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EFFECT OF TABLE BANKING ON ECONOMIC EMPOWERMENT OF SELF-HELP GROUPS IN RONGAI SUB-COUNTY, KENYA

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Abstract

Table banking is a concept that has gained popularity in the recent past in Kenya. The aim of this kind of banking is to enhance the socioeconomic status of citizens particularly those from poor areas of the country. Poverty has been an issue in less developed areas partly due to the high interest rate that is imposed on the loans by financial institutions. Economic disempowerment not only affects development of the affected areas but directly deplores the livelihoods of millions of Kenyans who are disadvantaged relative to accessibility of financial services from the mainstream institutions. It was, therefore, fundamental to evaluate the effect of table banking on economic empowerment of self-help groups. The study was conducted in Rongai Sub-County. It was guided by two specific objectives which examined how group cohesiveness and group guarantee affected economic empowerment of the said groups. The study adopted descriptive research design. It targeted the 456 members of registered self-help groups. A sample of 83 respondents was obtained from the target population using stratified random sampling method. A structured questionnaire was used to collect data. The Statistical Package for Social Sciences software facilitated data analysis. Both descriptive and inferential statistics were used in analysis. The study findings were presented in form of tables. Correlation

analysis indicted a moderately strong, positive and statistically significant relationship between group cohesiveness and economic empowerment (r = 0.496; p < 0.01). Further analysis revealed a strong, positive and statistically significant relationship between group guarantee and economic empowerment (r = 0.495; p < 0.01). The study concluded that group cohesion was of utmost importance in economic empowerment. It was also inferred that group guarantee was an important factor in enhancing economic empowerment of SHGs members.

Keywords: Economic Empowerment, Group Cohesiveness, Group Guarantee, Self-Help Groups, Table Banking

INTRODUCTION

Table banking has been around for quite some time, and from the outset seems to have empowered the society socio-economically. This study evaluates exactly how table banking affects economic empowerment of self-help groups. The failure of specialized financial institutions to address and meet the credit needs of the poor and the very poor entrepreneurs and women in particular has resulted into popularity of informal banking groups in most of the developing countries (Marti & Mair, 2009). Table banking typically refers to a group funding where members pool their savings together and borrow immediately from those savings on the table for a short period or for a long period (Brannen 2010). Ahlen (2012) asserts that table banking takes a model of the Grameen Bank of Bangladesh and the village savings and loan schemes of Zanzibar. In Sub- Saharan Africa, it is observed that majority of the women entrepreneurs have benefitted from the village savings and credit associations which offer credit at affordable and flexible interest rates in form of a community banking model rather than the table banking model (Anderson 2012). Community banking model has benefitted many microenterprises due to the ease of access to credit form the village savings and credit associations.

Gugerty (2007) noted that individuals especially women prefer informal banking groups for instance the village savings and credit associations for economic and social needs in Africa. This is because such informal banking groups charge friendly interest rates on borrowing and hence borrowers are able to service their loans without difficulty. In fact the author noted that women obtain credit to meet household needs and for precautionary purposes in times of disasters or illnesses since they cannot afford insurance premiums. In addition the credit obtained from this community banking models were used to finance the micro entrepreneurs.

Table banking in Kenya was developed by the Poverty Eradication Commission under the former Ministry of Planning and vision 2030. The main aim was to eradicate poverty in rural

areas in line with the millennium development goals. However, after the launch of projects in 1999, the GoK did not continue with the roll out despite impressive results of the roll out (Asseto 2014). But with the re-launch of table banking, aimed at helping rural women access funds for investments in income generating projects (Kanyi 2014), the system has benefitted over 13 counties (Abuga 2014).

Asseto (2014) noted that small and medium enterprises groups in Kenya have adopted table banking concept in order to empower themselves as it has enabled them to save and access loans for investments from their contributions. Empowerment in these groups it achieved through running several income generating projects, vocational training and education for the adults.

Self-help groups are small voluntary groups formed by people related by affinity for a specific purpose for mutual support (Brody, Dworkin, Dundar, Murthy & Pascoe, 2013). The authors further argue that self-help groups have been formed mainly to change development landscape especially among women and act as a central ground for women's activism and participation. The concept of self-help group is argued to be based on the self-help approach pioneered in India in the 1980s. Further, the concept stresses on group ownership, control and management of goals and processes of concern.

