

UNIVERSITY OF NAIROBI

DEPARTMENT OF SOCIOLOGY AND SOCIAL WORK

FACTORS INFLUENCING PERFORMANCE OF SELF-HELP GROUP MEMBERS' MICROENTERPRISES IN KIAMBU COUNTY, KENYA

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DECLARATION

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

Signature:.....Date:.....

This research project has been submitted for Examination with my approval as the University Supervisor.

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DEDICATION

I dedicate this research work to my children Lyn, Amy, Rax and Ela.

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ACRONYMS

ADP	-	Annual Development Plan
FAO	-	Food and Agriculture Organization
KAIG	-	Kenya Association of Investment Groups
ME	-	Microenterprise
MFI	-	Microfinance Institutions
RoSCA	-	Rotating, Saving and Credit Association
SACCO	-	Savings And Credit Co-Operative
SHG	-	Self-Help Group

ABSTRACT

Self-Help Groups (SHGs) have proved to be an important tool in poverty reduction in many countries in the world but still there are very many poor people who have continued to ignore them. Governments, non-governmental organizations and other development agencies have continued to encourage and finance these SHGs but still many people still ignore them. The study sought to determine the factors that influence the performances of members of SHGs' micro-enterprises.

The main objective was to establish factors which influence performance of the members' microenterprises, and their effect on their well-being. Literature was reviewed on SHGs and performance of their members' micro-enterprises/Income Generating Activities (IGAs). The literature also covered factors that influenced performance of the micro-enterprises which were: characteristics of self-help group members, their participation in self-help groups and support that they had received from their groups. The effect of performance of the microenterprises on the well-being of the members was also covered. The study was guided by the self-help groups and the Grameen Micro-enterprise models. The research was carried out in Ndarugo Division of Gatundu District in Kiambu County, Kenya. Ten (10) SHGs and sixty six (66) members were selected using systematic sampling while ten (10) key informants were selected using purposive sampling. Data were gathered from the members using questionnaires and from the key informants using interview guides.

More than 62% of the respondents had been members of their SHGs for less than 5 years, had little savings and their reasons for coming together included support of one another. The SHGs had between fifteen and twenty members. About 88% of the members had families and were active in the groups. Nearly 55% of their projects were agriculture based while non-agriculture activities included shops, motorbike taxis, catering, hiring out tents and chairs. With these IGAs, the members were able to feed their families and pay their bills, especially medical and school fees.

The study had the following findings. All active SHGs had been linked to organizations like Food and Agriculture Organization (FAO), and other local organizations. Their members' networking had improved a great deal and they had learnt a lot from each other. The challenges of the SHGs included lack of capital, lack of marketing for their produce and lack of training and the fact that 84.8% of the members were of only secondary and primary school levels of education plus only 25.8% were males. More than 90% of the members were satisfied with the performance and leadership of the SHGs.

The study concludes that nearly 90% of members felt that the performance of their SHGs and microenterprises (MEs) had helped them to improve their lives - this was noticed through improvement in food self-sufficiency, housing, paying school fees, medical expenses and improved networking. Member characteristics and SHG support contributed to performance of members' MEs. Member participation was also important to the performance of the MEs and motivated members. SHGs were capable of contributing to the national economy and so the government should introduce soft loans and rewards to the groups and enhance their training opportunities. The study therefore recommends that the government should avail grants and loans to all viable SHG projects and should also enhance training for all SHG members.

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Self Help Groups (SHGs) and the microenterprises they operate, have in the recent years become important tools for poverty alleviation in developing countries (Suprabha, 2014). Self-help groups are resources which enable members of a community to work together to meet their goals. Wileden (1970) defined self-help groups as individuals in a given situation who mutually agree to work together to attain certain objectives. They are also known as people's groups, community groups, interest groups or local self-help groups.

Whereas a large number of residents of Kiambu County which was the site of this study were affluent, there were many poor people who could be helped by SHGs to improve performance of their micro-enterprises and consequently their well-being.

Kinyanjui (2016) carried out a study on influence of microfinance participation on women empowerment in Gatundu South and noted that SHGs enhanced development and women enterprises sustainability. She continued to say that with microfinance, women become more assertive, confident in life, contribute actively in family matters and are able to tackle gender equality issues productively. SHGs and their subsequent microfinance have empowered women in Gatundu South and in many other communities. The microcredit and the resulting microenterprises transform their lives.

SHGs provide informal forums for educating low skilled people and making them acquire professional skills (Arockiasamy, 2011). The groups facilitate networking, linkages, idea sharing and capacity building which include development of knowledge, skills, techniques and other capacities of the group. This is realized through imparting of knowledge, incentives, technology and/or training (Kenya Association of Investment Groups (Kaig, 2016). SHGs boost capacities of their members, their finances, provide cheap labor, exemplify and enjoy synergy. SHGs help to avoid the pitfalls or mistakes suffered by others before them. They help to acquire basic social, economic and political understanding of issues in life including how to invest wisely and avoid unnecessary fears and legal risks. This way, they become the eye opener and members can now think and make long-term investments. Members also build

social capital. This increases chances for collective ownership of their projects as well as potential for their success and sustainability (Kaig, 2014).

The phenomenon of the poor individuals coming together, forming SHGs and pooling resources – both material and intellectual – to start, their microenterprises (MEs) is advocated for by development agencies since the late 1970s. It is appreciated by the poor themselves and is quite a relief because it helps them to disentangle themselves from their chronic poverty (Yunus, 1976). When people have no employment and no collateral to enable them get loans to start businesses, then they are strongly locked up in poverty for life (Fafchamps, 2013). The IGAs supply members with income and employment and encourage balanced regional development (Jerinabi, 2006). People have formed SHGs and transformed their lives in many parts of the world by carrying out IGAs (Oka, 2000). Oka continues to say that SHGs have been used on alcoholics for whom conventional medicine had failed and this also made people become aware of their collective power. It has been well appreciated that all communities have assets, skills and capacities and opportunities but what they normally need - surprisingly - is to be facilitated through their SHGs to unlock such enormous potential for their self-development (MacOloo, 2009).

With the education acquired through sharing of ideas, networking and training members use their little contributions to start microenterprises which start small and grow as the members also continue to learn business practices (Fafchamps, 2013). When the microenterprises or businesses grow, the members attain qualification for bank loans. Microfinance institutions – giving smaller loan amounts with more flexible terms - have also come up to meet the financial needs of SHG members even before they attain the conventional bank requirements. Fafchamps continues to say that for a long time poor people in rural areas had been neglected and even rejected by conventional banks and had continued to languish in poverty. Often, poor people would acquire loans and put the money in businesses that would fail soon after their initiation, due to lack of skills, information and experience on the part of the entrepreneur and with the collapsed investment, the poor individuals would fall into permanent debt traps. On the contrary, the SHGs grow the members intellectually, socially, financially and professionally alongside their IGAs (KAIG, 2014), and the MFIs loan them in bits according to the microenterprise size and progress and loan repayment performance. They avail micro-credit and accept repayments of small amounts of money and this is well manageable for the

poor. This way the risks are calculated, bearable and kept to the minimum. Fafchamps concludes that though the SHG way is slow, it is a sure way of success.

SHGs mobilize savings, share ideas and also train their members and then give them micro-loans to start microenterprises. This approach in these SHGs which was devised by Mohammad Yunus is practical, convincing and viable. Fafchamps (2013) confirms this when he says that the biggest contribution of microfinance is to have shown that lending to the poor is feasible and that keeping good repayment records is achievable when institutions are appropriately designed to do this. Yunus, a Bangladesh economist and sociologist, observed the terrible poverty situation in Chittagong village in Bangladesh in the early 1970s and modeled out an approach for poverty eradication – the Grameen Bank approach. Yunus conceptualized an economic synergy for the poor, the practical demonstration of which resulted in Grameen Foundation and Grameen Bank. The model was duplicated and immensely benefited many communities in many other parts of the world a few years later.

In his discussion of neighbourhood associations, Fisher (1987) noted that the formation of these groups was prompted by disturbing problems that could be solved but the relevant authorities may not be paying attention to them. Education and information provided by SHGs are crucial to socio-economic development. Fisher (1987) concurs when he says that educational benefits drawn from SHGs are very clear although economic benefits from the groups may take long to be appreciable. He also states that through SHGs people have been able to solve their common problems and helped communities and individuals. As a result, governments have appreciated the contributions of SHGs, encouraged their formation and supported their leadership.

The United Nations Commission on Human Settlement (UNCHS, 1998) says that some of these groups tend to be ad hoc, informal, short-term and externally driven formed to take advantage of a situation or an opportunity or even to solve a problem. Government, Non-governmental Organizations and other development agencies find SHGs very convenient to work with because the groups do a lot of pushing and convincing of the community members in the mobilization of labour and other forms of resources. The SHGs thus help the agencies to save both time and money in their effort to improve lives of community members. The government has found SHGs to be one of the best ways to distribute development funds in form of loans and help communities to develop meaningfully socially and economically (Kenya Youth Development Policy, 2018).

Training and education including capacity building and other forms of education are the main preoccupations of SHGs and very useful in any community development initiatives (Subramania, 2010). Community development is an education process and takes many and diverse forms which SHGs advocate. This enables members to access information, skills, resources and consequently opportunities. Therefore their chances of success are greatly enhanced and their social status enhanced by the mere fact of becoming members of SHGs. SHGs enable members to become self-reliant and self-dependent and to make decisions on issues affecting their lives and informed. These groups create forums for members to discuss their social and economic problems and to exchange their ideas. They foster a spirit of mutual help and cooperation among their members. Also they instil in members a sense of confidence and strength that is necessary for solving their problems. Members get organizational strength and literacy and increased general awareness among themselves.

Chitere (2018) completed a study on “Self-Help Groups as a means for Development and Welfare. He noted that SHGs are means of meeting their members’ (especially the poor ones) development and welfare needs and that with support availed to them, the groups have great potential for community development, especially in meeting the social and economic needs of their members.

Change agencies have used SHGs as main tools in their community development work. Together SHG members achieve a lot more than the separate individual achievements of their members. The mere factor of coming and working together gives them courage, voice, pooling of ideas, encouragement and morale to work and to achieve. It is for development and welfare concerns that the SHGs are formed and they help members to build social capital, empower themselves and improve their livelihoods. Local leaders who are aware of the community problems and also understand the potentials of SHGs are the ones who initiate their formation.

Muasya (2013) carried out a study on self-help in Pumwani informal settlement in the city of Nairobi, Kenya. She says that the unity, cohesion and internal strength of the SHG as an entity were enhanced by group rules, regular savings, borrowing of loans and regular group meetings. The members shared ideas on economic and social issues and uplifted one another in various aspects of life. They were able to build solidarity and joint responsibility and started to realize their potentials and opportunities open to them.

These SHGs carry out table banking and microcredit where members put their contributions and loan repayment money on the table and others get micro-loans instantly. The members normally contributed small amounts of money - microfinance - because they were usually poor people. This money was initially for micro-loans which went hand in hand with merry-go-rounds in which some determined amounts were given to individual members in turns (Bouman, 1995).

When the SHGs are faced with a task that is beyond their capacity, they resort to CBOs and employ the same principles of governance and operation. In Kenya, the Department of Gender and Social Development (DGSD) defines Community-Based Organizations (CBOs) as an amalgamation of registered Self-Help Groups operating within a specified geographical area such as a ward or sub-county (RoK, MLSP Report, 2017).

Si Khan (1982) meanwhile talked of governance in the SHGs which was the manner of exercising power in management of the groups' affairs. Good governance puts emphasis on observance of the rule of the law, accountability, participation, transparency and human and civil rights. SHGs encourage participation of all members in all affairs. Some indicators of good governance in groups include a) having a constitution, b) keeping records, c) having audited accounts, d) having strategic plan, e) having an operating budget and f) providing services to members.

The Department of Gender and Social Development registers SHGs and CBOs. Characteristics of the groups and CBOs include a) age of the association, b) assets they own, c) external support, d) affiliation and e) networking.

Community workers find these groups very useful since they provide information, labour and other forms of resources. The community workers are expected to guide them to become self-reliant and be able to guide themselves to their own desired destiny. The members gain life experience in planning and carrying out life improvement projects. SHGs increase interactions and hence social capital building and thereby improving their chances of getting employment and earning their livelihood. The objectives of the SHGs include a) uplifting welfare of members through education, b) helping members to engage in income generating activities, c) members helping one another in times of need, d) improving and providing education of children through bursaries and loans to parents, e) improving health services by paying bills and overcoming poverty including hunger by improving agricultural practices (Raheim, 1996).

