

# **EFFECTS OF TABLE BANKING ON SOCIO-ECONOMIC EMPOWERMENT OF WOMEN IN KENYA (A STUDY WITH SPECIAL REFERENCE TO ACCESS TO FINANCE IN TABLE BANKING AND TABLE BANKING FINANCIAL SERVICES)**

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## **Abstract**

*The empowerment of women has been widely acknowledged as an important goal in international development, but the meaning and terminology associated with this concept vary. Moreover, the methods for systematically measuring and tracking changes in levels of empowerment are not well established. Table banking, one of the approaches of empowering women, is a concept that is becoming popular among women groups in Kenya. The main objective of this study was to investigate the effects of Table banking on socio-economic empowerment of women in Kenya. The specific objectives were: to establish the effects of access to finance and financial services on socio-economic empowerment of women in Kenya. The study adopted the descriptive survey design where data was collected by use of interviews and questionnaires to get primary data. Secondary data was used to validate the primary data.*

*The study involved a sample of 440 members drawn using simple random sampling method from a population of 30,735 Table banking members from Baringo, Nakuru, UasinGishu, Bomet and Kericho counties. A total of 440 questionnaires were administered with a return rate of 70.9%. The data collected was analyzed using descriptive statistics. The study relied on Pearson's correlation, linear regression and content analysis to draw inferences from the responses. Statistical analysis was done with the aid of statistical package of social sciences (SPSS) software version 24. The findings of the study revealed a strong, positive and statistically significant relationship between Access to Finance and socio-economic empowerment of women in Kenya. The findings of the study also showed a fairly strong, positive and statistically significant correlation between Table banking Financial Services and socio-economic empowerment of women in Kenya. Based on the study findings, it is important that further research be done on the rationale of men's involvement and active participation in Table banking as a means of achieving economic empowerment.*

*Keywords: Empowerment, Microfinance, Microfinance Institutions (MFIs), Kenya*

## **INTRODUCTION**

Table banking is about providing financial services to the poor who are traditionally not served by the conventional financial institutions. Informal sector microfinance institutions have comparative advantage in terms of small transaction costs achieved through adaptability and flexibility of operations. They are better equipped to deal with credit assessment of the rural women and hence to absorb the transaction costs associated with loan processing. On the other hand, formal sector institutions have access to broader resource base and high leverage through deposit mobilization. The experience of these informal intermediaries shows that although the savings of group members, small in nature do not attract high returns, it is still practiced due to security reasons and for getting loans at lower rates compared to that available from money lenders. These are short term loans meant for crisis, consumption and income generation needs of the members. The interest rates on such credit are low (Ghate, 1992).

Table banking is unique among development interventions because it can deliver social benefits on an ongoing, permanent basis and on a large scale at the grassroots of our society. It is a dual system which blends both formal and informal financial systems. If well managed it can provide financial services in a sustainable way, free of donor support. It thus offers the potential for a self-propelling cycle of sustainability and massive growth, while providing a sustainable socio-economic empowerment of women. The other alternatives of microfinance that offer

family loans, savings, or money lenders are usually limited by amount, rigidly administered, or available only at exorbitant interest rates (Coleman, 2006). Table banking therefore is a new concept which tries to fill this gap because it has both formal and informal aspects which enable women to access finances especially in rural areas. It has simple structure, procedures, conditionalities and low interest rates that enable rural women to access finances for their socio-economic development

Table banking takes on the model of the Grameen bank of Bangladesh and the village savings and loans schemes of Zanzibar. Table banking is a concept whereby people form a group and members loan each other money (Kenya Gazette, 1999). Table banking was first piloted in Gatanga and Bondo constituencies. The results were very impressive but the government did not continue with the roll out thereafter. Nevertheless, Women groups adopted the Table banking concept and since then there has been an ever rising demand in various parts of the country especially in rural areas where it has spread over forty three counties (JOYWO, 2015).