Warue (2012) underscored the importance of group cohesiveness among the self-help groups in repayment of loans. The author argued that group conflicts, refusal to participate in group activities, weak group leadership were the major factors that fuelled non repayment of loans to the groups. Group Asseto (2014) claim that the main objective of table banking is to bring financial services closer to the poor and the very poor and especially women to empower them to fight poverty, stay financially sound and operate profitably. The author further maintains that the system is grounded on group guarantee and household collateral. Group guarantee and joint liability lending has been favored by most lending institutions in a bid to curb credit risk and default risk (Olila 2014). Such institutions advance loans only to individuals organized in development groups as thus act as a guarantee that the loan would be serviced as required. This is based on the assumption that members of a group come from the same community or setting, share similar values and beliefs and therefore would exert pressure on one another in such cases of loan repayment.

Statement of the Problem

Poverty has been an issue in less developed areas partly due to the high interest rate that is imposed on the loans by financial institutions. As such there is limited economic empowerment in these places; an issue that has greatly hampered development. However, there has been

renewed interest in searching for financial models that can be used to deliver sustainable financial services to the rural poor in Kenya. This quest has been motivated by the failure of formal and/or centralized financial institutions to reach remote and rural areas (Johnson, Malkamaki, & Wanjau, 2006).Economic disempowerment not only does it affect development of the affected areas but it directly deplores the livelihoods of millions of Kenyans who are disadvantaged relative to accessibility of financial services from the mainstream institutions. The far reaching implications of economic empowerment necessitates the need to understand the link between table banking, which is common in these areas, and economic development of self-help groups practicing this kind of banking.

General Objective

To evaluate the effect of table banking on economic empowerment of self-help groups in Rongai Sub-County, Kenya

Specific Objectives

i. To examine the effect of group cohesiveness on economic empowerment of self-help groups in Rongai Sub-County, Kenya
ii. To find out how group guarantee affects economic empowerment of self-help groups in Rongai Sub-County, Kenya

Research Hypotheses

H_{01}: There exists no statistically significant relationship between group cohesiveness and economic empowerment of self-help groups in Rongai Sub-County, Kenya.

H_{02}: There exists no statistically significant relationship between group guarantee and economic empowerment of self-help groups in Rongai Sub-County, Kenya.

THEORETICAL FRAMEWORK

Theories and models pertinent to table banking and economic empowerment are analyzed in this section. Lewin's model and theory of cohesion are reviewed and discussed in context of table banking and economic empowerment of self-help groups.

Lewin's Model

According to Kurt and Cartwright (1951) group cohesion is defined as the willingness of individuals to stick together, and believed that without cohesiveness a group could not exist. Lewin proposed the model in order to represent this relationship between goals and behaviors.

The model includes all of the factors that affect a person at a given time. These factors are primarily psychological, such as the person's goals and impressions of the current situation.

In addition, Lewin's model includes those biological and physical factors that significantly influence a person's psychological state. If a group member perceives that the group can fulfill his or her goals, the group becomes attractive. It has a positive valence. There can be various degrees of this attraction. However, to the extent that the group has any positive valence at all, forces in the member's life-space will drive the member toward the group's region. These forces increase the member's attraction toward the group .The overall cohesiveness of a group is the sum of these positive forces in each member's life-space. Cohesiveness is "the resultant of all forces acting on all the members to remain in the group" (Cartwright, 1968). Members in the self-help groups have to find ways in which will enable them to remain in the groups and continue with table banking as a way of empowering themselves.

Theory of Group Cohesion

Theory of group cohesion can trace its roots from the works of Tuckman (1965). This theory holds that groups can be more than the sum of their parts and that people can change when put into groups. This was premised on the argument that there exist dispositional and situational explanations. It is stated that if people have complementary character traits, then when they are put together, synergy is created. However, if the people in a group have conflicting traits, then they will never function as a team. Situational explanations examine how groups have a life of their own, separate from individuals forming them. This implies that groups develop through certain stages, regardless of the personalities of objectives of the people involved.

Tuckman (1965) proposed the forming-storming-norming-performing model of how groups develop. In the forming stage, members of a group get to know each other, work out their roles and where they stand relative to each other. Potential rivalries begin at this phase. The storming stage is characterized by conflicts and polarizations. There may be rebellion against the leader and members strive to establish their status and roles. The norming stage is characterized by replacement of conflict by cooperation as members strive to work towards a common goal. At this stage is where group cohesion occurs which increases mutual respect. Personal opinions are freely expressed at this stage. At performing stage, roles become flexible and functional. Relationships have stabilized and the main goal at this phase is group success. Ideally, table banking involves self-help groups whose membership varies in numbers and backgrounds. However, the success of each group largely depends on cohesive the group members are. Indeed, more cohesive members are more likely to guarantee each other in the even members seek credit from table bankers. The reverse is true.