Despite the benefits realized by members from SHGs in Kiambu County, there are very many others who may be inactive in their groups or their IGAs are not performing as expected or for some reason or other have not benefitted from their groups and continue to be poor. This being the case, this study sought to examine the contribution of the groups to the performance of their members' IGAs, and factors that influenced their performance. The study also examine the characteristics of their members and support of their micro-enterprises/IGAs by the SHGs in Kiambu County. Further the study examined the effect of the performance of the IGAs on the members' well-being.

1.2 Statement of the problem

SHGs are one of the main means for reducing unemployment and associated poverty. They have transformed lives of many people. People have been able to rediscover themselves through sharing ideas, training and pooling resources so as to benefit most from their environments. SHGs have helped reducing poverty in many areas in the world. Governments, Non-Governmental Organizations and other change agencies have encouraged people to form and work in SHGs. SHGs start small and continue to grow to meet their goals of bettering the well-being of their members and have proved to be an important tool in poverty reduction in many countries.

The 2019 population census showed Kiambu County to have a population of 2.42 million persons. At the time of data collection, the county had 8,890n self-help groups with an estimated membership of 160,000. If we assume that half of the population comprised adults a majority of whom were poor, then only about 20 per cent were members of the SHGs. The research question then was: How far were the self-help groups helping their members to improve performance of their micro-enterprises/ IGAs and consequently their well-being. A related question was what factors influenced performance of the SHG members' IGAs?

1.3 Research Questions

- a) What is the level of performance of IGAs operated by SHG members in Ndarugo area of Kiambu County?
- b) What is the effect of the characteristics of the members of SHGs on performance of their IGAs in Ndarugo area?
- c) What is the level of participation of the members in the SHGs and what is its effect on performance of their IGAs in Ndarugo area?

d) What is level of support provided by SHGs to their members and its effect on performance of their IGAs in Ndarugo area?

e) What is the effect of performance of the SHG members' IGAs on their well-being in Ndarugo area?

1.4 Research Objectives

Main objective: To establish the factors which influence performance of SHG members' microenterprises and their effect on their well-being?

Specific objectives

- a) To assess the performance of MEs operated by members of SHGs in Ndarugo area ;
- b) To examine the effect of SHG members' characteristics on performance of their microenterprises in Ndarugo area;
- c) To establish members participation in their SHGs and its effect on performance of their microenterprises in Ndarugo area;
- d) To examine the level of support provided by the SHGs to their members and its effect on performance of their microenterprises in Ndarugo area; and
- e) To assess the effect of performance of microenterprises on the welfare of SHG members in Ndarugo area

1.5 Justification and significance of the study

Few studies have been done on performance of microenterprises operated by members of SHGs and factors which influence the performances Findings of this study will help leaders, and members to understand the groups and factors which influence performance of microenterprises and measures they can take to strengthen them. The findings will further help the members and leaders to improve their interactions and cohesion within their groups especially in relation to conflict resolution and the relationships of the groups with Community Based Organizations (CBOs). SHG members will also understand how their groups are run and how they can ensure their better management.

The findings will also be useful to both the National and county government in terms of the policy-promotion and support of SHGs. In particular the Department of Gender and Social Development will use the research findings to strengthen their efforts of registration of SHGs

and their support through technical and financial assistance. The findings will also be useful to the field officers of the department in the day-to-day work with SHGs.

1.6 Scope and Limitations of the Study

This study focused on performance of SHGs and the factors influencing the performance of micro-enterprises operated by members of SHGs. The factors were: Characteristics of the members of the SHGs, their participation in their SHGs, and the level of support provided to the members by their SHGs. The effect of performance of the microenterprises on the well-being of the SHG members was also examined. Whereas we sampled SHGs supported by Micro Finance Institutions (MFIs), the MFIs were not covered by this study. The study did not also examine characteristics of SHGs.

The main limitations of the study were scarce funds and time which led data collection to be restricted to Ndarugo ward of Kiambu County.

1.7 Definition of key words

Entrepreneurship is the activity of the creation or extraction of value that may involve setting up a business or businesses, taking on financial risks in the hope of obtaining profits. That is, it is the process of coming up with new processes or ways of achieving some set objectives.

Collateral is a valuable property owned by someone who wants to borrow money, that they agree will become security if the debt is not paid back.

Microfinance, also known as **microcredit**, is a financial service that offers loans, savings and insurance to entrepreneurs and small business owners who don't have access to traditional sources of capital, like banks or investors.

Enterprise is another word for a profit business or company, but it is most often associated with **entrepreneurial ventures**. People who have **entrepreneurial** are often referred to as “enterprising.”

The term **empowerment** refers to measures designed to increase the degree of autonomy and self-determination in people and in communities in order to enable them represent their interests in a responsible and self-determined way, acting on their own authority.

Performance is the accomplishment of a given task measured against preset or known standards of accuracy, completeness, cost, and speed.

Business opportunity is a viable business potential to create something new, i.e. a product or a service establishing new markets by engaging new technologies.

Networking is a key management behavior that produces a chain of interconnected persons and groups that learn from or support each other.

Self-help groups is a number of people who come together to address their common problems. In Kenya, county and national government, NGO and other agency support is provided to those which have registered with the Department of Social Development and

IGAs are micro-enterprise activities carried out by members of groups collectively or individually. They include Merry-Go-Round, which entails members of the groups contributing small amounts of personal funds periodically. One member of the group receives the contribution in a rotating manner until all have received it.

Table-banking is a group funding strategy where members of a particular group meet periodically (e.g, monthly), place their savings, loan repayments and other contributions on the table then borrow immediately often as short term loans.

Poverty refers to lacking enough resources to provide the necessities of life—food, clean water, shelter and clothing - but in today's world, that can be extended to include lack of or inadequate access to health care, education and even transportation.

CHAPTER TWO: LITERATURE REVIEW AND THEORETICAL AND CONCEPTUAL FRAMEWORK

2.1 Introduction

In this chapter, we present literature on performance of SHGs members' microenterprises and on the factors that affect the performance. The factors were: Characteristics of the members; support provided by the SHGs to their members and the effect on their well-being. We also present the theoretical and conceptual frameworks and operational definitions of this study.

2.2 Self Help Groups as a means for development

Suprabha (2014) in his study, "Empowerment of self-help groups (SHGs) towards microenterprise development", pointed out that age of SHGs is crucial in the running of their microenterprises. Age brings with it good experience, social status, enhances confidence and means of information acquisition, income comes in with ability to contribute for projects and SHG savings while education counts in design, interaction with other organizations and running of projects, management skills especially in book keeping. Leadership positions are rotational and all members are encouraged to participate in decision-making.

Usharani (2008), in her study entitled "Marketing strategies and Financial Viability of Self Help Groups" in Tamil Nadu India, looked at the main features of SHGs that made them succeed or fail. The duration of existence mattered, since the longer the SHG kept in business, the more experienced its management became. Almost all undertakings had teething problems and it became worse when the managers lacked experience. Adherence to the SHG rules is crucial for good running of the SHGs (Muasya, 2013).

Chitere and Ombati (2009) in their study entitled "Neighborhood Associations and Governance in Nairobi", showed that for the SHGs to grow and expand, they needed good group structure for ease of management and accountability, incorporation to reduce the risks leaders are exposed to, affiliation to other organizations so as to become more influential and networking so as to gain access to resources and opportunities. They continue to say that the more assets and external support the SHG had the stronger or more successful it was. Type of membership was important because empowered members could pool their resources faster and implement their projects faster than weaker members. For example, educated members help even in writing the SHG constitution and better management of the group while lowly educated members would pay for such services or do without them and this could slow down their

advancement. The composition of SHGs in terms of gender (women do better than men), age of members, education level of members and cohesion level among members were very important aspects of the microenterprises. The external affiliation included networking and linkages, collaborations, exchange programs, visits, seminars and conferences, and were also important.

Chitere (2015) in his study entitled of Action Aid Kenya's Assisted Groups in Kitui County, noted that Self-Help Groups which were also known as mutual aid groups ,people's groups, community groups, interest groups or neighborhood groups were formed by people having a common problem which could be economic, social, psychological or even medical.

2.3 Performance of microenterprises operated by Self-Help Group members

The types of microenterprises carried out by Self-help groups, normally originate from the SHG characteristics, the enterprise environment and from the type and the nature of external affiliation of the groups and these determine the performance (Chitere, 2015). Performance of IGAs also depends on other factors like stock, location and the operator. On the part of the enterprises, the age (experience and knowledge) and the type of the enterprise (some require less technology and have ready markets), availability of raw materials and markets, technology used and the quality and service to the customers and clients matter a lot.

Okello (2014) in her study of womens' Self-Help Groups in Trans-Nzoia County, found that, for income generating activities, some groups engaged in dairy keeping, tailoring, vegetable growing and soap preparation. Kwon (2016), in a study of Mathare Valley, in Nairobi, says that the most commonly undertaken income generating activities in that area included renting a car and house, selling chicken or milk, retailing shop, loan with an interest and water projects.

Types of the small businesses which are also known as Microenterprises (MEs) of these groups include farming (for the rural groups mostly) and business (like retail shop, furniture making, dress making, selling second hand clothes, rental houses and beads making) (Chitere, 2018).

Cunningham, Ingram, Kadati and Maduarta (2017) in their study, "Opportunities, barriers and support needs of micro-enterprises in Indonesia" noted that IGAs served as stepping stones for higher level enterprises because it was through them that the entrepreneur gained skills and experience and advanced to small enterprise and continued until the Multinational Corporation level. IGAs created employment for low skilled workers and enabled regional distribution of

income. They also supplemented the large enterprises by supplying goods and services to the public (Orina, 2016). The performance of these IGAs depended on several factors including the characteristics and membership of the SHGs, types of MEs and the perceptions of the members about them.

Muasya (2013), in her study “Factors influencing the success of Women Self-Help Groups in Pumwani informal settlement” found that group rules, regular savings, regular group meetings and regular borrowing of loans contributed to the success of the groups. Whereas record keeping was downplayed by small groups which dealt with small amounts of money, as the groups grew bigger and the IGAs diversified, record keeping became indispensable. Fafchamps (2013) adds that record keeping was very important and hence training was always advocated to ensure its practice.

Kithinji (2017) adds that for a Self-Help Group to perform well, it has to have capacity building of its members and leaders in the form of training to enable them acquire relevant know-how and skills for effective management of their group.

Performance of the SHGs is also enhanced by the ability of the group to meet its goals and hence their members’ expectations which in turn depends on effectiveness of its management and nature and amount of assistance provided by the government and other agencies.

2.4 Characteristics of members of Self Help Groups

Suprabha (2014) in his study “Empowerment of self-help groups (SHGs) towards microenterprise development”, states that the geographical, economic and social environments combined with the characteristics of the members such as education level, occupation, income and age, determined the type of development initiatives undertaken by SHGs, and in most cases initiatives were businesses and farming that were aimed at building individual and group assets so as to uplift their lives.

Okello (2014) in her study of “characteristics and performance of SHGs” says that individual member characteristics that could affect the performance of SHGs included, age because people need to be mature and with interests to meet. Education was necessary for handling the affairs of the SHGs while marital status also counted since the married members were keen on putting food on the table for their families. Usharani continued to say that Education was necessary in all spheres of life. Members, especially the committee members, needed education so as to understand the requirements of running the SHG. Educated members were

more likely to understand the rules and regulations of the SHG and even contextualize them and formulate realistic procedures of their operations. Occupation of the members influenced their decisions because of their experiences and associated knowledge and skills. Family income matters when it came to contributions and loan repayment. Community/ethnic background could also influence people's level of participation in the SHGs in terms of attendance of meetings and social interactions owing to differences in cultural inclinations. Kwon (2016) in her study of SHGs in Mathare Slum, Nairobi, found that age was important since most of the members were 34 years and above. After the age of 30 years, the women start getting responsibilities and so look for ways of meeting the needs of their families. For marital status some members, especially the married ones wanted to equally contribute to the welfare of the family. Education was necessary for handling SHG documents. Kwon also noted that gender was also one of the characteristics of members since most women above 30 years of age tended to have families whether married or not. Occupation influenced the choice of women to participate in the SHGs in that it improved an individual's access to economic resources. Similarly, religion counted when it came to inclinations and beliefs and hence could affect the choice of their businesses and times of operation depending on the religion of the member.

