

**THE ROLE OF TABLE BANKING IN ECONOMIC EMPOWERMENT OF WOMEN IN
UASIN GISHU COUNTY, KENYA**

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APRIL, 2015

DECLARATION

I declare that is my original work and has not been submitted for examination to any other institution for an award of a degree to the best of my knowledge.

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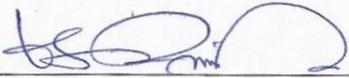
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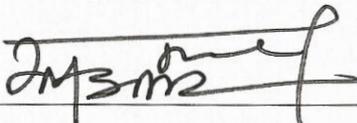
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DEDICATION

I dedicate this thesis to my lovely wife Lydiah Wangari and our wonderful children. They have been patient and have been a source of encouragement to me throughout this research. May the good Lord keep them under His love.

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ABBREVIATIONS AND ACRONYMS

AIDS	Acquired Immune Deficiency Syndrome
DPPS	Deputy President Press Service
GAD	Gender and Development
GB	Grameen Bank of Bangladesh.
GDP	Gross Domestic Product
IFAD	International Fund for Agricultural Development
IGAs	Income Generating Activities
ILO	International Labour Organization.
MDG	Millennium Development Goals
MFI	Micro-Finance Institutions
NGOs	Non Governmental organizations
PEC	Poverty Eradication Commission
SACCO	Savings and Credit Co-operative Society.
SEDP	Small Enterprise Development Program
SHGs	Self Help Groups
SMCs	Scrap metal Collectors
UNDP	United Nations Development Program
WAD	Women and Development
WEP	Women Empowerment Program

ABSTRACT

Despite the fact that women constitute the single largest part of Kenyan population, majority, especially those in rural areas are faced with the challenge of accessing affordable savings and credit facilities. In effort to address this, the former Ministry of Planning and Vision 2030 through the Poverty Eradication Commission introduced table banking to assist women overcome financial challenges and attain economic empowerment. The study sought to investigate the role played by table banking in promoting economic empowerment of women in Kenya and in particular women in the Uasin Gishu County. The specific objectives were to examine ways through which table banking operates, establish ways table banking is economically empowering individual women and to investigate the challenges facing implementation and operations of table banking in Uasin Gishu County. Sustainable livelihood theory, economic independence theory, empowerment theory and capability theory were the theories guiding the study. A pilot study was conducted to test the clarity and suitability of selected research tools. Respondents in the pretest were drawn from three groups in Nyeri County and were asked to evaluate the questions for relevance, comprehension, meaning and clarity. Cronbach Alpha was used to test reliability of the instrument and the cut-off point of 0.7 was considered. After the pre-test exercise, the study was rolled using a descriptive survey research design targeting a population of 200 women groups distributed in Uasin Gishu County. A self-administered semi-structured questionnaire was administered to the members of the group where 80% response rate was achieved. Primary data was analyzed with the aid of Statistical Package for Social Sciences (SPSS) software to generate frequencies, mean, and percentages to present various aspects of the variables. Content analysis was used to analyze qualitative data while quantitative data was analyzed using descriptive and inferential statistics. A regression model to establish the relationship between the independent and dependent variables was also generated. The findings of the study indicate that majority of women actively involved in table banking were married and aged between 26-40 years. Most of these women are self employed whose main purpose of joining group is to mobilize savings to enable them access credit to enable them establish income generating activities or boost the existing business ventures. Access to credit, women enterprises opportunities and financial management skills were found to have a positive impact on individual women hence leads to economic empowerment of women. Lack of collateral security to take up large loans by women and the tendency of men to control loan granted to women were cited as the main challenges.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study.

John F. Kennedy, the 35th president of United States of America (Jan 1961-Nov. 1963), once said “if a free society cannot help the many who are poor, it cannot save the few who are rich.” For a society to flourish both the rich and the poor need to work together to prosper. In developing countries especially Kenya, it’s not easy to bridge this gap. One attempt to address this challenge was the introduction of table banking. It was initially developed by the Poverty Eradication Commission (PEC) under the former Ministry of Planning and Vision 2030, targeting MDG 1 on eradicating abject poverty, especially in rural settings in Kenya. Table-banking takes on the model of the Grameen bank of Bangladesh and the village savings and loans schemes of Zanzibar.

Table-banking was first piloted in Gatanga and Bondo constituencies (DPPS 2014). The results were very impressive but the government did not continue with the roll out there after. However, with the election of the President Uhuru Kenyatta and his Deputy William Ruto in March 2013 on a Jubilee political ticket, table banking received the much needed political Impetus. In Uasin Gishu, table banking started somewhere in 2009, under the name Joyful Women with Rachel Ruto being one of the founders. The Jubilee win in the March 2013 general election, created a strategic opportunity for Her Excellency Rachael Ruto – wife to the Deputy President to aggressively popularize table banking in various parts of the country. Operating from the Office of the Deputy President, the Second-Lady is championing Women empowerment with a keen interest on social and economic fronts. Table banking’s visibility was further enhanced when the President and the Deputy visited the JOYWO projects in Uasin Gishu in November 2013 (Masinde 2013). Table banking project being an initiative to enable community group members build their financial base and to start small enterprises Table banking as a saving and internal lending activity that starts with at least two dozen women who put their contribution into a communal pot, literally "on the table". The money gets "loaned" back out with affordable "interest" to those women who want to put the money to work with a simple, income generating idea of their choice has proved to be an effective way of local resource mobilization among the groups.

The groups have gone beyond financing household activities into small business creation through saving, borrowing their own money and repaying at some interest. The table banking project has also proved that with little or no external support group can take charge of their own development and destiny. In addition, the project has enabled community members to uphold a saving culture. Group members regard the initiative very highly since they can acquire soft loans which assist in improving their livelihoods (Amason, 1996). Some of the group members have acquired long term loans to start businesses. Women mostly suffer from poverty in many developing countries.

Kenya, being one of the developing countries, the poverty in rural areas is a critical problem in the country that efforts like table banking are attempting to address. Considering the above, this research deals with the role of table banking and empowerment of women in Uasin Gishu County. The founder of Joyful Women Organization, Her Excellency Mrs. Rachael Ruto started this concept with the aim of promoting and helping women in her home area access money to start businesses and by recognizing the interests of women in rural areas. The organization has since spread to other counties in Kenya with Eldoret being the headquarters of the organization. According to Harper, (1996) women everywhere, particularly in poor countries are seriously disadvantaged due to various reasons. While women handle a large part of the world's work, they receive a very small part of the reward of the work, in terms of money which they can control hence making them less dependent on their husbands, for those married. According to the World Bank (2001), gender inequalities in developing societies inhibit economic growth and national development.

World Bank (2001) observed that women already contributed to the economy and to the family than is generally reflected in official labour statistics. As countries get poorer, the pressure on women to earn intensifies. However most women cannot obtain work in the formal sector, women therefore tend to take up any kind of work in the informal sector majorly in micro-enterprises or petty trade (IFAD, 2009).

Although women's contribution is substantial, their productivity is low due to constraints of culture and tradition (Ndeti, 2005).

Most women do not possess any assets and cannot normally offer the necessary securities against loans. In addition, offering tangible security (usually land) implies involving male partners in the transaction, thereby, reducing the women's control over means of production and critical decision making. Women's economic empowerment is a prerequisite for sustainable development and pro-poor growth. Achieving women's economic empowerment requires sound public policies, a holistic approach and long-term commitment and gender-specific perspectives must be integrated at the design stage of policy and programming (Rahman, 1999).

Women must have more equitable access to assets and services; infrastructure programmes should be designed to benefit the poor, both men and women, and employment opportunities must be improved while increasing recognition of women's vast unpaid work. Innovative approaches and partnerships include increased dialogue among development actors, improved co-ordination amongst donors and support for women organizations at the national and global level. Women-owned businesses comprise up to 38% of all registered small businesses worldwide. The number of women-owned businesses in Africa, Asia, Eastern Europe and Latin America is growing rapidly and, with that growth, come direct impacts on job creation and poverty reduction (Baden, 1997). However, such growth needs transparent political support and non discriminatory political systems.

Microfinance institutions whose operations are very similar to the table banking provide benefits to women and play an important role in their empowerment. The goal of microfinance institutions as development organizations is to service the financial needs of un-served or underserved markets as a means of meeting development. It includes reducing poverty, empowering women or other disadvantaged population groups like the youth to create employment (Ledgerwood, 2000).

According to Harper (1996), women empowerment differs from one country to another and between different income groups within each country. However,

women's economic, social and political position is generally worse in poor countries as compared to the rich. Today, developing countries with Kenya in Africa take the lead-where the 2010 constitution recognizes the need to empower women against discrimination, are embracing right initiatives although at a slower rate. Women empowerment is giving the ability to generate choices and exercise bargaining power, developing a sense of self-worth, a belief in one's ability to secure desired changes and the right to control one's life (Narayan, 2002).

The important role played by women in the world economy especially in the developing countries is undisputed. Women empowerment and gender equality have dominated attention in various national and international forums as key components of any development agenda. However, despite the recognition of the contribution the women make in the economies of their various countries, they have not been performing to their optimal capacity due to various inhibiting factors such as the limited access to various productive resources that can enable them get empowered. Notable among the resources that the women lack is the access to financial services the previous studies identified inaccessibility to finances as the biggest constrains that limit women from participation in development activities (UNDP 2010). The formal commercial banks cannot offer loans to the poor women without collaterals as they perceive the risk of exposing themselves to high default rates. As countries get poorer and poorer the pressure on women to access credit intensifies. Table banking has come in to play as affordable alternative to meet this unmet demand of women in accessing credits for their enterprises as a strategy to empower the women, improve gender equality and to ultimately reduce poverty in the country.

1.2 The statement of the problem

Majority of women in Kenya have a challenge in accessing credit facilities and remain unbanked, table banking is seen as the solution to their financial problems that can trigger economic empowerment. Table banking is considered as an entry point or a vehicle toward empowering women, but if the concept is not embraced properly by all the stake holders then the much expected economic empowerment may not be fully achieved. This calls for proper mechanisms to be put in place such as member's education and training on prudence financial management skills, identification of

viable business opportunities in the county as well as utilization of borrowed funds into the intended purposes. Table banking has been operating in Kenya for sometimes now benefiting various counties including and not limited to Uasin Gishu, Kakamega, Nandi, Trans Nzoia, Bungoma and Nairobi. Despite this widespread, documentation on how table banking operates or should operate is scarce hence challenging to formulate a regulatory policy. This study therefore uses Uasin Gishu as a case study to provide insights on the operations of table banking and ways it contributes to the empowerment of women not forgetting operational challenges involved.

1.3 General objective

The study aims to find out the role of table banking in economic empowerment of women in Uasin Gishu County, Kenya.

1.4 Specific Objective

- i. To examine table banking operations in Uasin Gishu County.
- ii. To establish contribution of table banking economical empowerment in Uasin Gishu County.
- iii. To investigate the challenges facing implementation of table banking in Uasin Gishu County.

1.5 Research Questions.

- i. How is table banking operating in Uasin Gishu County?
- ii. How is table banking contributing to the empowerment of economic empowerment of women in Uasin Gishu County?
- iii. What are the challenges facing the implementation of table banking in Uasin Gishu County?

1.6 Significance of the Study

The researcher hopes that the findings from the study will be of great importance to the Central Government, Uasin Gishu County government, international donor organizations, and the less fortunate women in the county. The research findings especially regarding operations will make it possible for the concept to be embraced and

replicated not only in Kenya but in other parts of the world the concept is deemed a necessary tool that can reduce abject poverty levels.

1.7 Limitations of the Study

The study included various challenges which the researcher endeavored to overcome. Obtaining full cooperation and appropriate responses from respondents was unignorable challenge. This is because most respondents feared that giving information to outsiders could lead to victimization. Some individuals of the targeted groups were suspicious of the researchers' motives and some attempted to withhold information. However, this was overcome by giving assurance that the information given was used solely for academic purposes and shall be held in confidence.

In addition formulating a suitable questionnaire proved challenging to the researcher. However, support from supervisors made researcher overcome this given the large geographic area to be covered and also the large number of interviews to be conducted. The researcher overcame this by working with groups and not individuals while collecting data.

