the social mission. The entrepreneurs exploit the opportunities to create social value while pursuing economic wealth creation. The market based approach involves certain level of risks that the social entrepreneurs have to inevitably deal with in conjunction to finding more innovative ways to use the resources.

The performance of a social enterprise generally considers three management-reference fields namely (Bagnoli & Megali, 2011):

- (i) Institutional legitimacy
- (ii) Social effectiveness
- (iii) The economic and financial field.

It has been widely understood that on the long term well-performing organizations survive whereas poorly performing ones disappear (Williamson, 1991). Although profits serve the social mission in a social enterprise, positive profits could be seen as the criterion of natural selection.

Nevertheless, the impact of financial performance on an organization's survival changes is uncertain on the short term. Some organizations survive while others with equal financial performance do not (Gimeno, Folta, Cooper & Woo, 1997). This is due to the organization's own threshold of performance, the level of performance below which the organization will act to dissolve the organization.

One key finding is that social enterprises that are more economic oriented are financially performing better in the sense of added value and turnover (Bagnoli & Megali, 2011).

Concerning profits there is no significant relation with the attention allocation due to high variability in our data. Economic oriented social enterprises are also more efficient than hybrid organizations and social oriented SEs. The financial stress which was quantified using three different ratios of the logit model three years before failure of Ooghe-Joos-Devos (1991), is similar for all social organizations regardless of the goal orientation. Longitudinal analysis shows small increases for the values of the financial performance indicators over time, mostly for the economic oriented organizations. Financial stress does not show any significant changes over time, except for one indicator caused by increased investments. Lastly, it is also shown that economic oriented social enterprises significantly employ more people who have economic and social implications (Bagnoli & Megali, 2011).

### **2.3 Characteristics of Social Enterprises**

Okibol et al.(2014), define the diverse features of social enterprises (SEs) which include: poverty alleviation and improved living standards; offering financing to the poor; women empowerment and the development of the business sector as a means of achieving high standards and reducing market failure. In some cases debatable stories had been reported yet there had been success stories. In other cases the reasons for failures or successes have not been well documented. Notably absent was an understanding of factors affecting growth and a lack of cumulative knowledge to adequately conceptualize and build explanatory theories of growth process on women owned enterprises.

Zimmer (2014) claims that most SEs are active on a local level and in the field related to welfare state issues and societal deficit which had not been met or overcome by government or any other developed institution. The SEs then engage in economic activities to address the social need.



Taking this into perspectives, there are four characteristics that bring clear understanding of SEs. One is the financial situation which is diverse as the SEs activities itself. Basically, all SEs pursue economic activities with a tweak to the approach of normal profit-orientation business which is replaced by a social mission. This positioning brings a diverse picture of their financial composition. Some strive to generate profit while others strive to meet their social mission objective. Others depend on donation while others incorporate membership fees, committed stocks or a mixture of all of them.

The second feature is the social mission which describes the pursuit of a social goal. In some countries particularly developed countries, the scope of social goal has changed. The SEs organizations in the 19<sup>th</sup> century took care of the poorest by offering them housing or any form of financial aid unlike today's organizations which take care especially of the educationally deprived groups or parent-child issues (Brauer, 2014). This social mission also fits well with mainly affected groups of women, young and low skilled people. In developing countries such as Kenya, the social care and mission have not changed. Lastly is innovative capacity which is often used in connection with SEs. In terms of SEs, innovation refers to innovative products and (Grohs et al, 2013). It also refers to their ability to spread innovations and combine their social innovations with business strategies.

Inevitably, there are market failures which affect the demand for social enterprises the main one being the consequence of information failure. Some of the supported households or social enterprises do not recognize the value of provided support or advice. In some cases, there is lack of awareness in terms of identifying and recognizing their own support needs. This failure tends to be asymmetrical and most prevalent in smaller enterprises with less capacity to pay the social enterprise support in future.

## **2.4 Social Enterprises Intervention Strategies**

Financial inclusion and services has been the most common social enterprises intervention. Microfinance incorporates the provision of loans, often at interest rates of 25% or more, to individuals, groups and small businesses. That is micro-credit. More recently it has also been extended to include the provision of savings accounts known as micro-savings, insurance and money transfer services. Of late, housing finance for the poor, micro-leasing, micro-franchising

and other financial services for the poor have been added to the broad grouping of micro finances. Microfinance is among the strategic interventions in community development.

In South Africa, skills development and training is regarded as a key mechanism for addressing some of South Africa's broader social challenges. These are economic exclusion, unemployment, crime and HIV/AIDS reflecting the overall significance of education and skills development need in South Africa. Virtually every social enterprise in South Africa carries out work linked to training, education and wider personal development. For example, the social enterprise Learn to Earn (LtE), through its training centers in the Khayelitsha and Zwelihle townships, provides training in a variety of fields, including sewing, woodwork, baking, basic education and life skills. Since its inception it has trained more than 9,000 unemployed people.

Through its business resource centers, LtE also runs entrepreneurship and business support programs, engaging in informal markets and with informal economy actors. Other forms of interventions revolve around substituting street behaviors with income-generating alternatives for the youths. These involve vocational and small – business skills acquisition for the youths, business-related skills needed to start social enterprises such as budgeting, marketing, accounting and management.

Social enterprise formation and distribution establishes social enterprises in supportive, empowering and community-based setting (Becker & Drake, 2003). The individual placement and support models of supported employment is an example of vocation intervention that targets individuals with severe mental illness. Wangui (2016) conducted a research on the strategies to improve performance adopted by social enterprises in Kenya. The study used cross sectional survey to understand the strategies adopted by social enterprises in Kenya and establish if such strategies influence performance of the social enterprises in Kenya. The study concluded that the relationship between strategic planning and performance are inconclusive.

The best method towards achieving sustained organizational performance would be amending strategy when changes occur in the external environment. The study further recommended that for government to strengthen the capacity of social enterprises it ought to partner with financial institutions. The government could sign a memorandum of understanding with financial institutions to inject capital into such investments, giving them direct participation in government

procurement. However, the study failed to give an in-depth analysis of single social impact enterprises and the relation of social enterprises to change management.

Ashoka (2010) conducted a study to investigate the strategies used by social enterprises and whether or not they enhanced community empowerment. The study was limited in identifying the role of faith based organizations in empowering the community. The study adopted a descriptive research design where they examined the attitudes of the beneficiaries of faith based organizations in Kajiado County. The study found out that over 50% of schools and health facilities in Kenya were being sponsored by Faith Based Organizations (FBOs) (Kenya Open Data, 2011). FBOs are overtime emerging to be consistent in their activities, community-need driven and ability to access the masses in all corners of the community.

The study was able to indicate that resource mobilization affects community empowerment among FBOs in Kajiado County. Nevertheless, the study was limited in terms of understanding the role of social entrepreneurship activities in conjunction with geographical limitation.

## **2.5 Social Economic Empowerment**

Social economic empowerment of individuals and disadvantaged groups leads to well being and progress in all spheres (Mucheke, 2015). It influences all aspects of human existences within the community. The main focus of social economic development is the education system which has led to proliferation of education institutions where disadvantaged groups are provided with education free of charge. Acquisition of education and development of literacy skills would help individuals obtain employment opportunities which will help them generate income and sustain their living conditions. While Gross Domestic Product (GDP) is a major indication of social economic development, it does not take into account most aspects such as freedom, social justice, environmental quality or gender equality. This is a reason why so many governments have not been able to approach social economic development properly hence creating gaps for social enterprises to exploit (Mucheke, 2015).

The main purpose of empowerment of disadvantaged groups is to reduce the regional disparities and uplift the status of these communities. A number of commitments have been made by the Constitution of Kenya in order to improve the progression of equality and social economic empowerment of youths and women (Kamau, 2012). Economic empowerment, social empowerment and social justice have been adopted to eliminate disparities, exploitation and to

make provision for the protection of the disadvantaged groups. Education is mostly regarded as the main driver of social empowerment.

Through education, individuals are able to generate awareness relating to various aspects, acquiring knowledge and providing solutions to problems or challenges. Economic empowerment extensively focuses on raising employment prospects and income generating programs. These include assisting the vulnerable or disadvantaged groups to set up businesses, educate them about their businesses and offer them financial support in order to assist them to scale up their businesses. In some sense, the government could provide incentives or programs to facilitate enterprises. Social justice guarantees protection from injustice against all forms of exploitation (Kamau, 2012).

Socio-economic development and empowerment of the individuals leads to progress and wellbeing in all spheres (Wangui, 2016). It influences all aspects of human existence within the country. The main area that needs to be improved is the educational system. There should be establishment of educational institutions where disadvantaged groups are provided with education, free of charge (Wangui, 2016; Mucheke, 2015). Development of literacy skills and acquisition of education would help the individuals obtain employment opportunities. Employment opportunities would help them generate a source of income and sustain their living conditions. GDP is the major indicator of socio-economic development. It does not take into account important aspects such as leisure time, environmental quality, freedom, social justice or gender equality. Another indicator, per capita income, does not indicate the level of income equality among individuals. This is the reason that the concept of human development is made use of. It is focused upon the overall quality of lives of the individuals, opportunities and rights that they have. Socio-economic development and empowerment of the individuals leads to progress and well being in all spheres. It influences all aspects of human existence within the country (Wangui, 2016).

Mucheke (2015) carried out a research study on the influence of microfinance institutions services on women livelihood. The research was a case study of Joyful Women Organization (JOWYO) Trans-Nzoia County .It employed a descriptive research design. The study objectives were to establish whether loans acquisition influence women livelihoods. The findings revealed that micro- finance institutions influence women livelihood at a greater extent .They should be

advocated at any County to improve the livelihood of women. It further recommended that loaning should be done more to poor women than those with the salaries to uplift their living standards. The study was limited in terms of scope. It focused on the impact of micro – finance institutions on women in Trans-Nzoia County. Although women make an important segment of the economy, households are more relevant in establishing the impact of micro – finance institutions on social economic empowerment of the society.

Gorgi (2012) study examined strategies in social entrepreneurship: depicting entrepreneurial elements and business principles in Social Entrepreneurial Organizations (SEOs) from Germany and Bangladesh. The study employed quantitative research design. The study showed that in both countries innovative models of product or service provision, usually developed by economic entrepreneurs and business concepts such as ‘customer and competitor orientation’ or ‘unique selling propositions’ are as likely to be found in SEOs as a ‘vanguard role’ in developing social innovation and the striving for societal change of ‘non-economic entrepreneurs’. This study deviates from empirical studies reviewed in a number of ways. Whilst it tried to focus on the relationship between social enterprise and social economic empowerment, it failed to establish the role of social enterprise on social economic empowerment of households. The studies failed to give in-depth analysis of single social impact enterprises and the relation of social enterprises to social empowerment.

## **2.6 Gaps in Literature**

The empirical literature found varying results on the role of SEs on social economic empowerment of the society. The past studies employed different research techniques. Some studies employed descriptive research design. Among them include the study by Mucheke (2015) and Wangui (2016). Gorgi (2012) employed a quantitative research design while (Drieer) adopted a qualitative research design. The studies employed a number of different variables such as community empowerment, service provision, training, marketing, networking and social economic indicators like improved living standards.

This study deviated from literature reviewed in a number of ways. Whilst the literature tried to focus on the relationship between social enterprise and social economic empowerment, it had not established the role of social enterprise on social economic empowerment of households. The

literature took a broad approach hence did not give an in-depth analysis of single social impact enterprises and the relation of social enterprises to social empowerment.

## **2.7 Theoretical Framework**

The theoretical framework of a research project relates to the philosophical basis on which the research takes place. It forms the link between the theoretical aspects and the practical components of the investigation being undertaken. The theoretical framework “had implication for every decision made in the research” Mertens (1998). The theoretical framework helps to make logical sense of the relationship of the variables and factors that had been deemed important to the problem. It provides definitions of the relationships between all the variables so that the theorized relationship between them can be understood. This study was guided by the empowerment, social entrepreneurship and open systems theories.

### **2.7.1 Empowerment theory**

This study is anchored in on empowerment theory which was advanced by Rappaport (1987). According to him, empowerment refers to the process of gaining influence over events and outcomes of importance. This process may unfold at multiple and interconnected levels, including the individual, group or organization and community. Ledwith (2005) describes community empowerment as the process of gaining influence over conditions that matter to people who share neighbourhoods, workplaces, experiences or concerns.

He indicates that empowerment is more than providing the resources for one to help them out of poverty. It is the act of providing the necessary tools to shape the whole person and promote a critical way of thinking and consciousness. Empowerment could be attained through working together and forming a collective state of consciousness that promotes and encourages change (Zimmerman, 1995). Empowerment assumes a beneficiary-focus as opposed to organization-focus. It seeks to enhance local capacities for influencing conditions that facilitate business and development, giving and receiving support, contributing to the capacity of community partnerships while learning from them. Where community is effectively enhanced, empowerment is increasingly a greater reality (Zimmerman, 1995).

It has been noted that rural communities draw upon traditional rural strengths – strong mutual knowledge, sense of community and social cohesion (Shucksmith et al., 2000). Social networks are denser in rural areas as compared to urban settings. The resulting outcomes of high levels of

trust and active civic participation are key components of the social capital associated with social enterprise development (Dale, 2005). The existence of codependence, reciprocity and collective activity would also imply rural areas appear to represent a perfect nurturing ground for successful social enterprises (Granovetter, 2005; Shucksmith et al., 1996).

In community partnerships, individual leaders and the group as a whole may differ with respect to their experience and competence. The empowerment theory has identified effective leadership as a facilitator of coalition action and sustainability (Butterfoss et al., 1996). Leadership consists of one or both of the following: the member organizations of a 13 coalition and the individual leaders within a coalition. Research suggests that the convening or “lead” agency must have organizational capacity, commitment and vision among other characteristics to build an effective coalition.

This theory supports this study in so many reliable ways. It is important for the households to feel empowered. This improves their confidence, spirit and commitment. The theory suggests that by giving the households necessary tools to shape them in terms of critical ways of thinking and consciousness, SEs are in fact empowering them and pushing them to develop. From a vantage point of view, SEs instill change in the way households operate. They empower them economically and socially.

### **2.7.2 Social Entrepreneurship Theory**

The study was supported by social entrepreneurship theory advanced by Rollins (2009). The theory was constructed on the idea that there are many vulnerable people who faced unemployment in the Highland Park area. The area was characterized by a high rate of crimes, drug problems and poverty. People could not get jobs from the available few employers because of high crime rates. Nevertheless, Rollins saw these individuals who she perceived as excess labor having a potential to revitalize the human capital for Highland Park. The social entrepreneurship model was developed to consist six parts: vulnerable population, community development, client rehabilitation, commercial enterprises, partnership network and job/life training.

The model arranged apprenticeships for the unemployed people in order to enable them enter the labor market. The organization then used these people in retail establishments and in the skilled crafts necessary to revitalize properties in the neighborhood. The unemployed people were

offered entrepreneurship training and assistance in establishing commercial enterprises (Biglia, 2010). According to the theory, the vulnerable population is regarded as the clients who are undergoing the rehabilitation process. By letting them take part of job and life training programs, they were able to create commercial enterprises.

They were given an opportunity to empower themselves by taking part in the community and society development. The high level of crimes could be reduced by involving the unemployed population in the labor market and creating new job opportunities through establishment of new enterprises. These efforts solve many social problems. They act as catalyst for community development in the long run. The social entrepreneurship theory was useful to this study since it provides an understanding on the role of social enterprises in promoting community development. Social enterprises could promote community development through intervention strategies such as training, offering apprentice opportunities and other financial services. Additionally, the theory clearly explains the socioeconomic situation of Kibra Sub-county, the region which is plagued by massive crime rates, unemployment and poverty. These are the main constructs of social problems.

### **2.7.3 Social Capital theory**

Social capital theory originated from the areas of political and sociology sciences. It appeared in the Hanifan (1916) study of rural schools community centers.

Later, it appeared in community studies where networks of strong personal relationships provided the basis for trust, collective action and cooperation action which were critical for the functioning and survival of city neighborhoods (1965). In essence, the social capital theory represents in all senses the goodwill such as sympathy, forgiveness, trust and forgiveness, engendered by the fabric of social relations. It could facilitate action.

Social capital is used to describe relational resources embedded in personal ties, which are useful in the development of individuals in community social organizations .They have been conceptualized either as a set of social resources embedded in relationships or more broadly as including, in addition to social relationships, the norms and values associated with them (Tsai & Ghoshal, 1998). The diverse definition of the theory could be synthesized as the goodwill available to individuals or groups. In that regard, the theory is defined by its function. It is a



composite of variety of different entities comprising some aspects of social structures which facilitate action of individual actors within the structure.

There are three social capital forms that make social relations useful capital resource for individuals:

- (i) information channels;
- (ii) obligations and expectations;
- (iii) Social norms.

The first form of social capital is the potential for information that is inherent in social relations. In this sense, information is viewed as an important basis for action, although it is costly and requires attention. Usually, it comes from established social relations which serve other purposes.

The second form is the obligations and expectations which depend on two elements, the extent of obligations held and the trustworthiness of the social environment or the chances that the obligations for previous actions or favors was repaid. The third form which is the social norms could be powerful or fragile when they exist and are effective. A prescriptive norm within a collectivity is where one would forgo self-interest and act in the interest of the collectivity. It is reinforced by social support, status, honor and other rewards. These norms could be supported by either internal or external sanctions and by rewards (Adler & Kwon, 2002).

All social structures and social relations characterize some aspects of social capital. Certain forms of social structure could be more beneficial to particular social capital forms. A general consensus is that without social networks and social relations, social capital does not exist. In true sense, they are all intertwined such that social capital being the resource available to actors as a function of their social relations within the social structure. According to Adler and Kwon (2002), there are three forms of social structure which are based on a different kind of relations:

- (i) Market relations where money serves as the medium for exchange of goods and services;
- (ii) Social relations where gifts and favors are exchanged and;

(iii) Hierarchical relations where obedience to authority is exchanged for spiritual and material security. These forms are repeated interactions which directly or indirectly contribute to social capital.