Minimol and Makesh (2012) in their article entitled "Empowering rural women in Kerala: A study on the role of Self Help Groups (SHGs)" stated that SHG Members were normally from the same village, churches and work place. People who were not trusted were not accepted in SHGs. Those who were lazy and those who liked taking advantage of others were also avoided. Commitment, dedication and devotion on the part of members and leaders influenced the performance of the SHGs more than other factors because the SHGs which attained corporate governance and those carrying out multiple activities tended to perform better than others.

2.5 Member participation in their Self Help Groups

Muasya (2013) in her study on SHGs in Pumwani informal settlements found that observing the rules of the SHGs was very important. The rules included attending all meetings remitting all their contributions and paying loans on time, and contributing in decision-making so that members move together. SHGs solve people's problem (Fisher, 1987) and so all people's participation is important for inclusivity. All the members must be disciplined and hence should have commitment, dedication and devotion so as to enhance the leadership and success of the SHGs (Minimol and Makesh, 2012). Si khan (1982) insisted on good

governance of the SHGs for the benefit of all members. Accountability, transparency, equality and human rights being taken as major elements of the governance.

Participation of the members is crucial because some members with special skills help the SHGs to save a lot in terms of consultancy (Chitere, 2018). For example lawyers help in drafting constitutions of the SHGs. Therefore total participation helps members, leaders and the SHGs in general.

2.6 Level of support provided by Self Help Groups to their Members

Arockiasamy (2011) in his study “Empowerment of rural women through Self-Help Groups”, says that immediately people come together and talk about their problems, helpful thoughts start crossing their minds. He says that there are intellectual, economic and even emotional gains in the SHGs. The members run the microenterprise businesses with the capital obtained from the SHGs as individual businesses. According to Kwon, (2016) the microenterprises have benefited the members economically and socially. She says the SHGs money is used to meet basic needs like food, rent, school fees, healthcare and household goods and generally to improve their lives. As the members increase their purchasing power and decision making, they are building the desired social capital. The microenterprises become stepping stones to large scale enterprises. Yakubu et al. (2016) say that the interactions taking place during the businesses facilitate the breaking of social barriers towards economic and social development. The groups help their members to pay school fees for their children, pay medical bills, start businesses, improve their farming methods and improved community life. They also train their members and help them to access health services and educate their children (Chitere, 2018).

Kinyanjui (2012) in her book, *Vyama*, says that the poor have found a means of meeting their financial obligations. Almost all SHGs follow this approach by having merry-go-rounds. The benefits of SHGs are unquantifiable even if we can quantify the monetary savings, the other benefits like learning and social and entrepreneurship skills are not. The members are assisted to access economic resources and enabled to think of practical ways of expanding their businesses.

Similarly, support by microfinance institutions enabled the SHGs to access capital and start or boost their income generating activities. Networking helped the groups to exchange information and support each other when necessary. Members attain knowledge, experience,

business network and loans from the SHGs and start individual or group business but majority prefer individual undertakings when, and if, they can.

Members needed Loans for their day-to-day life needs. When the SHG gives loans conveniently - in time and deserved amount - the members get more motivated and improve their participation in the SHG and hence performance also improves. SHGs needed assets for their projects to run smoothly. Members just find themselves owning the SHG when it had assets and became proud of their SHG.

Naturally, people make efforts to better their lives but there are always hurdles on their path and so they devise ways and means of overcoming them by reasoning together. This is why Kinyanjui (2012) calls SHGs “institutions of hope” because they are meant to boost development and alleviate poverty by pooling resources. She continues to say that these SHGs are created with a view of coordinating markets and organizing society. According to Oka (2000), the member-owned-and-operated groups offer participants experiential knowledge, education, information, and emotional support. Leadership comes from the group's membership. These leaders are not paid, and membership is free or nominal. Groups may also contribute resources and/or social advocacy. SHGs are self-governing in that their members share common problems, issues, and concerns and/or give each other emotional support and material aid and place high value on experiential knowledge in the belief that it provides a special understanding of their situation (KAIG, 2014).

Subramania (2010) in a study on Self-help groups in Tirunelveli district, added that SHGs members contribute and save small and convenient amounts of money in a common fund for their emergency needs and give themselves collateral free loans. They make decisions and solve conflicts through collective mutual discussions. Self-reliance and self-dependency on the part of communities and their groups is the ultimate goal of community development. SHGs help to make their members have self-control in terms of finance handling.

Chitere, (2018) in his study “Self-help Groups as a Means for Development and Welfare in Kenya”, points out that SHGs benefit their members in several ways including assistance with starting and improving business, payment of school fees for their children, purchase of land and buildings, and home improvement. The main benefits that members obtain from their SHGs are learning, pooling resources and networking. The learning is achieved through training in business, sharing of ideas and exchange visits. Material support is usually in terms

of: a) business support in form of grants, b) money payments, c) revolving loans, merry-go-round, and d) school fees.

He continues to say that SHGs and their MEs can be an effective tool of easing the pressure of population in, and migration to, urban areas. People can come together, pool resources, share ideas and skills, network and create employment opportunities even in the rural areas such as putting up food processing plants where the food crops are grown. They could help women and disadvantaged members in rural areas to be employed through their income generating activities.

SHGs that tend to obtain assistance from the government and NGOs and this enhances their rapid expansion. SHGs which meet the registration requirements are registered and given a certificate that gives them an identity and access to assistance from the government and other institutions and partners.

2.7 Members' well-being

Nayak (2015) in his article entitled “Developing Social Capital through Self-Help Groups” stressed the need for understanding and accepting one another, being free with one another, sharing of ideas freely, and being ready to help one another to grow socially and economically.

Bouman (1995) in his study of rotating Savings and Credit Associations, indicated that SHGs always start small and must move together at first at the pace of the whole group. Early adopters and laggards move at the same pace. Members with good business ideas and those without any at all still move at the same pace. It is only when they start growing their own separate individual businesses that their paces of development now depend on personal efforts.

Lewa (2002) in her study “Capacity Building programmes among Women Groups” in Mombasa District, Kenya, pointed out that it was because of their members' interactive nature brought about by unity of purpose, common interest, and homogeneity of their goals that SHGs were used by change agencies in community development work. Individuals use the groups to pursue their goals and aspirations as they support one another in the process. Some undertakings and projects require collective efforts and are carried out through the SHGs. SHGs provide legal, communal, social, intellectual, moral, physical and psychological support when tackling some tasks. The essence of SHGs is to pool intellectual and physical resources – both monetary and material – of the Community and to share information and train together and network to achieve something.

Normally, the common mutual goal is to eradicate, control or just reduce the effects of the problem. SHGs help in addressing economic, social, political and/or legal issues. SHGs enable members to reap multiple benefits by utilizing solidarity and joint responsibility. Self-help groups are composed of peers who share a similar mental, emotional, or physical problem, or who are interested in a focal issue, such as poverty alleviation, environmental pollution and so on.

Kenya's Vision 2030 points out that some of the concerns of communities are a) to alleviate poverty, b) to conquer, control and reduce diseases and c) to fight illiteracy. These concerns are similar to the goals and intentions of SHGs which include, pooling resources and helping members to get loans, to do business, pay hospital bills for their family members and pay school fees for their children as they also continue learning from each other and from other institutions.

2.8 Gaps in Literature on Self Help Groups

Kinyanjui (2016) in her study "Influence of Micro finance on Women Empowerment in Gatundu South Constituency" found that women utilized loan services to improve their projects and a considerable number had received loans three to four times. The motivation for loans was for women to reinvest and expand their businesses. She did not say anything about the mobilization of the community and training of its members to impart skills and knowledge. In her other study on SHGs, Kinyanjui only talks about pooling capital and marketing products but does not talk about capacity building by professionals through for example training *seminars*.

Few studies have been done on the characteristics of SHGs members as well as on their operations. Little has been done on members' perception of their own SHGs and the resulting microenterprises and hence the performance of the microenterprises.

This study seeks to close the above gaps by examining factors that influence the performance of IGA undertaken by SHGs members and the influence of their characteristics, support by SHGs and membership in the SHGs on their well-being.

2.9 Theoretical Framework

This study used the SHG and the Grameen Bank models as a basis for understanding of the groups, their micro-enterprises, and their well-being as well as factors that influenced performance of members' micro-enterprises.

2.9.1 The Self Help Group Theoretical Perspective

The SHG model emphasizes the need for poor individuals coming together, forming Self-Help Groups and pooling resources– money, labor, materials and ideas – to start and grow microenterprises. Coyle (1937) noted that such groups provided an opportunity to their members to develop social attitudes, new interests, broadening knowledge, and new skills and also training and experience. Kinyanjui (2012) observed that by pooling capital and marketing products, the SHGs end up doing good businesses. Many people could be capable of doing much but cannot make a move without guidance and help. MacOloo (2009) noted that all communities had assets, skills and capacities and opportunities but what they normally needed was to be facilitated to unlock such enormous potential for their self-development. SHGs, however, need to be facilitated by change agencies such as county and national government, MFIs and NGOs in terms of capacity building through training and other relevant exposures to be able to effectively pursue their goals. By networking with other groups they get a chance for further growth.

This model is useful for this study as it helps in understanding of SHGs and the advantages of coming together with common goals to fight poverty and transform lives. It gives an important frame for looking at a community SHGs within the study area of Kiambu County and seeing how the members try to overcome poverty through the groups. The approach fits here very well because it could help to show the achievements of the SHGs and the problems they encounter in their efforts to assist their members.

2.9.2 The Grameen Bank Model

The model entails forming Self-Help groups of five people who know and understand one another very well, building some savings, accessing micro-loans from the Foundation where the borrowers are pressurized by the group members to repay their micro-loans in time and members consulting the Foundation experts when they start micro-enterprises. The model in short has a SHG (the five members per group), the MFI (the Bank) and the MEs (by individuals or by the group) and of course with a lot of discussions and consultations (general management - the bigger circles). Grameen believes in creativity, innovation and hard work. It tries to build a problem-solving attitude among its people and believes that every problem has a simple solution, and that if you do not find the solution to a problem, then it is because you do not understand the problem. Its structure is in form of Circles: Group – Centre – Branch – Area office – Zonal Office – Head Office. The biggest circle is the head office while the smallest is the group. This structure encourages sharing ideas, learning from each other, understanding

each other and teamwork. Grameen is a highly decentralized organization, as decentralized as a franchise business. There is a zonal managers' conference that is held generally twice a year which works on stubborn issues. By opening doors for everybody to participate in the decision-making process, a large amount of misunderstandings and tensions in the organization have been avoided.

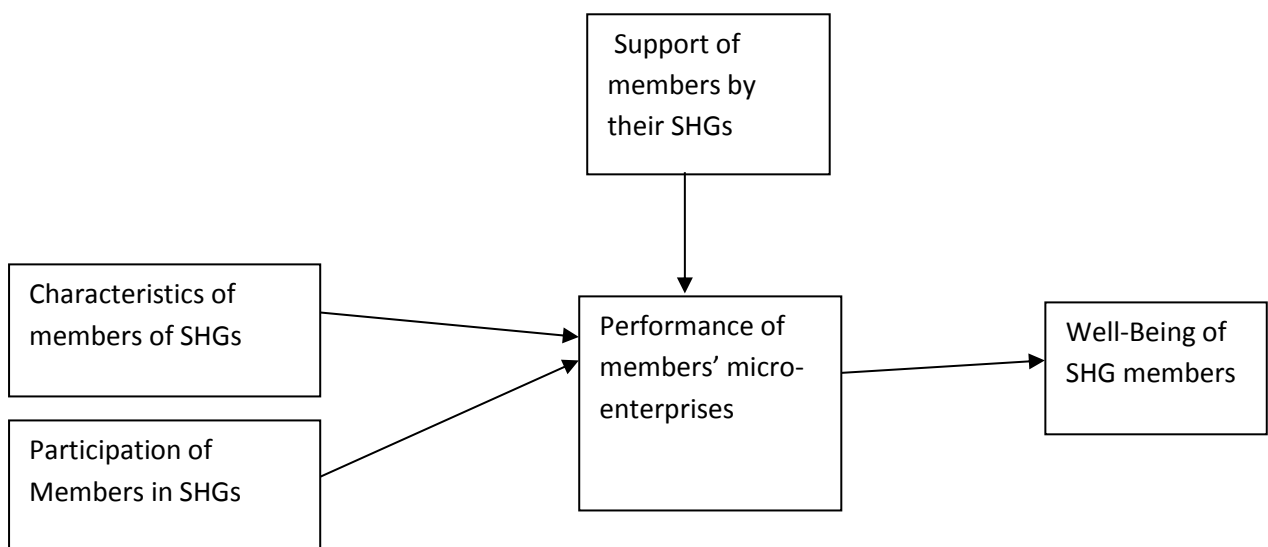
The Grameen Bank Model was designed and applied successfully by Mohammad Yunus in Chittagong in Bangladesh. The approach stresses that with facilitation the poor can be able to disentangle themselves from poverty. SHGs enhance success by the power of peer support and peer pressure. Yunus realized the power of the SHGs through capacity building, pooling resources and networking. The groups enhance creation of employment, give income and provide goods and services. The model clearly demonstrates practical process and procedures of forming and running SHGs and so it would enable us to see how the members of SHGs perform in their microenterprises in Kiambu County.