Empowerment refers to measures designed to increase the degree of autonomy and self-determination in people and in communities in order to enable them to represent their interests in a responsible and self-determined way, acting on their own authority. Empowerment refers both to the process of self-empowerment and to professional support of people, which enables them to overcome their sense of powerlessness and lack of influence, to recognize and eventually to use their resources and chances (Rapport, 1984). 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). They 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. Furthermore, traditionally the position of women has been low compared to men. Women were not expected to influence the decision making processes from domestic level to the national level. In the family level, attitudes which consider men as heads of households still exists, which limit women voices from influencing allocation of domestic resources. This study therefore focused on the effects of Table banking on socio-economic empowerment of women in Kenya.

### **Statement of the Problem**

Accessing finance is the major constraint on women's ability to earn income. For Africa's most marginalized households, financial inclusion is a long way off. Few institutions exist in the rural areas, and where institutions exist they often have services not accessible to women. The reality is that most poor women have neither the assets nor the skills to interact with formal

finance institutions. The unequal distribution of the family resources makes it difficult for women to raise the necessary savings and participate in MFIs. Some women access credit, but are not able to pay the loans leaving them with the loan repayment burden.

Self-help groups, ROSCAs, ASCAs and merry-go-rounds have rapidly developed over the past twenty years as alternatives that offer family loans, savings, or money lenders. The main principle is that members mobilize their own resources and access loans from their savings. Although they have been successful they have had challenges as they tend to be rigid in the way they work, providing either predetermined or unpredictable access to savings and loans. There has been an unmet demand for easily accessible financial services to poor women. To fill this gap, Table banking has emerged as a sustainable avenue for bridging the gaps and enhances socio-economic empowerment of women by building women's financial assets and income through flexible predictable long term access to savings and loans. This study, therefore, sought to investigate the effects of Table banking on socio-economic empowerment of women in Kenya.

### **General Objective of the Study**

To investigate the effects of Table banking on socio-economic empowerment of women in Kenya.

### **Specific Objectives**

- To assess how access to finance in Table banking affect socio-economic empowerment of women in Kenya.
- To establish the effect of Table banking financial services on socio-economic empowerment of women in Kenya.

### **Research Hypotheses**

**H<sub>01</sub>** Access to finance in Table banking have no significant effect on socio-economic empowerment of women in Kenya.

**H<sub>02</sub>** Table banking financial services have no significant effect on socio-economic empowerment of women in Kenya.

## **LITERATURE REVIEW**

### **Theoretical Review**

The study was based on the Poverty and Social Exclusion Theory and Grameen Model.

### ***Poverty and Social Exclusion Theory***

Social exclusion is often treated as an extension of the poverty, or as a lack of social rights (Jordan, 1996). The notion of social exclusion was developed in industrialized countries in the 1970s to describe the processes of marginalization and deprivation which can arise where processes of economic and social transformation render traditional systems of welfare and social protection inadequate or obsolete. It is defined as the process through which individuals or groups are wholly or partially excluded from the society in which they live. This ensures that poverty is considered in relation to social systems and structures that are solely economic view of poverty (Levitas, 1998).

In turn, Hills and Stewart (2005) define social exclusion as "more than the lack of material resources" by reframing poverty as a feature of society at large that can foster lack of participation. Thus, there is wide consensus among those who focus on exclusion in viewing poverty as non-participation in consumption, production, political and economic engagement and social interaction (Morazes and Pintak, 2007). Table banking concept is therefore seen as a new concept that tries to fill this gap of poverty and social exclusion of women in the society. Table banking enables women to access finances that allow them to get income which increases household well-being and translate into improved well-being. The main focus is on developing sustainable livelihoods and improving the living standards of women and the poorest through financial inclusion so as to overcome chronic poverty.

### ***Grameen Model***

The Grameen Bank essentially adopts the methodology of a bank unit set up with field manager and a number of bank workers, covering an area of about 15 to 22 villages. Groups of five prospective borrowers are formed and taken through a formal training on how to use the finances. In the first stage, only two of them are eligible for, and receive, a loan. The group is observed for a month to see if the members are conforming to rules of the bank. Only if the first two borrowers repay the principal amount plus interest over a period of fifty weeks do other members of the group become eligible themselves for a loan. Because of these restrictions, there is substantial group pressure that locks out most of the women in rural areas who are not able to meet the conditions. Although there is a great resemblance of the operations and management of the GB model with that of Table banking, the latter is better option since it embraces all and does not discriminate against marginalized women. Its overall focus is to empower women by enabling them to easily access finances without restrictions so that they can improve on their standards of living (Yunus, 1976).