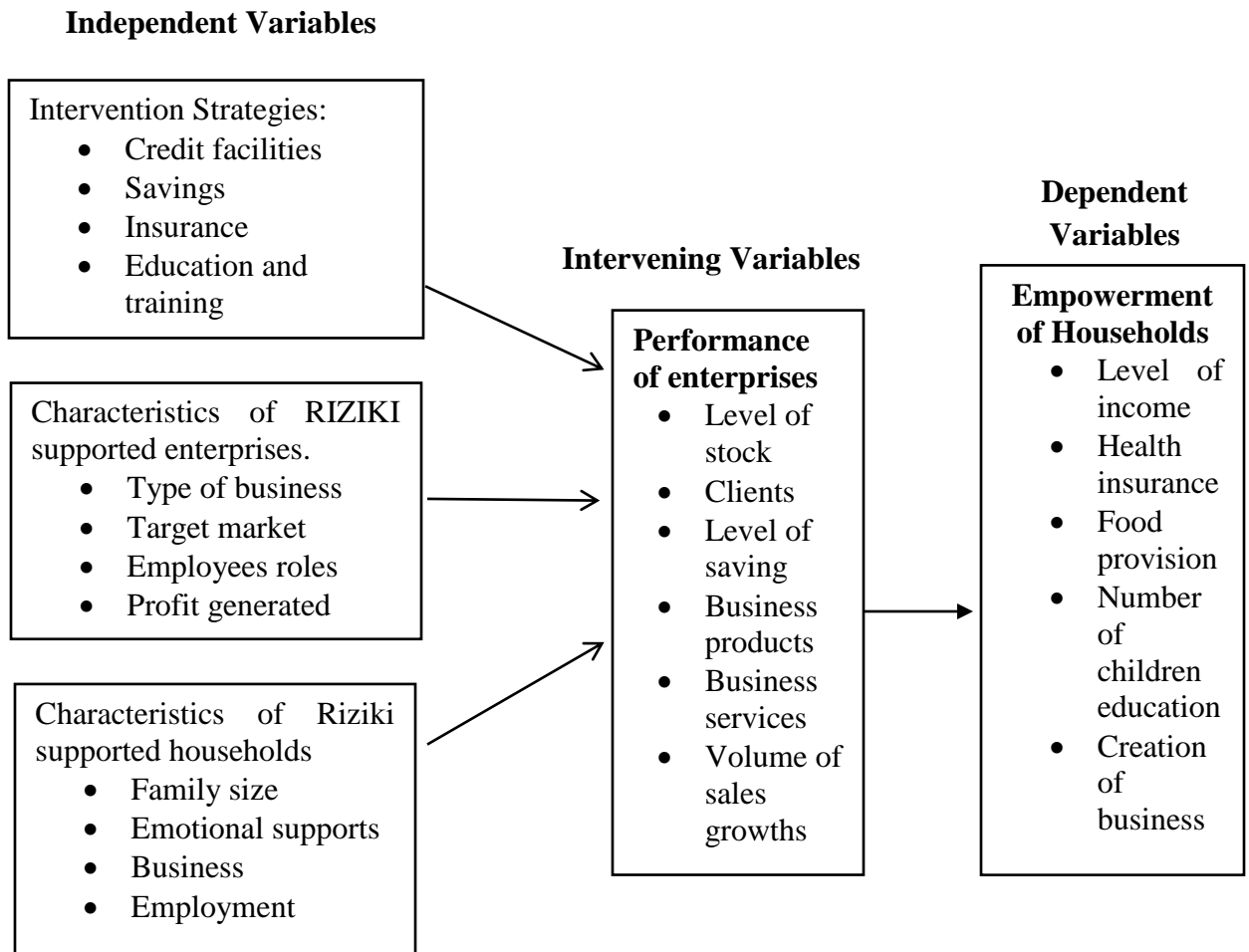
This theory was useful in this study in explaining the foundation of social enterprises, the structures and in some form or shape the functions of social enterprise. SEs are geared towards social economic empowerment of households.

They are form of good will which indirectly and in some aspects directly generate social capital. In that regard, the theory will form the basis for analyzing between social enterprises and the supported household enterprises.

## 2.8 Conceptual framework

A conceptual framework is very important in any research. A concept is defined by Nonaka and Konno (2009) as an obstruction, a symbol, a representation of independent and dependent variables or of a behavioral phenomenon. The conceptual framework in Figure 2.2 shows the relationship between the dependent variable and the independent variables. The independent variables are the factors which influence the dependent variable in this proposed study.

**Figure 2.1: Conceptual framework showing the relationship between the variables**



In Figure 2.1, intervention strategies, characteristics of Riziki supported enterprises and households are the independent variables which are expected to determine the performance of SEs. The performance of enterprises is the intervening variable and empowerment of households is the dependent variable.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter shows the research methodologies used. They include research design, study site description, target population, sample size and sampling techniques, unit of analysis and unit of observation; data collection methods, research instruments, ethical considerations and data analysis.

### **3.2 Research design**

Kothari (2004) defines research design as the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. This study used descriptive survey design which was qualitative in nature. In this type of research, respondents describe their feelings, characteristics and how it affects their performance. The study collected primary data owing to the fact that the data represented the whole population. The use of interviews enabled the researcher to solicit the required information from supported entrepreneurs, key informants and group micro-enterprises.

### **3.3 Description of the Study Site**

Kibra is within the city of Nairobi in Kenya. There are approximately one million slum dwellers in the Kibra has an area of 12.1 km<sup>2</sup>.

About  $\frac{3}{4}$ (75%) of the population of Kibra are under the age of 18 .Approximately 100,000 children living here are orphaned. It is one of the biggest slums in Africa. The slum environment is degrading and dehumanizing, characterized by abject poverty, corruption, periodic violence and contagious diseases due to environmental pollution. The majority of the slum dwellers are reduced to begging due to lack of employment and opportunities to earn a living for individual wellbeing or provision of their families (Mutisya & Yarime, 2011).

### **3.4 Target Population**

According to Mugenda and Mugenda (2003), a target population refers to all the members of a real or hypothetical set of people, events or objects to which the researcher is to generalize the results of the study. The population also refers to all individuals from a populace to which the scientist wishes to sum up the after effects of the research. The target population for this study

was Riziki managers and staff as the key informants, the 230 supported entrepreneurs (households) and 22 supported micro-enterprises groups in Kibra Sub-County. The purposively selected informants were well informed; exhibited deep knowledge and clear understanding of study area. Mugenda and Mugenda (2003) define a key informant as a contact who helps a field researcher gain entry to, acceptance within, and information about the research setting.

### **3.5 Unit of analysis**

According to Mugenda and Mugenda (2003), units of analysis are “the social entities whose social characteristics are the focus of the study.” Also, they define a unit of analysis as “the entity about who or which a researcher gathers information.”

Kothari (2008) adds that a unit of analysis is that which the study attempts to study. In this study the unit of analysis was the social enterprise which is Riziki Kenya organization, supported households and businesses.

### **3.6 Unit of observation**

Unit of observation refers to the sources of data (Mugenda & Mugenda, 2003). In this study the unit of observation was the respondents from members of micro-groups and Riziki staff members.

### **3.7 Sampling Procedure**

Sampling is a procedure, process or technique of choosing a sub-group from a population to participate in the study (Mugenda & Mugenda, 2003). The study employed multi-stage sampling which included purposive and simple random sampling.

#### **3.7.1 Selection of Riziki Kenya Supported Groups**

Riziki Kenya has 22 supported groups with a total population of 264 household heads. On average each group consist of 10 to 13 members. The groups were formed to enhance social capital forms that make social relations useful. The groups serve as information channels .They are used to manage obligations and expectations. In that regard, members can receive funds and other forms of support such as training through groups. The groups also ensure that the loan payment is done on time and that the loan funds are used appropriately with regard to business and purpose of borrowing.

Purposive sampling was used to select 6 best performing and 6 worst performing groups out of the 22 supported groups. According to Mugenda and Mugenda (2003), 50% is adequate representative of the population therefore, 12 groups were considered adequate representative of the total groups. The criteria used was based on desk review of group file records kept by the group leaders and Riziki Kenya.

### **3.7.2 Selection of Members of the Group**

Groups are formed by entrepreneurs who own businesses. These members access Riziki Kenya support through groups. However, they have their own unique attributes in terms of what kind of business they run and how they manage their business. Out of the 12 purposively selected groups, each group had 10 to 13 members which totaled to 150 members. Simple random sampling was done to select 7 members from each selected groups. According to Mugenda and Mugenda (2003), a sample size of 50% is adequate representative of population under study, therefore the researcher considered 7 members to be adequate to represent the group. A total of 84 members were selected out of 150 members. Simple random sampling was used because it gives every member of the selected groups an equal chance of being selected.

### **3.7.3 Selection of Key Informants**

The key informants are people within the community which Riziki Kenya uses to mobilize and reach the groups. They include Riziki Kenya managers and staffs who have knowledge regarding the supported households. There were 10 Riziki Kenya staff members. Purposive sampling was used to select six key informants. This was done on the criteria of their years of experience and knowledge of their operations. Table 3.1 shows the distribution of study participants.

## **3.8 Data Collection Methods**

The study used survey method and key informant interviews.

### **3.8.1 Survey method**

Survey method was used to collect desired information in an organized and methodical manner about characteristics of interest from units of population using well defined concepts, methods and procedures. The researcher used the questionnaire to collect data in the survey. The survey enabled the researcher to get data which cannot be directly observed like feelings, facts, opinions, attitudes, beliefs and characters of the respondents (Mugenda & Mugenda, 2003).

### **3.8.2 Key informant interviews**

Key informant interviews were conducted to well informed and key resourceful individuals from Riziki Kenya who had valuable insights and resourceful specialized knowledge on the topic of study. For this study the researcher was concerned with role of SEs in households' empowerment. The key informant interviews fill in the information gaps that a researcher may have in the course of the research within the community. Interviews were conducted by the researcher using key informant interview guide to get information from the key informants on the demographic information, conceptualization of the study topic and on obtaining solutions to the problem study. The key informants were a good source of first-hand knowledge from the identified study community. They provided honest information, sensitive and confidential issues which cannot be discussed in focus groups. In this study Key Informants included Riziki Kenya managers and staff members. The researcher interviewed six key informants.

### **3.9 Data Collection Instruments**

The researcher used questionnaires and key informant interview guide. According to Mugenda and Mugenda (2003), questionnaires have the ability to collect a large amount of information in a reasonable space of time. The interview guide and guiding questions enable one collect data required to meet the specific objective of the study (Kothari, 2008).

#### **3.9.1 Key informant interview guide**

Key informants interview guide is a research instrument. It was administered on respective key informants. Key informant interview guide had a series of questions for the key informants used to gather information. It enables them to fill the information gaps that a research may have identified in the course of the field study observations. The key informant interview guides helped the researcher to gather neutral information on the study topic. The researcher administered key informant interview guides to Riziki Kenya managers and staff members.

#### **3.9.2 Questionnaires**

A questionnaire is a research instrument consisting of a series of questions and other prompting issues for the purpose of gathering information from respondents (Mugenda & Mugenda, 2003). Questionnaires were made up of close-ended questions with specific response categories. Questionnaires enabled the researcher to gather information from the desired sample in selected areas. They were sharply limited by the fact that respondents must be able to read questions and

respond to them. Those who could not read were assisted by the researcher to understand the questions. The close ended questions enabled the researcher to administer without elaborating the questions. The researcher administered the questionnaire to members of groups' entrepreneur and micro-enterprise groups.

### **3.10 Ethical considerations**

The researcher observed ethical research practices throughout the study. Permission to carry out research within the study area was sought from the relevant authorities. Confidentiality of the respondents' identity was observed by way of concealing their names and recording only their station, designation, gender, age, educational qualifications and ranks. Key informants who took part in the research maintained their right to privacy. The interview schedules were distributed to respondents and all the data collected from respondents was securely kept by the researcher who assured respondents that the findings of the study was purely for research purposes.

### **3.11 Data Analysis Techniques**

Analysis refers to examining the coded data critically and making inferences. Statistical package for the social sciences (SPSS) was used to analyze quantitative data from questionnaires and the results presented in tables, graphs, charts and narratives so as to answer the research questions. In coding, the researcher used descriptive statistics which involves frequencies and percentages. This entails classifying information and organization of data according to research questions from which conclusions were drawn. Qualitative data was organized into themes and patterns categorized through content analysis to capture emerging thoughts. They provided rich descriptions in response to the research questions and conclusions drawn, featuring on the role of social enterprise in the empowerment of households: a case of performance of Riziki Kenya supported enterprises in Kibra Sub-County, Nairobi County.



## **CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

### **4.1 Introduction**

This chapter presents the demographic information, Riziki's Kenya intervention strategies and their effect on performance of supported enterprises, the performance of the Riziki Kenya supported enterprises, the characteristics of enterprises supported by Riziki Kenya and their performance, the characteristics of the Riziki Kenya supported households and their effect on performance of enterprises and to examine the effect of performance of Riziki Kenya supported enterprises on empowerment of households. Further, the chapter presents a summary of the findings and conclusion of the chapter.

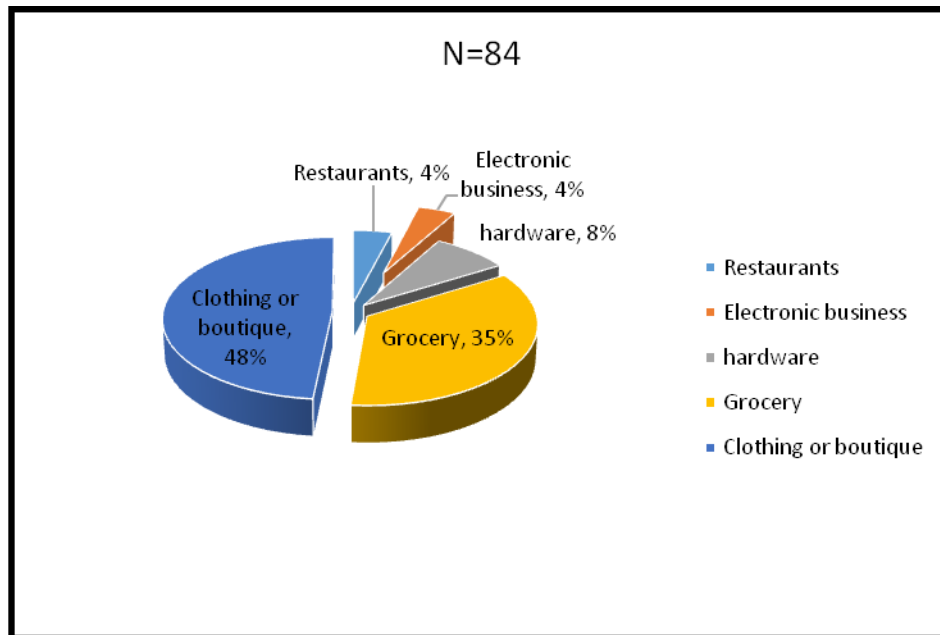
### **4.2. Characteristics of Social Enterprises Supported by Riziki Kenya**

The study sought to investigate the characteristics of social enterprises. These included the type of business, the target market, employee's role, profit generated, type of bills paid, how much they spend on clearing bills and the number of customers they served in a day.

#### **4.2.1 Type of business**

The study sought to investigate the type of business operated by respondents. The findings are as shown in Figure 4.1. The findings show that 48% of the respondents indicated that they operated a clothing/boutique type of business; 35% had a grocery; 8% had a hardware; 4% had an electronic business and another 4% had a restaurant business while 1% indicated that they operated other types of businesses outside the five named.

**Figure 4.1 Type of business**



This implied that majority of the households' entrepreneurs operated businesses that did not require huge initial capital as well as types of businesses perceived to have a female inclination. These types of businesses were also highly susceptible to market changes influenced by factors such as labor and fashion. Their enterprises were smaller, less likely to grow, less profitable and begun with less capital investment.

#### **4.2.2 Target Market**

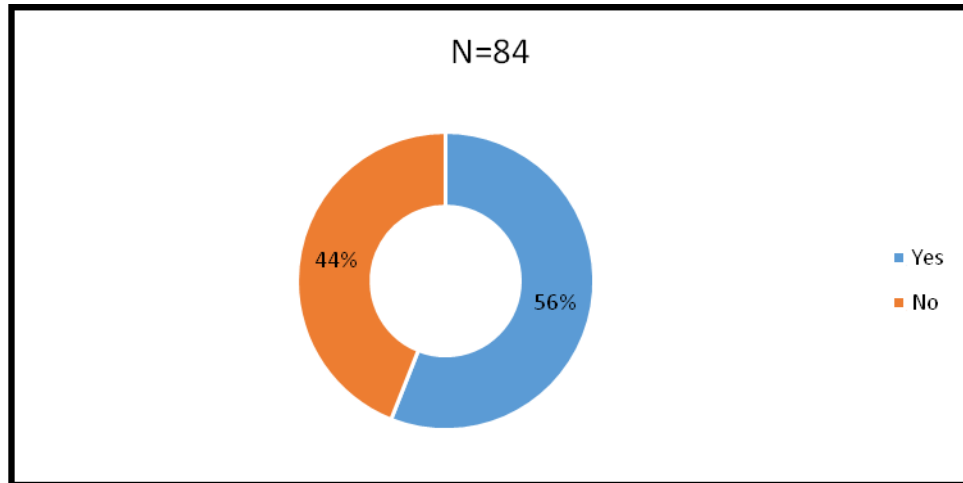
The respondents were asked about their target market. Their responses were almost identical. One of the standing groups that they targeted is the community members within their community. This is attributed to the fact that their businesses revolved around day to day basic needs. As such, those who run groceries targeted families. Those who operated in clothing and boutique mostly targeted the working youths and family supporters. This was similar to other business operators. The common denominator is the member of community.