2.10 The Conceptual framework

In this study the self-help group characteristics and support were examined. Their members' characteristic and effect on their influence on micro-enterprises they were carrying out were also examined. The benefits realized and the well-being of the members were also examined.

Figure 2.1 The conceptual framework of the study

Independent	Intervening	Dependent
Variables	Variables	Variable



2.11 Operational definitions

Characteristics of SHG members – these are personal profiles that contributed to or affected the operations of SHGs, including age, education level, occupation, marital status and religion.

SHG support of their members – these are the gains and benefits drawn by the members from the SHGs, including accessing credit, training, networking and exposure.

Performance of micro-enterprises of SHG members – the indicators were: Profits realized; new workers employed, stock increased, etc.

Well-being of SHG members: This was measured in terms of “Improved livelihood or Well-being” of SHG members in terms of: meeting of medical expenses, school fees for children and improved housing.

Participation of the members in their self-help groups: The indicators were: Attendance of meetings, regular savings, free discussion of issues like taking part in decision-making, observing the rules of the groups, etc. Participation is the involvement in all SHG matters and contributing as much as one can.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

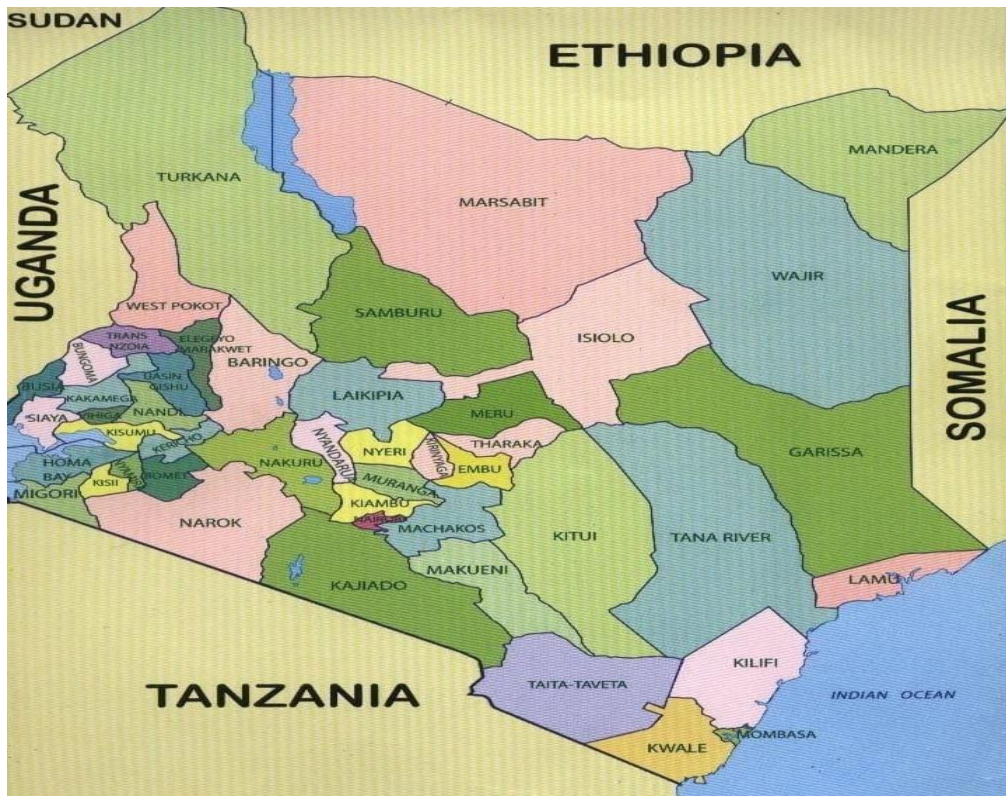
This chapter describes the research design and research site, units of analysis, sampling methods used, sources of data, and data collection and data analysis. It also gives the ethical considerations held during the process of data collection and analysis.

3.2 Site of the study

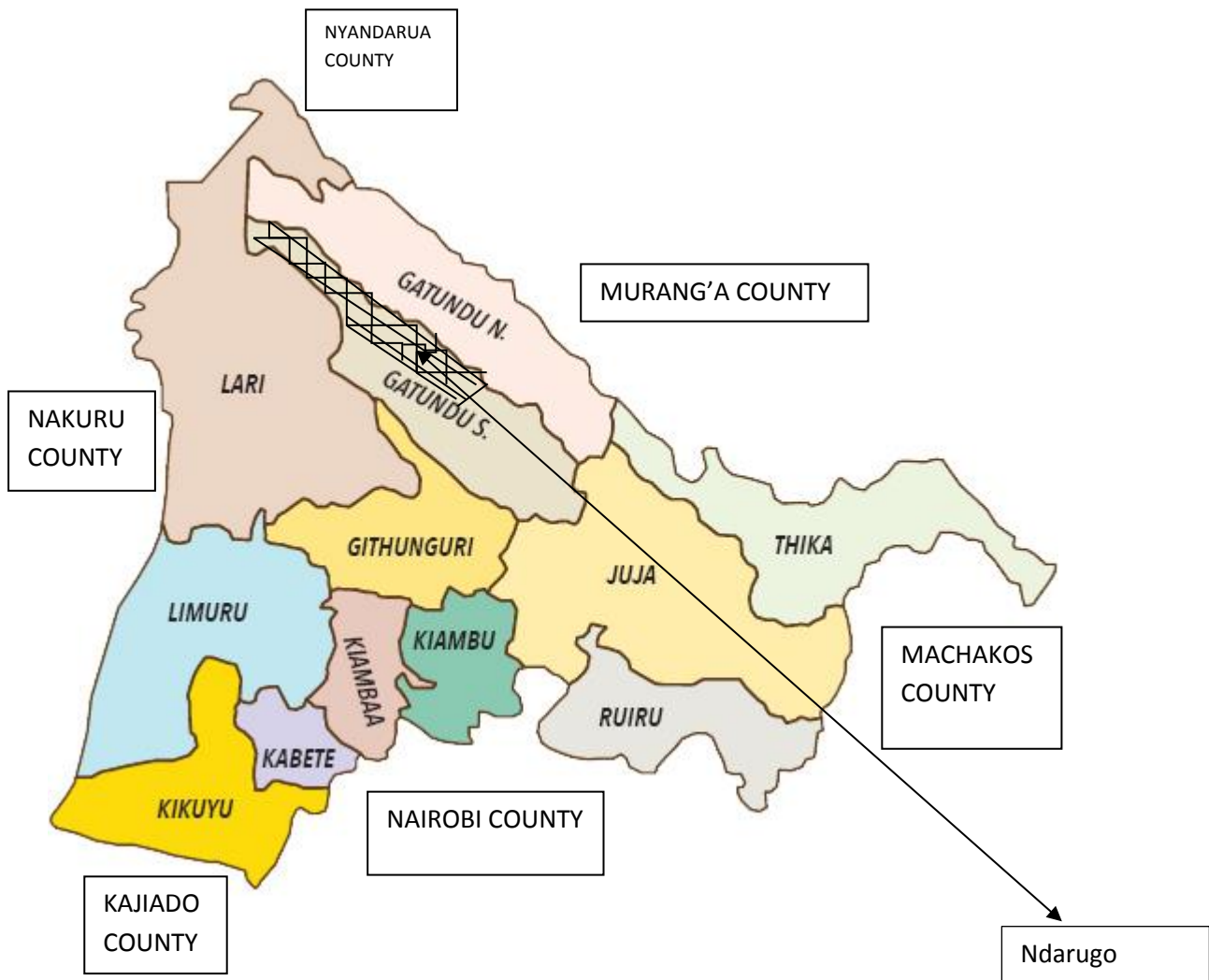
Kiambu County which is a Peri-urban area with a mixture of Self-help groups – small and big – and different kinds of projects and occupations – was chosen for this study.

Kiambu is located in the central region of Kenya and covers a total area of 2,543.5 Square kilometers (Kiambu County government, 2018-2022 plan report) . The county borders Nairobi and Kajiado Counties to the South, Machakos to the East, Murang'a to the North and North East, Nyandarua to the North West and Nakuru to the West (Counties of Kenya map, Wikipedia).

Map 1: Kiambu County: Location in Kenya



Map 2: Ndarugo Ward in Kiambu



Currently, the County is divided into twelve (12) sub-counties namely Limuru, Kikuyu, Kabete, Lari, Gatundu South, Gatundu North, Githunguri, Kiambu, Kiambaa, Ruiru, Juja and Thika Town. These are further divided into 60 wards (Kiambu 2016/17 ADP).

The County enjoys one of the highest numbers of registered Community Based Organizations (CBOs) and SHGs (Kiambu 2016/17 ADP). These groups are estimated to be about 10,000 and were engaged in various activities including Training and advocacy, microfinance, environmental conservation, HIV & AIDS, drugs and substance abuse campaigns and microenterprises (Kiambu 2016/17 ADP). The County's population is composed of farmers, professionals, businessmen, micro-entrepreneurs and others. In addition, the County enjoys a good communication network including all weather roads and good public transport services in its interior. These aspects of life in the county made it suitable for the study because the

SHGs had a choice when it came to economic activities to engage in and there was market for their goods, owing to its proximity to Nairobi City.

Kiambu has twelve (12) sub-counties and there were registered SHGs in all of them. Table 3.1 shows that there were 8,990 groups with an estimated membership of 169,800.

Table 3.1: Self-Help Groups in Kiambu County.

Sub-county	Number of Self-help groups
Thika	1600
Ruiru	1340
Githunguri	1240
Juja	1234
Kiambaa	590
Kiambu	923
Gatundu South	840
Gatundu North	760
Lari	460
Limuru	440
Kikuyu	400
Kabete	397

Source: Kiambu County Department of Social Development office

Gatundu South sub-county is the study sub-site because it had an average number of SHGs and was readily accessible – being well connected to three big towns of Nairobi, Kiambu and Thika. The sub-county had four wards which were Ng’enda, Kiamwangi, Kiganjo and Ndarugo. We chose Ndarugo which although influenced by the neighboring towns of Nairobi and Thika,

people's life was both rural and urban type. Its cash and food crops were marketed in the neighbouring towns of Nairobi and Thika.

3.3 Research design

The study adopted a descriptive survey research design. According to Oso and Onen (2009), this design describes and shows information to enable a researcher draw informed conclusions. The design provides descriptions of the population and hence fits very well in our situation. The design provides a basis of the research project including data collection, categorizing, analysis and presentation. The design helped to study the population and get an in-depth understanding of SHGs and their members' characteristics, their microenterprises performance and associated benefits.

3.4 Units of Analysis and observation

SHGs were the units of analysis and their leaders and members were the units of observation.

3.4.1 Target population

This was the 220 micro-enterprise groups in Nadugo ward of Gatundu South sub-county with their estimated 4,400 members.

3.4.2 Sources of data

These were self-help group leaders and members and secondary sources.

3.5 Sampling of the units of study

There were several stages and categories of respondents and therefore multi-stage sampling was used.

3.5.1 Self-help groups

With assistance from the field staff of the Department of Gender and Social Development, we compiled a list of microenterprise operating SHGs in Ndarugo Ward. There were 220 groups in the ward that operated IGAs. In consultation with the Sub-county staff of the above department and using systematic sampling technique, we sampled ten (10) groups. Gay (1976) says that when there are more than 100 subjects then you use 10% of them as the sample. The

SHGs selected were Kuri Unity, Gikamutua, Gacharage, Rwabura and Munyuini Bodaboda, Weapon Ndarugo, Munyuini Dairy Farmers, Ruburi Bodaboda, Ndarugo and Igaka SHGs.