## Conceptual Framework

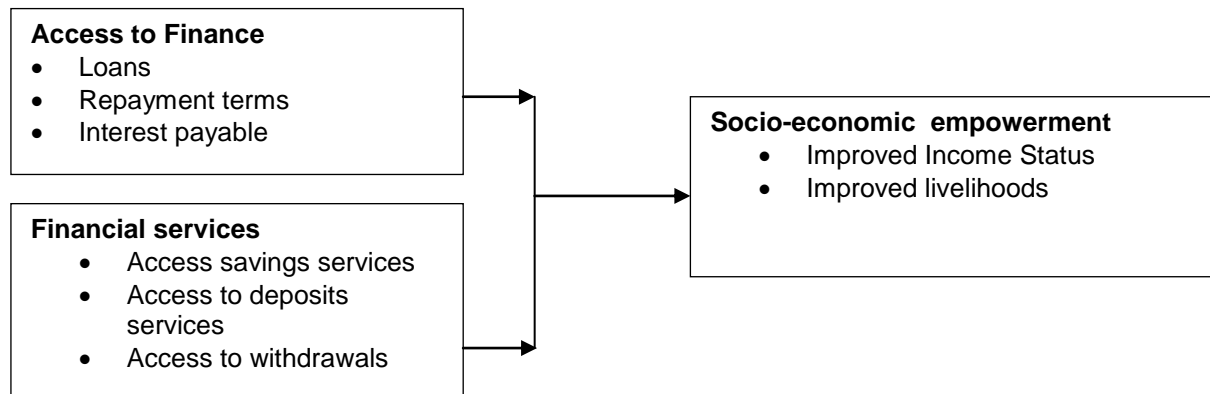


Figure 1: Conceptual Framework

## Empirical Literature

### ***Access to finance***

Access to financial services allows the poor to get income, manage their risks and build their productive and non-productive assets. Policy debates have focused particularly on the importance of small savings and loan provision for consumption as well as production, group formation and the possible justification for some level of subsidy for programmes working with particular client groups or in particular contexts. Some programmes have developed effective methodologies for poverty targeting and operate in remote areas (Awori and Atema, 2001). Such strategies have recently become a focus of interest from some donors and also the Microcredit Summit Campaign. The assumption is that increasing women's access to microfinance will enable women to make a greater contribution to household income and this, together with other interventions to increase household wellbeing, will translate into improved wellbeing for women and enable women to bring about wider changes in gender inequality (Ledgerwood, 2013).

Donors are beginning to realize that MFI capacity is a more binding constraint than the availability of funds, making it essential for donors and practitioners to operate from the same perspective if they are to meet effectively the substantial need for financial services. When microfinance first emerged as a development tool, both donors and practitioners focused on the cumulative amount of loans disbursed, with no concern for how well the loans suited borrower needs and little concern about whether or not loans were repaid. Neither was it particularly accountable for the long term sustainability of the microfinance institution or for the long term effect on borrowers or beneficiaries. The overall political and economic environment of a country affects how microfinance is provided. Government economic and social policies, as well as the

development level of the financial sector, influence microfinance organizations in the delivery of financial services to the poor (Yaron et al. 1994).

### ***Table banking Financial Services***

The problem of women's access to credit was given particular emphasis at the first international women's conference in Mexico in 1975 as part of the emerging awareness of the importance of women's productive role both for national economies, and for women rights. This led to the setting up of the women World Bank network and production of manuals for credit provision. Other women organizations worldwide set up credit and savings components both as a way of increasing their incomes and bringing women together to address wider gender issues. From the mid-1980s there was a mushrooming of donor, government and NGO sponsored credit programmes (Mayoux, 2005).

The lack of access to credit for the poor is attributable to practical difficulties arising from the discrepancy between the mode of operation followed by financial institutions and the economic characteristics and financing needs of low income households. Commercial lending institutions require that borrowers have a stable source of income out of which principal and interest can be paid back according to the agreed terms. However, the income of many self-employed households is not stable, regardless of its size. A large number of small loans are needed to serve the poor, but lenders prefer dealing with large loans in small numbers to minimize administration costs. In addition bankers tend to consider low income households a bad risk imposing exceedingly high information monitoring costs on operation (Hulme, 2011).