EMPIRICAL REVIEW

This section presents a review of empirical studies that are in tandem with the study objectives. The studies touch on table banking elements as encapsulated in self-help groups. These include group cohesiveness, and group guarantee as opposed to collateral. The section also reviews studies on economic empowerment of self-help groups.

Group Cohesiveness

One of the most studied constructs in group dynamics research is cohesiveness (Dyaram & Kamalanabhan 2005). Evans and Dion (1991), cited in Dyaram and Kamalanabhan (2005) found that group cohesion was related to performance or productivity. In addition, Bettenhausen (1991) cited in Dyaram et al (2005) found that indeed cohesion was instrumental in ensuring team success, collective efficacy and communication which consequently improved performance among sport teams and exercise groups. However, Dyaram et al noted that group performance was not only affected by cohesion alone, but by a combination of other factors like norms, type and interdependence of tasks. Infact, Chang and Bordia (2001) found that task cohesion was the only significant predictor of subjective performances measures among a number of variables related to cohesiveness and group performance.

While examining the association between group cohesion and group performance in the co-operative movement in Malaysia, Harun and Chin (2015) noted that the degree of cohesiveness defined by task and social cohesion among members governed the success of the groups' performance. A study on group cohesiveness in the sports context found that group cohesion is important for group performances and therefore supporting the theoretical proposition that higher cohesion relates to better performance (Patterson, Carron & Loughead 2005). Craig and Kelly (1999) study cited in Harun and Mahmood (2012) found that group cohesiveness was vital in improving and enhancing creativity in a novel group creativity task. Carron, Colman, Wheeler and Stevens (2002) on the other hand found that group cohesiveness had a moderate relationship with performance.

A study in Nigeria discovered that group cohesiveness was crucial in the performance of organizations (Banwo, Du & Onokala 2015). Group cohesion was found to be strong in both groups with good and weak performance and thereby giving an inconclusive result. Nevertheless, the results further revealed that groups with high cohesion consisting of members with higher organizational tenure performed better than groups of employees with lower organizational tenure. The study suggested that organizations operating in Nigeria, especially those with tight budgets should depart from the current norm of considering older employees as not valuable.

Stockbridge, Doward, Kydd, Morrison and Poole (2003) cited in Jacobson (2012) opined that the regulations, rules and the written laws of the famer groups in Kenya are of essence to the cohesion of the groups. In his study on the role of collective action and farmer groups in rural areas in Kenya, Jacobson noted that individual farmers engaged in collective actions for social reasons rather than economic motives. At the group level, the farmer groups engaged in collective actions more so for economic empowerment.

Group Guarantee

In his analysis of cost effectiveness of the Grameen Bank of Bangladesh, Schreiner (2003) noted that joint liability or rather group guarantee reduced the risk of default of the loan since members of the group knew each other and would screen potential borrowers. Through peer pressure, members were able to mentor one another and would repay comrades arrears or even pay off their debts. Latifee (2006) noted that group lending model is one of the best practices in microfinance in Africa. Since groups comprise of individuals who come from the same community, work in the same market, they would be able to guarantee one another on any credit advanced from especially the microfinance institutions.

Milgo (2013) looked into the effect of joint liability lending on loan repayments among microfinance institutions in Kenya. The study sought to establish the effect of joint liability lending model on repayment of loans among the microfinance institutions in Kenya. It was noted that joint liability positively affected loan repayment. This was ascribed to the social cohesion and better information flow between the borrower group and the lender. The mechanism of joint lending liability was noted effective in ensuring that the loans were timely repaid, instilling supervision and administration among the group members. The study concluded that the group mechanism should be upheld to ensure loans repayment and customer loyalty. The study however did not explicitly reveal how the group mechanism economically empowered the group members.