1.8 Assumptions of the Study.

The study assumed that all the respondents will cooperate with the researcher by providing the appropriate responses and in good time. It was assumed that study would be completed within the stipulated time as per the time frame. It also assumed that the data measuring instruments would be correctly applied and correct results would be arrived at.

1.9 Definition of Significant Terms

Grameen Bank	Is a Nobel Peace Prize-winning microfinance organization and community development bank founded in Bangladesh in 1976, by an economist Prof. Muhammad Yunus (Kabir and Renteria, 1997). It makes small loans (known as microcredit or "Grameen credit") to the impoverished without requiring collateral. The name Grameen is derived from the word gram
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	which means "rural" or "village" in the Sanskrit language (Grameen bank act 2013)
Gross Domestic Product	Is defined by the Organization for Economic Co-operation and Development (OECD) as "an aggregate measure of production equal to the sum of the gross values added of all resident, institutional units engaged in production (plus any taxes, and minus any subsidies, on products not included in the value of their outputs)
The International Fund for Agricultural Development	This is a specialized agency of the United Nations dedicated to eradicating rural poverty in developing countries.
Millennium Development Goals	These are eight international development goals that were established following the Millennium Summit of the United Nations in 2000, following the adoption of the United Nations Millennium Declaration.
Microfinance Institutions	These are sources of financial services for entrepreneurs and small businesses lacking access to banking and related services.
Table Banking	Table banking as a saving and internal lending activity that starts with at least two dozen women who put their contribution into a communal pot, literally "on the table."(JOYWO 2009)

1.10 Chapter Summary

This chapter highlighted the advent and benefits associated with table banking in Kenya as well as the objectives of the study. In Kenya, women empowerment has been a gradual process since independence. Due to the socialization of women in Kenya's patriarchal society, most women believe it is the role of men to provide for the family and, as a result, most women are economically dependent on their spouses or parents. For the young Kenyan woman, achieving economic empowerment is a constant struggle.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter highlights and assesses available literature relevant to table banking in the world. The chapter highlights on the existing theories of table banking and microfinance as well as reviewing work done by other researchers on the topical area of study.

2.2 Theoretical Review

This section examines the theories upon which this study is anchored. It focuses on approaches or models of table banking and economic empowerment shows how they are applicable to the problem of the study.

2.2.1 The Table Banking Concept.

Table-banking takes on the model of the Grameen Bank of Bangladesh. GB is purely a bank that provides banking services only to the poor. It extends credit to the poor to invest in productive sectors such as processing and manufacturing, agriculture and forestry, livestock and fisheries, services and trade. The aim of Grameen Bank (GB) is to reduce poverty in both rich/poor countries and redistribute income through effective resource allocation. It gives loan to those people whom the government or any commercial bank will not give loan facility. Both rich and poor countries of the world microfinance tries to improve access to loans and to saving services for low-income, low-wealth people which is the fastest-growing and best-known tool to combat poverty. The Nobel Prize committee awarded the 2006 Nobel Peace Prize to Dr. Muhammad Yunus and the Grameen Bank for their efforts to reduce poverty in Bangladesh (Hulme, 2008).

Grameen Bank was the first to recognize that the availability of credit is critical for the economic emancipation of the poor, and as a result, the model of Grameen Bank has received international attention and has been replicated in many countries throughout the world. According to Grameen Bank, hundreds of micro-lending programs have replicated the Grameen Bank model in different countries over the last decade (Grameen Bank Dialogue, 2004). Consequently, Grameen Bank has been able to reach

thousands of poor borrowers around the world indirectly through their positive influence.

Bangladesh was slowly recovering from a vicious war of independent in 1971 which had destroyed its infrastructure and its productivity and murdered much of its intelligentsia. The damage caused by the war had been amplified by the famine of 1974 and suffering of human on a vast scale could be witnessed in any town or village of Bangladesh (Hulme, 2008). He watched the people of Bangladesh starve in the famine of 1974 (Yunus 1998). He lent an average of \$0.64 to a bamboo weaver and to 41 others in various purposes. The borrowers repaid their loans and improved their lots.

At present GB is the largest micro-finance bank in Bangladesh and probably the biggest micro credit organization in the world. In the commercial bank the clients have to come for services in banks but GB officials go the clients which is a new system in microfinance banking sector. It is known worldwide for its innovative credit delivery to the rural poor of which (95% are women). It selects asset-less, landless poor people of Bangladesh, focuses on the poor women, and provides credit delivery system to meet the diverse socio-economic development needs of the poor. Many believe that GB's lending has been successful because of its joint liability loans have induced borrowers to provide mutual assistance in hard times (Besley and Coate 1995). But (Rai and Sjöström 2001) argue that joint liability is not enough to efficiently induce borrowers to help each other; it is also necessary to ask borrowers to make reports about each other.

2.2.2 Sustainable Livelihoods Theory.

Sustainable livelihood is fundamental to the United Nations Millennium Development Goals (UNMDG) of eradicating poverty and hunger (UN, 2005). Sub-Saharan Africa stands out prominently among the regions of the world where poverty is still conspicuously visible. According to the UNMDG report of 2005, nearly 50% of Africa's population in 2001 lived on less than \$1 a day. The increased trend of poverty in Africa is alarming as shown by the 2008 United Nations Human Development Index (UNHDI) report, in which more than half of Sub-Saharan

African countries are ranked at the bottom of the world (UN, 2008). Large populations of African countries are engaged in informal income generating activities.

The significance of the theory of sustainable livelihood and its basis for this study is borne by the desire to empower the capacity of people to earn incomes that meets their current and future economic and social needs and minimizes their vulnerability to external stresses and shocks (Ashley & Carney, 1999). According to Arce (2003), the theory of livelihood is not only limited to income generation but also entails the social welfare of people. It is therefore essential to put into context the social well-being of people into the concept of sustainable livelihood. The desire to enhance the sustainability of livelihoods for poor people in developing countries has attracted the attention of many international organizations (Toner & Franks, 2006).

But according to (Toner & Franks, 2006) citation of Bond and Hulme, (1999), most of the approaches employed to enhance sustainable livelihoods failed because of their top down nature (Toner & Franks, 2006). It is very vital for any effective intervention in the enhancement of the sustainability of livelihoods to allow the beneficiaries to make the choice of the nature of the intervention.

Also, according to Farrington *et al.* (1999), sustainable livelihood approaches should include a central focus on people and a holistic approach. The central focus on people entails pro-poor strategies that include analyzing the dynamics of livelihoods, rendering support and allowing the total participation of beneficiaries. It should also entail bringing together the various policies and institutional settings that exist with the intent being to influence and harmonize the differing arrangements in furthering a pro-poor agenda (Farrington *et al.*, 1999).

The holistic approach involves eradication of the marginalization of poor people, understanding the complexity of the relationship of their influences, recognition of various institutional stakeholders, encouragement and promotion of a diversity of livelihood strategies adopted by people. Several issues can be brought into the focus of livelihoods for a meaningful discussion. These issues include the economic, social

and institutional concepts of sustainability, and issues of intra and inter-generational equity.

The social sustainability of livelihood with respect to women in Kenya entails issues such as improved standards of living, financial freedom and increased participation in the country's economic activities. A livelihood activity that enables an individual to afford access to the above facilities can be regarded as sustainable.

The sustainability of livelihoods of people cannot be guaranteed if institutional capacity required to design and implement policies and regulations in the interest of the people is lacking. According to Toner and Franks (2006), the formulation and implementation of policies and regulations determines the level of benefits achieved in sustaining livelihoods.

2.2.3 Economic Independence Theory

Economic independence is called for by various theories to ensure the equality of women. Housework is denounced by the Second Wave Movement, including liberal feminists, because it is basically unpaid. It is insisted that such work devalues women and makes them dependent on men since it is not within the sphere of public economic production (Friedan, 1963). Feminists propose interventions to provide access to economic resources such as micro credit as a stepping point to promote the empowerment of women in the economic, social and political arena (Solomon, 1999). The structural adjustment policies and the neo-liberal development discourse have not only had an impact on the lives of the poor people in the world – it has also had specific consequences for women. In the neo-liberal economic growth model of development, the social dimension has been left out. Goodson Forde (1995) describes how the result is an ever increasing gap between rich and poor and between men and women. Traditionally development theory has failed to incorporate an analysis of gender; progress will be assessed in strict economical terms, and the people in the developing countries were reduced to a universal them.

The 'economic man' is an individual making rational choices, and all individuals share the same opportunities. Differences in experiences and opportunities are not recognized. However, the Swedish International Development Agency (2006) states

that experience have shown that this has led to severe discrimination of women and girls. The structural adjustment programs cuts in grants to projects for education, health and social welfare has invariably had an impact on women as a group. To compensate, the states rely heavily on an increased, and unpaid, reproductive work from the women. As the responsibilities for their family's welfare increases, the possibility to meet their own needs decreases.

The focus on economic growth and the understanding of development as primarily an economic concern reflects the male bias in both economic theory and policy-making. In its very definition economics are constructed in a way that excludes the 'feminine' and the social by its evaluation of and status given to the 'masculine' and mathematical.

Neoclassical economical models are built on assumptions that the individual is autonomous and selfish, 'the economic man'. In 'the market' they try to maximize their own utility, and are unable to behave empathetically towards others. However, there is an underlying assumption that within families individuals (in particular the head of the family, i.e. the man) behave in the complete opposite, and that family members share everything equally. Neither of the assumptions seems very likely. Individuals are able to show empathy in 'the market', and at the same time able to take advantage of gender privileges in the domestic sphere. The question why these contradicting assumptions are a part of neoclassical economic theory has to be raised.

Intra household differences and monetary divisions are not visible. Visvanathan (1997) outlines three major perspectives on women in the third world: Women in Development, Women and Development and Gender and Development. The dominant Keynesian welfare approach in the years after World War II, where women were first and foremost seen as mothers, laid the foundation for the Women in Development (WID) perspective in the 1970's. WID is based on western values and focus on individuals. The western system of democracy will be seen as the solution to the perceived patriarchal societies in the Third World. The focus will be to change the economic and legal systems to grant women a place in the productive sphere. The reproductive side of women's lives will overlooked, and the roots of women's

oppression remained unquestioned. WID is based on the assumption that the economic participation of women will automatically lead to equity.

However, there seems to be a division between women's and men's productive role in policies; women are supposed to enter the field of production through income training activities such as incense making and weaving etc., which indicates that women's work is meant only as 'pocket-money' and therefore continuously valued less than the work of men. This approach meets the needs of income earning for women, but can at the same time be criticized for shifting the costs of domestic work from the paid to the unpaid economy. This is in line with the Structural Adjustment Program's neo-liberal agenda, which defines economies only in terms of marketed goods and services and excludes women's reproductive work.

The Women and Development (WAD) approach emerged in the late 1970s as a Marxist critique of the WID view that the modernization process of capital accumulation and profit making is both beneficial and inevitable in the Third World. WAD theorists such as Beneria (1997) stated that capital accumulation has direct negative consequences on the lives of women. Their workload becomes intensified due to the combination of productive and reproductive work, and they might also lose the control over productive resources. Furthermore capital accumulation may force women to become migrant wage earners. The WAD approach did put focus on women's productive role at the expense of the reproductive side of their lives.

The focus on class, capital and dependency theory meant that WAD failed to analyze gender specific oppressive structures. This school of thought never reached a mainstream audience, but influenced the Gender and Development (GAD) approach that emerged in the 1980s, which is dominating today alongside the WID approach. Young (1997) describes how the GAD approach put the focus on gender relations, rather than on women in isolation from gender structures. Women are seen as active agents of passive recipients of development, as is the case in the WID approach.

However, GAD does not assume that women have a perfect knowledge or understanding of discriminating structures in their societies. Neither does GAD

assume that men are conscious of male dominance, or that all men act to promote it. In the GAD discourse, women are not seen as right or 'good' simply because they are women, and men are not seen as wicked or bad because they are men. Both men and women are seen as important agents in the process to gender equality, but because of their privileges men are seen as unlikely to ally themselves to the cause of gender equality without powerful persuasion.