Traditionally, sources of credit in developing countries can be broadly classified as institutional and non-institutional. While institutional sources include financial institutions and cooperatives, non-institutional supply of credit comes from friends, relatives, and money-lenders. To be successful, financial intermediaries that provide services and generate domestic resources must have the capacity to meet high performance standards. They must achieve excellent repayments and provide access to clients. And they must build toward operating and financial self-sufficiency and expanding client reach. Table banking has more advantage over the other microfinance institutions because their administrative costs are low and their client base is broader. Cost reductions are due to simplified procedures for loan application, approval and collection processes (Otero et al. 1994).

### ***Socio-economic Empowerment***

Socio-economic empowerment has been considered significant for overall development. Women's empowerment is evidently necessary for alleviating poverty when they take part in

various development programmes and economic activities for their substantial development. Social empowerment is understood as the process of developing a sense of autonomy and self-confidence, and acting individually and collectively to change social relationships and the institutions and discourses that exclude poor people and keep them in poverty. Poor people's empowerment, and their ability to hold others to account, is strongly influenced by their individual assets (such as land, housing, livestock, savings) and capabilities of all types: human (such as good health and education), social (such as social belonging, a sense of identity, leadership relations) and psychological (self-esteem, self-confidence, the ability to imagine and aspire to a better future). Also important are people's collective assets and capabilities, such as voice, organization, representation and identity.

Women have the potential to change their own economic status, as well as that of the communities and countries in which they live. Yet more often than not, women's economic contributions go unrecognized, their work undervalued and their promise unnourished. Unequal opportunities between women and men continue to hamper women's ability to lift them from poverty and gain more options to improve their lives. Women's economic empowerment that is, their capacity to bring about economic change for themselves is increasingly viewed as the most important contributing factor to achieving equality between women and men. But economically strengthening women who are half the world's workforce is not only a means by which to spur economic growth, but also a matter of advancing women's human rights. When governments, businesses and communities invest in women, and when they work to eliminate inequalities, developing countries are less likely to be plagued by poverty. Economic development efforts to combat poverty can only succeed if women are part of the solution. Doing so yields a double dividend. When women are economically empowered, they raise healthier, better educated families (Ahmad, 1999).

Better access to financial services enables women to establish and expand micro enterprises and improve their incomes, status and participation of decision making, thus contributing positively to socio-economic development. Unlike their formal counterpart, microfinance organizations have made their stride in delivering financial services (both savings and credit) to the poor, especially women, at a very low loan default cost. Strategies such as collateral free, group based lending and mobilization of savings, even in small amounts, have helped them mitigate the problems of poor outreach and high loan default costs of their formal counterpart. However, they assume high transaction costs in order to keep credit discipline among borrowers through group pressure and monitoring of borrowers' behavior. The transaction cost is substantial and programs have been relying on donors for sustaining their operations (Khandker, 1988; Khan, 2012; Morduch, 1999; Yaron, 1994). Nonetheless, the



government and donors continue to support microfinance programs with the expectation that society benefits from such investment. Microfinance programs support the production and consumption of the poor. Loans in easy repayment terms help smooth consumption and create jobs for the unemployed.

### **Research Gaps**

Over the past fifteen years, a substantial literature has been produced on various aspects of microcredit programs in poor communities. A few studies have focused on the relationship between credit program participation and some notion of women's empowerment. Using a five level scale reflecting the degree of control that women have over the loans they take, they conclude that most women have a minimal level of control over their loans, and that when the time comes for loans to be repaid, this lack of control can have a damaging impact on the well-being of women (Gupta, 2007).

## **RESEARCH METHODOLOGY**

### **Research Design**

This study adopted a descriptive research design. This type of design was suitable for this study because it can be used to ascertain attitudes and opinions as well as factual information. This design was used because it allows simple ways of gathering, summarizing, presenting and interpreting data.