Microenterprise credit is grounded on solidarity group lending where every member of a group guarantees the repayment for all members (Thuo & Juma, 2014). In their study of group lending effect on management of loan default rates among MFIs in Kenya, the authors discovered that lending to the self-help groups which later lend to the members was one of the efficient ways of mitigating credit and default risk. It was further noted that efficient administration of the groups, where every member guaranteed all members would play an important role in managing defaults. The study underscored the importance of group lending and group guarantee in ensuring management of loan defaults among the self-help groups.

While looking into the factors affecting farmers' participation in development groups in Nzoia County Kenya, Oila (2014) noted that farmers could obtain credit facilities from deposit taking financial institutions, MFIs and banks only in groups. The lending institutions preferred group lending in order to offer guarantee of their money and reduce credit risk. Bird and Ryan (1998) made similar observations in the case of Krep bank which advanced loans using the Grameen model of group lending where guarantee is collective. A study by Warue (2012) however recommended that that the management of SHGs should strengthen group solidarity and cohesion in order to facilitate repayment of dues by their group members.

Economic Empowerment

Sureshrajan and UmaPriyadharshini (2003) delved into women economic empowerment through microfinance in South India. The authors noted that self-help groups were efficient in managing finances and credit. It was further noted that micro finance managed through the self-help groups had a capacity to impact on women empowerment in as to strengthen their financial base and economic contribution to their families and communities. It was indeed found that there were better improvement in contribution to household income, participation in household financial decisions and most importantly improvement in the standard of living. In yet another study in India, Badatya and Puhazhendi (2002) measured the effects of self-help group programs provided by the National Bank for agriculture and rural development on women empowerment. It was found that members of the SHG increased their self-confidence as an effect of SHG membership. In addition, positive effects regarding financial decision making within the household was also noted suggesting positive effect of empowerment through the programs.

A journal on measuring and modeling women economic empowerment underscores the importance of empowering the poor especially women (Sheikh & Sadaqat, 2015). In their assessment of women economic empowerment in Pakistan, the authors noted that 36 percent of women had lower levels of economic empowerment while only 8 percent were highly empowered. The study suggested that since women in the country were involved in household expenditure including education of their children, nutrition and well-being, then empowering them and advancing their economic status would apprehend the full prospects of social and economic progress for the community and spur economic growth in the country. Banerjee, Duflo, Glennerster and Kinnan (2010) found that the use of microcredit programs in Hyderabad villages indeed resulted in the establishment of new businesses among the villages in the region under which the people would earn their living. Sarumathi and Mohan (2011) on the other hand

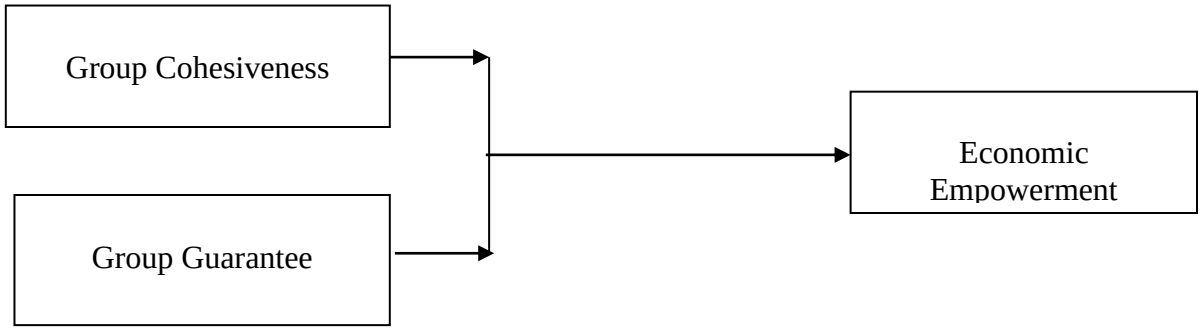
noted that microfinance through SHGs resulted to economic development directly though at a lesser magnitude than social and psychological empowerment.

Basoah (2010) noted that women groups in Ghana especially the market women groups, petty traders, salaried workers and artisans engage in a 'susu' scheme which is essentially a form of banking that trades in money and involves regular and periodic collection of fixed amounts of deposits that are made available to the owners after a given period of time or required by borrowers at a preset fee. In addition, it was noted that the scheme actually aided the groups in improving their living standards and was a major step towards economic emancipation in an otherwise complex environment in gaining financial access.

A study conducted in Nairobi County on the effects on table banking on investment decisions of Small and Medium Enterprises (SMEs) found that table banking was crucial in improving the investment decisions of the SMEs through savings of construction costs of bank premises and leasing costs as compared to when SMEs use agency premises (Asseto 2014). This was noted to improve the accessibility of financial services to the poor to fight poverty and stay financially sound.