No household targeted companies or government agencies or any other institution. This means that their market share is limited and their businesses could hardly grow.

### 4.2.3 Employees

The study sought to establish on respondents if they had employees. Figure 4.2 summarizes the results.

**Figure 4.2 Household entrepreneur's employees**



The study found out that 56% of the respondent's entrepreneur had employees while 44% had no employees. The 44% could be attributed to the fact that most enterprises by the households were at a micro level. Those who said that they had employees were asked to name how many and what their role was. Majority of the households said they had one to three employee. Their main role was to either assist in accounting, customer service or delivery. This could be attributed to the fact that all the businesses were at micro level and were informal hence no formal requirements were needed that could had pushed the entrepreneurs to recruiting.

#### 4.2.4 Profit Generation

The study sought to know respondents' average monthly profit. The findings are shown in Table 4.1.

**Table 4.1 Estimated Average profit per month**

<b>Profit</b>	<b>Frequency</b>	<b>Percentage</b>
Less than Ksh 10,000	37	40
Ksh 11,000 to 20,000	22	27
ksh20,000 to 30,000	15	20
Over 30,000	10	13
<b>Total</b>	<b>84</b>	<b>100</b>

The study found out that 40% of the respondents were less than Ksh. 10,000; 27% between Kshs. 11,000 and 20,000; 20% between Kshs. 20,000 and 30,000 while 13% was over Kshs. 30,000. It could be deduced that households were not making enough profit that would allow them to scale up their businesses. The qualitative data backed up the findings as indicated by one of the key informant.

Data from KI (Riziki Kenya staff member 2) indicated that:

*“The income earned by the households can only be used to meet basic needs such as food, although other basic needs such as housing remain in the gross conditions. Many people around here are uneducated and that is why we are trying to foster education and improve the community collectiveness which will be good recipes for good income and sustainable life”*

This response from the key informant confirmed the performance of the household businesses and profit generation. With low profit generation as revealed in table 4.4, the households had limited income for support. In that regard, Riziki Kenya should aim at improving the performance through initiatives such as education and other interventions involving financial inclusion to help alleviate the problem.

#### 4.2.5 Type of bills that entrepreneurs paid

The household entrepreneurs were asked the kind of bills they paid to support their business. All the respondents mentioned rent, government permits and electricity.

These were the most outstanding bills alongside others which included water and security. This showed that a good portion of their income went to paying these bills.

#### 4.2.6 How much money entrepreneurs use to pay the bills

The study sought to understand how much money respondents use to clear the bills on average. The findings are shown in Table 4.2 below showed the results.

**Table 4.2 Average bills**

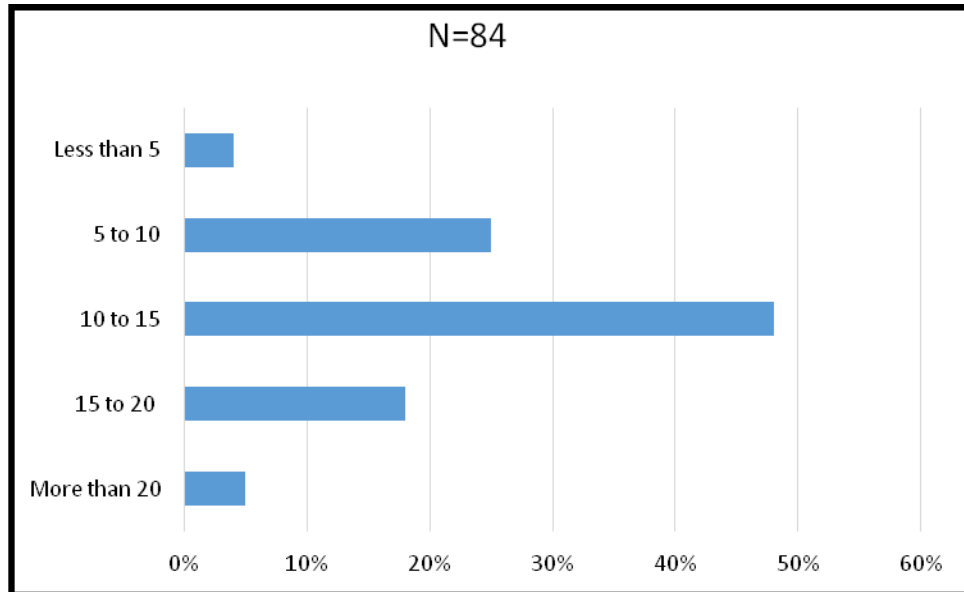
<b>Profit</b>	<b>Frequency</b>	<b>Percentage</b>
Less than Kshs. 1000	3	4
Kshs.1,000 to 5,000	52	62
Kshs.5,000 to 10,000	20	24
Over Kshs. 10,000	9	10
<b>Total</b>	<b>84</b>	<b>100</b>

The study found out that 62% of the respondents mentioned that the paid bills between Kshs. 1,000 to 5,000; 24% of the respondents said that the amount of bills they paid per month averaged between Kshs. 5000 to Kshs.10000; 10% said that they paid bills amounting to over Kshs. 10,000 per month while 3% of the respondents said that the average amount of bills paid was less than Kshs.1000. The figures gave insight of business growth. Since a big chunk of their profits goes to paying the bills, the enterprises will hardly grow or scale up unless more consistent intervention is done.

#### 4.2.7 Customers Served

The study sought to determine the average number of customers served by households' enterprises. The findings are shown in Figure 4.3 below.

**Figure 4.3 Customers Served**



The study indicates that 48% of the respondents served 10 to 15 customers on average per day; 25% served five to 10 customers on average per day; 18% served 15 to 20 customers on average per day; 5% served more than 20 customers per day while 4% of the respondents served less than five customers per day. The differences could be attributed to different businesses and market demand in the sense that restaurants would see more customers as compared to clothing and boutique businesses.

#### **4.3 Characteristics of Riziki Kenya Supported Households Heads**

The study undertook to identify certain socio-demographic characteristics of respondents that could have the effect of understanding the subject of the Riziki Kenya supported households involved in the study. These included age, gender of the respondents, marital status, and educational level, number of children, current occupation and number of other dependents.

#### 4.3.1 Age of the respondents

The study sought to establish the age distribution of the respondents. The age distribution is shown in Table 4.3.

**Table 4.3: Age distribution of households**

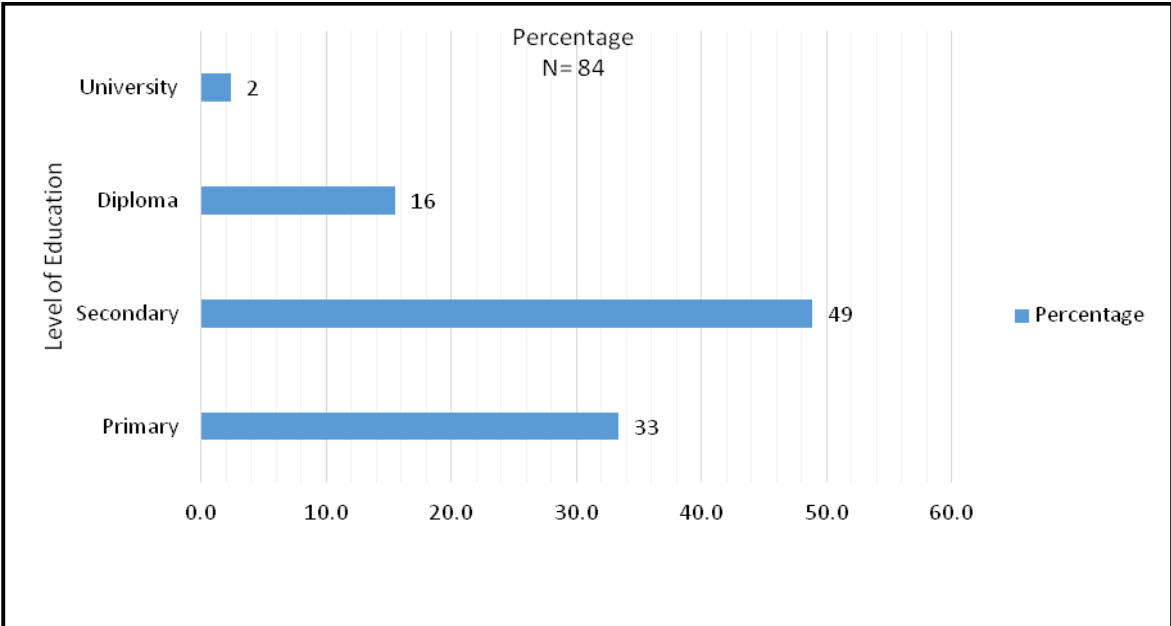
Age in years	Frequency	Percent
16-25 years	9	11
26-35 years	12	14
36-45 years	32	38
46-55years	26	31
Over 55 years	5	6
<b>Total</b>	<b>84</b>	<b>100</b>

The study found out that most of the respondents (38.1%) were between 36-45 years; 31.0% were between 46-55 years; 14.3% were between 26-35 years; 10.7% were between 16-25 years while 6.0% were above 55 years. This implied that majority of the respondents' entrepreneurs were young (below 46 years) and energetic in managing their business enterprises. In addition, they were at their prime age of reproduction, which acted as motivation to run their business enterprises so as to provide for their families.

#### 4.3.2. Level of education of respondents

The study sought to establish the level of education of the respondents and the findings are shown in Figure 4.4. The study found out that 49% of the respondents had attained Secondary level education; 33% Primary level education; 16% Diplomas while 2% had University education.

**Figure 4.4: Respondents level of education**



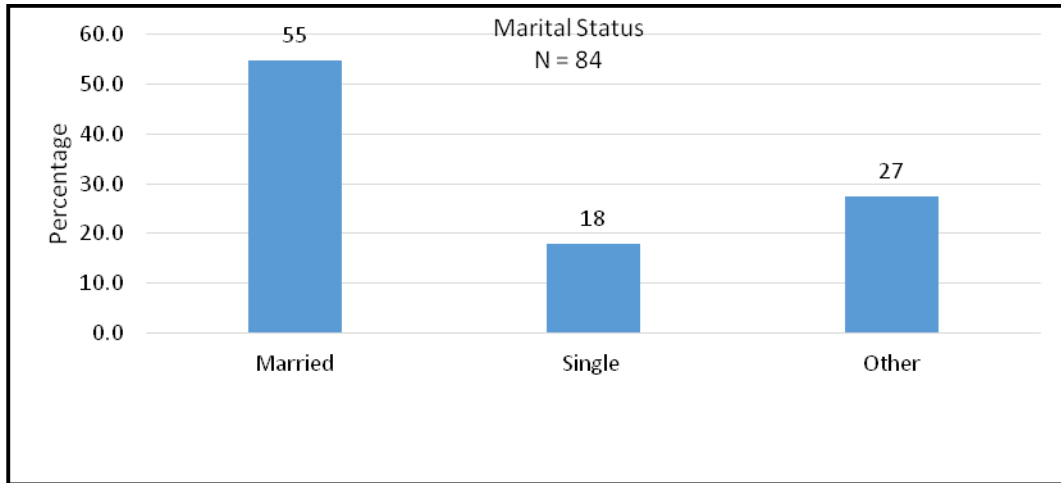
This implied that majority of the Riziki Kenya supported household entrepreneurs lacked a sound academic background and were most likely to run their business unprofessionally. This was likely to negatively affect their businesses profitability and sustainability.

**4.3.3 Marital Status of the respondents**

The study sought to establish the marital status of the respondents. The findings are shown in Figure 4.5. The study established that 55% of the respondents were married; 27% others (widowed or divorced) while 18% were single.



**Figure 4.5 Marital status of the respondents**

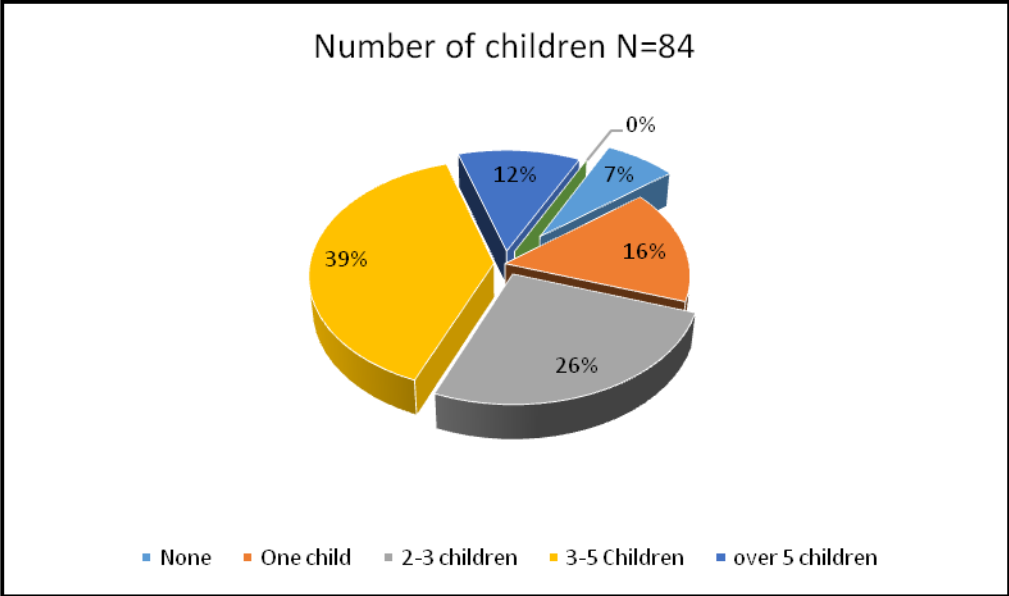


This implied that majority of the household entrepreneurs were in families which obligated them to allocate part of their business earnings to meet the family obligations. Households' entrepreneurs in marriage life implied that they presumably received moral, financial and emotional support from their families' especially from their spouses in operating their businesses, which enhanced the rate of growth for their business.

#### **4.3.4 Number of children**

The study sought to establish the number of children the households supported. The findings are shown in Figure 4.6. The study established that 39% of the respondents had 3-5 children; 26% had 2-3 children; 16% had one child; 12% had over five children while 7% had no child.

**Figure 4.6 Number of children**

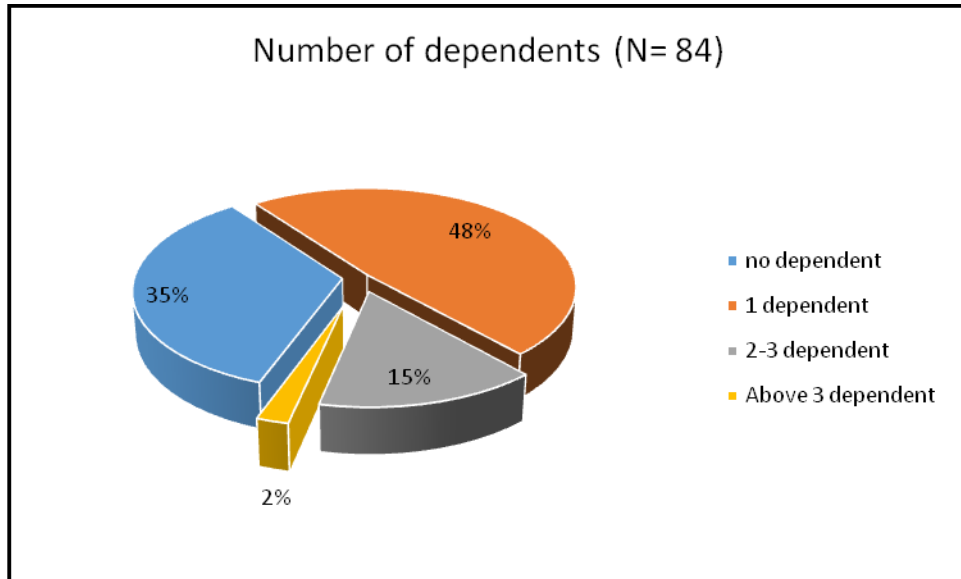


This implied that majority of the households had at least two children. It further showed that majority of the households were in family set-ups .They had family responsibilities to meet. This was likely to drive them to work more aggressively in their businesses to support their children. Additionally, it also means that they had emotional and labor support from their grown up children during holidays.

**4.3.5 Number of other dependents**

The study sought to establish the number of other dependents that households were obligated to take care of. Other dependents could be old people, orphaned relatives or any other people who depended on the household for financial, health or educational support. The findings are shown in Figure 4.7.

**Figure 4.7 Number of other dependents**

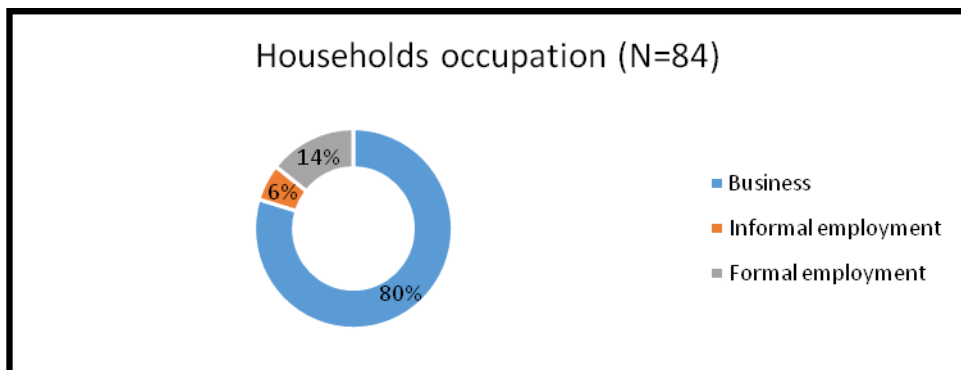


The study found out that 48% of the respondents had only one dependent; 35% had two dependants; 15% had three dependants while 2% had over three dependents. This shows that majority of the households had more responsibilities to meet. This was likely to drive them to work more aggressively in their business to support dependents.