### **Research Philosophy**

This study was anchored on the positivist research paradigm which views the researcher as independent of the study they are carrying out. Through positivism and deduction, scientists routinely collect data for both quantitative and qualitative variables in an attempt to interpret, understand and explain social life (Sekaran, 2009). This research, therefore, focused on this line of reflection and adopts the social science view in relation to other studies on women empowerment and microfinance.

### **Target Population**

The study targeted 30,735 members of Table banking groups from five counties. The focus was Baringo, Nakuru, UasinGishu, Bomet and Kericho counties. These counties are among the pioneers of Table banking in Kenya and their experiences informed this study

## Sample and Sampling Techniques

This study adopted a simple random sampling technique to select the respondents for the study and in distribution of questionnaires. Table banking groups from the five counties had an estimated population of 30,735 (Ministry of Labour, Social Security and services, 2015). The total sample size was expected to comprise of 440 respondents aged 18 years and above obtaining services from various Table banking groups in the study areas. The population was considered homogenous since, they all obtain same services from the groups of interest. The total sample size was calculated using Yamane's formula for sample size calculation

$$\text{Equation: } n = \frac{N}{1+N(e)^2}$$

Where;

n = is the sample size,

N = (equal to 30,735 women in the Table banking groups in the five counties) was the population size and

E = (equal to 5%) was the level of precision.

$$n = \frac{30735}{1+30735(0.05)^2}$$

$$n = 399$$

$$n = 399 + 10\% \text{ Attrition}$$

$$n = 440 \text{ women}$$

Table 1. Sample Size per County

County	Women in Groups (2015)	Sample of Size
Bomet	2,850	40
Kericho	3,000	43
Baringo	3,750	54
Nakuru	6,135	88
Uasin Gishu	15,000	215
Total	30,735	440

## Data Collection Instruments and Procedure

Interviews and questionnaires were used to collect data for this study. Interviewing is a commonly used method of collecting information from people. The intention of using this tool was to help the researcher in classifying issues and provide room for interaction with interviewees by using an interview guide. Questionnaires with both open ended and close ended questions were used for collecting data. A questionnaire was given to each respondent

who was expected to read and understand the questions and write down the reply in the space meant for the purpose. This study, therefore, used structured questionnaires and interview guide to collect both qualitative and quantitative primary data. This study therefore, used secondary data to validate results gathered from primary data. The procedure for collecting data involved personal administration of the questionnaire and face to face interviews. Two visits were made; the first one was for the distribution of the questionnaires and interviews and the second visit for the collection of the filled in questionnaires and debriefing the respondents. Every respondent was expected to fill in the questionnaire for further analysis.

### **Pilot testing**

Pilot testing was done using 44 respondents in Table banking who were not included in the final study sample to avoid biasness and repetition of respondents. The Table banking group members for pilot testing had similar characteristics in terms of access to services provided. Pilot testing was done to ensure that there are no deficiencies and ambiguities in the final questionnaire.

After pilot testing, reliability of the questionnaire was determined using the Cronbach's coefficient test. According to Fraenkel and Wallen (2000), a reliability of 0.70 or higher is preferable for research purposes. The pilot test was within the recommendation as the 44 questionnaires were coded and input into statistical package for social sciences (SPSS) version 24 for Cronbach reliability test. To check on validity, the researcher presented the questionnaires to members of Table banking and experts in the field of Table banking to evaluate the exactness and adequacy of the items in the questionnaires. The review was focused on representativeness of the items in relation to the objectives and variables in the study.

### **Data Analysis and Presentation**

Data collected in this study was processed and analyzed in accordance with the outline laid down for the purpose at the time of developing the research plan by editing, coding, classification and tabulation of collected data, so that they are ready for analysis

Descriptive statistics was used to describe and summarize the data collected. Pearson's correlation analysis was used to analyze the relationship between the study variables (Montgomery, 2001). Multiple linear regression model was used to test the statistical significance of the various independent variables (Access to finance, Financial services, Techniques of mobilization of funds, Access to group resources and Table banking management style), and on the dependent variable (socio-economic empowerment). According

to Orodho (2007), regression analysis is a statistical process for estimating the relationships among variables. It includes many techniques for modelling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. The study used a 95% confidence level. A 95% confidence interval indicates a significance level of 0.05

Multiple regression was used to determine whether a group of variables together predict a given dependent variable.