Conceptual Framework

Figure 1: Conceptual Framework



As indicated in Figure 1, there are two independent variables which include group cohesiveness and group guarantee. Economic empowerment is the dependent variable while the intervening variable is the willingness of individuals to join the group. Willingness or lack of the same will, to a given extent, influence how table banking can economically empower group members. It is hypothesized that the aforesaid independent variables affect economic empowerment of members of self-help groups. This proposition guided the study.

METHODOLOGY

Research Design

Research design is said to be the overall plan for connecting the conceptual research problems to the achievable empirical research. The present study adopted descriptive research design which according to Kothari (2009) attempts to describe the phenomena, for instance, the views of the sampled respondents regarding the themes of study. The descriptive design was quantitative in nature.

Target Population

The population of the study is aggregate of all the objects, subjects, or members that conform to a set of specification or criteria (Polit & Hungler, 1991). The target population according to Cox (2008) defines those units for which the findings of the study are meant to generalize. Essentially, the members of the target population possess characteristics that are similar. The study targeted all the 456 members of 23 registered self-help groups based in Rongai Sub-County.

Sampling Frame

A sampling frame, in statistics, is asserted to be the source material or device from which a sample is drawn. It refers to an exhaustive list of all members of the target population from whom the sample is obtained (Sarndal, Swensson & Wretman, 2003). Table 1 outlines the sampling frame.

Table 1: Sampling Frame

No of Groups	Chairpersons	Secretaries	Treasurers	Members	Total
23	23	23	23	387	456

Sample Size Determination

A sample is subset of the target population selected to participate in the study (LoBiondo-Wood & Haber, 2014). The Nassiuma's (2008) formula was employed to calculate the sample size as demonstrated below.

$$n = \frac{NC^2}{C^2 + (N-1)e^2}$$

Where,

n = sample size;

N = population size;

C = coefficient of variation (21% ≤ C ≤ 30%)

e = error margin (2% ≤ e ≤ 5%)

Calculating the sample size

$$n = \frac{456 \times 0.3^2}{0.3^2 + (456 - 1)\, 0.03^2}$$

n = 82.16

n = 83 respondents

Sampling Technique

Sampling is simply the process of selecting a portion of the target population to represent the entire population (LoBiondo-Wood & Haber, 2014). Based on the fact that the target population was relatively large, stratified random sampling method was used. The sampling method was chosen due to the fact that there were 23 distinct strata represented by the 23 self-help groups from the sub-county. The method further ensured that each of the foregoing groups is represented in the study proportionate to the number of its members.

Research Instrument

The study employed a structured questionnaire to collect data from the sampled respondents. A questionnaire is a tool for gathering self-report information from the respondents about their attitudes, knowledge, beliefs and feelings (Polit & Hungler, 1991). The questionnaire consisted of closed ended questions on a five-point Likert scale. The questionnaire was structured in such a way that, besides including the demographic information of the respondents, it also captured all the independent and the dependent variables. The rationale of this structure was to enable the researcher to collect data that would address the study objectives.

Pilot Testing

The research instrument was pilot tested before its administration in the final study. The pilot study was conducted amongst a few members of self-help groups in Molo sub-county which is also in Nakuru County. The rationale of pilot testing the instrument was to ensure that it was both valid and reliable for data collection

Validity and Reliability Testing

The validity of an instrument is the determination of the extent to which the instrument actually reflects the abstract concept being examined (Burns & Grove, 2009). A valid instrument is said to be one that measures exactly what it purports to measure. Content validity of instrument was

assessed through consultation with research supervisors. Reliability of a research instrument is the degree of consistency with which instrument measures the attribute it is supposed to be measured. Reliability of the instruments will be determined by Cronbach alpha; α (Table 2). The reliability threshold was α ≥ 0.7.

Table 2: Reliability Results

Variable		No of tests	Alpha Value
i.	Group Cohesiveness	5	0.84
ii.	Group Guarantee	5	0.81
iii.	Economic Empowerment	7	0.77

As shown in Table 2 all the three study variables returned Cronbach alpha coefficients greater than 0.7. Therefore, the research instrument was deemed reliable.

