

**THE IMPACT OF TABLE BANKING ON WOMEN'S ECONOMIC EMPOWERMENT  
IN RARIEDA SUB-COUNTY, SIAYA COUNTY, KENYA**

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**A Thesis Submitted to the Graduate School in Partial Fulfillment of the Requirements for  
the Master of Arts Degree in Gender, Women and Development Studies at Egerton  
University**

**EGERTON UNIVERSITY**

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## DECLARATION AND RECOMMENDATION

### Declaration

This research project is my original work and has not been presented for any award to any other institution.

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## **DEDICATION**

I dedicate this project to my husband, Vitalis Otiego for his consistent inspiration that kept me strong in spite of many obstacles in life and my children, Lillian, Dorcas, Mercy, Bernard and Kevin for their understanding and overwhelming moral and financial support.

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## ABSTRACT

Women's economic empowerment plays a big role in social economic development. The government, private institutions and NGOs have institutionalized interventions like table banking to boost women empowerment. This necessitates severe measures to be put in place by banking institutions so as to ease women access to credit taking into consideration the high interest rates and heavy collateral requirements in the market. The lack of affordable credit facilities are some of the reasons attributable to poor performance in women owned small businesses. Indeed, most of the residents of Rarieda Sub- County in Siaya, practice subsistence farming and fishing and therefore live below the poverty line due to minimal economic activities. This economic disempowerment has negatively affected economic status of the residents, majority who are women. This has in turn directly undermined the livelihood of thousands of disadvantaged women in the area. It is therefore imperative to evaluate the effect of the birth of table banking in Rarieda sub-county to ascertain the extent to which it has extended access to financial services to women in this rural community. The main objective of this study was to establish the extent to which table banking has economically empowered the women in Rarieda sub-county. The target groups were mainly women groups in West-Asembo. Stratified random sampling technique was used to get a sample size of 178 respondents. The primary data was collected through self-administered questionnaire and individual interviews were also conducted. The data collected was analyzed using SPSS in terms of the set objectives and discussion of the results of the analysis were as per the objectives. It was hoped that the outcome of the study would positively influence policy decisions regarding women's improved access to financial services in the area. The study recommended that the government, private sector and other stakeholders should put in place policies that would streamline, help to govern and entrench ease of financial services such as table banking. Further, it proposes structures with variety of components, including capacity building and technology transfers for the groups to foster not only businesses, but also financial management. Policies and procedures should be put in place to ensure establishment of county gender offices to coordinate, train and nurture table banking groups. This would expose them to new information on markets and market trends in order to help diversify members' socioeconomic involvement thereby enhancing their income.

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## **LIST OF ABBREVIATIONS**

<b>ASCASA</b>	Accumulated savings and credit Association
<b>CBD</b>	Central Business District
<b>CREAW</b>	Centre of Rights Education and Awareness
<b>NGO</b>	Non –Governmental Organizations
<b>PEC</b>	Poverty Eradication Commission
<b>PREP</b>	Prison Rehabilitation Programme
<b>ROK</b>	Republic of Kenya
<b>ROSCA</b>	Rotation Savings and Credit Association
<b>SDG</b>	Sustainable Development Goals
<b>SHGs</b>	Self Help Groups
<b>TGB</b>	Table Banking Group
<b>UNDP</b>	United Nations Development Programme

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background to the Study

Globally, the informal savings sector has recorded a massive growth in alternative credit arrangements (Dupas et al., 2012). Approximately, more than 70 % of the people in the emerging markets do not have a formal bank account; instead, they explore alternative credit options whenever a need to raise money arises. That is even when more formal marketing choices in the banking sector (Global Report, 2014) are available. Compared to the formal banks as a form of financial institutions, people prefer informal saving groups because of its unpretentious accessibility. But what stimulates this? Informal saving groups are, by and large, keener and gentler in their provision of financial services to the category of low-income earners. Simply, they strive to have them empowered economically (European Commission, 2012). Deemed from this angle, the practice of seeking finance from an informal group by an individual to realize their economic potential is a concrete interpretation of how the empowerment of society works. According to Frey and Jegan (2012), socio-economic empowerment is, apparently, the ability of the historically disadvantaged to engage in economic activities that benefit an individual and the broader society. From the shades of the historically disadvantaged individuals and groups, women are given prominence possibly due to the unpaying or less paying tasks that they perform whether at the domestic level or beyond.