#### **4.3.6 Occupation**

The study sought to determine the occupation of the respondents. The findings are shown in Figure 4.8.

**Figure 4.8 Households' Occupation**



The study established that majority (80%) of the respondents were in business to support their families; 14% formally employed alongside running businesses while 6% were in informal

employment. The results imply that majority of the households had time to run their own business full time and dictate how to run it. The aspects of occupation were also manifested in households' characteristics. The same was supported by the qualitative data. According to one of the Riziki Kenya Staff members, low income jobs were the main cause of low standards of living.

Data from KI (Riziki Kenya staff member 5) indicated that:

*“Households depend on their small businesses or menial jobs to earn a living. Living conditions of the households are poor with most of the households living in poor houses with leaking roofs. The conditions are worse since majority of the households had many siblings which they could not fully take care with the current employment levels”.*

This was also in line with the group leaders' view.

Also data from KI (Group leader 2) indicated that:

*“Basically group members own small businesses, are unemployed, majority are uneducated while most are obligated to educating their children with small income. Every group member owned a business. With the average income of group members being Kshs.15,000 to Kshs.20,000, majority of the group members find it challenging to cater for four to six siblings and dependants”.*

These responses created an urgent need to start or scale household businesses in order to meet their needs. This could be tasked to Riziki Kenya to offer interventions or the Government to create a good environment for businesses for these people.

#### **4.4 Intervention Strategies by Riziki Kenya to Households**

The study examined Riziki Kenya's intervention strategies and their effect on performance of supported enterprises. The leaders were asked how they regulated the members of the groups. Majority of the leaders said that they imposed fines to regulate the members' behavior particularly on failure to attend group meetings. Additionally, the leaders emphasized on

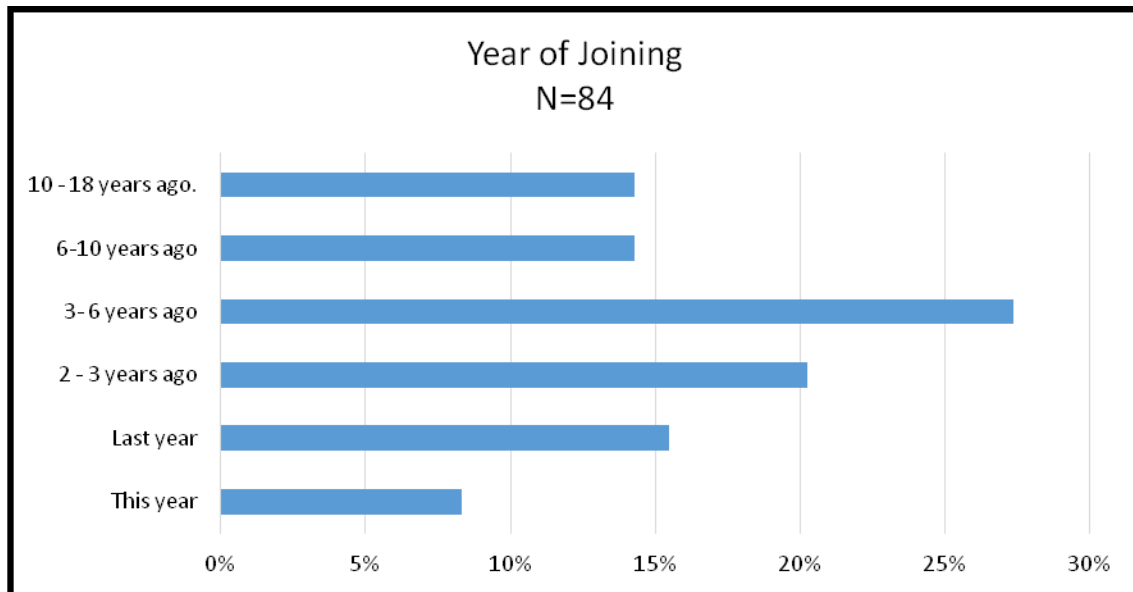
collective action and explaining that the groups are there to offer support to individuals. Members had moral obligation to adhere to group requirements. The leaders also mentioned the rules such as time and place of meetings, adherence to loan repayments and saving programs which are part of the rules to facilitate collective growth.

The leaders were also asked how they ensured group mobilization and coordination. The responses did not differ on how groups were regulated with leaders citing the collective obligation of the group members to adhere to groups' requirements. Additionally, the group leaders said they had phone numbers for every member to remind them of meetings and inform them of any other emerging information.

#### 4.4.1 Year of joining groups

The study sought to know the period respondents joined Riziki Kenya. The findings are shown in Figure 4.9.

**Figure 4.9 when household heads joined Riziki Kenya Group**



The study established that 27% of the respondents joined the groups 3 to 6 years ago; 20% 2 to 3 years ago; 15% joined the groups last year; 14% 10 to 18 years ago ;14% 6 to 10 years ago while 8% joined the groups this year.

The household heads were asked about the year they joined Riziki Kenya support groups. This was asked to get insights on the intake of households to groups and to show the progress of

Riziki Kenya over the years. The households could not accurately recall the exact year they joined the groups. The researcher organized the responses in likert scale. The results revealed that majority of the households had been around and supported for a long time to make their businesses successful.

#### **4.4.2 Reason for joining and objectives of the groups**

Households were asked why they joined the groups. The answers provided were diverse and some were interrelated. The study organized them into themes.

The reason why households joined the groups is because they were convinced by the group members or group leaders or leaders in the community that the groups would help them start or improve their business. The groups are presented as vehicles for Riziki Kenya's social economic empowerment group. The study established that majority of the households were also driven by the desire to provide for their families and improve their lives. The households mentioned the benefits which convinced them to join the groups such as: easy access to much needed finances to support business operations; exchange of business ideas more so in diversification and cost reduction; sharing of challenges encountered in running the businesses and the success stories thereof greatly contributing to the growth of their businesses.

The findings are consistent to the social capital theory which stipulated that communities are networks of strong personal relationships providing the basis for trust, collective action and cooperation action which were critical for the functioning and survival of city neighborhoods. As such, through social interaction, collective needs and action, majority of the members decided to join the groups to rip the benefits of Riziki Kenya social economic empowerment program.

The study also wanted to know what the objectives of the groups were. Some of the responses of the household heads were interrelated to the households' reason for joining groups. The objectives of the groups were to build a link between the members and the Riziki Kenya's enterprise so that to facilitate social economic empowerment. The households cited that the main objective of the groups were to enable easy access of finances from Riziki Kenya, noting that those who are not in groups find it difficult to access funds. Additionally, the household heads cited that the group members supported each other through business sharing ideas and ensured that the loans were paid on time. The most prominent objective realized from the responses was fostering and improving of social cohesion and development.

The members of the groups were like neighbors' keepers who look after each other progress and created collective action to improve their business. The groups through their initiatives of improvement, sought to motivate every member in the group. This was enhanced by trainings and motivational speeches that they received from Riziki Kenya staff. The responses from the household heads were in tandem with those of key informants.

A KI (Riziki Kenya staff member 2) reckoned that:

*“The groups are formed by the members of the community and they consist of members not than more 15. The groups have leaders who organizes the groups and disseminates information to the members. There are 12 groups which they are currently serving. The groups consist of men and women. These groups are engaged in activities such as sharing of business ideas, visiting each other's business to see progress made and raising of finances to support their businesses within their social groups. They basically facilitate Riziki Kenya in achieving their intervention objectives”.*

Another key informant mentioned that one of the outstanding features of the group entrepreneurs is the collective support.

Also KI (Riziki Kenya staff member 5) indicated that:

*“The support from the social groups or networks improves the respondents' business performance in several ways like easy access to much needed finances to support business operations; exchange of business ideas more so in whereas of diversification and cost reduction; sharing of challenges encountered in running the businesses and the success stories thereof greatly contributing to the growth of their businesses. The formation of groups was critical to the performance of organization.”*

Additionally, the groups' leaders were asked about the objectives of the groups.

KI (Group leader 1) indicated that:

*“The objectives of the groups revolve around sharing of business ideas, visiting each other's business to see progress made and raising of finances to support their businesses within their social groups.”*

Another KI (group leader said 2) indicated that:

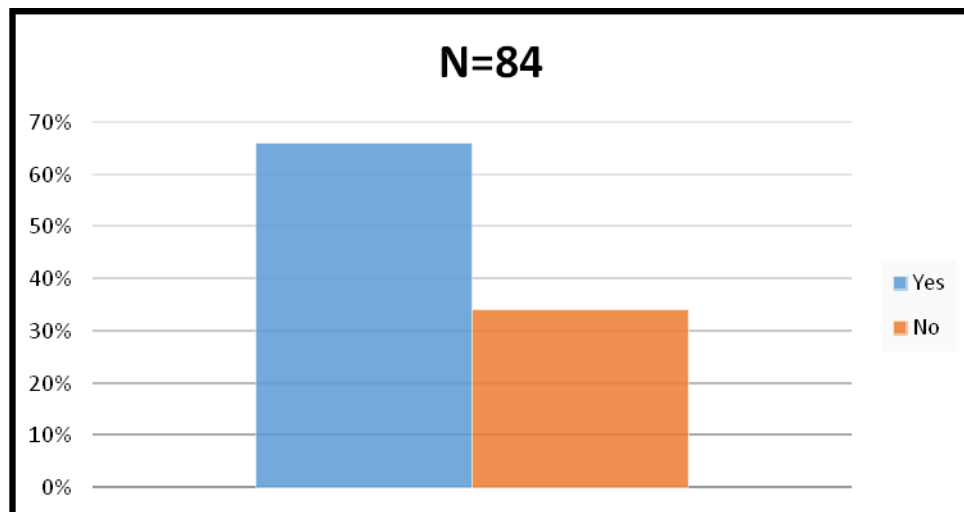
*“The groups were formed to facilitate members’ trainings on various subjects. The groups’ members usually visit each member to see the progress and share their business ideas”.*

These findings were consistent with that of Zimmer (2014) who claimed that most SEs are active on a local level and in field related to welfare state issues and societal deficit which had not been met or overcome by government or any other developed institution. The findings were also consistent with those of Ansari (2012), who found that education and training were the most important objective of the SEs to social economically empower these communities. In intervening through trainings and other programmes, SEs unlock capacity to utilize the social capital through formation of new commercial enterprises.

#### **4.4.3 Business operation prior to joining the group**

The study sought to know whether the households operated a business prior to joining the group. The reason for asking the questions was to give insights and encode the reasons why they joined the groups. The findings are shown in Figure 4.10.

**Figure 4.10 Distribution of Previous Business**



The study established that 56% of the respondents had previous business prior to joining the group while 44% had no previous business prior to joining the group.



The results could not give us strong insights on the reasons for joining group as such the reasons remained diversified. The study further wanted to establish those who said that they had a business prior to joining the group to indicate the businesses. The findings are shown in table 4.4. The study found out that 32% of the respondents indicated that previously they owned business prior to joining a group. They included boutiques / beauty shops, tailoring and retail shops. Another 32% owned cereal , groceries and household items shops; 16% saloon and barber; 12% selling chemicals for soap and detergents making while 8% were selling scratch cards and offering M-Pesa services.

**Table 4.4 Distribution type of Business**

<b>Business type</b>	<b>Frequency</b>	<b>percentage</b>
Cereals ,groceries ,households items	12	32
Selling chemicals for soap making detergents	4	12
Boutiques ,tailoring and retail shops	12	32
Saloon and barber shop	6	16
M-pesa and, scratch cards services.	3	8
<b>Total</b>	<b>37</b>	<b>100</b>

Tailoring and dressmaking, Cereals, groceries and household items as well as saloon and beauty shops were preferred due to the ready market as a result of previous experience by most members. Making detergents and selling chemicals for soap making complemented each other while selling air time did not require much capital. These activities were undertaken on a smaller scale due to existing opportunities.

#### **4.4.4 Saving through Riziki Kenya**

Household heads were asked if they had been saving through Riziki Kenya. All the households agreed that they had been saving through Riziki Kenya. Savings were regarded by the household heads as one of the benefits ripped and a requirement to qualify for loans. As such, saving is one of the interventions that Riziki Kenya offers through their social economic empowerment program.

This was in line with Wangui (2017), who found that financial inclusion and services had been the most common social enterprises intervention. She noted that microfinance is a term used to describe financial services for those without access to traditional formal banking. It incorporates the provision of loans, often at interest rates of 25% or more, to individuals, groups and small businesses – i.e. micro-credit. More recently it had also been extended to include the provision of savings accounts – micro-savings – as well as insurance and money transfer services.

The study sought to determine how much the households had saved so far. The findings are shown in Table 4.5 below.

**Table 4.5 Distribution of household savings**

<b>Savings(KSH)</b>	<b>Frequency of households</b>	<b>Percentage</b>
Below 5,000	14	17
5,000 - 10,000	19	23
10,000 - 15,000	17	20
15,000 and above	34	40
<b>Total</b>	<b>84</b>	<b>100</b>

The study indicated that 40% of the respondents indicated that had saved Kshs. 15,000 and above; 23% Kshs. 5,000- Kshs.10,000; 20% Kshs.10, 000 – Kshs.15,000 while 17% below Ksh5,000. This indicated that Riziki Kenya had provided a good intervention and an avenue where household heads could keep their savings safely hence fostering financial inclusion in the community. As such more households could save and later use the savings to create new businesses and support their families hence empowerment of households.

This was in line with the qualitative data findings.

Data from KI (Riziki Kenya Staff member 1) reckoned that:

*“The main intervention is to include the supported households in financial services. This gives the households’ opportunity to save and access funds which could spearhead them to grow or create new business and employment opportunities in the community.”*

Another KI (Riziki Kenya staff s member 2) indicated:

*“Saving is significant move since it helps root out the financial problems associated in the community and create social capital. This saving initiative had been particularly achieved through group arrangements where members of the groups are eligible for the opportunities and members of the groups are responsible for the actions of other members of the groups.”*

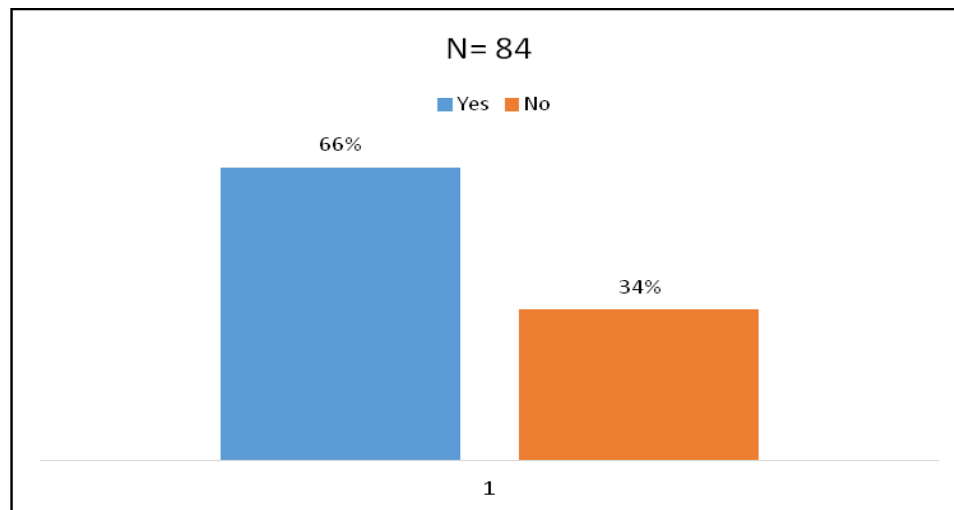
The study findings were particularly in line with the social capital theory which posits that certain forms of social structure could be more beneficial to particular social capital forms. The consensus is that without social networks and social relations, social capital does not exist. In true sense, they are all intertwined such that social capital being the resource available to actors as a function of their social relations within the social structure. With that regard, savings intervention echoes the empowerment theory where by empowerment assumes a beneficiary-focus as opposed to organization-focus.

It sought to enhance local capacities for influencing conditions that facilitated business and development, giving and receiving support, contributing to the capacity of community partnerships while learning from them. Where community was effectively enhanced, empowerment was increasingly a greater reality.

#### **4.4.5 Loan Access**

The study intends to determine if the respondents had borrowed loans from Riziki Kenya or groups. The findings are shown in Figure 4.11.

**Figure 4.11 Loan borrowing**



The study established and indicated that 66% of the respondents had borrowed loans either from Riziki Kenya or through the groups while 34% of the respondents had not yet borrowed loans. The 34% could be attributed to members who recently joined the groups or who had not saved. The 66% indicate that majority of the households had access to loans and funds to improve their businesses.

#### **4.4.6 Responses of the households who acquired loans**

##### **4.4.6.1 Year of borrowing**

The study sought to establish the year, amount and the progress of loan repayment by the respondents. The findings are shown in Table 4.6.