This type of persuasion should be a part of all development strategy in order to actually implement any advancement for women. Unlike the WID approach which puts women's access to cash income in focus, GAD is much less optimistic about the role of the market as a means to gender equality. Economic betterment in isolation is not sufficient to change any deep rooted structures, but it needs to be combined with women's self-organization so as to increase their political power within the economic system. The role of the state therefore becomes important – as the supplier of education, health and training – particularly on the local level. The poor are rarely able overcome their poverty alone, it is way beyond their reach, and therefore this type of basic needs programmes are central to raise consciousness.

Young states that consciousness-raising has to “encompass not only the nature of the structures creating poverty for some and wealth for others, the maldistribution of social wealth and capital, the unbalanced distribution of political power, but also the structures of inequality between men and women which weaken both in their common struggle for survival and for betterment. In conclusion, it will not until the GAD discourse challenged the neo-liberal WID discourse, that women were seen as a separate group with specific structural challenges in the development agenda. The assumption that economic growth and the economic participation of women in the labor market automatically will lead to equity, both in the society and within the household, is questioned by the GAD discourse. Economic betterment will in itself not change discriminating structures. There is a need for a holistic perspective where social dimensions such as health and education are seen as equally important to people as the economic and political participation and where the domestic duties are recognized as hampering women's personal development.

2.2.4 Empowerment Theory

Different writers have described women's empowerment in various ways but all point towards one direction which is the assumption of power or ability by women to address their needs. For instance, Longwe & Clark (1994) perceive it as a means to overcome barriers to women's equality with men especially in patriarchal societies. According to Mayoux (2000) women assuming the ability to identify their aspirations and strategies for change besides gaining skills and resources to achieve these aspirations constitutes their empowerment. In addition, women's empowerment is viewed as a process that increases women's choices or ability to make choices about their life and the environment they live in (Allendorf, 2007; Mehira, 1997; Kabeer, 1999).

Empowerment is a transformative process within human existence from the state of powerlessness to the state of relative control over one's overall existence by taking control over her destiny and making use of her immediate environment for a sustainable improvement in the livelihoods and better standards of living. Microfinance emerging as a tool of community empowerment and poverty alleviation surrounds the discussion of empowerment theory. Empowerment theory is an alternative development approach as a result of the failures of mainstream development theories in addressing the poverty situation in Third World countries due to their emphasis on growth, pursuit of industrialization and urban bias on holding unfulfilled small promises of a better life for the excluded and downtrodden majority. This situation pushed the poor people in a downward spiral of resource deficit trapped in a vicious life cycle of poverty. Robert Chamber describes this situation as 'the deprivation trap' and Gunnar Myrdal agrees with him and calls it the 'vicious cycle' which need to be addressed.

From this disillusionment comes an alternative development approach and hence empowerment theory: emphasizing the need for grassroots participation in the decision making process on a wider scale as against centralized development policies designed and carried out by politicians and international organizations alike (Friedmann, 1992). Alternative development restores the abilities to those at the bottom (underprivileged) on the basis that unless the poor take an active part in the

development process and in control of their own destinies, sustainable development and the so-called poverty alleviation will only remain a distant dream. This theory is in direct opposition to top-bottom approach on development. It is people-centered geared towards addressing the needs of the poor and how to use their initiatives, potentials and capabilities and move themselves out of the malignant deprivation of poverty as a result of being empowered.

Given this approach, empowerment has become a buzzword in most development and international agencies with most of its discussion centering on power relations, awareness, control, poverty alleviation, development and empowerment. The contributions of Friedmann (1992) Rappaport, Zimmerman, Chambers, Myrdal and other scholars of the same category will be of paramount importance in this discussion for the understanding of this thesis. Friedmann (1992) sees empowerment in terms of power relations, the abilities of people to take control over lives and environment and participate in the overall decision making processes that affect their livelihoods geared towards improving their standards of living; emphasizing on the needs of households.

Narayan agrees with the above perceptions of empowerment by Robert Friedmann and added that empowerment is ‘the expansion of assets and capacities of poor people to participate in, negotiate with, influence, control and hold accountable institutions that affect their lives’. Arguing that poor people are unlikely to take control without being empowered (Narayan, 2002).

On the issue of poverty alleviation, Friedmann argues that reforming existing systems of socio-political and economic integrations would mean reducing societal injustices, provision of social needs and reduction in environmental degradations. He further argues that even if these services are provided as result of being empowered, discrimination will still exist especially on those living below poverty lines on account of their sex and race. In order to remedy this situation, Friedmann concludes that their effective political participation in the overall decision making process and the exercise of their rights largely depends on their social status referring to their subsistence or poverty level and the need for empowerment (Friedmann, 1992)

Friedmann goes further to justify the application of empowerment theory as an alternative development approach given the fact that most of the poverty situations in developing countries affect mostly the households with the burden on women.

He criticizes the traditional basic needs approach pioneered by the World Bank as a 'politics variant' because it is centered more on politics rather than the actual process by which the underprivileged identifies their needs and ways of safeguarding and satisfying those needs. He advocates for a complete structural change in the prevailing dominant political systems in the spheres of power, patriarchy and peripheral capitalism aimed at ameliorating if not eradicate the poverty conditions of the disempowered poor with emphasis on the rural areas (Perkins *et al*,1995).

He praised the creative and mobilization of women through their self determination and collective efforts in ascertaining their place in the empowering process amidst shrinking economic opportunities, thereby using their potentials to strengthen their capabilities so as handle issues collectively within their capacities as a result of being empowered through collectivism and formation of Self Help Groups (SHGs). 'The powerlessness of one woman, which changes by means of her activism in collaboration with others in her situation, is a process that empowers the entire community of women'. Critics of empowerment theory argue that it is a perfect theory of alternative development through its bottom – up approaches but it is problematic in its evaluation of acquired outcomes. They argue that since empowerment evaluation is not about merits or worth, but about the effectiveness of its application, it therefore suggests that an evaluator is not fully equipped to consider what effectively constitute significant findings or how those findings can be achieved without the meaningful collaboration with the evaluated group. This collaboration may be problematic in that it could lead to bias result findings in favor of the evaluated group as the evaluated group may more likely answer questions in favor of his group.

Despite such these constrains, the contribution of empowerment theory on development cannot be over emphasized taking into considerations the numerous emergence of microfinance and microcredit initiatives all around the World and their

impacts on the local community at large. A good example of the success of this theory is from the Grameen bank in Bangladesh and how its message has been transformed throughout the developing world leading to the emergence of Self Help Groups as is the case India, the Susu's of Ghana, the Sacco's of Tanzania and Ric Cameroon A/S in Central Africa and now the Table banking in Kenya all aimed at providing microcredit initiatives to the rural poor and mostly the Women. Hence Table banking has emerged as a paradigm charged in alternative development despite its challenges. This makes empowerment theory a perfect bottom-up approach by giving power and wider opportunities to the powerless so that they could use their initiatives, rights and capabilities for the common good of their social settings not only to better their lifestyles and improve their standards of living but gradually moving themselves out the deprivations of poverty in a sustainable manner.

Aspirations or needs that women strive to achieve have been classified into two categories by Moser who developed a framework for analyzing these needs. The categories are practical and strategic gender needs which arise from inequalities that exist between men and women. Societies prescribe gender roles based on sex hence the condition of the people arising from the gender division of labour result into practical gender needs (Taylor, 1999). According to March, Smyth, & Mukhopadhyay (1999), Moser argued that women and men differ in terms of their needs as two different gender groups due to the subordinate position of women. The subordinate position of women limits their ability to effectively indulge in socioeconomic activities. These limitations are what Moser terms strategic gender needs.

Importantly, as Percy (1999) argued, differences also exist within women themselves since they are not a heterogeneous social group. These differences need to be taken into account when identifying or analyzing gender needs in designing women's empowerment programmes (Mosedale, 2005). The need to address both practical and strategic gender needs have been recognized but the challenge still remains minimal efforts to translate paperwork into practice.

Attainment of strategic gender needs is the highest level of empowerment on the framework (March, Smyth, & Mukhopadhyay, 1999). To achieve this level, women's subordinate position in the society has to be challenged so that they are recognized as

development stakeholders. In his argument, Mosedale (2005) suggested that third parties cannot be given the responsibility to empower women but they themselves should claim it. Similarly, Sharp et al (2003) noted the importance of women themselves perceiving that they can ably assume roles ascribed to men rather than depending on development agents to address their strategic needs.

Littlefield, Murdugh, & Hashemi (2003) noted that in some cases women who have obtained loans have been able to challenge gender inequalities. The loans have enabled them to be recognized in the process of decision making as they possess power over the loan. Interestingly, these interventions have further marginalized women in some cases especially where men being the head of the house and the decision maker have tended to control the use of the credit obtained by the woman (Kabeer, 2000). In this case the credit is prone to abuse and the women still take the responsibility of repayment and struggle to source funds for credit repayment for fear of reprisals like shame in the community. Therefore as argued by Ashraf, Karlan, & Yin (2009), just increasing income support to women can further marginalize them but giving them control and property rights over the allocated support can contribute towards their empowerment.

2.2.5 Capability Theory.

Sen(2001) argued that what was important was what people were able to ‘do’ rather than what people could ‘buy’ with their income and that the focus should be on the intrinsic value of life, rather than the value and utility that goods provide. From this he conceptualized the idea of ‘capabilities’, which is the ability to be well-nourished, to be able to avoid morbidity or premature mortality, to be able to communicate, to read and write, and to contribute to community life (Pressman and Summerfield 2000). He argued that economics should first and foremost be about expanding options available to people and hence increasing their capabilities.

The work of Sen and the human capability theory has strongly influenced the policy positions of the United Nations, and in particular the United Nations Development Programme. The 1997 Human Development Report referred to three perspectives on poverty: Income perspective; Basic Needs perspective; and the Capability

perspective; and noted that the UN's 'human development' conceptualization of poverty drew most heavily on the Capability perspective, which it defined as: "represents the absence of some basic capabilities to function – a person lacking the opportunity to achieve some minimally acceptable levels of these functionings which can vary from such physical ones as being well nourished, being adequately clothed and sheltered and avoiding preventable morbidity, to more complex social achievements such as partaking the life of the community." (UNDP 2010)

The exercise of freedom is mediated by values, but the values in turn are influenced by public discussions and social interactions which are themselves influenced by participatory freedoms' (Sen, 1999). Nobel Laureate, Dr Amartya Sen presents a very different approach to development. In his book titled 'Development as Freedom' he portrays development as the enhancement of human capabilities and individual freedoms geared towards achievable valued outcomes. Sen views freedom as a human right prerequisite necessary for development and poverty alleviation. He distinguishes poverty as a man-made phenomenon purposefully created in order to differentiate class and social stratification between the rich and the poor and that until these societal ills or barriers are being removed, development in the so – called Third World countries will always remain a mystery.

He condemns politicians and administrators alike for allowing their people to languish in poverty as a result of what he calls man - made 'deprivation gap'. According to Sen, poverty is the deprivation of basic capabilities, rather than merely of low income' (Sen, 2001). Sen condemns the parochial nature of human society which is often guided by self interest, greed and selfishness. He recommends a revolutionary movement of grassroots participation of the underprivileged to stand up for their rights thereby recommending a classic bottom up approach to development.

On a more contemporary and central issue of development, Sen argues that the overall purpose of development is the enhancing of individual capabilities and safeguarding their freedom to live the kind of life they cherished with attachable valued ends. The key to development according to Sen is to make all fundamental basic freedoms accessible to all, with a target to the underprivileged so that they should be able to

maximize their capabilities and pursue growth opportunities that would presumably lead them out of poverty, condemning that development cannot be centered only around those in authority as it does not necessarily reflect the needs of the poor due to its bureaucratic trickle down effects.. This gives the poor the abilities to take control over their livelihoods and communities leading to a progressive and sustainable increase in their quality of life and rise in their standards of living.