In every sampled group, leaders were interviewed about the support they gave to their members. The leaders were essentially the chairperson, secretary and treasurer.

3.5.2 Members of Self-Help Groups

The leaders of the sampled groups provided lists of their members. Each group had 15 -20 members whose names were put on a list and using systematic sampling, 6-7 members were drawn from each of the lists of the 10 groups giving a sample of 66 members.

Table 3. 1 Microfinance Institutions and Self Help Groups Clients in Ndarugo Ward

Group	Number of members	Number sampled
Kuri Unity	20	7
Gikamutua	19	7
Gacharage	20	7
Rwabura	20	7
Munyuini Bodaboda	15	6
Weapon Ndarugo	19	7
Munyuini Dairy	16	6
Ruburi	15	6
Ndarugo	15	6
Igaka	20	7
Total	179	66

Sampling method; $k=N/n$ Where k = systematic sampling interval, N =Population size, n =Sample size.

The SHGs had between 15 and 20 members and I wanted to get about 7 respondents from each group. $N=15-20, n=7; k=20/7 \approx 3$

I would choose 1, 4, 7, 10, 13, 16,19: The first on the list, fourth, seventh, tenth and so on.

3.6 Data collection and Analysis

We visited the sampled SHGs and interviewed their leaders and members using a questionnaire (Appendix 1).

For analysis of the data, Quantitative data were analyzed through percentages. A summary of coded information represented the respondents stand on matters regarding SHGs. The presentations were given in frequency tables, diagrams, and explanations.

3.7 Ethical considerations

Oso and Onen (2005) stated that human dignity and privacy should be respected all along the process of acquiring information. All ethical considerations were upheld in this study. The Sociology and Social Work Department gave me an introduction letter which I presented to the Gender and Social Development office in Gatundu. The office gave me a letter to introduce me to the local administration chiefs in Ndarugo.

The interview guides and the questionnaires did not bear any names of persons or entities from which data was collected. There was always an informal consent and agreement between the respondent and the research assistants. Before we started an interview or filling a questionnaire, we always explained the study and its purpose and got the consent of the respondent. All information was treated as private and confidential and only appeared in the research findings as research data and nowhere carrying the name of the respondent.

CHAPTER FOUR: DATA PRESENTATION ANALYSIS AND INTERPRETATION

4.1 Introduction

In this chapter we present results of the analysis of the data from the SHGs, their members, their micro-enterprises and well-being. The data is descriptively presented in terms of measures of central tendency and dispersion, graphs, frequency tables and percentages. Inferential analysis was also done using chi square.

4.2. Performance of the Self Help Group members' micro-enterprises

The first objective of this study was: "To assess performance of microenterprises operated by members of SHGs". The indicators of performance included: increase in business stock, increase in number of employees and increase in gross sales/profit. Ownership of the business and location of the business were also looked at.

4.2.1 Increase in Business stock:

Performance of businesses depends on many factors and that is why some members would not tell whether SHG membership had effect on their businesses because there are always turbulences in businesses (Stokes & Wilson, 2010). With agriculture even climate change or change in weather patterns can affect the businesses. Table 4.1 shows that 90.9% of the members saw their businesses increase, 3% had not seen improvements while 6.1% would not tell whether their businesses increased after joining SHGs.

Table 4. 1 Respondents' reports of Increase in their Business stock,

Improved stock	Frequency (N)	Percent (%)
Improved	60	90.9
No change	2	3.0
No response	4	6.1
Total	66	100

4.2.2 Increase in number of Employees:

Table 4.2 shows that 7.6% of the members had increased the number of their employees by 3, 25.8% by 2, 12% by 1 while 47% did not add their number of employees and 7.6% did not say whether or not they had added the number of employees.

Whereas 47% did not have additional number of employees but from table 4.1 where 90.9% of the members had increased their stock, the members then were potential employers. With 45.4% of the members having added employees in their businesses and 47% being potential employers, we can see the SHGs had contributed a lot in this aspect.

Table 4. 2 Increase in number of Employees

Number of employees	Frequency (N)	Percent (%)
3 employees	5	7.6
2 employees	17	25.8
1 employee	8	12.0
No employee	31	47.0
No response	5	7.6
Total	66	100

4.2.3 Increase in profits:

Table 4.3 shows that 7.6% of the members got profits of less than Ksh 5,000 , 12.1% got ksh 5,000 - 9,000 , 13.6% got Ksh 10,000 - 15,000 shillings, 16.7% got Ksh 16,000 - 30,000, 22.7% got Ksh 31,000 - 50,000 and 15.1% got more than Ksh 51,000 while 7.6% reported no increment in profit. The range was from less than Ksh 5,000 for the lowest to Ksh 200,000 for the highest.

These profits confirm that most of the enterprises were viable and likely to earn larger amounts in future.

Table 4. 3 Increase in Gross sales/profits

Amount of profits in Ksh	Frequency (N)	Percent (%)
Less than 4,999	5	7.6
5,000 – 9,000	8	12.1
10,000 – 15,000	9	13.6
16,000 – 30,000	11	16.7
31,000 – 50,000	15	22.7
51000 and above	10	15,1
No change	5	7.6
No response	3	4.5
Total	66	100

4.2.4 Location of the Microenterprises:

From table 4.4, 22.7% of the members of the SHGs ran their enterprises in their home compounds, 3% of them did so in town while 74.2% operated in the local village shopping centers. Often microenterprises start small in the members' home compound or farm, grow out to the local village shopping centre and eventually to town. This is also an indication of growth of businesses because even the farmers start owning distribution points in shopping centres and town when their produce grows to significant amounts. Even some other businesses like general shops may start as kiosks and grow to shops and then start having branches in towns.

Table 4. 4: Respondents' reports about location of their Microenterprises

Location of the businesses	Frequency (N)	Percent (%)
Home compound/farm	15	22.7
Town	2	3.0
Local village shopping centre	49	74.2
Total	66	100.0

4.2.5 Respondents' rating of business performance:

From table 4.5, 21.2% of the respondents rated their microenterprise performance to be high, 59.1% rated it to be average while 19.7% rated their performance to be low. Thus, majority were on average rating and this was justified the fact that the microenterprises were young. Fortunately, those that were doing very well were more than those that rated themselves as low showing potential for their better performance. Key informants said that performances of these individual enterprises depended several factors including effort and family support.

Table 4. 5: Respondents' rating of performance of their Microenterprises

Rating of IGA Performance	Frequency (N)	Percent (%)
High	14	21.2
Average	39	59.1
Low	13	19.7
Total	66	100.0

These data on business stock, employees and profits as well as respondents' rating of performance of their businesses show that nearly 80 per cent of the businesses were performing well. This was supported by the fact that most of the micro-enterprises were located in towns and at local markets where the volume of business was likely to be high. What factors explained this better performance of the micro-enterprises?

4.3 Characteristics of the members of the Self Help Groups

The second objective of this study was: "To examine the effect of member characteristics on performance of their Income Generating Activities". The characteristics were: Age, gender, education level, marital status, family responsibility, religion, occupation, main sources of income and income earned per month.

4.3.1 Age of the Self Help Group members

Table 4.6 shows that the members of SHGs that were 29 years and below were 12.1%, those that were 30 to 39 years of age were 33.3%, those that were 40 to 49 were 24.2% while those that were 50 and above were 30.3%.

Majority of the members were in the age brackets of 30-49 years and were mature and able to carry out any type of profitable business. The remaining 30.3% were 50 years and above and

were still strong enough for their businesses and also guide other members when it came to discipline and matters touching on community issues. Some members stated that the older members were more committed to the SHGs than the younger ones.

Table 4. 6: Distribution of the respondents according to their age

Age in years	Frequency (N)	Percent (%)
29 and below	8	12.1
30-39	22	33.3
40-49	16	24.2
50 and above	20	30.3
Total	66	100.0

4.3.2 Gender of respondents:

Nearly 25.8% of the members of SHGs were male while 74.2% were female (Table 4.7). The fact that only 25.8% were men and this presents a problem because they are the major family decision-makers. When the majority of the members are women, then implementation of their proposed projects takes longer time since they make more consultations than men. In areas like Ndarugo, men are mainly the owners of properties and hence make most decisions. Also women are involved in house chores and have limited time only for meetings and hardly enough to discuss emerging issues and trend of business dynamics.

Table 4. 7: Gender of the Respondents

Gender	Frequency (N)	Percent (%)
Male	17	25.8
Female	49	74.2
Total	66	100.0

4.3.3 Education level of the respondents

Table 4.14 shows that 31.8% of the members of the SHGs had attained primary as their highest level of education, 53% of them had attained secondary education, 12.1% had attained diploma while the rest had university constituting 3%.

With 31.8% of members being of primary school and 53% of secondary level of education and with only 12% being of diploma and 3% of degree level, then this explains why most of the members were involved in agriculture and related business activities. This also means that there was likely to be slowness in their discussions and implementations of their projects.

Illiteracy, poverty and subsequent low esteem within a community (or even in individuals) promote the un-entrepreneurial attitude and hence fear of credit (and of unknown) among members of SHGs and this leads to absolute poverty (Fisher, 1987). SHGs help to reverse this trend by bringing the poor together, enabling them to discuss and learn from one another, training them, helping them to pool and accumulate funds and resources and own them and consequently get liberated and get on the path of empowerment and eventually get empowered.

Table 4. 8: Level of education of the respondents

Formal education level	Frequency (N)	Percent (%)
Primary	21	31.8
Secondary	35	53.0
Diploma	8	12.1
University	2	3.0
Total	66	100

4.3.4 Marital status of the respondents

Table 4.9 shows that 6.1% of the respondents were single, 75.8% were married, 6.1% had either separated or divorced with their while 12.1% were widows.

With 93.9% having families and only 6.1% being single then, it means that the SHGs have stable members who are likely to have determination, commitment, dedication and high level of member participation. Family responsibilities push them to do their best in their undertakings.

Table 4. 9: Marital status of the respondents

Marital status	Frequency (N)	Percent (%)
Single	4	6.1
Married	50	75.8
Separated/Divorced	4	6.1
Widowed	8	12.1
Total	66	100.0

4.3.5 Number of children of the Respondents

Table 4.10 shows that 7.6% of the respondents had one child, 13.6% had two children, 25.8% had three children, 37.9% had four children, and 7.6% had five children while 7.6% of them had more than 5 children.

The more children a household had, the more responsibility in terms of feeding them, school fees, medical expenses, and other resources. This could affect their contributions to SHGs and to their businesses. The majority had three and four children and only 7.6% had more than five.

Table 4. 10: Distribution of the respondents according to the number of their children

Number of children	Frequency (N)	Percent (%)
One	5	7.6
Two	9	13.6
Three	17	25.8
Four	25	37.9
Five	5	7.6
More than Five	5	7.6
Total	66	100.0

4.3.6 Other dependents to the respondents:

Table 4. 11 shows that 7.6% of the members of SHGs had one other dependent apart from the children. 10.6% had two, 4.5% had three, 9.1% had four, and 3% had five while the remainder had no dependents. That is, only 34.8% had other dependents and had to bear extra responsibility in terms of time and other resources and 65.2% lived only with their nuclear family and hence can make better contributions in SHGs.

Table 4. 11: Respondents' reports of other dependents

Number of other dependents	Frequency (N)	Percent (%)
One	5	7.6
Two	7	10.6
Three	3	4.5
Four	6	9.1
Five	2	3.0
None	43	65.2
Total	66	100.0

4.3.7 Religion of the respondents:

Table 4.12 shows that 98.5% of the respondents were Christians while 1.5% were of other religions.

Religion may affect type of business decision and times of operation. With 98.5% being of the same religion, they were not likely to have problems with types of businesses nor the times of their operations.

Table 4. 12: Religious affiliation of the respondents

Religious affiliation	Frequency (N)	Percent (%)
Christian	65	98.5
Other religions	1	1.5
Total	66	100.0

4.3.8 Occupation of the respondents

Table 4.13 shows that 3% of the members of SHGs were wage employed, 62.1% of them were self-employed, and 28.8% were either farmers or housewives while the remainder who constituted 6.1% had other types of occupations.