**Table 4.6 Distribution on year of borrowing**

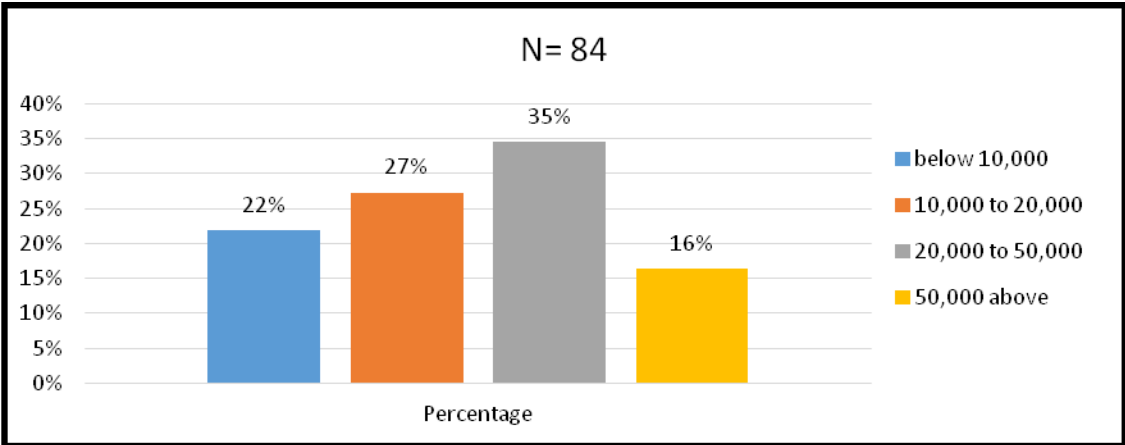
<b>Year of borrowing</b>	<b>Frequency</b>	<b>percentage</b>
2019	30	36
2018	24	28
2017	8	10
2018 and 2019	11	13
2017 and 2019	11	13
<b>Total</b>	<b>84</b>	<b>100</b>

The study established that 36% of the respondents indicated that they had borrowed loans in the year 2019; 28% in year 2018 while 10% in year 2017. Further that study revealed that 13% of the respondents had borrowed the loans in both 2018 and 2019 while those who borrowed in both 2017 and 2019 were 13%. Taking this into perspective, the proportion of those who borrowed loans in year 2017 and 2019 was higher than the proportion of those who borrowed the loans in years 2018 and 2019. This could be attributed to the fact that those who borrowed in 2017 were done or almost done repaying the loans.

**4.4.6.2 Amount borrowed**

The study sought to establish the amount of loans borrowed. The findings are shown in the Figure 4.12.

**Figure 4.12 Amount borrowed**

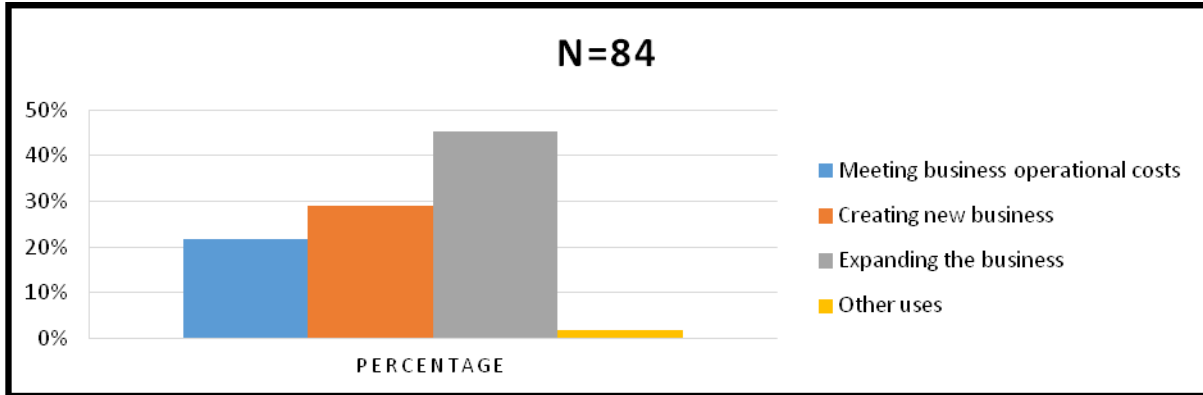


The study established that 35% of the households had borrowed loans between Kshs.20,000 and Kshs. 50,000; 27% between Kshs.10, 000 to Kshs. 20,000; 22% Kshs. 10,000 and below while 15% Kshs. 50,000 and above. This implied that majority of the households operated in small enterprises.

#### 4.4.6.3 Purpose of the loan

The study sought to establish the use of the acquired loan. The findings are shown in Figure 4.13.

**Figure 4.13 Purpose of the loan**

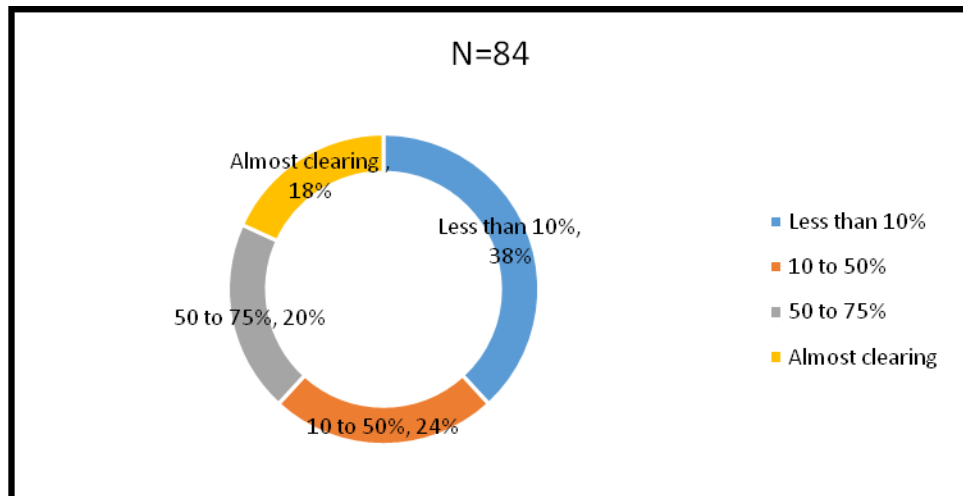


The study established that 45% of the respondents borrowed loans to expand the businesses; 29% creation of new businesses; 22% meeting business operational costs while 2% for other purposes such as repayment of other loans and paying for education among others.

#### 4.4.6.4 Progress of payment

The study sought to establish the progress of loan repayment. The findings are shown in Figure 4.14 below.

**Figure 4.14 Progress of payment**



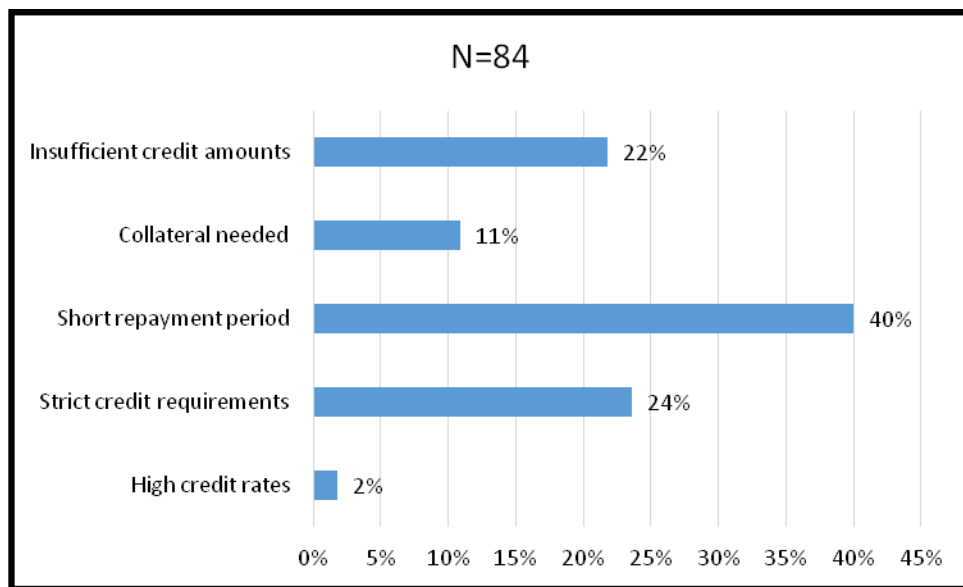
The study established that 38% of the respondents had paid less than 10 percentage of the loan they borrowed; 24% had cleared 10 to 50 percent of their loans; 20% had cleared 50 to 75 per

cent of their loans while 18% were almost clearing their loans. The findings were consistent with those of Mclean (2006), who identified that lack of financial inclusion is the main problem facing the small and medium entrepreneurs. This is attributed to the fact that majority of the households had borrowed in 2019 and might still be in the grace period.

#### 4.4.6.5 Challenges faced when repaying loans

The household heads had received loans were asked to name the challenges they face when they are repaying loans. The findings are shown in Figure 4.15.

**Figure 4.15 Challenges facing household when repaying loans**



The study found out that 40% of the respondents faced the challenges of short repayment period; 24% strict credit requirements; 22% amount of credit they received was insufficient to meet their needs and generate funds for repayment; 11% of the respondents complained that the collateral requirement of having a certain amount of savings was a challenge to them since at the moment of default, their savings would be lost while 2% high credit rates.

In line with the loan access, there are other forms of lifestyle improvement offered by Riziki Kenya in form of loans to improve the lifestyle of the households. The qualitative data supported this aspect such that Riziki Kenya sought to ensure that the households 'lifestyle improves alongside their business.

The KI (Riziki Kenya staff member 4) was quoted saying that:

*“Overall we are looking at improving the lifestyle of households. For instance, we provide solar lamps to eliminate the use of kerosene which is believed to be a cause of lung problems. Solar lamps are lifestyle intervention which would also facilitate the improvement of education.”*

This aspect of loaning in services was emphasized by another key informant. She said-

Another KI (Riziki Kenya staff member 5) reckoned that:

*“Another way of helping the households especially when they are pressed by school fees is by short term loaning of school fees to help them keep the student at school.”*

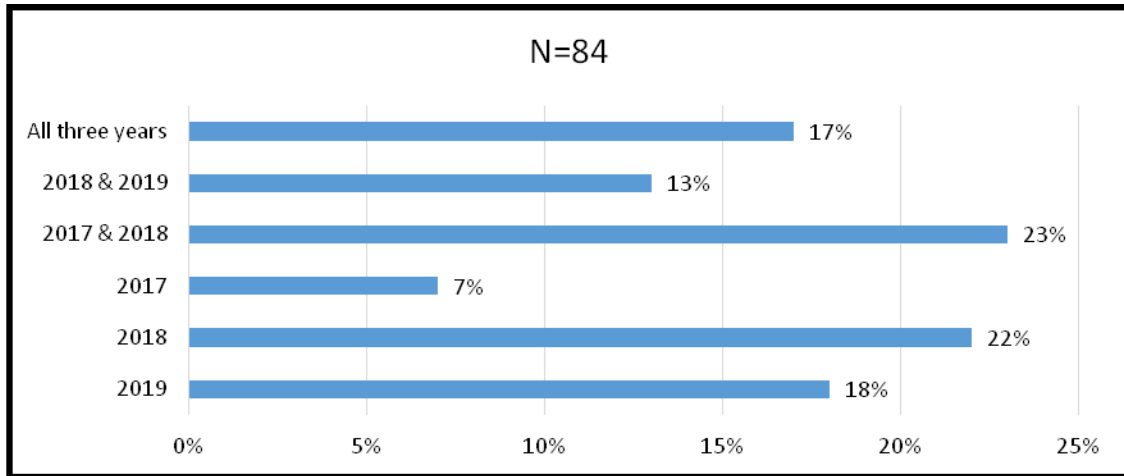
The findings from these responses showed variety of ways credit or loan services could be used to empower socially and economically. This makes sense because when the community is in abject poverty, empowerment should be done in all angles to ensure consistent improvement. Empowering one side will likely be dragged by the social side.

#### **4.4.7 Training**

The study sought to establish the years the respondents attended trainings. The findings are shown in Figure 4.16.



**Figure 4.16 Year of training**

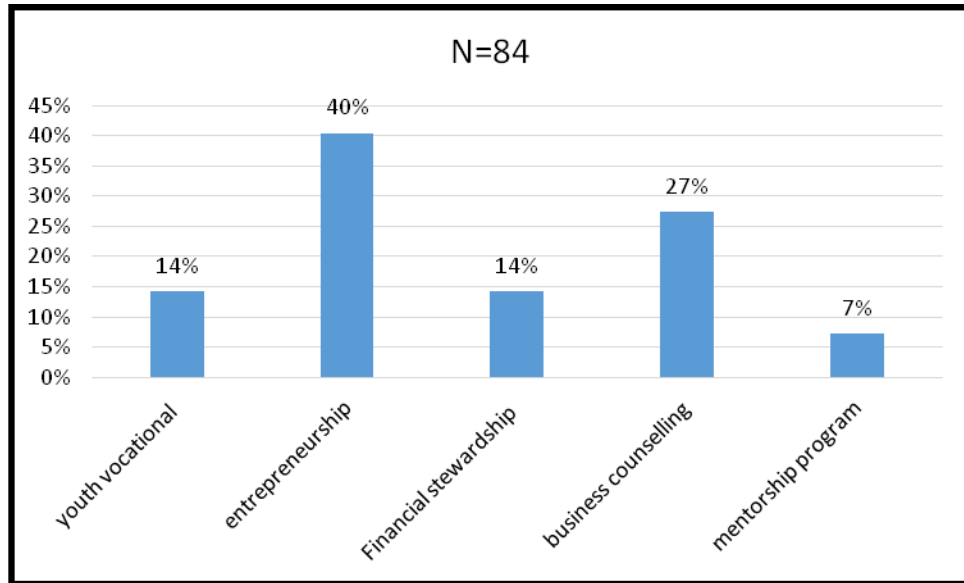


The findings revealed that majority 23% of the respondents had attended trainings in years 2017 and 2018; 22% in year 2018 only; 18% in year 2019 while 17% of the respondents had attended trainings in year 2017, 2018 and 2019. Further findings show that 13% of the respondents had attended trainings in years 2018 and 2019 while only 7% of the households had attended training in year 2017.

#### **4.4.7.1 Type of training**

The sought to determine the type of training they had received from Riziki Kenya. The findings are shown in Figure 4.17. The study found out that 40% of the respondents had received entrepreneurship type of training; 27% had received business counselling training; 14% had received youth vocational training; 14% had received financial stewardship type of training while 7% had received mentorship program.

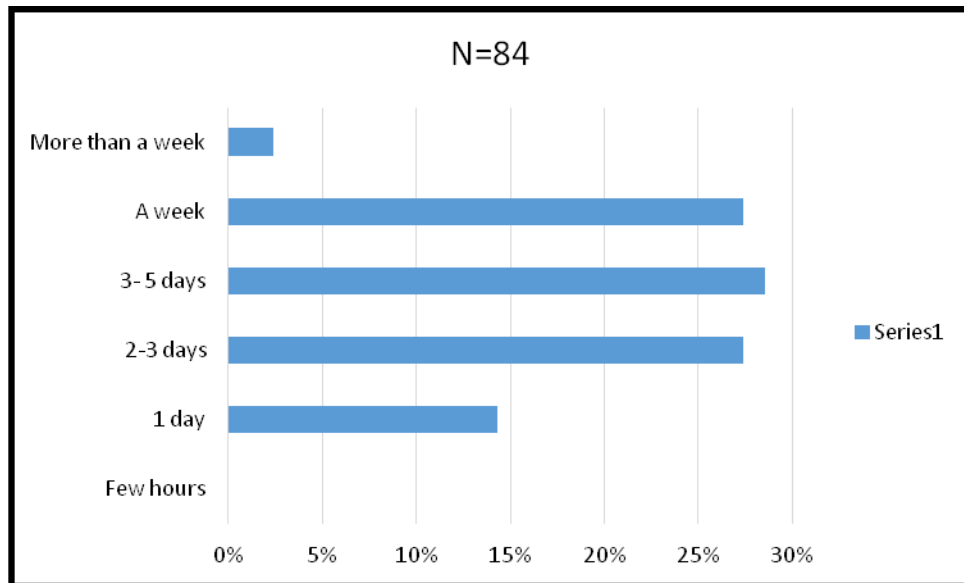
**Figure 4.17 Type of training**



**4.4.7.2 Length of the training**

The respondents were asked to indicate the length of the training. The findings are shown in Figure 4.18.

**Figure 4.18 Length of the training**



The study indicated that 29% of the trainings lasted for three to five days;27% lasted for two to three days ; 27% lasted for a week, 14% lasted for just a day while 2% lasted for more than a week.

These findings on training were consistent with qualitative data.

Data from KI (Riziki Kenya staff member 3) indicated that:

*“Training and educating is one of main weapon in our arsenal to help the community. Mostly training is facilitated through the social economic empowerment program (SEEP). The program aim is to improve the entrepreneurship skills of the group members, vocational training to the youths, business management, and financial stewardship training and mentorship programs.”*

The responses revealed that households required the training to improve their skills, eliminate illiteracy and lack of knowledge. This was posed as a main hindrance to development among the group members.

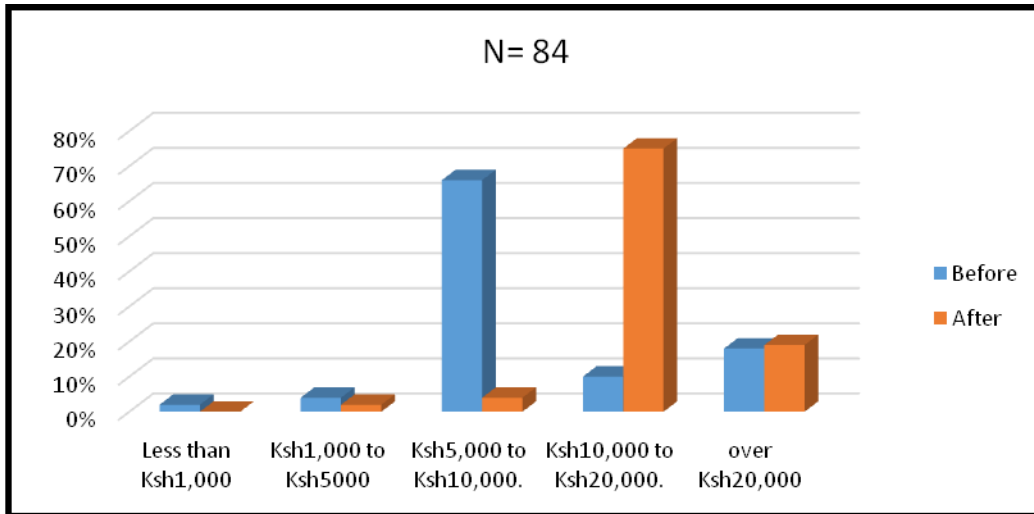
#### **4.5 Performance of Enterprises**

The study sought to determine the performance of the enterprises before and after intervention. The indicators of the performance were: level of stocks and clients; the amount of savings before and after intervention; the number of employees before and after intervention, business products before and after intervention, business service lines before and after intervention, volume of sales before and after intervention and profit generated before and after intervention.