Sen argues that freedom is the primary end and principal means of development, outlining five distinct elements of freedoms such as; 'political freedom, economic facilities, social opportunities, transparency guarantees and protective security. Each of these set of freedoms guarantees individual rights and creates opportunities that helps to advance the general capability of a person' (Sen, 2001). All of these set of freedoms, act as complimentary to each other and mutually self reinforcing. These forms of freedom tend to boost the overall capabilities of individuals making them to live more freely. Sen argues that their connectivity and linkages to each other does not only relate to the primary ends but also to the principal objective of development thereby strengthening their joint importance and influencing the individual substantive freedom to live better lives and by so doing enhancing their wider choices. He stresses on the importance of social and human capital and their overall social interaction in bringing about development and economic growth and consequently better standards of living as a result of increased in their capabilities.

Unlike Hernando De Soto, Sen also recognizes the significance of market as an important factor of development as long as there exists what he calls 'unrestricted freedom' and individual rights. According to him, 'markets typically work to expand income and wealth and economic opportunities that people have. Arbitrary restrictions of the market mechanism can lead to a reduction of freedoms because of the consequential effects of the absence of markets. Deprivations can occur when people are denied the economic opportunities and favorable consequences that market offer and support, (Sen, 2001). Sen commends that it is hard to think about development without the existence of the market. He views entrepreneurs, small and medium size enterprises as powerful development paradigms provided that there are unrestricted conditions to allow them to flourish. However, he clearly points out that

market forces alone are not enough to determine development. They must work side by side with individual freedoms in order to enhance their capabilities to pursue a higher quality of life within a just society. In his book titled 'Inequality Reexamined' he recommends that impartiality and equality should be allowed to determine market forces and ethical thinking (Sen, 1992)

Sen also recognizes and portrays the value or the importance of women as pivotal to the overall development process thereby agreeing with the commonly held ideology that 'behind every successful man, there is a woman' since it is the woman that takes keen interest in the functioning of the households. He stresses on the enhancement of variables such as female literacy as they do not only relate directly to women empowerment but also plays an important role in the functioning of general households rather than those variables that relates only on general levels of household wealth (Sen, 1999). His argument is that an encouragement in communities and households through the enhancements of their capabilities leads to an increase in the quality of lives and improvements in their standards of living.

His approach brings to light a new challenge in development economics on the commonly held ideology that an increased in the rate of economic growth means development, arguing that development is to bring freedom to the marginalized poor people so that they should be able to chose and participate in all domains of the socio – cultural, political and economic decision making processes. Sen's capability approach on development is to enhance and expand individual capabilities by giving them what he calls 'real freedom' referring to unrestricted freedom with the following indicators; 'life expectancy, literacy, education, educational achievements, level of nutrition, access to healthcare, job opportunities/ self reliance, socio – cultural affiliations and political participation. All of these, he continued, are central in determining development paradigm in civil societies' (Fagha, 2010).

Criticisms on Sen's Capability approach is based on grounds that he lays more emphasis on the importance of freedom to development and ignoring important concept like power relations that causes and reproduces underdevelopment which is pivotal to the understanding of poverty (Fagha, 2010). Power relations clearly

indicates interacting forces between the governed and the government each suggesting a change to the other geared towards the wellbeing of the former thereby making development a social construct allowing for wider choices of individual strengths and competencies by linking them to the wider social and political environment geared towards sustainability (International Journal of Sustainable development, 2006). Sen is further criticized for concentrating his discussion of the Capability theory on freedom thereby ignoring the actual purpose of freedom which is 'happiness'. The sole purpose of freedom is to attain happiness and a better standard of living. 'Freedom is less valuable to happiness because freedom is a means to happiness.

On the whole, Sen's contribution to development and individual wellbeing is very important to the understanding of this project as his capability approach presents a classic and more robust bottom-up approach to development. Those at the bottom, he recommends, are the key players in making changes happen in order to attain sustainable development through the removal of various bottlenecks and hence economic growth opportunities. His revolutionary approach on development calls for massive grassroots participation through the enhancement of their capabilities and abilities to take control of lives in making their own free willed decisions geared towards a better quality of lives thereby moving themselves out of poverty.

My argument here is that it is the combination of these theories that can enhance effective changes on development and poverty alleviation in the developing countries. There can be no effective and sustainable development if people are only empowered as suggested by neither empowerment theory nor a combination of security in the rule of law over the safeguard of one's property as suggested by De Soto, but a combination of freedom which enhances choices and opportunities to choose to live the live one wants.

2.3 Empirical Review.

This section aims at reviewing and presenting research done by others. It intends to show evidence of what other researchers have done in the area of empowerment which forms the basis of this study. By reviewing the works of others,

the researcher was able to identify the research gaps and know what has not been explicitly researched.

2.3.1 The Concept of Empowerment

The term empowerment is used to refer to self reliance and self respect in order to enable each person reach his/her God given potential (Cheston and Kuhn, 2002: 12). They also state that empowerment is about change, choice and power. Empowerment is also considered as process of change by which individuals or groups with little or no power gain the power and ability to make choices that affect their lives. Empowerment is also defined as a process through which women are able to transform their self perceptions-equivalent to alchemy of visibly transforming gender roles.

Empowerment generally involves change at three broad levels: within the household, within the community, and at a broader institutional or policy-making level (Zafar, 2002). According to Rowlands (1998) in his argument notes that much of the use of the term has had emphasis on economic and political empowerment. Empowerment has also been understood to a large extent from a Western free market perspective. The concept has become popular alongside the increased focus on individualism and consumerism as development goals. Consequently, the notion of empowerment has come to legitimize such particular policies and approaches to women's development.

Power tends to accrue to those who control or are able to influence the beliefs, values, attitudes, behaviors and resources that govern social relations at both public and private levels. Empowerment of women processes tend to identify power in terms of the capacity of women to increase their own self reliance and internal strength, and gain, and use power in alternative constructive ways (Baden, 1997). Empowerment is usually associated with women not only because they have been historically disadvantaged in access to material resources like credit, property and money, but they have also been excluded from social resources like education or inside knowledge of some businesses (Zafar, 2002).

Access to resources does not by itself translate into empowerment or equality unless women acquire the ability to use the resources to meet their goals. For resources to empower women they must be able to use them for the purposes of their choice. According to Kabeer, (2005) the effective use of resources requires agency, which is, the process of decision making, negotiation and manipulation. Women who have been excluded from decision making for most of their lives often lack this sense of agency that allows them to define goals and act effectively to achieve them.

Movements which seek the empowerment of women as group increase opportunities available to individual women, and economic empowerment can increase women's status in their families and societies. The lack of empowerment, on the other hand, eventually slows down economic and political development, just as the lack of progress in meeting people's basic needs will limit empowerment because poverty itself is disempowering (Skarlatos, 2004). Poverty is usually defined in relation to the capacity to meet basic needs. However, in terms of a dynamic approach meeting one's needs today do not guarantee that they will be met tomorrow.

The World Bank has also identified empowerment as one of the key constituent elements of poverty reduction, and as a primary development goal (Malhotra et.al, 2000). The promotion of women's empowerment as a development goal is based on the dual argument that social justice is an important aspect of human welfare and is intrinsically worth pursuing. Appropriate external support can be important to foster the process of empowerment. In this regard, development agencies can support women's empowerment by funding women's organizations that work towards addressing the causes of gender subordination by promoting women's participation in political systems and by facilitating dialogue between those in positions of power and organizations with women's empowerment goal (Carolyn, 2003).

2.3.2 Women Empowerment

Empowerment of women is a global challenge since traditionally women have been marginalized and subjected under the control of men. About 70 percent of world's poor are women (Khan & Noreen, 2012). In Kenya about the poor constitute more than half of the population of Kenya – at least one in every two Kenyans is poor

(Anyang' Nyong'o, 2004). In monetary terms, absolute poverty in Kenya is pegged at KShs. 1,239 per person per month in the rural areas and KShs. 2,648 per person per month for the urban areas of the country. Women have no access to credit and other financial services. Due to their low education level, their knowledge and skills on how to manage their work is generally low. In the family level, attitudes which consider men as heads of households still exists, which limit women voices from influencing allocation of domestic resources (URT, 2011).

Other studies have found that loan given to women is controlled by men (Goetz & Gupta, 1996; Rahman, 1999) and in some cases microfinance lead to domestic violence (Goetz & Gupta, 1996; Khan, Ahmed, Bhuiya, & Chowdhury, 1998). Also many people believe that MFIs are extorting money from poor women through very high interest rates just like the money lenders, and also lead to many women running away from their homes and villages after failure of repayment of loan installment avoiding their properties to be taken by MFIs.

Women in Africa are inundated with an avalanche of prejudices and biases most of which are culture-rooted. Bhatt et al. (1998) suggest that women face under-employment and a casual nature of work; lack of skills and education; lesser mobility, heavy responsibilities; a systematic social practice of under-rating women's work, and lack of access to better technologies, tools and productive assets. Many NGOs have taken on the task of women's empowerment through micro-enterprise in recognition of the impact it can have on women, their families, and poverty alleviation. In doing so, however, these NGOs and the women they support often find themselves confronting a reality where attitudinal biases, lack of collateral security with women and women's lack of awareness and reluctance to approach banks for facilities create lack of access to credit, raw material, and markets (Premchander, 2003).

As a result, various accords and affirmative actions have been signed and undertaken to promote the welfare of women. It is therefore not surprising that female empowerment is one of the cardinal goals of the millennium development document. The eight goals of (MDGs) are: poverty and hunger reduction, universal primary education, female empowerment and gender parity, improvement of maternal health,

reduction of child mortality, combating diseases, like HIV/AIDS, malaria and environmental sustainability (Mahjabeen, 2008). Now, accelerated human development can take place through financial and social empowerment of the poor, specifically, women. Microfinance programmes are mainly directed towards women. Evidence shows that through microfinance, women are empowered in terms of decision making, asset ownership and political and legal awareness (Cheston & Kuhn, 2002). This eventually enables women to make decision regarding the education and health of their children, specifically, of female children.

Studies have found that the children of these women are guarded against starvation, disease and illiteracy (Wydick, 1999; Afrane, 2002, cited in Mahjabeen (2008). This realization led to the development—world's initial strategy of promoting income generating activities (IGAs) for women on a large scale. The strategy did not fully succeed, however, as poor women are faced with fewer and poorer opportunities to work. Women Empowerment is therefore a process by which women can gain power to reduce significantly the forces of institutional deterrents to their development. (Agarwal, 1994). Equity is achieved when women build the capacity to challenge the existing power relations which place them in an inferior position to that of men. Gender quality is necessary to achieve social justice. The process towards gender equity and empowerment can be greatly justified if women attain economic independence (Roy and Tisdell, 2004).

There are some indicators of MFI-effectiveness in empowering people in rural Africa, especially women, to sustainably emerge from extreme poverty and contribute to human development on the continent, in line with the poverty dimension of the MDGs (Mayoux, 2000). The reason for targeting women lies in the higher levels of female poverty and women's responsibility for household well-being, an argument that Mayoux (2000) also articulates. There is also the added advantage that targeting women goes a long way towards achieving both gender equality and human rights, which are important MDGs. Women's control over decision-making is also seen as benefiting men through preventing leakage of household income to unproductive and harmful uses such as beer drinking in the case of rural Africa. Other welfare interventions are advocated in addition to micro-finance, typically nutrition, health

and literacy campaigns to further decrease vulnerability and improve women's skills (Mayoux, 2000 cited in Mwenda and Muuka, 2004).

There are some essential elements needed for gender mainstreaming, empowerment and poverty alleviation. Such gender guidelines should include, without being limited to: changes in collateral requirements to include female forms of property; reduction in loan sizes and more flexibility in savings requirements (timing and location of service delivery); and group formation to decrease administrative costs and increase women's "social capital".

Gender mainstreaming involves equality of women's access to services and mechanisms to ensure translation of this access into empowerment. Evidence indicates a clear linkage between contribution to women's empowerment, and even women's access to micro-finance, and positive impacts on levels of poverty (Mayoux, 2000). Efforts must be made to maximize women's ability to increase and control incomes and resources through, for instance, registration of property and assets in women's names, graduated loan sizes, special packages for women in non-traditional and more lucrative activities, and some compulsory long-term savings (Mwenda and Muuka, 2004).