Data Collection Procedure

The researcher first sought permission from the University to collect requisite data. More so, consent to collect data was sought from the Department of Gender and Culture. The respondents were explained to the importance of participating in the study. The questionnaires were issued to the respondents through the groups' chairpersons by the researcher in person. The respondents were allowed about five working days to fill in the questionnaires. The filled questionnaires were collected through groups' chairpersons.

Data Analysis Approach

The data was analyzed using descriptive and inferential statistics using Scientific Package for Social Sciences (SPSS) 21. Descriptive statistics included: frequencies, percentages, means, and standard deviations. Inferential statistics included Pearson's correlation coefficient and multiple regression function. The regression function that guided inferential analysis is as follows.

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$

Where:

Y = Economic Empowerment

β_0 = Constant

X_1 = Group Cohesiveness

X_2 = Group Guarantee

ε = Error Term

β_1, β_2 = Régression coefficients

ANALYSIS AND FINDINGS

The results are both descriptive and inferential. It is important to note that the data collected pertinent to the study was on a 5-point Likert scale where integers 1 to 5 represented respondents' level of agreement from strongly disagree to strongly agree.

Response Rate

The sample of the study comprised 83 members of self-help groups in Rongai Sub-County. As such, a total of 83 questionnaires were issued to the sampled respondents. 65 out of the ones issued were successfully filled and collected by the researcher. This represented 78.31%. The relatively high response rate was due to the fact that the questionnaires were administered by the researcher in person and necessary steps were taken to explain the importance of the sampled respondents to participate in the study.

Descriptive Analysis and Discussions

Here, the opinions of the respondents regarding the constructs of the study (group cohesiveness, group guarantee, and economic empowerment) are put into perspective.

Group Cohesiveness

This part focuses on the views of the respondents regarding cohesiveness amongst members in self-help groups.

Table 3: Descriptive Statistics for Group Cohesiveness

		n	Min	Max	Mean	Std. Dev
i.	Our group has common interests	65	1	5	4.11	.886
ii.	We have same goals	65	2	5	4.32	.937
iii.	Our group has collective communication channels	65	1	5	4.20	.971
iv.	There is collective efficacy in our group	65	1	5	4.25	.867
v.	Our group performs tasks together	65	1	5	4.25	.867

It was established that respondents agreed (mean ≈ 4.00; std dev < 1.000) that self-help groups have common interests; and have the same goals and collective communication channels. Respondents also believed that there was efficacy in self-help groups and that the groups performed tasks together. The findings suggested that the groups believed in creating strong bonds, ties and cohesion evidenced by their common goals and interests, collective actions and communication.

Group Guarantee

The study analyzed the views of self-help group members regarding requirement for group guarantee as opposed to collateral before members are given loans by their groups. A summary of these views is indicated in Table 4.

Table 4: Descriptive Statistics for Group Guarantee

		n	Min	Max	Mean	Std. Dev
i.	Our group does not demand for collateral when issuing out loans	65	2	5	4.31	.705
ii.	Members seeking credit must be guaranteed by other group members	65	2	5	4.58	.610
iii.	Guarantee is uniform across all members	65	1	5	4.26	.989
iv.	Group guarantee is subject to previous record of the borrower	65	4	5	4.43	.499
v.	Group guarantee makes all members to be jointly liable to credit advanced to one of them	65	1	5	2.69	1.145

The study findings showed that respondents strongly admitted (mean ≈ 5.00; std dev = 0.610) that members seeking credit must be guaranteed by other group members. In addition, respondents concurred (mean ≈ 4.00 dev < 1.000) that their self-help groups do not demand for collateral when issuing out loans; guarantee is uniform across all members; and that group guarantee is subject to previous record of the borrower. Respondents were, however, indifferent (mean = 2.69; std dev = 1.145) to the proposition that group guarantee makes all members to be jointly liable to credit advanced to one of them. The findings underscored the essence of group guarantee while accessing credit from the SHGs possibly to mitigate credit risk and default risk.

Economic Empowerment

In addition, the study evaluated the opinions of the self-help group members regarding issues touching on economic empowerment of their groups. Table 5 outlines the relevant descriptive findings.