Maximizing women's economic empowerment is, therefore, an important driver of social transformation; it is the part and parcel of the stipulations of the Sustainable Development Goals (SDGs) whose mandate is conceivable from two dimensions: that advancing women's economic empowerment is equivalent to granting women a chance to participate in the global economy in a leveled but competitive grounds; in addition, it contributes to the realization of gender equality and sustainable development. Based on these observations, it is arguable herein that any objective of fostering women's economic empowerment rests on the statistical probability that women's participation in economic activities is either in absentia or minimal; that is why their participation is recommended, encouraged or evaluated. What, precisely, happened when women's participation in the shape and form of the SDGs' recommendation is wobbling?

Bodies such as United Nations Development Programme (UNDP) provided policy advice tools and support for building the capacity of government, private sector and civil society to design and implement measures to reduce gender gaps and promote equality in the economic atmosphere (UN, 2013). This translates that UNDP is cognizant of the growth that women create if they are economically stirred. In precise terms, gender equality (when a woman, just like a man, is economically empowered) is instrumental for the economic growth of the holistic society—an essential drive for poverty eradication because women hold a significant proportion of the global population. However, if development-oriented organizations (such as UNDP) are driven by policy and capacity tools to engage women in economic development, how does their contribution, financially, empower these women or simply reduce poverty? This is a solid interest of other, but similar, organizations with identical mandates. For instance, in its 2019-2023 strategic plans, the Centre of Rights Education and Awareness (CREAW) sought to significantly interrupt poverty cycles by facilitating access to economic empowerment opportunities for women. It is in the background of this finding that table banking, as a significant avenue in the empowerment of women (CREAW, 2018) was adopted.

By extension, Brannen (2010) describes table banking as group funding where members pool their savings together and borrow immediately from those savings on the table for a short or a long period. Owing to this feature, it can be deduced that the concept of table banking takes on the model characteristic of the Grameen Bank (GB) of Bangladesh and the Village Savings and Loans Associations (VSLAs) of Zanzibar that was initiated by Mohamed Yunus in the village of Jobra, Bangladesh in 1976 (Ahlén, 2012). Research that has been done demonstrates that because of table banking's immense success in, for example, Bangladesh, many projects in the world have followed in the footsteps of this system (table banking system). They exploited (and still exploits) a parallel model to affect their 'pooling' mandate. Among the noticeable application of this model can be comprehended through World Bank's Grameen-type funding schemes in selected developing countries (Shahidur, 2005). Also, a model of this nature is apparent in the United States (US) and Europe (Rogaly et al., 2005—) the two world's largest economies. This adoption does not end at these two landscapes; Hulme (2004) and Taub (2006) are certain that table banking is ubiquitous in Africa, various parts of Asia, and Latin America.

In continuance, a historical backdrop of table banking reveals multiple origins and a unified modus of Operandi. In Japan, for example, table banking habits are expressed in the documentation of the modern practice concept that dates back to 1864 when towns in Japan offered recreation and opportunities for people to socialize with Japanese Americans. The Japanese immigrants at the time were discriminated against by the banks— they could not be given credit to do business of any kind; as a result, they had to raise capital through what Liebeskind (2013) ascribed to rotating credit associations. In the rotational credit association, each Japanese immigrant member could contribute the agreed amount of money into the 'pot.' From this substantial pot, therefore, members would take turns in borrowing from the 'pot' to finance their purchases and, thereafter, remit the outstanding amount with the agreed interest. This practice brought financial stability to Japanese Immigrants. How about Germany? Boone and Witteloostuijn (2005) observe that in Germany, the concept of table banking was simply initiated by individuals who came together to generate funds in a systematic manner where each member would get a stipulated amount in a forced matrix from different levels in the group. Who initiated it in Africa? In the provided definition of table banking (as a practice) its piloting phase as a banking option in African regions was poked; it was established that the dubbed, VSLA programs of Zanzibar that utilized the Grameen Bank model of table banking, had an attainment potential as implemented in Africa (Strauss & Beegle, 2006). Owing to this development, the World Bank (2009) observes that the very first VSLA program was carried out in Niger in 1991 by Co-operative for Assistance and Relief Everywhere (CARE), a non-political and non-sectarian human organization that was established in 1945 to fight extreme poverty, globally. In continuation, in Kenya, the table banking concept started in the year 2006 under the main prison rehabilitation programme (PREP) and presently, Simojoki (2003) notes that the project is working with community groups in Kenya. As a result, the project encouraged community members to save a specific amount of money every month within the group; it would then be loaned out and operates as a revolving fund. The money builds up as shares from a revolving fund within the groups. The group members are, therefore, allowed to take either short-term or long-term loans while repaying previous loans at equal interest rates to build on the group revolving funds (Malkamäki et al., 2009). Overall, table banking, as conceived by Boone and Witteloostuijn (2005), was guided by a simple objective: to strengthen self-help organizations,



leaders and members so as to inspire self-empowerment in terms of institutional, social and financial strengthening.