The regression model is of the form:

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

Where:

Y- is the dependent variable

$X_{1-n}$ - are the independent variables

$\beta_0$ - is the constant

$\beta_{1-n}$ - are the regression coefficients or change induced in Y by X

$\varepsilon$ -is the error

Y- Table banking

$X_1$ -Techniques of mobilization of funds

$X_2$ -Access to group resources

## FINDINGS AND DISCUSSIONS

### Response Rate

The study used questionnaires as the main data collection instrument. Out of all the 440 questionnaires that were issued to the participants, a total of 291 were filled, returned and cleaned hence used in the analysis. This gives the study 70.9% response rate.

Table 2. Respondents by County of Residence

County	Frequency	Percent
Nakuru	51	19.5%
Baringo	35	13.4%
Bomet	29	11.1%
Kericho	26	9.9%
UasinGishu	121	46.1%
Total	262	100.0%

Table 2 provides the detailed statistics of all the study participants in respect of their counties of residence expressed in percentages. From the findings, out of the 291 respondents who participated in the study, 19.5% of them were from Nakuru County, 13.4% hailed from Baringo County, 11.1% reside in Bomet County, and 9.9% of the respondents were residents of Kericho County while the remaining 46.1% were from UasinGishu County. This implies a high level of Table baking activity in UasinGishu County followed by Nakuru, Baringo, Bomet and Kericho counties suggesting high levels of economic activity in each of the said counties respectively.

### Group Information

This research sought to record the following information of Table banking group; source of income, loaning institutions and types of collateral requirements

### *Respondents Main Source of Income*

Table 3. Respondents' Main Source of Income

Source of Income	Frequency	Percent
Food crop Farming	54	20.6
Cash crop farming	44	16.8
Poultry Farming	31	11.8
Livestock	52	19.8
Casual work	7	2.7
Small Business	48	18.3
Permanent employment	26	9.9
Total	262	100.0

Based on the data, the findings show that the source of income for the majority of the participants is farming with specialties in food crop farming 20.6%. 16.8% of the participants being cash crop farmers while 11.8% of the participants engage in poultry farming and 19.8% of the respondents rearing livestock as their major source of income. In addition, 18.3% of the respondents take part in small business while 9.9% are permanent employees and only 2.7% of the participants have casual work as their main source of income. Majority of participants involved in Table banking are low income earners which explains the reason why foodcrop farmers are more involved in Table banking to boost their income.

**Loaning institutions**

Table 4. Loaning institutions

Source of loans	Frequency	Percent
Kenya Women Finance Trust	39	14.9
Sacco	53	20.2
Faulu Kenya	22	8.4
Table banking	148	56.5
Total	262	100.0

The results of the study also indicated that a majority of the participants source for loans from Table banking (56.5%) and Saccos (20.2%) while a few of them obtain loans from KWFT (14.9%) and Faulu bank Kenya (8.4%). This could imply that the Table banking groups and Saccos offer credit at relatively low and affordable rates. However, given the percentage of participants obtaining loans from KWFT and Faulu Bank, it also implies that the Table banking groups may not have sufficient resources for members requiring large amounts of loans. Also 52.4% of the interviewed respondents also indicated that through their Table banking groups, they also obtain external funds from organizations such as KWFT, Jiweze funds, ECLOF, NGOs, SACCOS among others while other groups have no external source of funds. This implies that a number of the Table banking groups still need more mentorship and exposure on how to raise more finances from external stakeholders. In addition, the study further indicates that 63% of the participants borrow loans once per year while 16.8% members borrow loans every week and 16.0% borrow loans once per month signifying a considerable liquidity required by the participants to facilitate their operations and economic activities.

**Types of collateral requirements**

Table 5. Types of collateral requirements

Types of collateral requirements	Frequency	Percent
Assets	198	76
Guarantors	64	24
Total	262	100.0

The findings of the study also indicate that 76% of the participants stated that Table banking demand assets as collateral requirements while 24% of the participants stated that Table

banking demand guarantors as collateral requirements. This shows that majority of Table banking groups demand assets as collaterals. Assests are mostly preferred as collateral since they are more disposable compared to guarantors explaining why credit institutions prefer them over guarantors.