2.3.3 Microfinance empowering women

The question of whether microfinance empowers women has attracted attention in both academic and policy circles. The answers range from microfinance having the potential to empower women fully. The logic of microfinance's potential for empowerment is similar to the economic model of empowerment: microfinance makes women economically independent by putting capital and financial resources in their hands. Economic independence results in higher bargaining power for women in their households and communities, and subsequently results in higher prestige and self-esteem. Here the functions of microfinance are synchronous with its potential to empower.

Microfinance has been seen as contributing not only to poverty reduction and financial sustainability, but also to a series of 'virtuous spirals' of economic

empowerment, increased well-being and social and political empowerment for women themselves, thereby addressing goals of gender equality and empowerment (Mayoux and Hartl 2009). Empowerment through microfinance is identified and measured in various dimensions: impact on decision-making, on self-confidence of women, on their status at home, on family relationships and the incidence of domestic violence, on their involvement in the community, on their political empowerment and rights (Cheston and Kuhn 2002).

Although it is difficult to measure the exact impact of access to microcredit on different dimensions – such as impact on decision-making and on self-confidence – studies have shown that MFIs indeed have a positive effect on each of these different dimensions of women’s empowerment. For instance, an MFI institution in the Philippines (Tulay sa Pag-unlad, Inc. [TSPI]) reported a dramatic increase, from 33 to 51 per cent, in women’s role as funds managers in their households, with only 5 per cent relinquishing control of household funds management during that period (Ledesma 2002). Similarly, in Nepal, Shrestha (1998) found that women participating in the MFI programme were able to make small purchases of necessary items such as groceries independently.

This echoed the findings of Ashe and Parrott (2002). They found that in “listing the ways how Pact’s Women’s Empowerment Program (WEP) had changed their lives, the three most frequently mentioned categories had to do with: empowerment and education, increased self-confidence and a greater role in decision-making, followed by literacy and the knowledge of women’s rights.” Savings and lending did not make it to this list. The findings of WEP in Nepal reported that about 68 per cent of women experienced an increase in their decision-making power in areas that were traditionally dominated by men, such as family planning, a daughter’s marriage, children’s schooling, and the buying and selling of property.

The Nirdhan Utthan Bank in Nepal found that most of their women clients were making decisions about business investments jointly with their husbands, rather than their husbands making such decisions alone (Plan 2001). In the context of Bangladesh, Kabeer (1998) argued that just bringing financial resources to the

households gave women an agency and a sense of the power they have within themselves.

According to the field studies conducted under the IFAD gender mainstreaming review, the empowerment of women – regarding the dimensions of their ability to make decisions and their experience of self-confidence and self-esteem – indicated that women were able to “decide on spending their own income although men were often consulted, articulate their views and command attention and respect within the household, and often within the community. Increased self-confidence was especially pronounced when women had been exposed to training on women’s rights and social and political issues” (Kay 2003).

Other studies indicate that the self-help groups (SHGs) mediated by microcredit have helped women gain control over assets and subsequently acquire self-esteem, knowledge and power (Zaman 2001; Simanowitz and Walker 2002). In addition to the impact on women’s decision-making power and agency, MFI access is also reported to have positively affected women’s relationships within the household, particularly the experience of domestic violence. This is an important finding given the nature of patriarchal culture in most of the households in Asia. For instance, in her study of the Small Enterprise Development Project (SEDP) in Bangladesh, Kabeer (1998) notes that women’s contribution to the household helped bring about a reduction in abuse and strengthening of their relative position within an interdependent relationship with their husbands.

In Nepal, a significant number of women in CSD communities are perceived with respect and accepted without discrimination in public places (Shrestha 1998). Similarly, in Bangladesh, women showed a good deal of empowerment in their capacity to articulate their needs and in their receptivity to new ideas (Kay 2003). More impressive was the emergence of women’s groups as a dynamic, articulate constituency (Krishnaraj and Kay 2002). The linkage between this aspect of empowerment and microfinance was explored by Sanyal (2009) in her study of 59 microfinance groups in West Bengal. She found that economic ties produced through access to microcredit led to improvements in women’s social capital and their ability

to influence social norms. This fostered women's capacity to undertake collective action and facilitated their collective empowerment. In addition, research indicates that social networks enable mutual assistance that generates trust and solidarity, which in turn lower costs to MFIs and contribute to their likely sustainability and continued empowerment benefits, because they essentially reduce risk and thereby lower some elements of the cost of providing services to poor people.

A case study in Narathiwat, a predominantly Muslim County in southern Thailand, illustrates women's empowerment both within the household and at the community level (Kay 2003). Here, SHGs were formed to manufacture products such as batik and embroidered articles. The author notes that the project has fostered participation of all members, including women. This has led to "enhancement of women's status in the household and also at the community level. Some members of the women's groups are reportedly engaged in local community management structures and issues."

2.4 Research Gap

Table banking Initiative is a forum meant to encourage women to form groups through which they can make their contributions and later borrow loans to help them venture in profit making enterprises. Women economic empowerment is key to the growth of any nation. Through capacity building, the concept is expected to transform women into information vessels, it will make women who were once dependent on their husbands for entirely everything to be support their families.

They will be able to provide food for their families and even pay for their children's school fees. The family unit will experience not only a strong bond but also will bring about financial stability. Since table banking is a new concept in Kenya, this research was conducted to find out to find out the role played by this concept in helping the women in Kenya, the challenges, and the future of the table banks.

2.5 Conceptual Framework

Based on the empirical review, the objectives of the study were shown in the conceptual framework below which is an indicative of the relationship between the independent variables and the dependent variable.

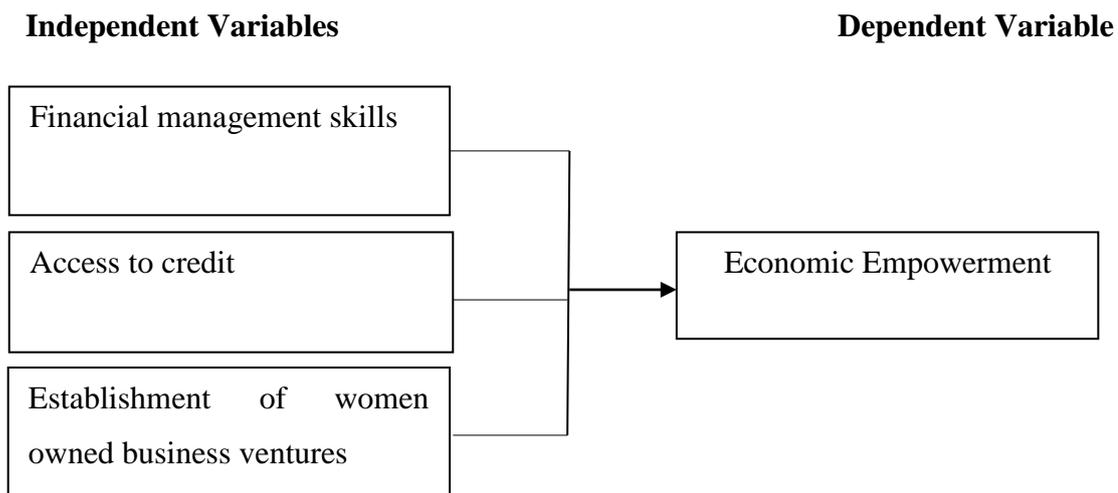


Figure 2.1 Conceptual Framework - Economic empowerment

2.5.1 Independent variables

In the conceptual frame work, access to credit would lead to economic empowerment, it is expected that the operations of table banking would lead to mobilization of resources thus creating a favorable environment for the women to save and in turn access to credit. This would in turn enable women develop economically. Establishment of women owned businesses lead to economic empowerment since this lead to some independence by the women financially. Women in this case would be able to generate some income which will help in provision of basic human needs as well as creating employment out the established businesses. Financial management skills gained by the women out of the trainings conducted by the organization lead to economic empowerment; women will be in a position to budget their income saving whatever small they are earning with the table bank for the purposes of acquiring credits for development purposes which will turn lead economic empowerment.

2.5.2 Dependent variables

In the conceptual framework, economic empowerment was expected to depend on access to credit, establishment of women owned enterprises and financial management skills. Economic empowerment in women was reflected by the volume

of credit accessed by women, their living standards, number of women owned assets and effectiveness of decisions made by women pertaining financial matters.

2.6 Operational Framework

Based on the conceptual framework, a pictorial representation that indicates how the independent variables were measured is shown on an operational framework below.

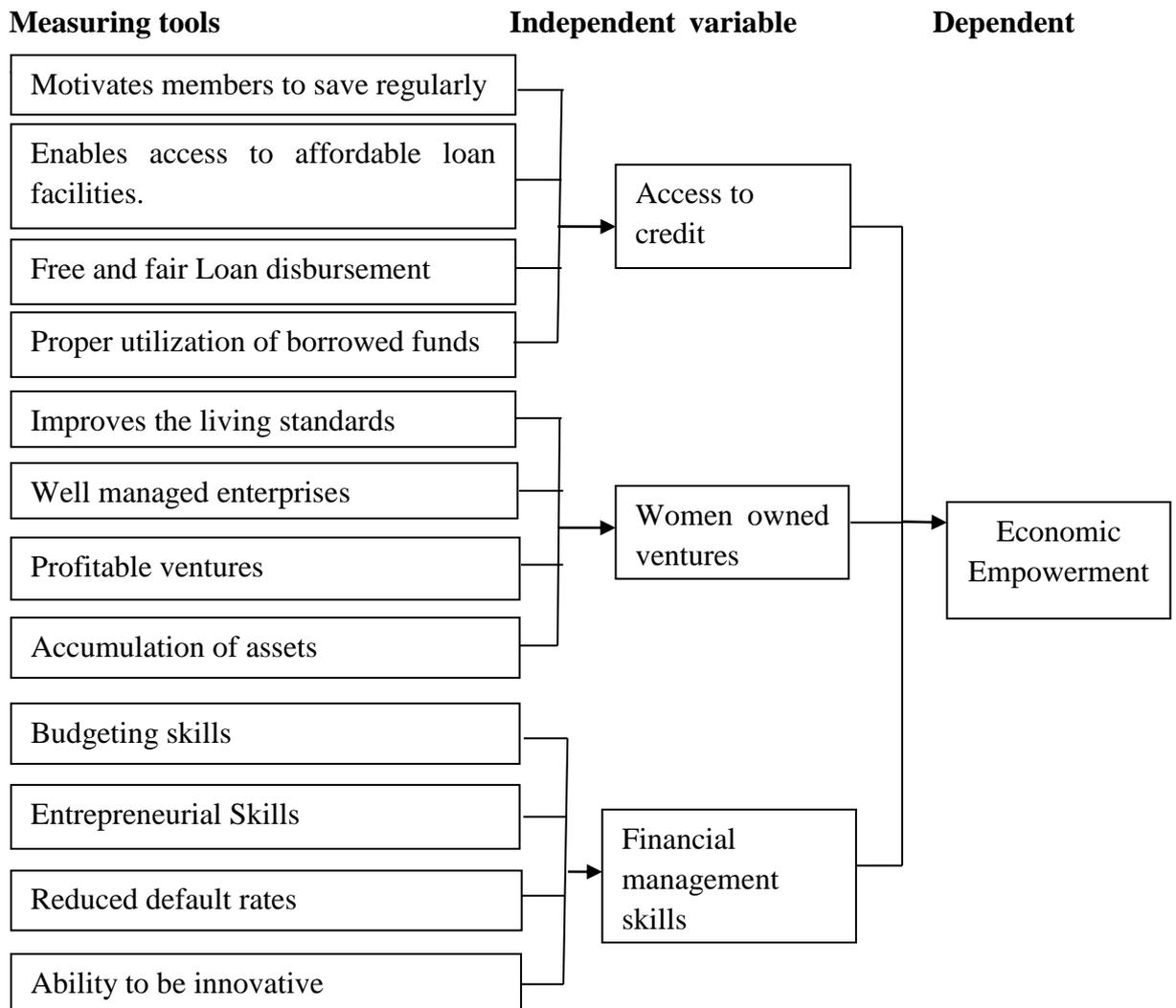


Figure 2.2 Operational Framework- Economic empowerment

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter deals with the discussions of the research methods that were applied in carrying out the study. Kothari (2004) describes research methodology as a way to systematically solve the research problems. The chapter adopted the following structure: research design, population and the sample size, data collection methods, data analysis and recommendations.