This objective seems to be taking shape considering the number of people, per se, across the terrain of Africa who are directly impacted by the fashion customized by the duo (Boone and Witteloostuijn (2005). This is because, as of 2009, the Fin Mark Trust's Financial Scope (2015) survey found that about 37 million people were participating in informal savings groups in East Africa and Nigeria, and about 41 million people participated in the informal savings groups. Consequently, Mengo (2014) confirms that table banking – a form of informal saving—is gradually becoming the main source of small loans for women in East Africa. He affirms that the main benefit of table banking is pooling resources together and lending to members who are in need. These resources have proven beneficial to women, especially those who are either culturally and economically sidelined or suffer from domestic violence. In other words, table banking has made it possible for women, irrespective of their status, origin, tribe, or culture, to mobilize funds and invest in one business establishment or another in the free market economy. To put it in concrete terms, just like how the marginalised Japanese immigrants economically empowered themselves through table banking, people in the modern global economy have learnt to apply and develop from this model. This suggests that the objective of table banking as an immediate alternative financial option has always remained spot-on to the pioneer's intention: to empower the disenfranchised in society. Women are, sometimes, economically disenfranchised and table banking is their ultimate leeway.

One feature that stands out in the nature and adoption of table banking is its unmatched speed of financial access. This presupposes that no collaterals are needed to access a loan with the table banking option. And this, as well, surmises that the potential psychological strain that oftentimes accompanies a loan is equally minimized or perhaps eliminated. So what does it communicate about the formal banking? The failure of the specialized financial institution (that of the formal banking sector as a credit allocation entity) to address and meet the credit needs of financially straining individuals (whether women or not) are the gear for the popularity of table banking as an informal banking sector in Kenya. That is why table banking is associated with agencies that are predominantly launched to, in CREAM's words, 'interrupt' poverty. No wonder, in Kenya, as opposed to the formal banking sector, table banking was initially instituted by Poverty

Eradication Commission (PEC) under the Ministry of Planning and in resonance with vision 2030. If zoomed from the prescriptions of Millennium Development Goals, then, table banking shares in eradicating poverty; especially in the Kenyan rural areas.

Hence, being one of the methods that the Kenyan government and other institutions utilize to improve the lives of economically disadvantaged populations, table banking is crucial in the conversations pertaining to the operation and ingredients of the Kenyan informal economy. As a result, this study seeks to establish the impacts that table banking has on women's economic empowerment, particularly in the Rarieda, Siaya County. Of importance in this segment is that the target population of women contribute to the Kenyan economy because of their participation in different kinds and levels of paid and unpaid businesses; whether they are engaged in among other tasks; farming, domesticity, or free enterprise. Does investing in economic empowerment sets a direct path toward gender equality, poverty eradication and inclusive economic growth? The accrued the table banking's impacts greatly inform this interrogative.

## **1.2 Statement of the Problem**

The constraints that accentuate poverty in developing countries are associated with the formal banking system's failure to customize interest rates for the loans that they dispense to the demanding population. A move that conversely triggers and compounds poverty among low-income earners. The consequent impact that results from this proclivity is, certainly, limited economic empowerment. In plain terms, the plethora of low-income households often lack access to financial banking services due to high-cost of transaction costs, unaffordable interest rates and inaccessible banking (not accessible in the sense that most banks and their branches are localised in the urban settings) services. These three hindrances are behind the renewed interest in the search for alternative financial models that can be used to deliver sustainable financial services to low-income families, especially in the remote and rural areas of Kenya. Based on the published data, a quest for alternative financial platforms by the low-income earners is motivated by the failure of formal banking and centralized financial institutions to reach the remote and rural areas in the shape and manner that resonate with the populations of this nature. This probability is, however, a hallmark of the state of the people that live in the identified areas and in the highlighted circumstances. How about the traditionally economically disempowered? The women? Do women negotiate similar blockades to establish or expand their income?