Table 5: Descriptive Statistics for Economic Empowerment

		n	Min	Max	Mean	Std. Dev
i.	Before joining the group we were not economically stable	65	1	5	4.22	.838
ii.	Most of the group members do not have formal employment	65	4	5	4.48	.503

Table 5…

iii.	Table banking has financed businesses of our group members	65	2	5	4.03	.706
iv.	Borrowings from the group are used to finance household needs	65	1	5	4.14	1.029
v.	Borrowings from the group are used to pay education fees	65	1	5	4.08	1.163
vi.	Members are allowed to borrow from group to buy properties	65	2	5	3.05	.799
vii.	The group buys properties such as land jointly in order to have a bargaining edge	65	1	5	3.03	.984

It was ascertained that respondents agreed (mean ≈ 4.00; std dev ≈ 1.000) to the opinion that before joining the group members were not economically stable; most of the group members do not have formal employment; table banking has financed businesses of self-help group members; borrowings from the group are used to finance household needs and that borrowings from the group are used to pay education fees. The respondents, however, remained unclear (mean ≈ 3.00) regarding the assertion that members are allowed to borrow from group to buy properties and that the group buys properties such as land jointly in order to have a bargaining edge. The findings illustrated that SHGs indeed economically empowered their members through provision of finances for entrepreneurial businesses and to meet household needs.

Inferential Analysis and Discussions

The study further analyzed how table banking influenced economic empowerment of self-help groups in Rongai Sub-County. It examined how group cohesiveness and group guarantee individually affected economic empowerment of the said groups. Lastly, it assessed the joint effect of the foregoing constructs on economic empowerment of the self-help groups.

Effect of Group Cohesiveness on Economic Empowerment

This section puts into perspective the relationship between group cohesiveness and economic empowerment of self-help groups studied using correlation analysis as shown in Table 6.

Table 6: Correlation between Group Cohesiveness and Economic Empowerment

		Economic Empowerment
Group Cohesiveness	Pearson Correlation	.496**
	Sig. (2-tailed)	.000
	n	65

**. Correlation is significant at the 0.01 level (2-tailed)

It was established that the relationship between group cohesiveness and economic empowerment was moderately strong, positive and statistically significant ($r = 0.496$; $p < 0.01$) at 0.01 significant level. This implied that group cohesiveness positively influenced economic empowerment. In addition, the findings suggest that cohesive groups with strong bonds and ties are able to economically empower their members through mutual assistance. The more cohesive the groups were, the greater the likelihood of them being economically empowered; and the reverse is true.

Effect of Group Guarantee on Economic Empowerment

More so, the study examined the link between group guarantee and economic empowerment of self-help groups in Rongai Sub-County. The results of correlation analysis are as outlined in Table 7.

Table 7: Correlation between Group Guarantee and Economic Empowerment

		Economic Empowerment
Group Guarantee	Pearson Correlation	.495**
	Sig. (2-tailed)	.000
	N	65

**. Correlation is significant at the 0.01 level (2-tailed)

The study realized that the relationship between group guarantee and economic empowerment was strong, positive and statistically significant ($r = 0.495$; $p < 0.01$) at 0.01 significant level. The results implied that the more members guaranteed each other when accessing loans through table banking the more they were likely to be economically empowered. Group guarantee was crucially vital in empowering SHGs members. Since credit could only be advanced upon being guaranteed by members, borrowers would likely utilize the funds more prudently in order to qualify for subsequent loan applications and, therefore, enhance their economic empowerment.

Effect of Table Banking on Economic Empowerment

Finally, the study evaluated the effect of table banking on economic empowerment of self-help groups by analyzing the joint effect of group cohesiveness and group guarantee on economic empowerment. This was executed using multiple regression analysis as demonstrated in Tables 8, 9, and 10.

Table 8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.698[a]	.488	.454	.27673

a. Predictors: (Constant), Group Guarantee, Group Cohesiveness

The results shown in Table 8 indicate that the relationship between table banking and economic empowerment was positive and strong (R = 0.698). The results of coefficient of determination (r^2 = 0.488) implied that 48.8% of economic empowerment of self-help groups in Rongai Sub-County could be explained by table banking elements of group cohesiveness and group guarantee. The results underscored the importance of table banking in empowering self-help groups economically.

Table 9: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.374	4	1.093	14.279	.000[a]
	Residual	4.595	60	.077		
	Total	8.968	64			

a. Predictors: (Constant), Group Cohesiveness, Group Guarantee

b. Dependent Variable: Economic Empowerment

The results of analysis of variance (ANOVA) shown in Table 9 indicate that the relationship between table banking and economic empowerment was statistically significant (F = 14.28; $p < 0.01$). This underpinned the importance of table banking in economically empowering self-help groups in Rongai Sub-County.