##### **4.5.1 Level of stocks**

The study sought the respondents to estimate the level of stocks before and after intervention. The findings are shown in Figure 4.19.

**Figure 4.19 Level of stocks**



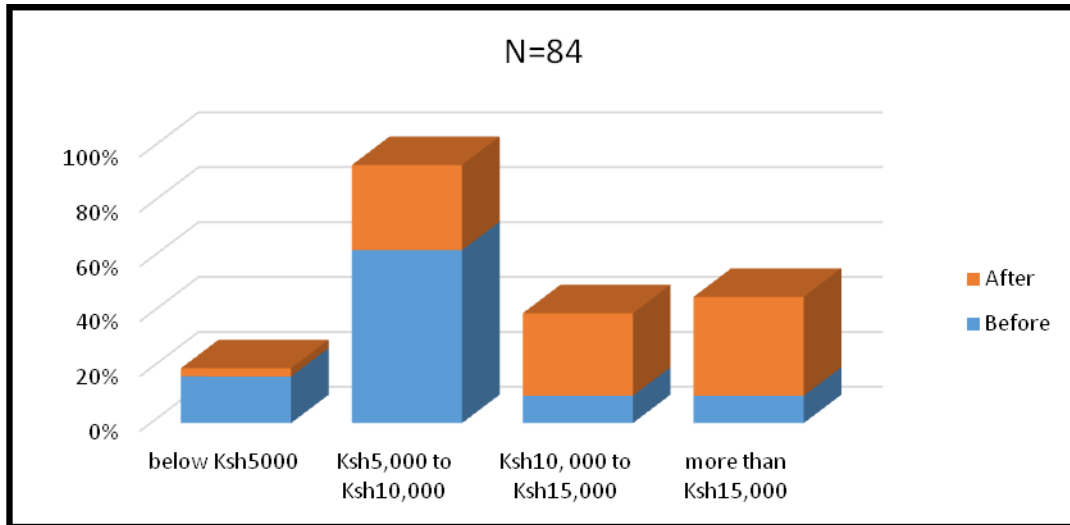
From the findings, the study revealed that before intervention, 66% of the respondents had a business with stock worth between Kshs. 5,000 to Kshs.10,000. After intervention, majority, (75%) of the respondents had a stock worth between Kshs.10,000 to Kshs. 20,000. The respondents whose stock was worth over Kshs. 20,000 increased by 1% after intervention from 18% of the respondents to 19% of the respondents.

Additionally, the proportion of the respondents whose stock was worth between Kshs.1,000 to Kshs.5000 reduced from 4% of the respondents to 2% of the respondents. This showed the impact of the Riziki Kenya interventions even though not big. It was also clear that the respondents whose stock was worth less than Kshs.1,000 before intervention completely improved after intervention.

#### **4.5.2 Level of saving before and after Riziki Kenya intervention**

The respondents were asked about their level of savings before and after intervention. The findings are shown in Figure 4.20.

**Figure 4.20 Level of savings before and after Riziki Kenya intervention**

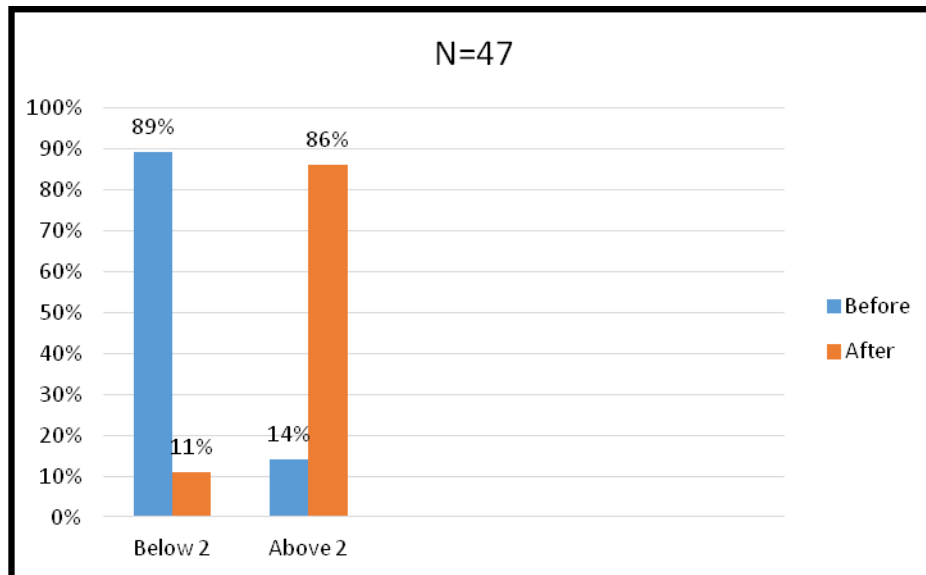


The study established that 63% of the respondents said that they saved between Kshs.5,000 to Kshs.10,000 on average per month before intervention; 36 indicated that they save more than Ksh15,000 on average per month after intervention. This is a clear indication of improved savings culture and performance of household enterprises. The results revealed that prior to intervention, 17% of the respondents saved below Kshs. 5000 while after intervention the percentage dropped to just 3%. The results also revealed that the percentage of the respondents who saved between Kshs.10, 000 to Kshs.15,000 improved from 10% prior to intervention to 30% after intervention. The figures show major financial improvement after intervention.

#### **4.5.3 Number of employees before and after intervention**

The study sought to establish the change in number of employees before and after the Riziki Kenya intervention. Respondent who had previously mentioned that they had employees were asked to indicate the number of employees before and after joining the groups. The findings are shown in the Figure 4.21.

**Figure 4.21 Number of employees**



The study established that majority, (89%) of the respondents had employed less than two employees prior to intervention. After Riziki interventions majority, (86%) of the respondents employed more than two employees. This shows huge impact created by the Riziki Kenya interventions.

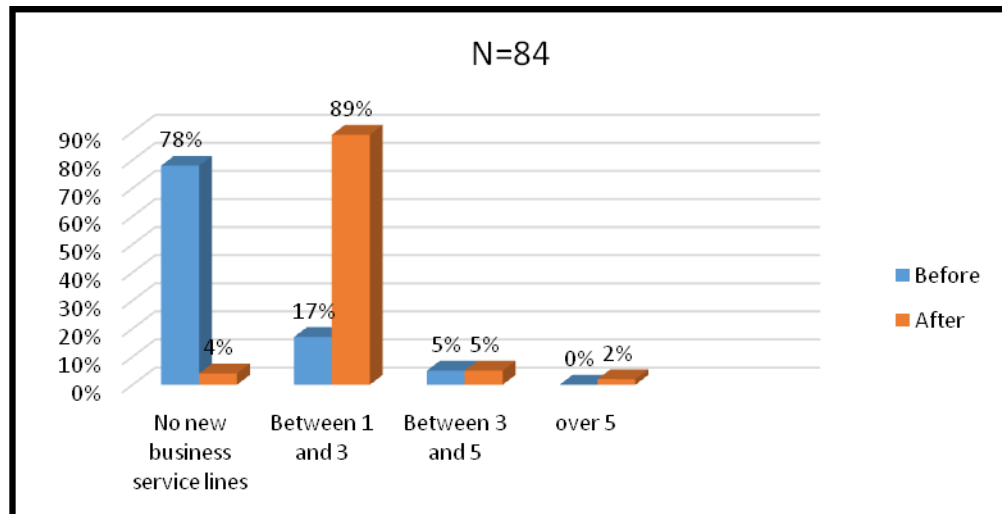
#### **4.5.4 Business products before and after Riziki Kenya intervention**

The respondents were asked to indicate the business products they had created before and after intervention. Majority of the respondents agreed that they had regular products .After intervention what changed is the stock mostly because of the expansion of business and creation of new business to support the old business. This implies that despite interventions, there is still a long way to go to improve the businesses so that they could have ability to scale and grow.

#### **4.5.5 How many business service lines emerged before and after Riziki Kenya intervention?**

The study sought to understand the expansion of businesses through creation of business lines. The findings are shown in Figure 4.22.

**Figure 4.22 Business service lines**

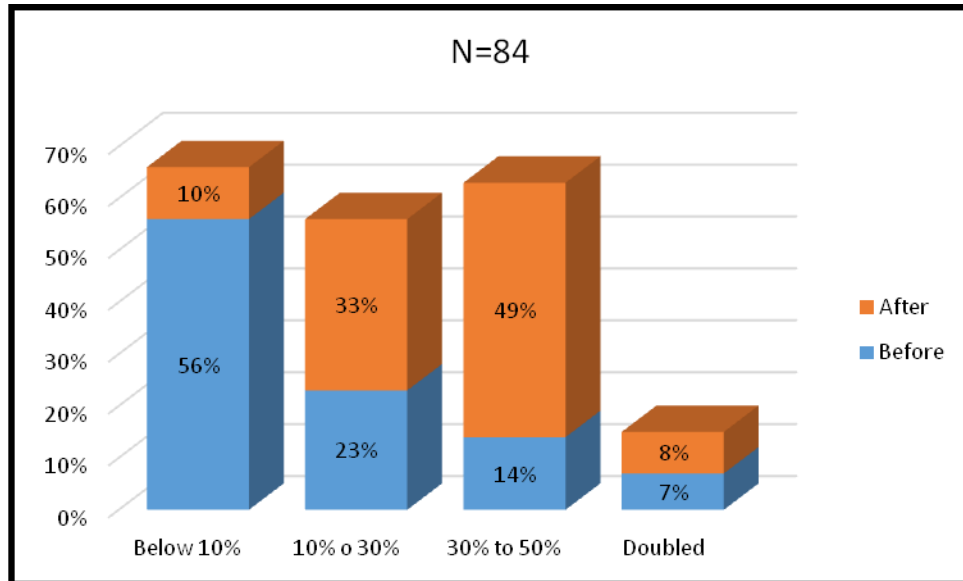


The findings revealed that majority, (78%) of the respondents had no new business service lines prior to intervention. The findings also revealed that majority, (89%) of the respondents had developed between one and the new business service lines after intervention. The percentage of the respondents who had developed between three to five new business lines remained the same while 2% of the respondents said that they developed over 5% business lines up from 0% of the respondents.

#### **4.5.6 Volume of sales growth**

The study sought to establish the change in volume of sales growth before and after Riziki Kenya intervention. The findings are shown in Figure 4.23.

**Figure 4.23 Volume of sales growth**



The findings revealed that 56% of the respondents said that their sales grew by less than 10% per month prior to intervention. The findings also revealed that 49% of the respondents said that their sales grew by between 30% and 50% on average after intervention. Further, the findings revealed that the percentage of respondents who said that their sales grew by between 10% and 30% on average increased from 23% to 33%. There was a small increase in those who doubled their sales volume from 7% of the respondents prior to intervention to 8% of the respondents after intervention.

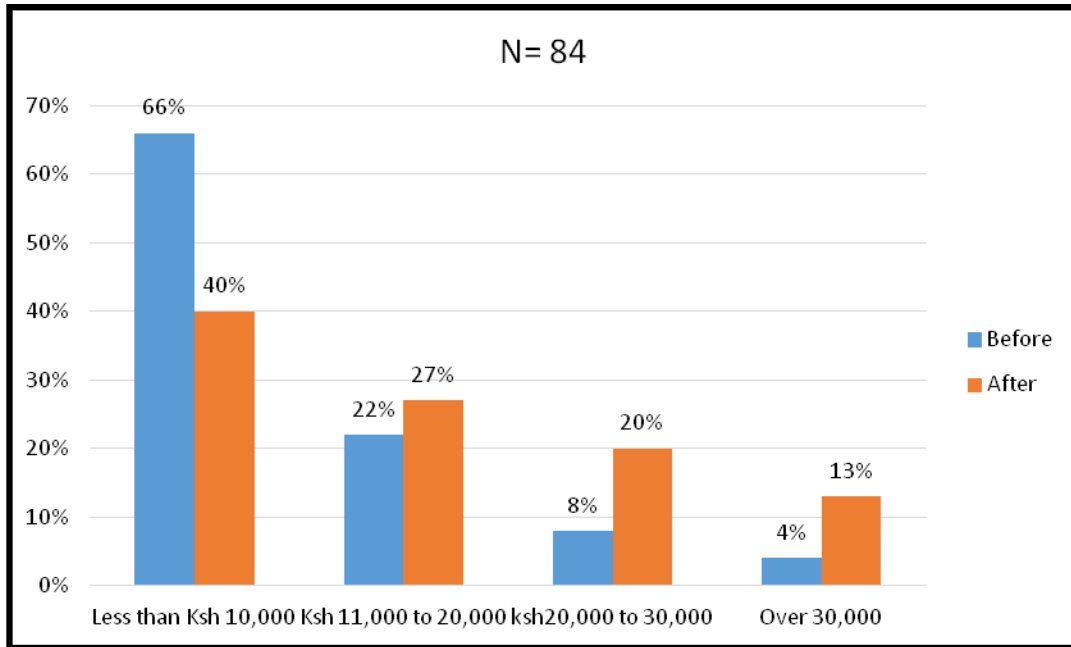
The results show that Riziki Kenya intervention strategies had helped household entrepreneurs improve their business and market share hence increasing their sales volume.

#### **4.5.7 Profit Generation**

The respondents were further asked to estimate the total profit they made per month after Riziki Kenya intervention and how much they made per month prior to Riziki Kenya intervention. The findings are shown in Figure 4.24.



**Figure 4.24 Profit generation before and after Riziki Kenya intervention**



The study found that 66% of the respondents generated profit less than Kshs.10, 000 per month prior to intervention. After intervention, the percentage of respondents who generated profit below Kshs.10, 000 reduced to 40%. The percentage of respondents who generated profits between Kshs.11, 000 to 20,000 increased from 22% to 27%. Further, the findings revealed that the percentage of respondents who generated profits between Kshs. 20, 000 to 30,000 increased from 8% to 20%. Finally, it was revealed that the percentage of respondents who generated profits above Kshs. 30,000 increased from 4% to 13%. The results imply that the improvement of financial management and business management which translates to more profit generation.

#### **4.5.8 Group leader view on members' business performance**

To ascertain the responses from households' heads on performance of enterprises. One of the groups' leader was asked if his members of the group were struggling.

Data from KI (Group leader 3) indicated that:

*“A good number of members are still struggling and the main challenge had been other obligations, few sales as well as high cost of running the business. As a group we usually share the success stories and give ideas on how to approach*

*businesses and handle other obligations according to their experiences. So far the approach is motivating members to work smart and hard”.*

In that regard, the group members are their own motivators, through sharing of ideas and experiences which the leaders explained as the main function of the groups. Additionally, they said that the groups are where the members get trainings as well as access loans from Riziki Kenya which had improved performance of their social enterprises.

#### **4.6 Empowerment of the Households**

The study sought to examine the effect of performance of Riziki Kenya supported enterprises on households' empowerment. To examine the households' empowerment levels, the study used the following indicators: level of income; number of children educated or enrolled to schools; health insurance and creation of new businesses.

##### **4.6.1 Family level of income**

The study sought to investigate the levels of income for respondents. The findings are shown in Table 4.7.

The study established that 45% of the respondents earned between Kshs. 11,000 to Kshs. 20,000; 30% earned between Kshs. 21,000 to Kshs. 30,000. The study further revealed that 17% of the respondents reported an income level of between Kshs. 31,000 to Kshs. 50,000 while those who received an income below Kshs. 110,000 were 6% of the respondents. Finally, just 2% of the respondents earned an income of over Kshs. 51,000. It could be deduced that household heads received good income from the businesses hence the Riziki interventions had been of great help.

**Table 4.7 Level of income**

<b>Estimated income</b>	<b>Frequency</b>	<b>Percentage</b>
Below Kshs. 10,000	5	6
Kshs. 11,000-20,000	38	45
Kshs. 21,000-30,000	25	30
Kshs. 31,000-50,000	14	17
Over 5,000	2	2
<b>Total</b>	<b>84</b>	<b>100</b>

The results were supported by qualitative data that Riziki is exceptionally doing well to help the community members.

Data from KI (Group leader 4) indicated that:

*“The members trained and mentored all throughout by Riziki Kenya staff on entrepreneurship and money management which had helped the group members organize themselves financially. Also, Riziki Kenya supports the group members through payment of school fess to the best performing students and selected students based on the needs. These needs include orphanage or other disability from the guardian. Also not forgetting, the groups had been allowed to save with Riziki Kenya as well as other benefits such as solar lamps which are paid in installments.”*

Taking these views into perspective, the Riziki Kenya benefits improved the business performances of the group members. It could also be said that members felt motivated to press on knowing that they had Riziki Kenya support.

#### **4.6.2 Children education**

The sought to establish if respondents had been able to take their children to schools. This was to investigate whether their businesses had been able to empower them to take initiative as parents and guardians to educate their children. The study established that all the respondents said that they had been able to take their children to schools after RIZIKI Kenya interventions.

The study further revealed that respondents had been able to take all the children they are obligated to to school. The household's head sentiments were validated by key informants' views. According to one of the key informants, there was an increase in the number of students enrolled to schools since they intervened.