The members engaged in economic activities like farming. There were a few waged employees and self-employed, a few house wives and others. Most of the members were farmers and small business people and so most likely there were no professionals among them.

Table 4. 13: Occupations of the respondents

Occupations	Frequency (N)	Percent (%)
Wage employed	2	3.0
Self employed	41	62.1
Farmer/Housewife	19	28.8
Others	4	6.1
Total	66	100.0

4.3.9 Main source of income of the respondents

Table 4.14 shows that 43.9% of the members of SHGs had businesses as their main source of income, 54.5% of the respondents practiced farming as their main source of income while the remaining, constituting 1.5%, had other forms of income generating activities as their main sources of income.

These data show that most of the members got their income from agriculture and related businesses although there were a few others who had shops and other businesses. There were 3% of them who were employed and 1.5% who got their income from other sources.

Table 4. 14: Main sources of income reported by the respondents

Sources of income	Frequency (N)	Percent (%)
Business	29	43.9
Farming	36	54.5
Others	1	1.5
Total	66	100.0

Income earned by the respondents per month: Table 4.15 shows that 31.8% of the respondents sampled earned less than Ksh 9,000 per month, 22.7% earned between Ksh 10,000- 19,000 per month, 45.5% earned Ksh 20,000 and above.

Table 4. 15: Monthly income reported by the respondents

Monthly Income	Frequency (N)	Percent (%)
less than 9,000	21	31.8
10000-19000	15	22.7
20000 and above	30	45.5
Total	66	100.0

The respondents worked to feed their families and pay their bills which were fairly low. Many respondents earned less than kshs.19, 000 and were able to meet their expenses. Fortunately there were 45.5% of the members who earned Kshs.20,000 and above which implied that they were presumably benefitting more from their SHGs.

These data show that most of the members of the SHGs sampled were above 30 years of age, women with secondary and higher education, married with dependents. Most of them were self-employed as farmers or businesspersons with the same as their main sources of income which was high, i.e., above Kshs. 20,000 for nearly half of them.

SHG leaders felt that education was critical and that men would build network faster (if they mean to) because they have more time, but most of them waste the opportunities. Combination of issues like illiteracy and poverty would slow down the advancement of the SHGs.

4.4 Participation of the members in their Self Help Groups

The third objective of this study was: “To examine participation of the members in their SHGs and its effects on performance of their microenterprises”. The indicators of membership were:

Length of membership, reasons for joining SHGs, goals and activities of the groups as perceived by the members, savings made to the SHGs, members' attendance of meetings, leadership positions held and responsibilities of the leaders.

4.4.1 Length of membership

From Table 4.16, 22.7% of the respondents had been members for less than one year, 25.8% for 1 year to 2 years, 13.6% had been for 3 years to 4 years, 31.8% had been for 5 to 10 years while 6.1% had been members for above ten years.

Whereas 37.9% of the members had been members for 5 years and above, a majority 62.1% were recent entrants still learning the ways of SHGs. Their experiences and also savings were still low. This shows why most of the SHGs were still in traditional businesses mainly associated with agriculture.

Table 4. 16: Length of membership of the respondents in Self Help Groups

Period of membership in years	Frequency (N)	Percent (%)
Less than one year	15	22.7
1 year to 2 years	17	25.8
3 to 4 years	9	13.6
5 to 10 years	21	31.8
Above 10 years	4	6.1
Total	66	100.0

4.4.2 Respondents' reasons for joining their Self Help Groups

Table 4.17 shows that 60.6% of the respondents joined their SHGs in order to grow together with others, 18.2% joined to be able to save more, 4.5% joined to invest together, 12.1% joined to help one another, 4.5% joined to unite the community members.

Table 4. 17: Reasons provided by the respondents for joining their Self Help Groups

Reasons for joining the SHGs	Frequency (N)	Percent
To grow together with others	40	60.6
To be able to save more	12	18.2
To invest together	3	4.5
To help one another	8	12.1
To unite the community members	3	4.5
Total	66	100.0

Only 24.7% of the members had the intention of saving and investing while the remaining 75.3% were of the ideas of unity in the community.

4.4.3 Respondents' perceptions of the Goals of their Self Help Groups

Table 4.18 shows that 45.5% of the respondents noted that their SHG 25.8% had the goal of doing projects together and creating employment. 24.2% had the goal of investment and social welfare and 4.5% had the goal of uniting the community.

Table 4. 18: Perceptions of the respondents about Goals of their Self Help Groups

Respondents' perceptions	Frequency (N)	Percent (%)
To help, uplift and learn from one another	30	45.5
To do projects together and create employment	17	25.8
For investment and social welfare	16	24.2
To unite the community	3	4.5
Total	66	100.0

4.4.4 Types of Activities carried out by the Self Help Group members

From table 4.19, 19.7% of the members said that they practiced farming, 25.8% said they practiced poultry, 3% said they operated shop business, 3% had dairy cows, 9.1% practiced table banking and merry go round, 15.2% had motorbike taxi, 4.5% practiced tree planting, 10.6% had tents and chairs and 9.1% had other investments.

Of the nine microenterprises, 6 were agriculture related businesses and only 3 were not agriculture related and this meant that the respondents were still mainly relying on traditional occupations and using locally available resources.

Table 4. 19: Members’ reports of the types of activities they carried out

Perceived activities	Frequency (N)	Percent (%)
Farming	13	19.7
Poultry	17	25.8
Shop business	2	3.0
Dairy cows	2	3.0
Table banking and merry-go round	6	9.1
Motorbike Taxi	10	15.2
Tree planting	3	4.5
Tents and chairs	7	10.6
Investment	6	9.1
Total	66	100.0

4.4.5 Savings made by members to their Self Help Groups

From table 4.18, 13.6% of the SHGs members had less than Ksh 3,000 in their savings, 19.7% of them had savings of between Ksh 3,001 and 8,000, 40.9% of them had savings between Ksh 9,000 and 20,000, 13.6% of them had savings between Ksh 21,000 and 40,100, 12.1% of them had savings over Ksh 41,000.

Table 4. 20: Savings made by the members to their Self Help Groups

Savings in Ksh	Frequency (N)	Percent (%)
Less than 3000	9	13.6
3001-8,000	13	19.7
9000-20000	27	40.9
21000-40000	9	13.6
Over 41000	8	12.1
Total	66	100.0

It was clear that a third of the respondents had saved less than ksh. 8,000 and so were still struggling to save more while a few (12.1%) had saved more than ksh.41,000 and were in a position to receive slightly larger loans. SHG leaders noted that the SHGs were building a culture of saving in their members.

4.4.6 Members' attendance of meetings of their Self Help Groups

From table 4.19, 13.6% attended meetings of their SHGs weekly, 19.7% did so fortnightly while 66.7% did so rarely, e.g., monthly.

Most of the SHGs meet monthly which coincides with the regular contributions, loans repayment and giving of new loans but others meet weekly and fortnightly when there is need.

Table 4. 21: Respondents' frequency of attendance of Self Help Group meetings

Frequency of attendance of SHGs Meetings	Frequency (N)	Percent (%)
Weekly	9	13.6
Fortnightly	13	19.7
Monthly	44	66.7
Total	66	100.0

4.4.7 Position of members in their Self Help Groups

From table 4.20, 31.8% of the respondents were leaders in their SHGs while 68.2% were ordinary members.

Positions held were reported by the respondents and 6.1% of them were chairpersons in their SHGs, 12.1% of them were secretaries, 6.1% of them were treasurers, 3% were vice-chairpersons, 3% were organizing secretaries, 1.5% were prefects while the rest who constituted 68.2% were not leaders.

The leadership structure depended on the nature and operations of the SHG so here, besides the conventional leadership positions, the SHGs had a leadership position of a Prefect.

Table 4. 22: Type of leadership positions held by the respondents in their Self Help Groups

Type of position held	Frequency (N)	Percent (%)
Chairperson	4	6.1
Secretary	8	12.1
Treasurer	4	6.1
Vice chairperson	2	3.0
Organizing secretary	2	3.0
Prefect	1	1.5
Not a leader	45	68.2
Total	66	100.0

4.4.8 Respondents’ responsibilities as the Self Help Group leaders

From table 4.20, 6.1% of the respondents had roles of chairing meetings, 12.1% took minutes, 6.1% kept money, 3% maintained order during meetings, 1.5% assisted chairpersons, and 3% assisted secretary while 68.2% were just members.

SHGs meetings follow the conventional meeting procedures with conventional offices and duties. As noted earlier 31.8% of member here are leaders.

Table 4. 23: Responsibilities of the Self Help Groups leaders

Responsibilities of the leaders	Frequency (N)	Percent (%)
Chairing meetings	4	6.1
Taking minutes	8	12.1
Keeping money	4	6.1
Maintaining order during meetings	2	3.0
Assistant to chairperson	1	1.5
Assistant to secretary	2	3.0
Total	21	31.8
Missing System	45	68.2
Total	66	100.0

4.4.9 Decision making by the leaders in their Self Help Groups

Table 4.21 shows that 13.6% of the respondents helped their SHGs in property/asset buying, 9.1% advised their groups on several matters, 1.5% suggested on learning a new thing, and 7.6% assisted in encouraging participation while 68.2% were just members. Nearly all leaders (i.e. 31.8% of members) having contributed in decision-making meant that they had participated in these SHG decisions making.

Table 4. 24: Decision making by respondents who were leaders of their Self Help Groups

Decision making	Frequency (N)	Percent (%)
Suggested property/asset buying	9	13.6
Advice on several matters	6	9.1
Suggested learning a new thing	1	1.5
Encouraging participation	5	7.6
Total	21	31.8
Missing System	45	68.2
Total	66	100.0

4.4.10 Other types of work that leaders did in their Self Help Groups

From table 4.22, 7.6% of the respondents assisted in bringing members together, 3% of them kept records safe, 3% kept money safe, 6.1% organized trainings, 1.5% ensured discipline in contributions, 1.5% assisted in training locally, 9.1% encouraged investments while 68.2% were just members.

The SHG leaders worked with members and with external persons to ensure the smooth running and well-being of their SHGs. They discussed issues and guided their members during meetings, before and even after to ensure the rapid growth of the SHG by choosing helpful project and logical processes.

Table 4. 25: Other work done by leader respondents of Self Help Groups

Type of work	Frequency (N)	Percent (%)
Bringing members together	5	7.6
Keeping records safe	2	3.0
Keeping SHG money safe	2	3.0
Organize trainings	4	6.1
Ensure discipline in contribution	1	1.5
Training locally	1	1.5
Encourage investments	6	9.1
Total	21	31.8
Missing System	45	68.2
Total	66	100.0

From the above information, it is clear that although the members were not professionals they tried to ensure that book keeping and other aspects of management were done correctly and that is why most of the members were happy with running of the SHGs. Members saved regularly and those who took loans paid them on time. For the young SHGs the leaders were mostly the founders who would lead for some time as other members learn and take over with time. Members started with microenterprises in home compounds and grew to small businesses to village shopping centre and eventually to towns. Members keep learning, building their social and business networks and have to borrow wisely and adhere to the rules of the SHGs.

These data on members' participation in their SHGs show that nearly half of them had been members of their groups for more than 3 years. The reasons for joining the groups included, being together with others, to save, and to invest and help one another. Their perceptions of the goals of their groups included, helping, uplifting and learning from one another, doing projects together and investments. The activities they carried out included, farming, poultry, shops, dairy and table banking. While 40% had saved Kshs 10,000-19,000, 25% had done so for more than Ksh 20,000. Two thirds attended meetings monthly and almost a third were leaders and assumed various responsibilities including decision making. This participation of the members in their SHGs was likely to influence performance of their micro-enterprises. The leaders revealed that due to peer support and peer pressure and the general interactions members had

be disciplined, patient, consistent and to work hard. These qualities are rare among people and their requirements can and do push some people away from the SHGs.

4.5 Support to the respondents by their Self Help Groups

The fourth objective of this study was: “To examine the level of SHG support of the respondents and its effect on performance of their IGAs”. The indicators of SHG support were: Training of the members, giving them credit and facilitating interactions and informal learning.

4.5.1 Training of the members

From table 4.23, 9.1% of the SHGs trained their members in Group dynamics, 18.2% on how to save, 18.2% to farm better, 18.2% in doing business, 36.4% helped their members in other ways.