Table 10: Coefficients

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.953	.697		1.368	.176
	Group Cohesiveness	.171	.095	.202	1.805	.076
	Group Guarantee	.307	.140	.238	2.197	.032

Dependent Variable: Economic Empowerment

According to the results shown in Table 10 group guarantee at (t = 2.197; $p < 0.05$) had statistically significant relationships with economic empowerment. On the other hand, the relationship between group cohesiveness and economic empowerment was not statistically significant at 0.05 significant level (t = 1.81; $p > 0.05$). The results led to the rejection of the

second, null hypothesis. However, the first null hypothesis failed to be rejected. The beta values shown in Table 10 led to the following interpretation of the regression function:

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + + \varepsilon \longrightarrow Y = 0.95 + 0.17X_1 + 0.31X_2$

Y, X_1 and X_2 repesent economic empowerment, group cohesiveness, capital, interest rates, and group guarantee respectively. The findings meant that economic empowerment of self-help groups could be explained by 0.17 group cohesiveness and 0.31 group guarantee.

SUMMARY

It was realized that respondents were all in agreement that their group has common interests, chased same goals and performed tasks together. Respondents also believed that there were collective communication channels which enhanced efficacy in their group. Correlation analysis ascertained a moderately strong, positive and statistically significant (r = 0.496) relationship between group cohesiveness and economic empowerment. This implied that group cohesiveness positively influenced economic empowerment

It was strongly admitted that members seeking credit must be guaranteed by other group members. Respondents further agreed that group guarantee was subject to previous record of the borrower and was uniform for all members. They were also in concurrence that their group does not demand for collateral when issuing out loans. The view that group guarantee made all members to be jointly liable to credit advanced to one of them however remained inconclusive. Further analysis discovered a strong, positive and statistically significant(r = 0.495) relationship at 0.01 significant level between group guarantee and economic empowerment.

It was ascertained that respondents believed that before joining the group members were not economically stable neither were they in formal employment. It was also noted that table banking has financed businesses of their group members and the borrowings from the group were used to finance household needs and to pay education fees. The respondents were however unsure whether the group buys properties such as land jointly in order to have a bargaining edge. The assertion that members were allowed to borrow from group to buy properties also remained unclear. The findings illustrated that group cohesion, capital and group guarantee all positively influenced economic empowerment but interest rate was found to have a negative effect on the same.

CONCLUSIONS AND RECOMMENDATIONS

The study concluded that group cohesion was of utmost importance in economic empowerment. Cohesion of the group achieved through enhancing collective communication, collective actions and having common interests and goals would resultantly lead to group efficiency, mutual

assistance and consequently economic empowerment. It was concluded that collateral was not a requirement for members while seeking credit. Rather, group members would access credit by being guaranteed by other group members. Group guarantee was uniform across all members and was subject to the credit record of the member(s) seeking loans. It was also inferred that group guarantee was an important factor in enhancing economic empowerment of SHGs members.

Group cohesion is of essence in achieving group goals and objectives. The study recommends that group cohesiveness should be upheld and improved if the groups were to achieve enhanced economic empowerment. It is also recommended that SHGs should foresee problems such as commitment and group conflicts levels within the group that would be detrimental to cohesiveness of such groups. The study recommends that group guarantee should be upheld in the SHGs in order to mitigate default and credit risk.

LIMITATIONS AND FURTHER STUDIES

The study faced a couple of hurdles. The period of two months was not adequate to carry out a study over a larger geographical scope, say, the entire County. In addition, the research instrument employed to collect primary data was limited to close-ended questions. This limited the opinions of the respondents regarding the study constructs. Some of the respondents were skeptical towards their participating in the study. On the issues of time inadequacy, the study focused on Rongai Sub-County which is largely rural and was such perceived to be home to many self-help groups. It was also ensured that the research instrument captured the most important aspects of the study. The members of the targeted self-help groups were made aware of the importance of their participating in the study. For instance, it was made clear to them that their identity and that of their groups were to remain confidential and that the findings were to be shared by any interested groups.

The study suggested areas that ought to be further investigated in Kenya in regard to table banking and economic empowerment. The suggested themes are the effect of interest rates on economic empowerment of Self Help Groups; the effectiveness of SHGs in economic empowerment of their members; the role of capital in enhancing economic empowerment in SHGs.

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