## Descriptive Findings

### *Access to Finance in Table banking*

Table 6. Access to Finance in Table banking

	Mean	Component 1	Std
Table banking as MFI has led to increase in Farming	4.11	.935	1.030
Table banking as MFI has led to Business growth	3.99	.950	1.092
Table banking as MFI has led to increase in Investment	4.03	.935	1.095
Table banking has enabled members to access loans	4.07	.934	1.059
Table banking has enabled members access health services	4.04	.907	0.995
Table banking has led to awareness creation through trainings?	3.95	.769	0.847
Table banking has enabled members raise fees to educate their children better	4.00	.765	1.244
Table Banking has increased members involvement in decision making in the community	3.72	.759	1.156
Table Banking has enabled members acquire assets	3.91	.717	1.297
Table Banking has enabled members get more income	3.65	.626	1.310

*Key: Table banking increase business growth, investments and help members acquire loans and assets as opposed to access of school fees, health services and improved farming.*

From the findings the ability of Table banking as MFI in improving business growth had the highest loading factor and the highest mean while the ability of Table banking as MFI in

enhancing farming had the lowest loading factor and the lowest mean. This implies Table banking increase business growth; inv

-estments and help members acquire loans and assets as opposed to access of school fees, health services and improved farming. The study is in line with Barry et al. (1996) who argued that Table banking around the world have shown that these microenterprise loans can be profitable for borrowers and for the lenders. Evidence from the millions of microfinance clients around the world demonstrates that access to financial services enables poor people to increase their household incomes, build assets, and reduce their vulnerability to the crisis that are so much a part of their daily lives (Rushidan, 2001). Dupas, (2008) also found out that Table banking helps safeguard poor households against the extreme vulnerability that characterizes their everyday existence. Loans, savings, and insurance help smooth out income fluctuations and maintain consumption levels even during the lean periods.

### ***Access to Table banking Financial Services***

Table 7. Factor Analysis on Financial Services

	Mean	Component			Std
		1	2	3	
Table banking offers better collateral requirements	3.99	.955			0.514
Table banking provides much better loan conditionalities	4.00	.903			0.610
Table banking offers better terms on the amount borrowed compared to other microfinance institutions	4.06	.816			0.652
Table banking finance has better loan application procedures	4.05	.811			0.530
Table banking has better rules and regulations, unlike other MFIs	4.09		.871		0.669
Table banking credit has better repayment schedule	3.70		.733		0.704
Table banking provides better services in the withdrawal of savings	4.06			.927	0.748
Table banking finance offers better access to loans	3.79			.766	0.703



*Key: Table banking offer better loan application procedure, better loan repayment procedure and better repayment terms*

From the findings the ability of Table banking in offering better collateral requirements had the highest loading factor and the highest mean while the ability of Table banking in offering better repayment schedule had the lowest loading factor and the lowest mean. This implies Table banking offer better loan application procedure as opposed to loan repayment procedure. The study is in line with Otero et al. (1994) who argued that Table banking has more advantage over the other microfinance institutions because their administrative costs are low and their client base is broader.

The study further agree with Rahman, (2010) who argued that even without collaterals, the microfinance lenders ensure higher repayment rates and returns particularly capitalizing on social networks, concepts of group liability and compulsory savings by borrowers. High discipline in repayment has meant a shift from treating women as beneficiaries to treating them as clients and customers capable of managing their own business affairs (Goldenberg, 2005).