Data from KI (Riziki Kenya member 3) reckoned that:

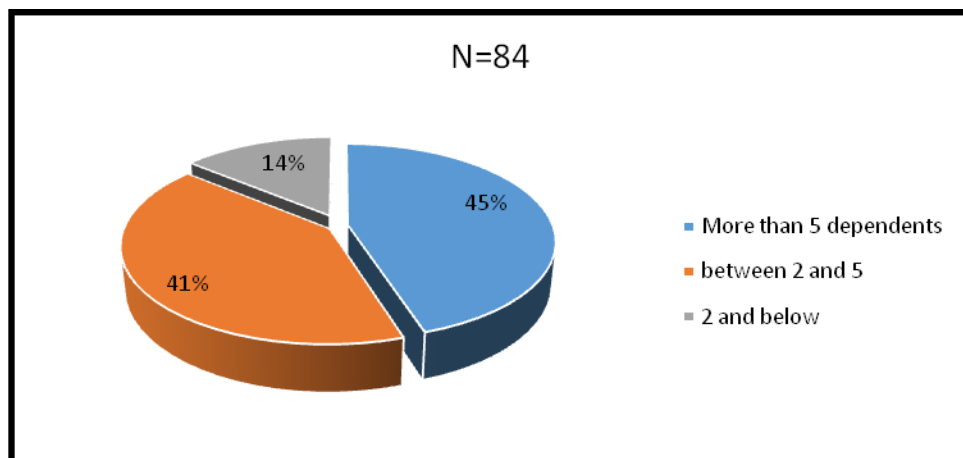
*“Regarding the impact, could say that there had been improvement since they intervened. The increase in school enrollments is a major impact with almost 100 per cent enrollment of the students for the supported households. Also training programs had been particularly rewarding since all the group members own a business which could support their family needs”.*

These responses indicated the direct improvement delivered by RIZIKI Kenya. Responses from household heads and key informants proofed how handy the RIZIKI Kenya intervention strategies had been to the households.

#### **4.6.3 Food Provision**

The respondents were asked if they had been able to provide food to their dependents. The study sought to know whether the businesses impacted the lifestyles of the households. All the respondents said that they had been able to provide food for their families which included all the dependents. The study further wanted to know how many dependents were provided for to gauge the impact of the business. The findings are shown in Figure 4.25.

**Figure 4.25 Respondents number of dependents.**



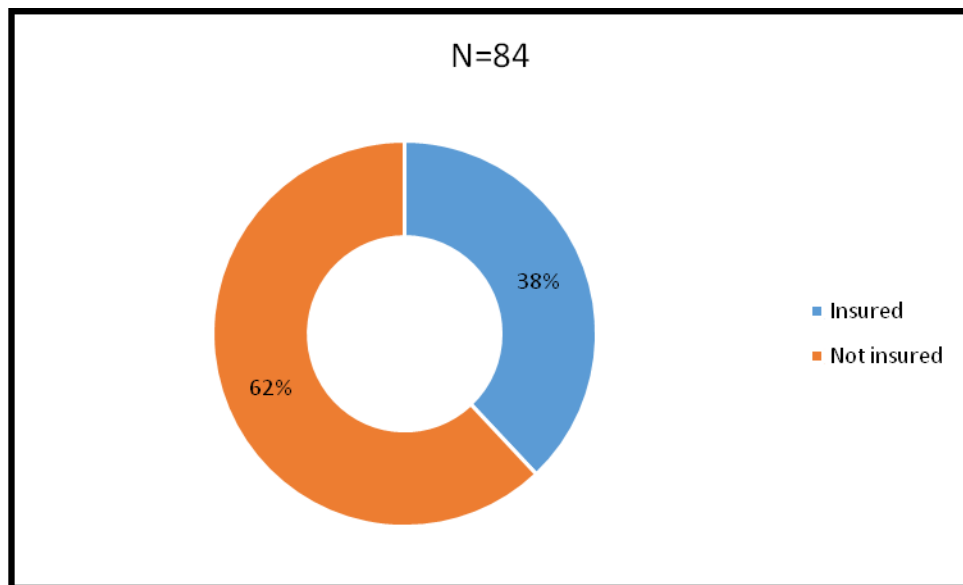
From the findings the study established that 45% of the respondents said they had more than five dependants in their families. This was closely followed by 41% of the respondents who said that they had between two and five dependents in their families. The findings further revealed that 14% of the respondents had two dependents and below.

This shows that majority of the respondent's income went back to serving their families at the expense of improving their businesses. Yet still, it was an indication of empowerment of family households.

#### 4.6.4 Health Insurance

The respondents were asked whether they had been able to insure their families. The study sought to know how many respondents had National Hospital Insurance Fund (NHIF) card as an indicator of health insurance. The findings are shown in Figure 4.26 below.

**Figure 4.26 Health Insurance**



From the findings, the study established that 62% of the respondents had not insured their families; 38% of the respondents had NHIF cards which shows that they had taken health of their family seriously. Looking at the results, the health insurance rate still remains low even after Riziki Kenya intervention. This is particularly attributed to the strategies adopted by RIZIKI Kenya which mainly focuses on businesses and entrepreneurship development. The study assumed that Riziki Kenya is phasing the strategies so as to give the supported households a platform to empower them on other social economic things such as community development,

health and environment responsibilities. This reflected the response from one of the key informants when asked about health empowerment.

Data from KI (Riziki Kenya staff member 4) indicated that:

*“Health is important for the group members for proper functioning and community empowerment. We regularly do HIV/AIDS counselling and education programs which had helped many young people tame their behavior. But sometimes the reception on youth education had been difficult since majority of them are influenced by peer pressure.”*

Further qualitative data noted the efforts on educating young adults about the struggles and problems of early pregnancies.

Another KI (Riziki Kenya staff member 4) reckoned that:

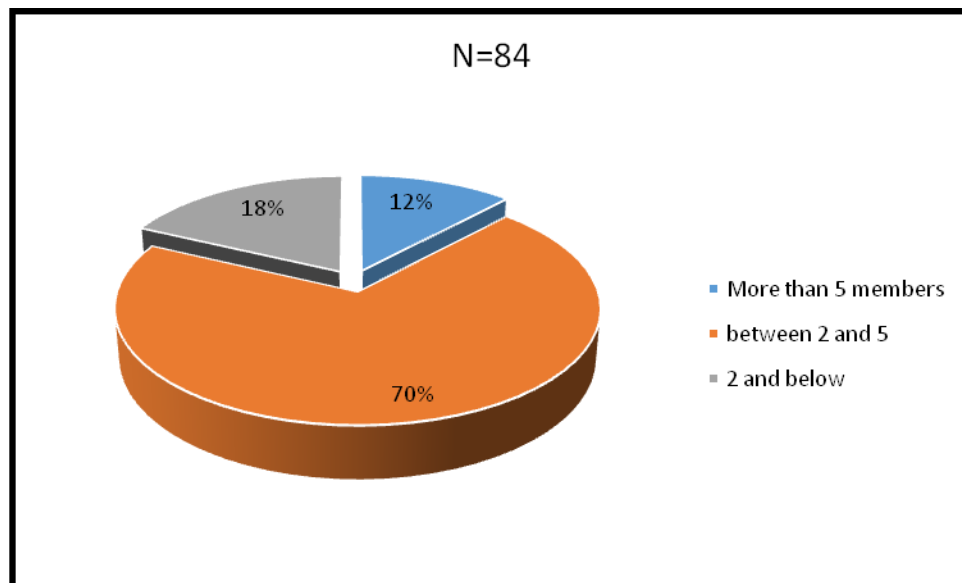
*“In the past, we had also engaged youths on early pregnancies with little success. We noted that the high pregnancy rates and rising crime rates in the region among the youths is caused by lack of employment. Their engagement in bad sexual habits and crime causing insecurities is attributed to lack of education and employment.”*

Following the response from key informants and the findings from figure 4.27 there is need for Riziki Kenya to aggressively educate and counsel the whole community at large regarding the dangers of HIV/AIDs, early pregnancies, STDs and other health improvement topics.

#### **4.6.4.1 Members of the family covered by insurance**

The study sought to investigate how many members of the family were insured. This is an indicator of lifestyle change after Riziki Kenya intervention. The findings are shown in Figure 4.27.

**Figure 4.27 Number of Insured Members of the family**



The findings show that 70% of the respondents said that NHIF card covered between two and five members of the family; 18% of the respondents said that the NHIF card covered less than two members of the family while 12% of the respondents said that the NHIF card more than five members of the family. This showed that there was a significant lifestyle change among the supported households since a good number of households' family members were health insured. The data from qualitative noted that despite the challenges there were improvements in health and the living standards of the households.

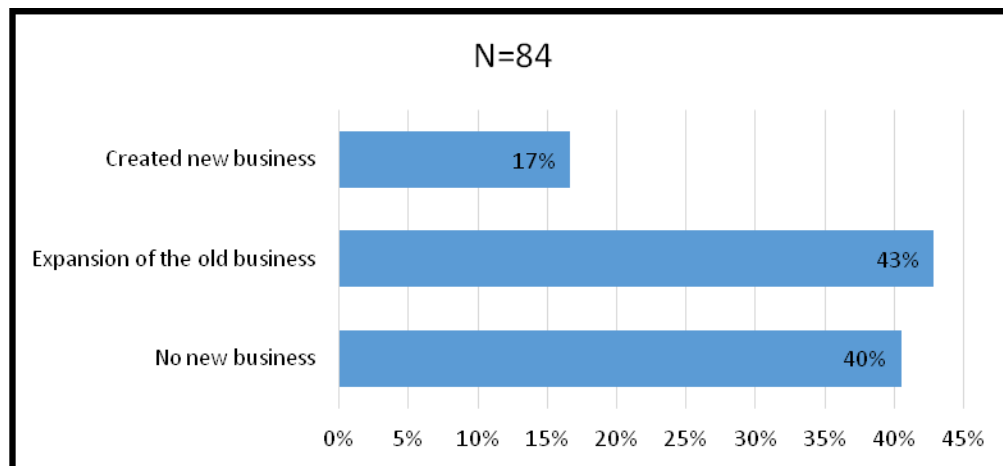
Data from KI (Riziki Kenya staff member 1) indicated that:

*“The health standards of the supported households had been improving with more and more households applying for NHIF cards. Despite the challenges we have made the right steps and our success could be attributed to education and vocation training among the youths. Crime s and pregnancy rates still remain a problem and had not changed positively mostly because youths are less receptive to their trainings. But our plan is to keep training and creating financial services opportunity to increase businesses and consequently jobs which will reduce the number of unemployed youths.”*

#### 4.6.5 Other new businesses

The respondents were asked whether they had been able to start new businesses since joining the groups. The findings are shown in Figure 4.28 below.

**Figure 4.28 Creation of new businesses**



The findings revealed that 43% of the respondents expanded their businesses after Riziki Kenya interventions. This was closely followed by those who did not create new or expand their businesses which was 40%. Those who created new businesses were 17% of the respondents. Overall, majority of the respondents created new or expanded their businesses which manifested entrepreneurship empowerment. Majority of the respondents said that they had not started new business but had expanded their businesses.

Qualitative data lauded that the creation of new businesses and scaling the existing ones.

Data from KI (Riziki Kenya staff member 5) indicated that:

*“We are aware that the businesses may not be performing any better and this calls for expansion and creation of big business to even improve the potential of job creation. One of the main hindrances is capital and the mindset of the supported households who prefer micro-business which requires less hassle. We are looking to rectify this by partnering with other organizations or government to improve financial inclusion and financial access.”*

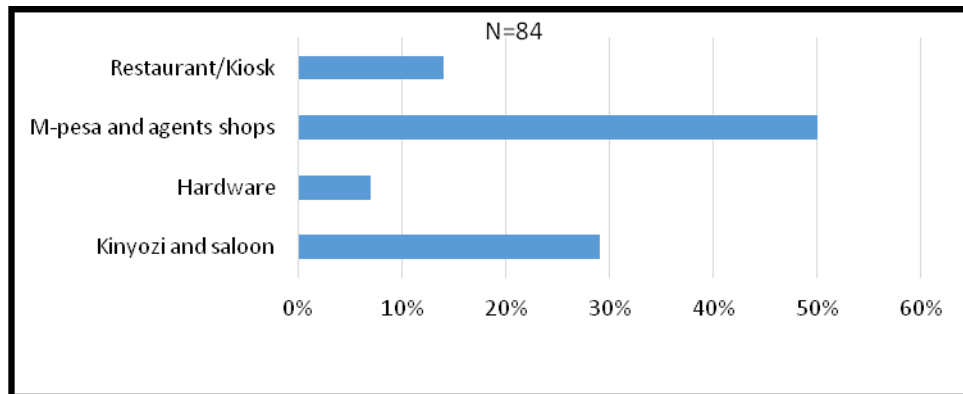


These sentiments imply that the Riziki Kenya organization lacked enough resources to meet that demand. On the mindset, further trainings and education regarding entrepreneurship could help alleviate the small scale mind set. Exposure and providence of resources would help address the problems.

#### 4.6.5.1 Type of new businesses created

Those who said they created new businesses were asked to name those businesses. The findings are shown in Figure 4.29.

**Figure 4.29 Type new businesses created**

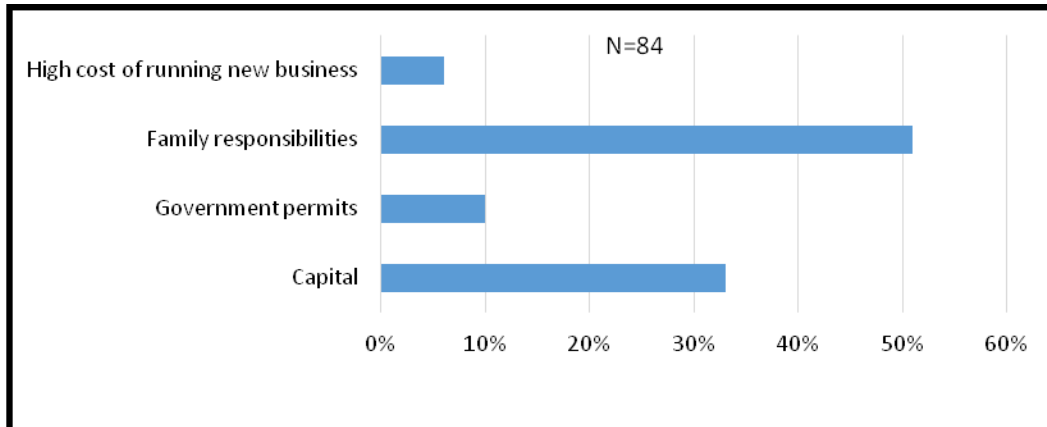


The study established that 50% of the respondents had new businesses created; M-Pesa or agent banking businesses. This could be attributed to the rising demand of mobile banking and transactions which had been prominent in the country for the last few years. Additionally, ‘kinyozi’ and saloon type of business followed with 29% of the respondents who created new businesses pursued that path; 14% created restaurant which could be attributed to the fact that the most basic need is food; while only 7% created hardware business which reflected the rising demand of housing materials. Generally, the new businesses reflected the demands in the community. M-Pesa businesses were created majorly because they complement all other businesses. These finding revealed the entrepreneurship spirit had been fostered by Riziki Kenya interventions.

#### 4.6.5.2 Hindrance to new businesses

The respondents who said that they had not created any new businesses were asked to mention what were their main hindrances. Their responses revolved to four distinct themes which made the categories. The findings are shown in Figure 4.30 below.

**Figure 4.30 Hindrance to new businesses**



From the findings, the study revealed that 51% of the respondents said that they were held by family responsibilities such as education and other obligations; 33% mentioned that starting capital was their main challenge. It was made clear that 10% of the respondents said that the government permit requirements were hindering them from starting new businesses while 6% said that they figured out that running additional business at the moment would be problematic given the high cost of running and growing new businesses.

#### **4.6.6 Social economic empowerment of households**

Finally, from the study findings, it could be concluded that the households had been empowered social and economically. From the group leaders' point of view, the formation of the groups helped improve income of the members which had also improved which had led to improvement in their social lives. From the key informants' perspective, they acknowledged the increased numbers of students' enrollment to schools. Accordingly, every supported beneficiary had their children enrolled in schools. The group leaders also acknowledged the intervention strategies by Riziki Kenya confirming that they had played a great role even in paying school fees for some of the siblings. Other areas of empowerment were manifested in improved health standards which was a direct result of improved income.

## **CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter presents summary of findings, conclusion and recommendations of the study in line with the objectives of the study. The research sought to examine the role of SE on social economic empowerment of households. The findings were made in light of objectives of the study and discovered that;

#### **Characteristics of Enterprises Supported by Riziki Kenya**

Enterprises supported by Riziki Kenya received loans from Riziki Kenya through the groups. The micro groups consisted of micro businesses which were difficult to scale. Their major target markets were other community members since majority of the goods and services were basic needs which were daily requirements for life sustenance. Few enterprises had informal employees who were tasked in customer service assistance such as goods delivery among others.

The enterprises bills were not too large since majority, (62%) of the enterprises paid bills of less than Kshs. 5000. The sales of the enterprises were small in magnitude which could be supported by the tabulation results that found that majority (48%) of the respondents serves 10 to 15 customers on average per day. All these features and the fact that businesses were micro mean that the enterprises could not create enough opportunities for employment.

#### **Characteristics of Riziki Kenya Supported Households**

Majority of the households were adults aged above 25 years. The households' had families and at least two children to cater for.

Additionally, the households did not have required formal education to run bigger businesses since majority of them had only primary and secondary education. The households although were not employed they run businesses which supported their families. Most of the households were married implying that they received emotional support from their spouses regarding business and life in general.

#### **Intervention Strategies by Riziki Kenya**

Riziki Kenya intervention strategies are achieved through the social empowerment and entrepreneurship program (SEEP). The intervention strategies include financial services such as saving opportunities, access to loans, trainings such as financial stewardship training, business mentorship programs and entrepreneurship training among others. Additionally, there are other benefits such as health insurance through NHIF cards, education support through school fees payment and lifestyle support such as solar lamps. The interventions have been well received by the households. The impact has been seen on lifestyle change and businesses growth even though the growth is gradual. This finding is consistent with social enterprises role in South Africa. Reflecting the overall significance of education and skills development need in South Africa.