3.2 Research Design

The researcher selected descriptive research design in the study aimed to investigate the role of table banking in economic empowerment of women in Uasin Gishu County. The justification of why the researcher chose this county is because of the time period in which the concept have been in operation in the county, table banking concept have been operation since the year 2009 compared to Nyeri and Murang'a county which have been in operation for less than one year. The research approach was conducted through focused group discussion whereby the interviews and questionnaires were administered to the respondents. Interactive approach and proactive approach was used in getting the respondents answer questions this was based on the real life approach. According to Kombo & Tromp (2006), research design was appropriate in collecting, classifying, analyzing, comparing and interpreting data.

3.3 Target Population.

-Uasin Gishu County has six sub-counties namely: Ainabkoi, Kapsaret, Kesses, Moiben, Soy and Turbo. This county is the home to the Joyful Women organization which natures the concept of table banking in Kenya, the concept is well established in the County. There are two hundred registered groups distributed within these sub-counties with each group having a minimum of fifteen members.

Table 3.1 Target population

Sub- County	Target population	% Percentage
Ainabkoi Sub-county	35	17.5
Kapsaret Sub-county	28	14.0
Kesses Sub-county	34	17.0
Moiben Sub-county	33	16.5
Soy Sub-county	41	20.5
Turbo Sub-county	29	14.5
TOTAL	200	100

3.4 Sampling Technique, size and Procedures

Sampling technique is the process of selecting respondents who were identified as representative of the target population, in the study. Cluster sampling was used to select respondents in the target population where 30% of women groups in the county totaling to sixty groups with nine hundred members were targeted for the research. Because of the large number of respondents involved in the research, another 20% of the members in each group giving a total of one hundred and eighty respondents were further considered during the monthly meetings for the purpose of gathering the required information.

Table 3.2 Sampling Technique.

Sub- County	Target population	Sample size- Groups	Sample Size- Members
Ainabkoi Sub-county	35	11	33
Kapsaret Sub-county	28	8	24
Kesses Sub-county	34	10	30
Moiben Sub-county	33	10	30
Soy Sub-county	41	12	36
Turbo Sub-county	29	9	27
TOTAL	200	60	180

3.5 Data Collection Procedures and Instruments

A brief invitation and introduction to this research was provided to participants before they started filling out the questionnaires and answering the questions. If they accept the invitation and questionnaires handed out to them the process was conducted during the women's monthly meetings. The open-ended questionnaires gave the respondents a greater depth of response and stimulate them to think about their feelings and express what they consider to be matters of concern. The closed-ended questionnaires are easier to administer because each item is followed by alternative answers and they are economical to use in terms of time and money.

According to Kothari (2004), use of questionnaires is less costly, free from interview bias and gives respondents adequate time to give well-thought-out answers. The researcher further contended that questionnaires could be used to reach respondents who were not easily approachable and they are easy to analyze.

3.6 Reliability

Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials. Reliability deals with how consistently similar measures produce similar results (Crano & Brewer, 2002). This study addressed reliability by using Cronbach alpha statistical test. The Cronbach alpha coefficient normally range from 0 to 1 and the higher the coefficient, the more reliable the scale.

The questionnaire was piloted in Nyeri County in order to establish whether the questions therein measured the expected results. The reliability of the questionnaire was tested using the test – retest method whereby, the same questions were given to the same respondents after a one week period. The questionnaire was then adjusted on the basis of the findings of the pilot test and the final questionnaire was developed. The cronbach alpha coefficient was 0.74 and this study used the cutoff point coefficient of 0.7 and above as a strong measure of reliability which agrees with Nunnaly's (1978) recommendation.

3.7 Validity

Validity concerns the accuracy and meaningfulness of inferences which are based on the research results (Bryman & Cramer, 2005). Results obtained from analysis of the data actually represent the phenomenon under study to the degree. Based on this study, the questionnaires were designed to measure specific objectives under study. The data collection instrument was subjected to an examination by a panel of experts who were asked to review the instrument to ascertain its validity.

3.8 Data Analysis and Presentation

The data collected was coded and edited for purposes of ensuring comprehensiveness and accuracy of the filled questionnaire. Quantitative data was analyzed by use of descriptive statistics and presented using frequency distribution tables. Regression analysis was used to analyze responses from the questionnaire. Data analysis involved preparation of the collected data, coding, editing and cleaning of data in readiness for processing using statistical package for social sciences (SPSS). The data pertaining to profile of the respondent and their respective groups were analyzed using content analysis.

The correlations was tested using inferential statistics which included regression analysis to establish relationship between the independent Variables (Access to credit, women owned businesses and financial management skills) and the dependent variable (Economic empowerment). Multiple linear regression was conducted to assess the role of the variables in economic empowerment of women Uasin Gishu County. Cross tabulation and paired sample z-test was adopted to relate one variable to the other.

The regression model was as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where:

Y = Number of Economically empowered women

Bo = Autonomous factors.

X1 = Average loans accessed by women in the County.

X2 = Number of women owned businesses

X_3 = Number of members who have gained financial management skills

e = Error term

The random term represent either all the factors that affect the dependent variable but are not included in the model because they were difficult to measure like the effect of decisions made by the husbands or others that the researcher may not be aware of.

3.9 Ethical Considerations

According to Strydom (2002), obtaining informed consent implies that all possible information regarding the aim of the investigation, the procedure to be followed during the investigation, the possible advantages, disadvantages and dangers to which participants may be exposed should be put to the potential participants in the research. Informed consent is also required in ensuring the confidentiality of identity (Kvale, 1996). While conducting the study, the members of the groups were informed that the study was for academic purpose only. The respondents were not required to provide any form of identification to protect their privacy and ensure confidentiality.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION OF FINDINGS AND INTERPRETATION

4.1 Introduction

This chapter presents the findings of the data collected from the women groups registered under the Joyful women organizations in Uasin Gishu County, Kenya. Out of the 180 respondents targeted by the study 144 responded giving a response rate of 80% of the target population. Questionnaires were used to collect data from the group members. The data was analyzed according to the research objectives and research questions using descriptive and inferential statistics. The findings were presented in form of frequency distribution tables and their implications explained, Person's Correlation Coefficient was used to determine the extent of the relationship between the dependent and independent variables. The discussion of the outcomes is based on the outputs from the SPSS per objective.

4.2 Examination of how table banking operates in Uasin Gishu County

This section provides results and explanation of the findings and data analysis based on how table banking operates. The explanations are related to their research objectives and questions in determining the role of table banking in economic empowerment of women in Uasin Gishu County.

4.2.1 Gender composition

The study focused on women group in Uasin Gishu County however, the study revealed that men are part of the registered women groups though they are minority represented by 16%. This is consistent with the department of social services requirement that for any women group to be registered over 70% of the members must be women.

Table 4.1 Gender composition

Gender composition	Frequency	Percent
Male	23	16
Female	121	84
Total	144	

4.2.2 Marital Status

The study found out that 81.3% of the respondents were married while 18.7% of the population is single. This is attributed to demands of supporting their families in provision of basic needs are married women are more concerned with family welfare than single.

Table 4. 2 Marital Status

Marital Status	Frequency	Percent
Married	117	81.3
Single	27	18.8
Total	144	

4.2.3 Age of the Respondents.

The study established that the majority of members are between the ages of 26- 30 years comprising 41.7%, other members in the range of 31-40 years, 41- 50 years, above 50 years and below 25 years comprise of 40.3%, 10.4%, 4.2% and 3.5% respectively. This is an indication that members who join table banking have advanced in age and have responsibilities where they may be very keen in mobilizing savings in order to access credit in order to start various incomes generating activities to wider their sources of funds.

Table 4.3 Age of the Respondents.

Age	Frequency	Percent
Below 25 years	5	3.5
26-30 year	60	41.7
31-40 years	58	40.3
41-50 years	15	10.4
Above 50 years	6	4.2
Total	144	

4.2.4 Level of Education

Level of education was categorized as Certificate, Diploma, Degree and postgraduate. The study found out that most of the respondents had attained up to certificate level at 70.1%, members holding diploma were found to be 16.7%, while degree and

postgraduate holders were 9.7% and 3.5%. Majority were found to have certificate qualification since the study focused mainly on the rural areas.

Table 4. 4 Level of Education

Level of Education	Frequency	Percent
Certificate	101	70.1
Diploma	24	16.7
Degree	14	9.7
Post Graduate	5	3.5
Total	144	

4.2.5 Years in the Group

The research aimed at looking into the number of years members have been actively involved in the table banking activities. It was found out that 50.7% of the members have been in the table banking activities for less than 5 years, 36.1% have been in the group for 5-10 years, 13.2% have been in the group for 10-15 years while none of the respondents have been in table banking for more than 15 years. The period these women have been in the group may also be attributed to the number of years they have been married majority being aged between 26 and 35 years.

Table 4. 5 Years in the Group

Years in the Group	Frequency	Percent
Below 5 years	73	50.7
5-10 years	52	36.1
10-15 years	19	13.2
Total	144	

4.2.6 Nature of Employment

The research tried to establish the nature of employment; it was found out that the majority of the respondents were in self employment at 92.4% while those in formal employment were 7.6%. This is contributed by the nature of economic activities in the region. Most of the residents in this area are farmers and small scale entrepreneurs.

Table 4. 6 Nature of Employment

Nature of Employment	Frequency	Percent
Formal employed	11	7.6
Self employed	133	92.4
Total	144	

4.2.7 Average monthly income before joining the group

It was found out that the monthly income for the members before joining the women groups was 5.6% were earning over Ksh 40,000.00, 6.3% of the members were earning 30,001- 40,000, 12.5% were in the range of Ksh. 20,001- 30,000, 19.4% were earning below 10,000 while the majority of the members earned 10,000- 20,000 at 56.3%.

Table 4.7 Average monthly income before joining the group

Average monthly income before joining the group	Frequency	Percent
Below Ksh.10,000	28	19.4
Ksh. 10,001-20,000	81	56.3
Ksh. 20,001-30,000	18	12.5
30,001-40,000	9	6.3
Over Ksh. 40,000	8	5.6
Total	144	

4.2.8 Average monthly income after joining the group

The study analyzed the income of the members after joining the group and it was found that income for the individual women had improved and none was earning below Ksh. 10,000.00. The majority of the women had shifted to the range 30,000-40,000 at 31.3%. Members who earned over Ksh. 40,000 changed from a mere 5.6% before joining the group to 25%. Also noted in the study is the increase in the number of members earning in the range of 20,001-30,000 at 25.0% while the rest of the group members were in the range of 10,001-20,000 at 18.7%, this is attributed to the period one has been active in the group and income generating activities which include among others; poultry farming, dairy farming, horticulture and trade activities like shop keeping.

Table 4.8 Average monthly income after joining the group

Average monthly income after joining the group	Frequency	Percent
Ksh. 10,001-20,000	27	18.7
Ksh. 20,001-30,000	36	25.0
Ksh. 30,001-40,000	45	31.3
Over Ksh. 40,000	36	25.0
Total	144	

4.2.9 Amount borrowed in the last one year

It was found out that majority of the group members borrowed 50,001- 100,000 at 56.2%, 6.3% borrowed 150,001- 200,000 while the rest borrowed less than 50,000 at 37.5%. This is attributed to the period members have been in the group.

Table 4.9 Amount borrowed in the last one year

Amount borrowed in the last one year	Frequency	Percent
Less than 50,000	54	37.5
50,001- 100,000	81	56.2
150,001-200,000	9	6.3
Total	144	

4.2.10 Purpose of the loan

When women were asked for what purpose they would apply for the loan, majority said that they would take the loan to start their own business which accounted for 68.8% while those who would take loan to pay school fees or any other purpose accounted for 18.8% and 12.5% respectively. This is attributed to the training imparted on women on how to invest the amount borrowed on an income generating activities in order to accumulate wealth. However minority felt that investing in children education is also paramount.