The SHGs also got a lot of help from the Department of Gender and Social Development, Ministry of Agriculture, the State Department of Cooperatives and other organizations such as FAO. This help included training and information on several aspects of their SHG projects and the general running and operations of the group. Microfinance Institutions also provided training (on request) and loans to the SHGs. The support that MFIs were giving to SHGs also enhanced the performance of the SHG enterprises. The MFIs included Kenya Women Finance Trust, Tai SACCO and Unaitas SACCO. The training, information and contacts availed to the SHGs helped the members to understand the advantages of pooling and so as to use the acquired and availed resources to advance their projects and hence enhance their well-being.

Table 4. 26: Types of skills attained from training

Type of skills	Frequency (N)	Percent (%)
Group dynamics	6	9.1
How to save	12	18.2
How to farm better	12	18.2
How to do business	12	18.2
Other forms	24	36.4
Total	66	100.0

4.5.1.1 Period of training

There are many SHGs that are managed by people who have never been in leadership before and this presents a challenge and since most undertakings have teething problems, the challenges become compounded. Training comes much later when in some cases it may be too late, and still in other cases some members are not ready for the training due to illiteracy, lack of time, fear failing to understand the contents of the training, or just dismissing the training as unnecessary, that is not understanding the need for the training. These delays in organizing and undergoing the training and failure to treat the content with the seriousness it deserves allow the failures to penetrate into the SHG businesses and affairs.

Period of training attended by the members varied as shown in Table 4.24. The table shows that 15.2% of the members of SHGs had been trained for 1 hour, 15.2 of them received training of 2 hours, 6.1% of them received training for 3 hours, 9.1% received training for 1 day, 10.6% received training for 2 days, 22.7% received training for 3 days, 12.1% received training for one week while 9.1% received training for 2 weeks.

This shows that almost all members had had some training. It is after the first training that members knew the importance of coming together when there was something new and started to improve their businesses.

Table 4. 27: Respondents' reports about Period of training they attended

Period of training	Frequency (N)	Percent (%)
1 hour	10	15.2
2 hours	10	15.2
3 hours	4	6.1
1 day	6	9.1
2 days	7	10.6
3 days	15	22.7
1 week	8	12.1
2 weeks	6	9.1
Total	66	100.0

Skills realized as a result of the training were reported by the respondents as shown in Table 4.25. The table shows that 13.6% of the respondents learnt managerial skills, 12.1% learnt

how to interact with people and networking, 27.3% learnt saving skills, 13.6% learnt to be self-reliant while 33.3% did not specify the form of training.

The training by SHGs helped them to learn how to save money, time, to interact with people and to network and generally how to be self-reliant.

Table 4. 28: Types of Professional skills learnt by the respondents from the training provided by Self Help Groups

Types of skills	Frequency (N)	Percent (%)
Management skills	9	13.6
Interaction with people and networking	8	12.1
Learned saving skills	18	27.3
Learned to be self-reliant	9	13.6
Got time management training	22	33.3
Total	66	100.0

4.5.2 Self Help Group support of members with Credit

From table 4.26, 7.6% of the members of SHGs received credit of less than Ksh 5,000, 16.7% got between Ksh 5,001 - 10,000, 6.1% got Ksh 11,000 - 20,000, 13.6% got Ksh 21,000 - 40,000, 24.2% got over Ksh 41,000 while 31.8% had not received credit.

It is evident that 68.2% of the respondents had taken loans with some taking up to over Ksh.40,000. Only 31.8% had not taken any loans and they could have been new members who were making contributing to enable to take loans.

Table 4. 29: Credit to members

Credit amounts (Ksh)	Frequency (N)	Percent (%)
Less than 5,000	5	7.6
6,000-10,000	11	16.7
11,0000-20000	4	6.1
21,000-40000	9	13.6
Over 41,000	16	24.2
None	21	31.8
Total	66	100.0

The purpose of taking the credit is presented in Table 4.28 which shows that 6.1% of the members took it for buying household goods, 18.2% boosted their business, 19.7% bought property and assets, 3% started a business, 7.6% paid hospital bills while 13.6% had other purposes for the credit.

Nearly 41 per cent of the members used their loans to buy property, start businesses and to improve businesses. This shows that SHGs contributed in improving people's lives while 13.7% used their loans for recurrent expenditure which might have included emergency cases.

Table 4. 30: Respondents' reports about the purpose of taking the credit

Purpose of credit	Frequency (N)	Percent (%)
Buy household goods	4	6.1
Boost business	12	18.2
Buy property land/assets	13	19.7
Start a business	2	3.0
Pay hospital bills	5	7.6
Others	9	13.6
None	21	31.8
Total	66	100.0

4.5.3 Ownership of the microenterprises

Table 4.27 shows that 13.6% of the microenterprises had group ownership while 86.4% had individual ownership.

The fact of respondents starting their own businesses was an indication that they had learnt from the SHGs and were keen to improve their well-being. Members learnt, gained experience and then got loans and started businesses (kaig, 2014). SHGs help poor people to become business people. Members preferred individual to group ownership because of concerns with commitment, mutual trust, cooperation, transparency and accountability. Only businesses like tree planting could be collectively owned since they did not require much attention.

Table 4. 31: Ownership of the businesses carried out by the respondents

Type of Ownership	Frequency (N)	Percent (%)
Group ownership	9	13.6
Individual ownership	57	86.4
Total	66	100.0

Members trained, got loans and were also inspired and encouraged to start businesses. The training and its resulting networking transformed their lives socially and the credit then came at the right time. This is good enough to attract all the people to join SHGs.

It is clear from these data that support of SHGs of their members was largely in the form of training and credit. Most of the members had been trained by their SHGs and the training lasted for one hour to a day while half attended training that lasted for more than two days on SHG matters and on their micro-enterprises. About a third had not received credit, a third got less than Ksh 19,000 while a third got more than Ksh 20,000 and had used it both for business and other household needs. This support that was provided by the SHGs to their members was likely to positively influence performance of their micro-enterprises.

4.6 Self Help Group Members' Well-being

The fifth objective of this study was: "To assess the effect of performance microenterprises on the welfare of their members". The indicators of well-being were: Schooling of children, food self-sufficiency, meeting of health expenses and type of housing and networking with other groups and experts.

SHGs rekindle poor people to do IGAs and which in turn lead the entrepreneurs to getting loans from SHGs

Apart from loans, SHGs provide welfare services that help members meet their needs, like family financial obligations such as paying school fees and hospital bills. Self-Help forums help their members to connect their thoughts, ideas and imaginations as they interact with their environment to work out initiatives and projects that will help them acquire assets for their development and meet their social needs. The SHGs focus and refocus their objectives on the needs, interests and requirements of their members as times change so as to remain relevant and sensitive to their needs all the time.

There are other benefits which include, buying land like commercial plots, up-grading of livestock through artificial insemination, exposure of members to sources of information and establishment of businesses such as tree nurseries.

In this study, the indicators of well-being were: Schooling of children, food self-sufficiency, meeting of medical expense, hope of housing and networking with others.

4.6.1 Schooling of children

From table 4.28, 95.5% of the members in the SHGs indicated an improvement in schooling of their children as a result of joining their SHGs while 4.5% experienced no change.

This meant that virtually all members with children in school were now able to pay fees in time through SHG loans. SHGs gave loans and also carried out merry – go – round activities and so parent members used the two kinds of financing to help them meet their children’s school fees. This support by SHGs makes school fees payment much easier for members than for those who depend only on their savings.

Table 4. 32: Members’ reports about schooling of their children

Schooling of children	Frequency (N)	Percent (%)
Improved	63	95.5
No change	3	4.5
Total	66	100.0

4.6.2 Food self-sufficiency

From table 4.29, 89.4% of the members in the SHGs indicated an improvement in food production and self-sufficiency as a result of joining their SHGs while 10.6% experienced no change.

Through training and interactions with experts and other members, their farm production had improved. Increase in farm production depends on several parameters including attendance of the training sessions, affordability of inputs and amount of time allocated to the work. Only 7% of the members had not felt changes in their food production and food self-sufficiency.

Table 4. 33: Respondents’ reports about food self-sufficiency of their households

Farm production and Food self-sufficiency	Frequency (N)	Percent (%)
Improved	59	89.4
No change	7	10.6
Total	66	100.0

4.6.3 Meeting of medical expenses

From table 4.30, 90.9% of the respondents indicated an improvement in meeting medical expenses as a result of joining their SHGs while 9.1% experienced no change.

Often besides loans, when a member is sick, other members of the group contribute food, money to help them clear their hospital bills as well as social support. The SHGs also play an insurance cover role because members get support from the other SHG members when they are sick.

Table 4. 34: Members’ reports about their meeting of medical expenses

Meeting of medical expenses	Frequency (N)	Percent (%)
Improved	60	90.9
No change	6	9.1
Total	66	100.0

4.6.4 Improvement in housing

From table 4.31, 69.7% of the members indicated an improvement in type of housing as a result of joining their SHGs while 30.3% experienced no change.

Whereas the members were more concerned with the more demanding needs like food and school fees but even then through the help of their SHGs almost 70% have been able to improve their housing.

Table 4. 35: Respondents’ reports about improvement in their housing

Improvement in housing	Frequency (N)	Percent (%)
Improved	46	69.7
No change	20	30.3
Total	66	100.0

4.6.5 Networking and linkages to other groups and experts

From table 4.32, 87.9% of the members in the SHGs indicated an improvement in networking and linkages to other groups and experts as a result of joining their SHGs while 12.1% experienced no change.

Networking involves: contacts and work with government and NGOs and with other groups. The SHG members appreciated the fact that there was a lot of sharing and learning with members of other SHGs and experts. This exposure broadened their socio-economic spheres and was likely to lead to new ideas, new businesses and expansion of IGAs. There were enough benefits to attract people to SHGs.

Table 4. 36: Respondents’ reports about networking with members of other groups and experts

Networking	Frequency (N)	Percent (%)
Improved	58	87.9
No change	8	12.1
Total	66	100.0

It was clear from these data that SHGs had supported their members with schooling of their children, paying medical bills, improving their housing as well as networks or contacts with other groups and various resource persons. More importantly, groups provided the necessary social and psychological support to their needy members. This is good enough to attract new members.

There was improvement in Well-being of members. 90% of the members said that the SHGs had helped them to improve their lives. SHGs are a sure way of success but not as fast as many people would wish but very demanding. To succeed in SHGs, members are required to be disciplined, patient, consistent, and to work hard. These qualities are rare among people and their requirement could make people shy away from SHGs.

SHGs were capable of contributing a lot to the national economy and so the government should introduce soft loans and rewards to the groups and enhance their training opportunities.

CHAPTER 5: SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.1 Summary

The study examined current situation, operations and the performances of Self-Help Groups in Ndarugo Division of Gatundu Sub-County of Kiambu County. The parameters and factors that influenced the performance of the SHGs and hence the well-being of their members and consequently attracted or repelled new members to or from the SHGs included the characteristics of SHG members and the types of microenterprises they carried out. Sixty six (66) members of the SHGs were sampled and their characteristics, the types of enterprises they operating and performance of the enterprises were studied.

5.1.1 Performance of the respondents' Microenterprises

Most respondents engaged in agriculture and agriculture related businesses. These were dairy farming, crop farming, tree planting, pig rearing, land buying and poultry. Other types of economic activities included merry-go-round, motorbike taxis, shop business and hiring out tents and chairs. Most of the businesses were owned by individuals. They all made profits despite the fact that there were some that had been newly started. Almost all the members had started their microenterprises in their farms/home compounds and many had moved out to their village shopping centres and a few others to small townships. The support obtained from the SHGs helped them start or improve performance of their IGAs.

5.1.2 Respondents' Characteristics

There were very many SHG members who were in the active middle age of 30 to 49 years and who could do a lot to advance the SHGs and improve their own socio-economic lives. Unfortunately, there were by far more women than men in the SHGs and this was a problem since the women would do a lot of consultations before concluding any decision and that was likely to delay the process and even waste time .

The majority of the respondents had only secondary school certificate and still many others with primary school level of education and very few with some professional certificate and none with a university education level. The respondents therefore lacked skills in management, marketing and even in networking. Almost all the respondents in the SHGs were married and that was an indication that they were stable members of the SHGs and the groups would advance pursuit of its goals. The SHGs also still took advantage of the respondents members who had particular skills.

The majority of the members had families with three or four children and so they were not overburdened with family responsibilities. The SHG members got their income from farming and businesses. Most of them earned financial incomes of around Kshs.10,000/=.