### **Socio-Economic Empowerment of Women**

Table 8. Factor Analysis on Socio-Economic Empowerment of Women

	Mean	Component		Std
		1	2	
Being in Table banking ensures improved livelihoods	4.44	.972		.729
Ease of access to loans increase members' incomes through investments	4.48	.972		.731
Being in Table banking enables members to access quality health care	4.11		.737	.977
Table banking enables members raise fees to educate their children better	3.99		.730	1.249

*Key: Improved member's livelihoods.*

From the findings the factor on the ability of table banking in improving member's livelihoods and the factor on the ability of table banking in increasing member's income which loaded together had the highest mean of 4.48 and 4.48 respectively. In addition the factor on the ability of table banking in enabling members access quality health care and the factor on the ability of

table banking in enabling members raise fees to educate their children which also loaded together had the lowest mean of 4.11 and 3.99 respectively. This implies that majority of the respondents agreed that Table banking improves the livelihood of members and increase their income through investment more than enabling members access loans and raising fees to educate their children. The study is in line with Khan, (2012) who argued that better access to financial services enables women to establish and expand micro enterprises and improve their incomes, status and participation of decision making, thus contributing positively to socio-economic development. The study also agrees with Dupas (2008) who argued that Table banking allows poor people to protect, diversify, and increase their sources of income, the essential path out of poverty and hunger. This will enable them to buy assets such as inventory for a small business enterprise, to pay for health care, or to send more children to school. Table banking also helps safeguard poor households against the extreme vulnerability that characterizes their everyday existence.

### Regression Analysis

The researcher further conducted a multiple regression analysis and the findings of the multiple regression model is depicted in Table 9 and 10.

Table 9. Table banking in enabling access to loans

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
	(Constant)	2.047	.209		9.813	.000
1	Table banking enable access to loans	.033	.045	.056	.732	.001

a. Dependent Variable: Table banking improved member's livelihoods

The results of the study revealed that there was positive relationship between Table banking in enabling access to loans and improved members livelihoods. ( $\beta_1=0.033$ ,  $t= 0.732$ ,  $p\text{-value} < 0.01$ ). The null hypotheses ( $H_{01}$ ): Access to finance in Table banking have no significant effect on socio-economic empowerment of women in Kenya was rejected and concluded that access to loans ( $X_1$ ) significantly improve the livelihoods of members ( $Y$ ).

The Model equation is:  $Y=2.047 + 0.033X_1 + e$

Table 10. Loan application and repayment procedures

Model	Unstandardized		Standardized	t	Sig.	
	Coefficients		Coefficients			
	B	Std. Error	Beta			
	(Constant)	2.047	.209	9.813	.000	
1	Loan application procedure, loan repayment procedure and loan repayment terms	.014	.031	.025	.468	.640

a. Dependent Variable: Improved members livelihoods

The results of the study revealed that there was positive relationship between loan application procedure, loan repayment procedure and loan repayment terms and improved members livelihoods. ( $\beta_2=0.014$ ,  $t= 0.468$ ,  $p\text{-value} < 0.01$ ). The null hypotheses ( $H_{02}$ ): Table banking financial services have no significant effect on socio-economic empowerment of women in Kenya was rejected and concluded that loan application procedure, loan repayment procedure and loan repayment terms ( $X_2$ ) significantly improve the livelihoods of members ( $Y$ ). The Model equation is:  $Y=2.047 + 0.014X_2 + e$

## CONCLUSION

The results of the study revealed a strong, positive and statistically significant relationship between Access to Finance and socio-economic empowerment of women in Kenya. The findings of the study also showed a fairly strong, positive and statistically significant correlation between Table banking Financial Services and socio-economic empowerment of women in Kenya indicating that an increase in the quality of Table banking financial services increases the level of socio-economic empowerment of women in Kenya

## RECOMMENDATIONS

From the study the researcher recommends that a continuous, effective and thorough training of all groups involved in Table banking should be conducted to enhance their financial management capability and performance. The study also recommends that the government should consider increasing the avenues and mechanisms for socio-economic empowerment of women and special interest groups especially in the rural areas. The researcher further recommended that the groups find out various ways of raising funds other than from their own

contributions and invest prudentially. In this regard, the study recommends that the Table banking group members should also consider increasing the amounts of their contributions and savings and uphold high levels of financial discipline. On the same note, the groups should as well pursue viable and economical external sources of funding to boost their capital base and support the group investment activities.

## LIMITATIONS AND FURTHER RESEARCH

The study focused mainly on effects of Table banking on socio-economic empowerment of women in Kenya and did not look at men's participation in Table banking and their economic empowerment.

Based on the study findings, it is important that further research be done on the rationale of men's involvement and active participation in Table banking as a means of achieving economic empowerment.

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