Table 4.10 Purpose of the loan

Purpose of the loan	Frequency	Percent
Business/trade	99	68.8
Pay school fees	27	18.8
Others	18	12.5
Total	144	100.0

4.2.11 Savings before table banking

The data below shows that majority of the women never used to save before they started Table banking which accounted for 56.3%. 25% used to save in SACCO while 12.5% and 6.3% used to save other microfinance institutions and commercial bank respectively. This is attributed to the men being the head of the family who controls financial matters while women lack an opportunity to mobilize savings on their own.

Table 4.11 Savings before table banking

Savings before table banking	Frequency	Percent
Never used to Save	81	56.3
Commercial Bank	9	6.3
Other Microfinance Institutions	18	12.5
SACCO	36	25.0
Total	144	100.0

4.3 Establishment whether table banking is economically empowering individual women

This objective was analyzed using mean scores obtained from respondents per each variable expected to have an impact on economically empowering individual women. Questionnaire items per variable were written in the form of statement using a 5-point Likert-type scale ranging from (1) strongly disagree to (5) strongly agree. The mean score for each objective was obtained using SPSS and used in data analysis. Linear regression of single variable in relation to women empowerment was also generated and interpreted

4.3.1 Access to Credit

Table banking motivates members to save regularly mean score = 4.87, Table banking lends affordable loans mean score = 4.56, Table banking issues loans in a free and fair manner mean score = 4.38, Loans disbursement are utilized properly mean score = 4.00. This implies that majority of women were motivated to save regularly by table banking concept.

Table 4.12 Access to Credit

Access to Credit	N	Mean	Std. Error	Std. Deviation
Table banking motivates members to save regularly	144	4.87	.028	.332
Table banking lends affordable loans	144	4.56	.041	.498
Table banking issues loans in a free and fair manner	144	4.38	.050	.602
Loans disbursement are utilized properly	144	4.00	.051	.615

The study sought to establish the relationship between access to credit and economic empowerment on women. The two variables were regressed to generate the following model.

Table 4. 13 Model Summary of Access to Credit

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.049 ^a	.002	-.005	.37684

a. Predictors: (Constant), Access to Credit

From the regression results above, the R value was 0.049 indicating that there is a weak positive relationship between access to credit and economic empowerment. The R squared (R^2) value of 0.002 shows that 0.2 percent of access to credit is explained by economic empowerment. The remaining 98 percent is explained by other factors.

Table 4.14 ANOVA^a for Access to Credit

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	.049	1	.049	.348	.556 ^b
Residual	20.165	142	.142		
Total	20.215	143			

a. Dependent Variable: economic empowerment

b. Predictors: (Constant), Access to Credit

The model was not significant with the F ratio = 0.348 at $p > 0.05$. This is an indication that though access to credit has a weak positive effect on economic empowerment, the effect is not significant.

Table 4.15 Coefficients^a

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	4.409	.394		11.187	.000
Access to Credit	.052	.088	.049	.590	.556

a. Dependent Variable: economic empowerment

The regression coefficient between access to credit and economic empowerment shows that the model has an intercept of 4.409 and a slope of 0.052 with a p value of 0.556. Thus considering access to credit alone as the predictor of economic empowerment shows that access to credit is insignificant with a p - value > 0.05 .

4.3.2 Financial management skills

Table banking has made the women gain entrepreneurial skills mean score = 4.62, Table banking has led to acquisition of budgeting skills mean score = 4.23, Table banking enables reduce loan default rates mean score = 3.77, Table banking has enabled women to identify viable business ventures mean score = 4.46.

Table 4.16 Financial management skills

Financial management skills	N	Mean	Std. Error	Std. Deviation
Table banking has led to acquisition of budgeting skills	117	4.23	.053	.578
Table banking has made the women gain entrepreneurial skills	117	4.62	.045	.489
Table banking enables reduce loan default rates	117	3.77	.065	.700
Table banking has enabled women to identify viable business ventures	117	4.46	.046	.501

The study sought to establish the relationship between financial management skills and economic empowerment on women. The two variables were regressed to generate the following model.

Table 4.17 Model Summary of financial management skills

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.376 ^a	.142	.136	.34954

a. Predictors: (Constant), financial mgt. skills

The R value in the regression results shows 0.376 indicating that there is a positive relationship between financial management skills and economic empowerment. The R squared (R^2) Value of 0.142 shows that 14.2 percent of financial management skills is explained by economic empowerment.

Table 4.18 ANOVA^a for financial management skills

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.865	1	2.865	23.453	.000 ^b
Residual	17.349	142	.122		
Total	20.215	143			

a. Dependent Variable: economic empowerment

b. Predictors: (Constant), financial mgt. skills

The model was significant with the F ratio = 23.453 at $p = 0.000 < 0.05$. This is an indication that financial management skills considered independently is an important factor on economic empowerment.

Table 4.19 Coefficients^a

Model	Unstandardized		Standardized	T	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	4.256	.085		50.370	.000
Financial mgt.skills	.075	.015	.376	4.843	.000

a. Dependent Variable: economic empowerment

The regression coefficient between financial management skills and economic empowerment shows that the model has an intercept of 4.256 and a slope of 0.075 with a p value of 0.000. Thus considering that financial management skills as the predictor of economic empowerment shows that that financial management skills is significant with a p – value $0.000 < 0.05$

4.3.3 Women owned enterprise

Table banking has improved the living standards mean score = 4.63, Table banking operations leads to well managed enterprises mean score = 4.31, Table banking has led to running of profitable enterprises mean score = 3.94, Table banking has enabled women accumulate assets mean score = 4.62

Table 4.20 Women owned enterprise

Women owned enterprise	N	Mean	Std. Error	Std. Deviation
Table banking has improved the living standards	144	4.63	.040	.486
Table banking operations leads to well managed enterprises	144	4.31	.057	.684
Table banking has led to running of profitable enterprises	144	3.94	.096	1.148
Table banking has enabled women accumulate assets	144	4.62	.040	.486

The study sought to establish the relationship between women owned enterprise and economic empowerment on women. The two variables were regressed to generate the following model.

Table 4.21 Model Summary for women enterprise

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.827 ^a	.684	.681	.21219

a. Predictors: (Constant), women enterprise

From the regression results above, the R value was 0.827 indicating that there is a strong positive relationship between women owned enterprise and economic empowerment. The R squared (R^2) value of 0.684 shows that 68.4 percent of women owned enterprises is explained by economic empowerment. The remaining 31.6 percent is explained by other factors.

Table 4.22 ANOVA^a for women enterprise

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.821	1	13.821	306.963	.000 ^b
	Residual	6.394	142	.045		
	Total	20.215	143			

a. Dependent Variable: economic empowerment

b. Predictors: (Constant), women enterprise

The model was significant with the F ratio = 306.963 at $p\ 0.000 < 0.05$. This is an indication that women owned enterprises has a very positive effect on financial economic empowerment.

Table 4.23 Coefficients^a

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	2.329	.133		17.493	.000
	Women enterprises	.528	.030	.827	17.520	.000

a. Dependent Variable: economic empowerment

The regression coefficient between access to credit and economic empowerment shows that the model has an intercept of 2.329 and a slope of 0.528 with a p value of 0.000. Thus considering women owned enterprises alone as the predictor of economic empowerment shows women owned enterprises has a very positive relationship and is significant with a p- value $0.000 < 0.05$.

4.3.4 Multi- linear Regression

Access to credit, financial management skills and women owned enterprises have some degree of influence as far as economic empowerment on women is concerned. Multiple regression provide the analysis of all these factors regressed together in respect to economic empowerment on women. Multi regression results generated coefficients of each independent variable as shown in the model below.

Table 4. 24 Model Summary for economic empowerment

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.887 ^a	.786	.782	.17573

a. Predictors: (Constant), women enterprise, financial mgt. skills, Access to Credit

The R value in Table 4.24 was 0.887 indicating that there is a strong positive relationship between women owned enterprises, financial management skills, access to credit and economic empowerment. R squared value of 0.786 shows that 78.6% of

economic performance is explained by the variables. The remaining 21.4% is explained by other factors put in place to enhance women economic empowerment.

Table 4. 25 ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.891	3	5.297	171.532	.000 ^b
	Residual	4.323	140	.031		
	Total	20.215	143			

a. Dependent Variable: economic empowerment

b. Predictors: (Constant), women enterprise, financial mgt. skills, Access to Credit

As shown in Table 4.25 model is significant as depicted by an F ratio of 171.532 and $p 0.000 < 0.05$.

Table 4.26 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.763	.200		13.842	.000
Access to Credit	-.164	.042	-.155	-3.852	.000
Financial mgt. skills	.062	.008	.311	7.785	.000
Women enterprises	.523	.025	.818	20.530	.000

a. Dependent Variable: economic empowerment

From table 4:24 above access to credit is an important factor in economic empowerment with a B value of -0.164 and a significance level of 0.000 this implies that table banking leads to affordable loan, issue of loans in a free and fair manner. Acquisition of financial management skills for economic empowerment by women had a B value of 0.062 and a significance level of 0.000. Thus acquisition of financial management skills is also an important factor in economic empowerment as it has enabled women to gain entrepreneurial skill and has enabled women to identify viable business ventures. Women owned enterprises were an important factor to

economic empowerment with a B value of 0.523 and a significance level of 0.000. This implies that women owned enterprises is an important factor as far as economic empowerment is concerned as it has lead to improved the living standards of individual women and has enabled women to accumulate assets.

4.4 Challenges facing implementation of table banking

Table 4.26 Challenges of table banking

Challenges of table banking	Frequency	Percent
Loan default	14	9.7
Inadequate savings to lend	2	1.4
Non attendance of meetings by some members	2	1.4
Withdrawals of members from group after accessing credit	1	.7
Loans taken by Women Controlled by Men	47	32.6
Lack of collateral security to take up Large Loan	78	54.2
Total	144	100.0

The study revealed that lack of collateral security to take up large loans by women was the main challenge which accounted for 54.2%, 32.6% said that loan taken by women were controlled by men while 9.7% cited loan default by women as a challenge. Non attendance of meeting by some members and inadequate savings to lend by women group was also cited as a challenge which accounted for 1.4%. Withdrawals of members from group after accessing credit were also cited at

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the summary of the findings as discussed in chapter four. It also draws conclusions based on the findings as per the objectives of the study. The objectives of the study were:-

- To examine how table banking operates in Uasin Gishu County.
- To establish contribution of table banking economical empowerment in Uasin Gishu County.
- To investigate the challenges facing implementation of table banking in Uasin Gishu County.

5.2 Summary

5.2.1 How table banking operates

The study revealed that women are actively involved in table banking which accounted for 84%. Majority of these women were married which accounted for 81.3% who are aged between 26 -40 years. This is an indication that women are trying to lay a strong foundation for the future of their family at their first years of marriages. The study also revealed that most of the women who join table banking are in self employment where they intend to accumulate savings to enable them access credit to establish or expand their businesses.

Majority of women in the county never used to save before they joined table banking which accounted for 56.3%. Only 25% and 12.5% of the women used to save with SACCO and other microfinance institutions respectively. Women who were still operating businesses even before joining table banking, majority were earning an income of between 10,000 and 20,000 which accounted for 56.3% followed by those earning less than 10,000 per month. After joining table banking where they were able to borrow to boost their businesses those earning below 10,000 managed to increase their average income to a point where none was earning below 10,000 per month. Majority of women borrow between 50,000 and 100,000 which accounted for 56.2% with none borrowing above 200,000 where as there still some women who borrow between less than 50,000 which accounted for 37.5%.

5.2.2 Table banking economically empowering individual women

The study sought to establish how table banking is economically empowering individual women where access to credit, women owned enterprises and financial management skills were evaluated as to whether they have an effect on empowering women. These factors were summarized below:-

5.2.2.1 Access to credit on economic empowerment of women

The study signifies that access to credit is an important factor that impact on Economic empowerment of women. Table banking was evaluated in where the analysis indicated that it leads to affordable loan with a mean score of 4.56. Access to credit had a B value of -0.155 and a significance level of 0.000. This implies that access to credit was statistically significant and thus had influence on the economic empowerment of women. When considered alone access to credit was insignificant, but when all the factors under the study were regressed together they affect each other affecting the influence of each factor.