5.1.3 Participation of Members in their Self Help Groups

The reasons for joining SHGs were based on just being or growing with others together in the community. Most of the SHGs had the objectives and goals of helping each other to grow together. In short periods of time many members had saved a lot of money and this showed that they had confidence in the SHGs and knew that the SHGs were important means for their development.

Despite the many advantages of being SHG members, there were still many people, especially men, who were not members of any SHG.

5.1.4 Level of support of SHGs to their members

The SHGs supported their member respondents with training, networking, information and loans which enabled them to start and grow their businesses.

The SHGs also got help from the department of Gender and Social Development, ministries of Agriculture and from other agencies such as NGOs and CBOs. The bodies supported the groups with grants, loans and expertise for their projects.

Microfinance Institutions also provided training (on request) and loans to the SHGs. The training, information and contacts availed to the SHGs helped the members to understand the advantages of pooling resources and so use the acquired and availed resources to advance their projects and hence enhance their well-being.

5.1.5 Well-being of the respondents

Almost all the respondents said their lives had changed for the better due to the help of the SHGs. SHGs offered opportunities for capacity building, networking and pooling of resources. The SHG member respondents said that their groups had supported them financially as well as socially.

Most of the respondents were able to pay school fees for their children and medical bills without problems and were food self-sufficient. They also received dividends from their SHGs,

interacted with other members were now very free with one another which increased unity of their groups.

5.2 Conclusion

The SHGs were doing well in terms of leadership, attendance of meetings and were positively perceived by their members but they lacked enough savings and low support to their members was limited. The reasons for formation of the SHGs were diverse but the group members were satisfied with their groups' performance.

At least 90% of the members of SHGs in Ndarugu were satisfied with their SHGs and their leadership. Attendance to the meetings was almost 100%. Even with many variables (hurdles) which made the overall performance to be very low, they still appreciated the loans they secured from their groups and could show results for that. The ages of these members fell within the active category of working people, most were not well educated. There were many business opportunities but they settled for the less risky ones. Mostly they did poultry, dairy farming, hiring out tents and chairs, merry-go-round, motorbike taxis and pig rearing among others. There was potential for commercial farming and some engaged in Land buying, rental houses, and transport and were advancing to medium-size enterprises. A lot of professionalism was needed in these SHGs microenterprises. The help obtained from government departments, MFIs and other organizations like training and visits was availed only to groups and not to individuals. To succeed in SHGs, members are required to be disciplined, patient, consistent, and to work hard.

The study concluded that 90% of members felt that the performance of their SHGs and MEs had helped them to improve their lives - this was noticed through improvement in food self-sufficiency, housing, paying school fees, medical expenses and improved networking, member characteristics like education, income and occupation contributed to performance of SHGs, member participation was critical to the performance of the MEs and the SHG support motivates members a lot. SHGs were capable of contributing a lot to the national economy and so the government should introduce soft loans and rewards to the groups and enhance their training opportunities.

5.3 Recommendations

5.3.1 Policies

- a) A part from the support provided to SHGs by the MFIs, the government should increase its grants or matching funds to enable SHGs to carry out viable projects as they are major drivers of the economy and achievements of sustainable development goals (SDGs).
- b) To strengthen training provided by the MFIs, the government should facilitate and expand training of the SHGs to guide them in finding suitable projects.
- d) Apart from MFIs, the Women and Youth Enterprise Funds, the county and national governments should explore giving of starting a revolving soft loan fund to all deserving cases of SHG microenterprises at a small interest (like 5%), that will enable the fund to grow and be available for the next client. This can happen for about five years and then there should be enough funds for all deserving cases.

5.3.2 Further research

- a) Apart from the Department of Gender and Social Development, the researchers should explore possibility of formation of a job creation agency that could link up entrepreneurs, financiers and the government. Ideas that are very promising could be tried out and if working, funding the idea is organized IPOs where people buy shares and then implement it and thereby create jobs.
- b) Research could examine the possibility of creating a body such as HELB with a revolving loan scheme where qualifying ideas are given loan by the government, trade and repay it back in specified period of time. Such a revolving fund can create a lot of employment.

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APPENDIX 1

QUESTIONNAIRE FOR SHG MEMBERS AND LEADERS

Dear Respondent,

I am John Mulwa, a student from University of Nairobi carrying out a study on self-help groups (SHG) (“*Vyama*”), microfinance institutions, microenterprises and their contribution to the economy in Kenya. You have been selected to participate in supplying valuable information that will develop data and conclusions from which lessons can be drawn. This is therefore to request you to give us information as requested in the various questions in this questionnaire. We guarantee you of your privacy. We also wish to assure you that the information you provide will be solely used for the purpose of this study.

Ward Date of interview
.....

Tick and/or fill appropriately in the questions below

1. The effect of membership characteristics on the performance of their micro-enterprises

- a) **Age group** in years: 29 and below 30 – 39 40 – 49 50 and over
- b) **Gender:** Male Female
- c) **Education level:** None Primary Secondary (Dip/Cert) University (Degree)
- d) **Marital status:** Single Married Separated/Divorced Widowed
- e) **Family responsibility:** No. of children Other dependents
- f) **Religion:** Christian Muslim (Others specify)
.....
- g) **Occupation:** Wage Employed Self-employed Farmer/housewife Others
(specify)
- h) **Main sources of income:**
- i) **Income per month:** less than 10000, ... 10000 – 19000, ... 20000 to 30000, ... 31000 – 50000 ...,
51000 and above...

2. The characteristics of SHGs and their effect on their performance; Member’s support by SHG

- a) Which year was your Chama started?
- b) When did you join it?

- c) Why did you join the Chama?
-
- d) What are its goals/objectives
-
-
- e) Which activities does it carry out?
-
- f) How much savings have you made to the Chama? (Ksh.)
-
- g) In which ways has the group supported you? Credit? Training? Other ways?
If **credit** indicate

Year	Amount	Purpose

If **training and/or other educational exposure** indicate

Year	Type of training	Length of the training

If **other ways** indicate

Year	Type of support	Benefits

Meetings

- a) How often does the group hold its meetings? Daily ... Weekly Fortnightly Monthly Others
- b) How many meetings did the Chama hold last month?
- c) How many did you attend? If you did not attend all of them, why?
- d) How do you rate your attendance of Chama meetings? High Average Low

Leadership in the SHG

- a) Are you one of the leaders of the Chama? Yes No
- b) If yes, what position do you hold?
-
- c) How were you chosen to the position?
-
- d) What have been your responsibilities?
-

- e) Which key decisions have you assisted your Chama to make?
-
- f) What other work have you done for the Chama?
- ..
- g) How do you rate the performance of your Chama leadership? High Average Low

3. Performance of SHG members’ Enterprises and effects on member well-being

- a) When did you start your microenterprise?
- ...
- b) What is the type of your Chama enterprises?
- .
- c) Where is it located?
- d) Which of the following do you have in your enterprise?

Items	Before SHG support	After SHG support
Number of employees		
Stock (approximate value in Kshs.)		
Gross sales “		
Net sales “		
Assets “		

- e) What other types of achievements have you realized as an individual or even as a group?

1	
2	
3	

- f) How do you rate your business performance? High Average Low
- g) What challenges do you face in your micro-enterprise?
- .
- h) What solutions do you find for those types of challenges?
-
- i) What information/skills do you realize you lacked at the beginning?
- ...
- j) Do you have any appeal to make to the government or any other entity about doing business in this region?
-
-
- k) What are your future plans about your business enterprise?

.. 4. Types of microenterprises carried out and their influence on SHGs

- a) How do you compare your well-being before and after you became a Chama member?

Well- being indicators	Before SHG Support	After SHG Support

Schooling of children		
Food self-sufficiency		
Meeting of medical expenses		
Networking and linkages with other groups and experts		
Type of house (permanent, semi- permanent, owner, ...)		

- c) What are your major achievements as a result of being a SHG member?
 Were your expectations of being a SHG member met after you became a member? Yes
 No.
- d) If yes, what are the main benefits of being a SHG member?
 What needs to be done – by government, members or any other entity – to make SHGs
 functions effectively?
- e) Is there anything that you have learned about SHGs that other members in all SHGs need to know?

- f) Is there anything that you have learned about SHGs that other members in all SHGs need to
 know?

INTERVIEW GUIDE FOR LEADERS OF SHGS,

a) Group performance

- History of the SHG -
- Goals and objectives -
- Activities –
- Characteristics of the SHG -
- Membership –
- Meetings -
- Elections -
- Assets -
- Contributions and defaulters –
- Revolving loan amount (Kshs.) –
- Loans availability -
- Documents and records keeping
- Constitution –
- Cash books –
- Minutes –
- Reports –
- Support to SHG members for their microenterprises -

Support the SHG gets from microfinance institutions –

Achievements of the SHG -

Challenges that the SHG is facing -

Plans for the future –

INTERVIEW GUIDE FOR LEADERS OF SHGS Ctd,

b) The nature of Microfinance Banks strategies and interventions

Do the Micro-Finance Institutions (MFIs) encourage community members to form SHGs and start businesses? Yes ... No...

- a) Do the MFIs help you make sound SHG rules? Yes No
- b) Do the MFIs visit your local area to understand the social and economic environment so as to be able to advise you on business matters? Yes No
- c) Do the MFIs advice on how to do businesses? Yes No
- d) Do they train you on business practices? Yes No
- e) Do they teach you basic book-keeping for businesses? Yes No
- f) Do they require a business plan for assessment before giving a loan? Yes No
- g) Do they come to the field to see what is happening and help when necessary? Yes No....
- h) Do they help you get market for your goods or do market research for you? Yes No ...
- i) Do they organize any forums of facilitating SHGs to share ideas? Yes No
- j) Do they organize any awareness campaigns for their presence and products? Yes No
- k) How do you rate the efforts of the MFIs in helping SHGs? High ... Average ... Low ...
- l) What main problems do you face when dealing with MFIs? Answer as follows: Put 1, 2, 3 or 4 after each item; where 1 is the most problematic and 4 is the least problematic: Collaterals... Interest rates ... Repayment periods ... Getting Guarantors ...
- m) How else do they help you apart from loan money?
- n) How would you wish the MFIs to function?

APPENDIX 2

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APPENDIX 3



UNIVERSITY OF NAIROBI
DEPARTMENT OF SOCIOLOGY & SOCIAL WORK

Fax 254-2-245566
Telex 22095 Varsity Nairobi Kenya
Tel. 318262/5 Ext. 28167

P.O. Box 30197
Nairobi
Kenya

24th July, 2019

TO WHOM IT MAY CONCERN

JOHN MAITHYA MULWA - C50/86021/2016

Through this letter, I wish to confirm that the above named is a bonafide postgraduate student in the Department of Sociology & Social Work, University of Nairobi. He has presented his project proposal entitled; "The practice of the grameen banking model in Kenya; its effect on the performance of self-help groups and well being of their members."

John is required to collect data pertaining to the research problem from the selected organization to enable him complete his project paper which is a requirement of the Masters degree.

Kindly give him any assistance he may need.

Thank you.



Prof.C. B. Nzioka
Chairman, Department of Sociology and Social Work

REPUBLIC OF KENYA



MINISTRY OF LABOUR AND SOCIAL PROTECTION
STATE DEPARTMENT FOR SOCIAL PROTECTION

Telegrams: "D.G.S.D.O",
Email address: @gdogatunde@gmail.com

Department Social Development

P.O BOX 61-01030
Gatundu

When replying please quote:

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27/8/2019

THE CHAIRMAN
COMMUNITY DRIVEN DEVELOPMENT COMM-NDARUGU

THRO'

1.THE CHAIRMAN
SUBCOUNTY SOCIAL DEVELOPMENT COMMITTEE-GATUNDU

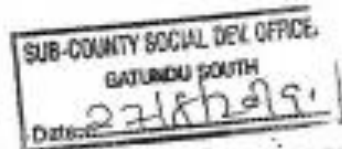
2.CHIIEFS -NDARUGU
-RWABURA
-MUNYUINI

RE:JOHN MAITHYA MULWA- ID NO. 6133014

The above is a postgraduate student in the Department of Sociology& Social work in the University of Nairobi .He is required to collect data on selected self help groups pertaining to a research to enable him complete his project paper which is a requirement.(Attached is acopy of selected groups to be visited)

Kindly give him any assistance he may need

Thank you.



MARGARET N. MWANGI
SOCIAL DEVEVELOPMENT OFFICER.-GATUNDU SOUTH.