Virtually every SE in South Africa carries out work linked to training, education and wider personal development. The LtE, through its training centers in the Khayelitsha and Zwelihle townships, provides training in a variety of fields: sewing, woodwork, baking, basic education, and life skills. Since its inception, it has trained more than 9,000 unemployed people. Through its business resource centers, it runs entrepreneurship and business support programs, engaging in informal markets and with informal economy actors.

### **Performance of Enterprises**

Since Riziki Kenya intervention strategies, there had been gradual improvement on the performance of enterprises. The level of stocks increased with majority, (66%) of the respondents who run a business with stock worth between Kshs. 5,000 to Kshs.10,000 increased to 75% between Kshs. 10,000 to Kshs.20,000. The number of sales also improved which could be attributed to intervention strategies such as loan access and training. The increase in sales volume led to increase in savings which could be accredited to savings program by groups and Riziki Kenya. The savings and loan access intervention strategy helped the households expand their business and also create complimentary business such as kinyozi, saloons, M-Pesa and agent banking shops. Overall, this improvement led to increase in profit generation hence the enterprises are performing better than before amid growing at a very slow rate.

### **Empowerment of the households**

Overall, Riziki Kenya interventions had improved the household enterprises performances which in turn had improved the households' lifestyle. The level of income of the households increased with improvement in businesses performances. This led to improvements in other areas such as

food provision for their families, housing standards had also improved even though with a small margin. This could be reflected in the rise of new hardware businesses which showed increasing demand of housing and other development materials. With increase in income and fees support by Riziki Kenya, children were enrolled in schools. Additionally, more households' had NHIF cards showing improvement in health standards and health insurance.

The households had also been empowered in terms of entrepreneurship with creation of new and expansion of the old businesses. Overall, the households had been empowered although there was still much room of growth.

## **5.2 Conclusion**

The main objective of the study was to establish what was the role of social enterprises on the social economic empowerment of households? Using Riziki Kenya as a case study, the study concludes that social enterprises are very important in empowering the households though not entirely social economically. Riziki Kenya has been able to reach and support households. This has been well achieved through groups which have facilitated the interaction and enabled the households to benefit. The households businesses had performed better at a micro-level, but they could not be counted for major improvements. In that regard, although there had been increase in households' income, the role of Riziki Kenya in empowering households economically is not as prominent as the role of social empowerment. One outstanding aspect of social empowerment was through education and development of collective spirit which has seen households improve in terms of health improvement and standards of life. Since both economic and social aspects seem intertwined, the SEs plays a significant role in empowering households socially and economically by fulfilling the needs which the government and private investors could not and are not willingly able to address. As such, the conclusion reflects the social capital theory which in essence describes relational resources embedded in personal ties, which are useful in the development of individuals in community social organizations and had been conceptualized either as a set of social resources embedded in relationships or more broadly as including, in addition to social relationships, the norms and values associated with them.

From the perspective of social empowerment, Riziki Kenya had played a significant role. The groups created collectiveness and social responsibility where members were responsible and liable to other members' actions. Additionally, there has been a significant culture change. The

members have adopted the savings and entrepreneurship culture through sharing of ideas and experiences making them grow socially. Furthermore, the aspect of health insurance, has changed how the households view health related risk financing. The education programs and the trainings are now viewed as a necessity and means to achieve progress. Riziki Kenya role was significant in empowering the households positively and socially.

In an economic sense, the study concludes that majority of the households entrepreneurs operated small business enterprises, which were less likely to grow owing to lack of branch network. It also implied that owing to their small size, their businesses were less profitable. Performance of majority of the households entrepreneurs was average. Majority of the households entrepreneurs' businesses made little profits and hence their reduced rate of growth, profitability and sustainability. Additionally, majority of the households' entrepreneurs' operated their businesses on small-scale basis as is the common feature with majority of the sole proprietors. This further implied that majority of the households entrepreneurs' businesses were small in size, less likely to grow, less profitable and begun with less capital investment than those owned by men. Majority of the households' entrepreneurs operated businesses that did not require huge initial capital. These types of businesses were also highly susceptible to market changes influenced by factors such as labor and fashion.

In economic perspective, Riziki Kenya has empowered households to improve their standards of living. Even with their small businesses, they could feed their families and pay bills. Empirically, the study has proved that suggestions that Riziki Kenya has improved the access to financial services which the household entrepreneurs could benefit from. Access to credit facilities helps improve the households' finances with which to operate their businesses improving the growth of the households' enterprises. The gradual growth could be adjudged as a primary objective of Riziki Kenya strategy. By setting the platform for development through financial services and offering education support, the researcher assumes that Riziki Kenya had phased out their improvement strategies or they were lacking adequate resources to push their strategies into better actions.

The study was limited in a number of ways. It focused on Riziki Kenya only and thus the researcher could not comprehensively conclude what the role of SEs is beyond the role of Riziki Kenya as an SE. The study was superficial on some of the aspects such as training, savings and

credit. On training, the study did not go into detail to identify the strategies of training such as learner characteristics or learning style, information quality, the competency level of trainer among others and how they influenced the household business or altered the behavior or mindset of the households. On savings, the researcher did not investigate the purpose and the intent of saving. That was whether it was for the purpose of wealth accumulation, security or emergency fund, creation of business or if it was merely collateral for credit. The study did not establish whether households saved as a group or whether they saved individually.

On loan access, the study did not go into details on the loan appraisal, collateral requirement and loan repayment policies by Riziki Kenya. The study also did not establish whether the households had loans elsewhere. The study also did not establish whether members were allowed to join other groups or whether they received support elsewhere. These limited the researcher not to conclude that the aforementioned social economic improvements are a direct result of Riziki Kenya intervention strategies. Further, this is not a causal effect study. Conclusions are limited to the empirical findings from the study.

### **5.3 Recommendations**

#### **5.3.1 Policy recommendations**

The study came up with several recommendations which if implemented will assist the households grow their businesses. The recommendations to practice include:

- a) Since majority of the households do not have good education to scale up their businesses, the study recommends Riziki Kenya to regularly conduct vocational education to improve how the households run their businesses. Additionally, it is essential for households to continue being trained by Riziki Kenya, who can also partner with other NGOs to train on the basic entrepreneurial and business management skills in order to improve their enterprises.
- b) The study recommends the groups' members and Riziki Kenya to keep improving the growth culture of social responsibility, change of norms and behavior through education, training and mentorship.
- c) Government should collaborate with Riziki Kenya so as to increase funds and loan amount since the current amounts are too low for them to venture into big income generating activities.

- d) Households need to be exposed to big ideas through educational programs to deconstruct their micro-business mindset. This would require Riziki Kenya to collaborate with international humanity supporters such as NGO in their training and educational programs.
- e) Government should support social entrepreneurs to operate at greater scale, through organizational growth where appropriate, clustering, networks and licensing.
- f) Government should encourage a wider giving culture and sense of social responsibility that will feed into consumer behavior in ethical markets, charitable giving to support social enterprises and voluntary contributions to support public services, for example in the care economy
- g) Government should commission public services to promote social innovation and more effective social outcomes, including encouraging user-led innovative public services.

#### **5.4 Areas for further Study**

Since the study focused on the Riziki Kenya as the case study, similar studies need to be conducted on other social enterprises to compare and evaluate the role of social enterprises in general. The study also focused on the general interventions strategies implying that there are a lot of details left out. As such, future studies could focus on the effect of savings, credit and training on the growth of households businesses. This means that future studies could focus on particular strategy to uncover how it is done, the limitations and how the strategy could be strengthened to improve its effectiveness. Additionally, since the economic empowerment had not been as massive as social empowerment, further studies should be conducted on the challenges facing social enterprises on economic empowerment of households. This could help identify the problems and create solutions on how to address these problems.



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## **APPENDICES**

### **APPENDIX I: INTERVIEW SCHEDULE FOR GROUP MEMBERS (HOUSEHOLDS)**

My name is Luke Mwiti Kinoti, a Master of Arts Student at University of Nairobi. This interview had been designed to facilitate a study on the role of social enterprise on social economic empowerment of households in Nairobi County. I would like to inform you that you were selected to participate in the study, and there were no risks or benefits associated with participation. I also wish to inform you that you could withdraw from the participation. In that regard, I request you to volunteer to participate and respond to the questions truthfully to the best of your knowledge. Finally, I want to assure you that the information given here will be treated with the utmost confidentiality.

**1. CHARACTERISTICS OF HOUSEHOLDS**

a) Name of the respondent & contact (optional) .....

b) Gender

Male { }                      Female { }

c) What is your age from the choices

16-25 years { } 26-35 years { } 36-45 years { } 46-55years { } Over 55 years { }

d) What is your level of Education?

Primary { } Secondary { } Diploma { } University { }

e) What is your marital status?

Married { } Single { } Other { }

f) Number of Children? \_\_\_\_\_

g) Number of other dependents? \_\_\_\_\_

h) What is your occupation? \_\_\_\_\_

**2. INTERVENTION STRATEGIES**

a) When did you join Riziki supported group?

Year .....

b) Why did you join?

.....  
.....

c) What are the objectives of the group?

.....  
.....

.....  
.....

d) Were you operating the business at the time you joined?

Yes [ ] No [ ]

e) If yes, which business were you operating?

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

f) Had you been saving through Riziki?

Yes [ ] No [ ]

g) If yes, how much money had you saved so far?

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

h) Had you borrowed from your group or from Riziki?

Yes [ ] No [ ]

i) If yes indicate the year, amount, purpose and progress of payment in the table below.

<b>Year</b>	<b>Amount</b>	<b>Purpose</b>	<b>Progress of Payment</b>	



j) What are the challenges you are facing or faced when repaying loan?

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

k) Have you been trained by Riziki?

Yes [ ] No [ ]

l) If yes indicate the year, type of training and length of training in the table below.

Year	Type of Training	Length of training

**3. CHARACTERISTIC OF SOCIAL ENTERPRISE**

a) What type of business do you operate in?

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

b) Who are your target market?

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

c) Do you had employees?

Yes [ ] No [ ]

d) If yes, how many and what is their role?

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

e) On average, how much profit do you generate from your business in a month?

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

f) What type of bills do you pay to facilitate the business?

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

g) On average how much money do you pay to clear the bills per month?

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

h) On average, how many customers do you serve in a day?

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

#### 4. PERFORMANCE OF BUSINESSES

Statement	Before	After
What is the level of stocks and clients before receiving Riziki support?		
How much did you save before and after Riziki intervention?		
What is your number of employees before and after Riziki interventions?		
Which business products did you create before and after Riziki interventions?	a) b) c)	a) b) c)
How many business service lines emerged before and after Riziki interventions?		
What is the volume of sales growth before and after Riziki interventions?		
How much profit had you been generating before and after Riziki interventions?		

**5. EMPOWERMENT OF HOUSEHOLDS**

a) What is the level of income in your family?

.....  
.....

b) Have you been able to take your children to school?

Yes [ ] No [ ]

c) If yes, how many are in school?

.....  
.....

d) If no, why?

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

e) Have you been able to provide food and shelter for your dependents?

Yes [ ] No [ ]

f) If yes, how many defendant are you providing for?

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

g) Have you been able to insure your family health with NHIF card?

Yes [ ] No [ ]

h) If yes, how many members of the family are covered?

.....  
.....

i) If no, give reasons why you had not insured your family.

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

j) Have you been able to start new other businesses?

Yes [    ]      No [    ]

k) If yes, what type of business?

.....  
.....

l) If no, what are the hindrances or challenges which are preventing you from starting another business?

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

**THANK YOU**

## **APPENDIX II: INTERVIEW GUIDE FOR KEY INFORMANTS (RIZIKI STAFF)**

My name is Luke Mwiti Kinoti, Master of Arts Student at University of Nairobi. This interview had been designed to facilitate a study on the role of social enterprise on social economic empowerment of households in Nairobi County. I would like to inform you that you were selected to participate in the study, and there was no risks or benefits associated with participation. I also wish to inform you that you could withdraw from the participation. In that regard, I request you to volunteer to participate and respond to the questions truthfully to the best of your knowledge. Finally, I want to assure you that the information given will be treated with the utmost confidentiality.

### **Questions:**

1. What are the common interventions that Riziki had put into place to empower households?
  - a) \_\_\_\_\_
  - b) \_\_\_\_\_
  - c) \_\_\_\_\_
  - d) \_\_\_\_\_
  - e) \_\_\_\_\_
  
2. How have these interventions been adopted by the households?
  - a) \_\_\_\_\_
  - b) \_\_\_\_\_
  - c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

3. What are the characteristics of the supported households?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

4. How do these characteristics affect adoption and performance of supported households' enterprises?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

5. What are the features of supported micro-enterprises?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

6. What are the characteristics of group entrepreneurs?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

7. How do these features affect the performance of the enterprises?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

8. Has the lifestyle of the supported households changed since intervention by Riziki?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

9. What are the noticeable changes on household lifestyle?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_



10. What are the reasons why some of the groups are struggling while others are performing better?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

11. What can be done to improve the performance of struggling groups?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

12. What are the common changes have you identified in Lifestyles of supported households?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

13. Do you think that household enterprises had improved the health standards of the households?

a) Yes \_\_\_\_\_

b) No \_\_\_\_\_

14. If yes, what role had the intervention strategies played?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

15. If No, what intervention strategies could be implemented to improve the condition?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

16. Has the number of siblings enrolled for education improved?

a) Yes \_\_\_\_\_

b) No \_\_\_\_\_

17. If yes, what role had the intervention strategies played?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

18. If No, what intervention strategies could be implemented to improve the number of students enrolled?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

19. Has the levels of employment improved?

a) Yes \_\_\_\_\_

b) No \_\_\_\_\_

20. If yes, what role had the intervention strategies played?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

21. If No, what intervention strategies could be implemented to improve employment?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

*Thank You*

### APPENDIX III: CHECKLIST OF QUESTIONS FOR LEADERS OF GROUPS

My name is Luke Mwit Kinoti, Master of Arts Student at University of Nairobi. This interview had been designed to facilitate a study on the role of social enterprise on social economic empowerment of households in Nairobi County. I would like to inform you that you were selected to participate in the study, and there was no risks or benefits associated with participation. I also wish to inform you that you could withdraw from the participation. In that regard, I request you to volunteer to participate and respond to the questions truthfully to the best of your knowledge. Finally, I want to assure you that the information given is treated with the utmost confidentiality.

#### **Questions: Group Characteristics.**

1. Name of group? \_\_\_\_\_
2. Which year was the group formed? \_\_\_\_\_
3. Objectives of the group?
  - a) \_\_\_\_\_
  - b) \_\_\_\_\_
  - c) \_\_\_\_\_
  - d) \_\_\_\_\_
  - e) \_\_\_\_\_
4. What are the activities of the group?
  - a) \_\_\_\_\_
  - b) \_\_\_\_\_
  - c) \_\_\_\_\_
  - d) \_\_\_\_\_

e) \_\_\_\_\_

5. Number of members? \_\_\_\_\_

6. How much is the Membership fee? \_\_\_\_\_

7. How do you regulate group and members activities?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

8. How do you ensure group mobilization and coordination of group members?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

9. How does the group manage members obligations and expectations?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

10. Are groups being used as channels of communication?

a) Yes [ ] b). No [ ]

11. Do groups manage obligations and expectations of individual members?

a) Yes [ ] b). No [ ]

12. Do groups foster social connectedness?

a) Yes [ ] b). No [ ]

13. Are group members able to access financial and social support?

a) Yes [ ] b). No [ ]

### **Characteristics of Households**

14. How many group members are educated? \_\_\_\_\_

15. How many group members own a business? \_\_\_\_\_

16. What type of businesses do group members own?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

17. What is the average income level of group members? \_\_\_\_\_

18. On average, how many siblings' doe group members have? \_\_\_\_\_

### **Performance of household enterprises**

19. Are there group members who are financially struggling in their businesses?

a) Yes [ ] b). No [ ]

20. If yes, what can be done to improve their business?

a) \_\_\_\_\_

b) \_\_\_\_\_

21. If no, what role does Riziki play in fostering their business performance?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

22. Do group members characteristics affect their business performance?

a) Yes [ ]    b). No [ ]

23. If yes, what are some of the characteristics hindering good performance of household business?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

24. If no, what are some of the common features of your group members that promote households business success?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

### **Intervention Strategies by Riziki Kenya**

25. When did Riziki started supporting the group? \_\_\_\_\_

26. How much money in loans had the group members received from Riziki? \_\_\_\_\_

27. Where have the group members invested this money?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

28. How many group members received loans from Riziki in the following years?

a) 2016 \_\_\_\_\_

b) 2017 \_\_\_\_\_

c) 2018 \_\_\_\_\_

29. What other benefits do group members receive from Riziki?

a) 2016 \_\_\_\_\_

b) 2017 \_\_\_\_\_

c) 2018 \_\_\_\_\_

30. How do these benefits impact the businesses of members?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

31. What are some of the common features of individual businesses?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_



32. How do these features (mentioned in 4 above) affect the performance members' businesses?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

33. What benefits do members of the group receive which they would miss if they were not members?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

34. Have benefits and improvement of member business helped improve their life standards?

a) \_\_\_\_\_

b) \_\_\_\_\_

**Social Economic Empowerment of Group Members.**

35. Has the level of income of entrepreneurs improved?

a) Yes [ ]    b). No [ ]

36. If yes, what role had Riziki played in improving the group member's income levels?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

37. If no, what could be done to improve the income of group members?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

38. Do group members able to support and educate their children?

a) Yes [  ]    b). No [  ]

39. If yes, what role has Riziki played in improving the education enrollment of household siblings?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

40. If no, what can be done to improve the education enrollment levels of household siblings?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

41. Are group members able to provide medical care for their families?

a) Yes [  ]    b). No [  ]

42. If yes, what role has Riziki played in improving the health standards of your group members?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

43. If no, what can be done to improve the health standards of group members?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

**THANK YOU**