5.2.2.2 Women owned enterprises on economic empowerment of women

The study sought to establish whether women owned enterprises has improved the living standards of women, has lend to well managed enterprises, has led to running of profitable enterprises (e.g. vegetable farming, dairy cow keeping, sorghum cultivation) and has enabled women to accumulate assets. Improvement of living standard and accumulation of assets were rated highly with a mean score of 4.63 and 4.62 respectively. Women owned enterprises had a B value of 0.311 and a significance level of 0.000. This implies that Women owned enterprises was statistically significant and thus had influence on the economic empowerment of women. The results of Women owned enterprises when considered alone indicated a strong positive and significant relationship between Women owned enterprises and economic empowerment of women with $R=0.827$ and the R squared value was 0.684 at a confidence level of 95%.

5.2.2.3 Financial management skills on economic empowerment of women

Financial management skills were considered in terms of whether it has lend to reduction of default rate, women were able to gain entrepreneurial skills and

budgeting skills. Acquisition of entrepreneurial skills was rated highest with a mean score = 4.62. Financial management skills had a B value of 0.818 with significance level of 0.000. This implies that financial management skills was statistically significant and thus had influence on economic empowerment of women. The results of the linear regression indicated a positive but significant relationship between financial management skills and economic empowerment of women with $R=0.376$ and the R squared value was 0.142 at a confidence level of 95%.

5.2.2.4 Economic empowerment of women

Multiple-regression revealed that the model was significant since the ANOVA had a significance value of 0.000. Further, for the model to be valid the following must hold $p \leq \alpha \leq 0.05$. Where p is the significant F change and α is the significance level in the ANOVA table. In this case $p=0.000$ and α is 0.000 which fulfills the condition. This also proves that the F value (F test) in the ANOVA table is valid. The results of the model was developed as:- $Y= 2.763-0.164x_1+0.062x_2+0.523x_3 + 0.200$.

Based on the finding and discussion of specific objective the study revealed that access to credit, women owned enterprises and financial management skills had impact of economic empowerment of women

5.2.3 Challenges facing implementation of table banking

The study revealed that the challenge that was cited by majority was lack of collateral security by women to enable them take up large loans which accounted for 54.2%. Men were also found as the challenge where they tend to take control of loan applied for by women which accounted for 32.6%.

5.3 Discussion

5.3.1 How table banking operates

Women are more concerned about table banking than men. This can be explained by the fact that women lack collateral security which they can use to access credit from commercial bank hence table banking act as an alternative form of mobilizing savings and accessing cheaper credit.

5.3.2 Table banking economically empowering individual women

5.3.2.1 Access to credit on economic empowerment of women

The findings revealed that access to credit affects economic empowerment of women. The findings concur with earlier finding conducted by Amason, 1996 who found out that group members regard the initiative very highly since they can acquire soft loans which assist in improving their livelihoods.

5.3.2.2 Women owned enterprises on economic empowerment of women

Women owned enterprises were found to be one of the factors affecting economic empowerment of women. The findings corresponds with earlier studies conducted by Zaman 2001; Simanowitz and Walker, 2002 who indicated that self-help groups (SHGs) mediated by microcredit have helped women gain control over assets and subsequently acquire self-esteem, knowledge and power.

The World Bank has also identified empowerment as one of the key constituent elements of poverty reduction, and as a primary development goal (Malhotra et.al, 2000).

5.3.2.3 Financial management skills on economic empowerment of women

The findings revealed that financial management skills affect economic empowerment of women.

These skills plays a great role in helping individual women get the most out of their money as it helps them estimate the future financial needs and make them plans to achieve monetary goals. Poor Financial Management skill was attributed low profitability hence poor performance of women owned enterprises.

5.3.2.4 Economic empowerment

Findings from the study indicated that access to credit, women owned enterprises and financial management skills had impact of economic empowerment of women. This concurred with a case study in Narathiwat, a predominantly Muslim County in southern Thailand, which illustrates women's empowerment both within the household and at the community level (Kay 2003). Here, SHGs were formed to manufacture products such as batik and embroidered articles. The author notes that

the project has fostered participation of all members, including women. This has led to “enhancement of women’s status in the household and also at the community level.

5.3.3 Challenges facing implementation of table banking

The findings from the study indicated that lack of collateral security to take up large loans by women and the tendency of men to control loan granted to women as the main challenge. This finding concurs with earlier study conducted by Premchander (2003), who found out that lack of collateral security with women and women’s lack of awareness and reluctance to approach banks for facilities create lack of access to credit, raw material, and markets. Other studies have found that loan given to women is controlled by men (Goetz & Gupta, 1996; Rahman, 1999).

Notable among the resources that the women lack is the access to financial services the previous studies identified lack access to finances as the biggest constrains that limit women participation in development activities (UNDP 2010). This is because formal commercial banks cannot offer loans to the women without collaterals.

5.4 Conclusions

5.4.1 How table banking operates

The study concludes that table banking improves the average monthly income of women engaged in business activities. Table banking project being an initiative to enable community group members build their financial base and to start small enterprises has proved to be an effective way of local resource mobilization among the groups.

5.4.2 Table banking economically empowering individual women

5.4.2.1 Access to credit on economic empowerment of women

The study concludes that Table banking lends affordable loans while Access to credit was found to be statistically significance and had an influence on economic empowerment of women hence should be retained in the model.

5.4.2.2 Women owned enterprises on economic empowerment of women

The study concludes that electronic bank deposit alerts enhance efficiency. Women owned enterprises was found to be statistically significance and had an influence on economic empowerment of women hence should be retained in the model.

5.4.2.3 Financial management skills on economic empowerment of women

The study concludes that Table banking has made the women gain entrepreneurial skills while Financial management skills was found to be statistically significance and had an influence on economic empowerment of women hence should be retained in the model. It should be noted that the success of the table banking in Uasin Gishu owes to the Second Lady-Mrs Rachael Ruto- who is passionately pushing the agenda forward. However, there is need to constitutionally integrate the concept in Kenya's legal financial frameworks to protect it from political abuse and interference. Existing table banking groups can also be disbursing agents for youth and women funds.

5.4.2.4 Economic empowerment

Given the findings and the discussion of specific objective the study revealed that access to credit; women owned enterprises and financial management skills had impact of economic empowerment of women. Therefore the model was retained as follows:-

5.4.3 Challenges

The main challenge for table banking concept was lack of collateral security to take up large loans by women and the tendency of men to control loan granted to women were found to be the main challenge. Other challenges include inadequate savings to meet the lending needs for women, loan default and non attendance of meetings by some members.

5.5 Recommendations

Based on the findings of the study the researcher can make the following recommendations:-

To ensure that the affairs of table banking run smoothly, the Kenyan Government should facilitate the institutionalization of this sector and use it to strengthen the economic welfare of women in the rural areas.

Women should be trained more on financial management skills to enable them operate their business more effectively. Institution of Higher learning training in business studies can craft tailor made short courses to support table banking.

The study revealed that table banking funds could not satisfy the lending demand. Therefore groups should device other means of boosting their savings to meet the ever increasing demand for credit facility. For instance, the groups may think of acquiring the existing youth and women funds.

Clear policies need to be formulated to minimize loan defaulters repay the amount lend to ensure continuity and cohesion among group members. By adopting the Grameen Bank model, the members can closely monitor their counter parts to reduce the default rates.

Lack of collateral security to access large amount by women was found to be a main challenge. It is on this basis that the researcher recommends that other factors such as savings discipline, ability to pay and use of guarantors be considered during appraisal.

5.6 Areas of further studies

The study concentrated on the role of table banking in economic empowerment of women in Uasin Gishu County, Kenya. However, there is need to carry out further research in some of the following areas.

There is need to establish the factors that influence tendency of men to control loan granted to women.

There is need to assess the factors that lead to loan default among the table banking women members.

Another area that needs research is establishing the role of table banking in economic empowerment of men.

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APPENDICES

APPENDIX I: TRANSMITTAL LETTER

Abraham Wachira
Dedan Kimathi University
Nyeri Campus
P.O. BOX 657-10100
Nyeri.

Dear Respondents,

REF: AN INVESTIGATION ON THE ROLE OF TABLE BANKING IN ECONOMIC EMPOWERMENT OF WOMEN IN KENYA

I am a student at Dedan Kimathi University Nyeri Undertaking a Masters degree in Business Administration. I am currently undertaking a research on the above named topic. The purpose of this study is to investigate role of table banking in economic empowerment of women in Kenya and suggest recommendations that will help enhance the spirit of co-operative movement and growth of microfinance in Kenya. The attached questionnaire is meant to gather information for this study. The findings are purely for academic analysis and wastreated as confidential.

Yours faithfully,
Abraham Wachira.

APPENDIX II

QUESTIONNAIRES

Please fill in the following questionnaire by answering all the questions given as instructed. All information was treated in high confidence and shall only be used for the purposes of research. Please do not indicate your name anywhere in the questionnaire.

SECTION A

Personal Data

(Tick Appropriately)

1. What is your gender?

a) Male

b) Female

2. Marital Status

a) Married

b) Single

3. What age bracket are you within?

a) Below 25 years

b) 26-30 years

c) 31-40 years

d) 41-50 years

e) Above 50 years

4. What is your level of education?

a) Certificate

b) Diploma

c) Degree

d) Post Graduate

5. How many years have you been in the group?

a) Below 5 years

b) 5-10 years

- c) 10-15 years
- d) Over 15 years

6. Are you in formal or self employment?

- a) Formal employed
- b) Self employed

7. How much is your average monthly income before joining the group

- a) Below Ksh. 10,000
- b) Ksh. 10,001-20,000
- c) Ksh. 20,001-30,000
- d) Ksh.30, 001-40,000
- e) Over Ksh. 40,000

8. How much is your average monthly income after joining the group

- a) Below Ksh. 10,000
- b) Ksh. 10,001-20,000
- c) Ksh. 20,001-30,000
- d) Ksh.30, 001-40,000
- e) Over Ksh. 40,000

9) For what purpose(s) do you use the loan secured from the Table bank

- a) Purchase of food items
- b) Business/trade
- c) Pay School fees
- d) Others

10) Where did you save your money before joining the Table banking?

- a) Bank Account
- b) SACCO

- c) Other Microfinance institutions
- d) Never used to save

11. In which category in the group do you belong to?

- a) Management Committee
- b) Member

SECTION B

Kindly use (√) to indicate whether you agree or disagree with the following statements.

KEY: SD= Strongly Disagree D= Disagree N=Neutral A= Agree SA= Strongly Agree.

Access to credit

		SD	D	N	A	SA
i.	Table banking motivates members to save regularly					
ii.	Table banking lends affordable loans					
iii.	Table banking issues loans in a free and fair manner					
iv	Loans disbursement are utilized properly					

- a) Less than 50,000
- b) 50,001- 100,000
- c) 100,001- 150,000
- d) 150,001- 200,000
- e) Over 200,000

Women owned Business Enterprises

		SD	D	N	A	SA
i.	Table banking has improved the living standards of individual women in the county.					
ii.	Table banking operations leads to well managed enterprises					
iii.	Table banking has led to running of profitable enterprises					
iv	Table banking has enabled women accumulate assets.					

Financial Management Skills

		SD	D	N	A	SA
i.	Table banking has led to acquisition of budgeting skills					
ii.	Table banking has made Women gain entrepreneurial skills					
iii.	Table banking enables reduce loan default rates					
iv	Table banking has enabled women to identify viable business ventures					

Economic Empowerment

		SD	D	N	A	SA
i.	Economic empowerment has enhanced access to credit by women					
ii.	Economic Empowerment has enabled women to make better financial decisions					
iii.	Economic Empowerment has enabled women to acquire assets					
iv	Economic Empowerment has enabled women to improve their living standards					

SECTION C

Operations of table banking

1. What are the procedures to be adopted or dropped to make table banking effective and efficient?.....
.....
.....
.....

Challenges in operations and implementation of table banking.

1. What are the challenges that table banking face in its operations?
i.
ii.
iii.
iv.
2. What do you think should be done to overcome these challenges?
i.
ii.
iii.
iv.

Thank you for participating in this survey