Women's eligibility to acquire capital to finance enterprises and to improve their living standards has been attributed to low land rates, problems of formerly owning assets and residual lack of collateral limits. Owing to this probability, policy and institutional arrangements in Kenya, as spearheaded by the ministry of devolution, have been strengthened to promote women's participation in developments. Savings-led and credit-driven (VSL) schemes are increasingly being adopted by self-help organizations, especially in developing rural areas to empower women. In fact, the 2009 National Development Report revealed that the Rarieda sub-county is one of the poorest counties in Kenya (UNDP, 2010) where women still experience cultural prejudices, domestic violence and economic alienation; a situation that implicates not only their health but economic status (UNDP, 2010) as well.

Table banking comes in as a solution to these constraints; it has emerged as the only viable alternative financier for unbanked women from low-income households across Kenya— a facilitator to livelihood improvement that community members speak well of. In Siaya County, there are a number of Table banking groups in Rarieda that are managed and operated by women-- an initiative that has impacted the social-economic status of these women in terms of financial performance of businesses and savings. This study, therefore, comes in to fill the gap on the impact of table banking on women's economic empowerment in the Rarieda sub-county, Siaya County Kenya.

### **1.3 Purpose of the Study**

This study was guided by the following general objective:

To evaluate the impacts of table banking on women's economic empowerment in the Rarieda sub-county in Siaya County, Kenya.

### **1.4 Specific Objectives**

This study was guided by the following specific objectives:

- i. To examine the level of women's access to credit in table banking groups and its effects on their economic empowerment.
- ii. To explore the influence of table banking groups on women's economic empowerment
- iii. To assess the benefits of table banking for women in Rarieda Sub-County.

## **1.5 Research Questions.**

This study was steered by the following research questions:

- i. What is the level of access to credit in table banking groups and its effect on women's economic empowerment?
- ii. To what extent does the table banking group affects women's economic empowerment?
- iii. To what extent do women benefit from table banking in the Rarieda sub-county?

## **1.6 Significance of the Study**

The study acknowledges the presence of women's participation in the form of table banking as a primary financial option for low or poor-income earners; moreover, considering the ease of establishing table banking in rural areas, one thing stands out: that it has gained traction in the Rarieda sub-county, and thus, a need to document how it intersects with women's interest in the identified area. For women entrepreneurs, the study sheds light on the benefits of table banking as a financing option in not only optimizing their business but also improving their financial literacy levels. This is an imperative venture for women in entrepreneurship for a simple reason: it builds women's capacity in the economic spectrum because training offers them a chance to save and invest wisely, especially, in profitable enterprises. By extension, the fact that the aforesaid impacts are thereby addressed, a study of this nature elevates the likelihood of those who are yet to join table banking groups to do so. Above all, the members could be encouraged to capitalize more on table banking because it is in the limelight that table banking benefits are beneficial when juxtaposed with any other form of financial provisions in the market.

From another dimension, the study has great potential when it comes to the operationalization of policymakers through the Ministry of Public Service, Youth and Gender Affairs. They are likely to benefit as they will be able to come up with policies that could benefit women within economic empowerment environments. This will, in turn, enable women to come up with more business opportunities in the long run—a move that speaks to the achievements of Sustainable Development Goals (SDGs): to alleviate poverty and concretize gender equality in the country.

Over and above the identified realms, Non-Government Organizations (NGOs) are prompted to benefit from this research. They could employ the generated information to mobilize women in community banking to be conversant with, and perhaps attempt to empower themselves through, table banking opportunities. In one way or the other, a drive of this characteristic is vital to the women's course as it helps to transform their lives in the simplest but noblest shape and form: solving their daily financial problems. This drive has implications that are in harmony with the SDGs, and the aforementioned, rationale.

Lastly, this research is of essence to future researchers and scholars whose interest rotates around women's economic empowerment. They could benefit in that they will be able to increase their understanding of the pertinent issues concerning table banking and its impact on the economic women empowerment in the country. The research will add value to the body of knowledge and understanding of the importance of table banking in employment creation. This may be beneficial to researchers who may want to extend their scope to this area.

### **1.7 Assumption of the Study**

A number of assumptions, critical to the research, were made. To begin with, it was premised that all women in the Rarieda sub-county are members of the table banking. Secondly, it was assumed that all women in Rarieda sub-county benefit from table banking. The third assumption that was made is that table banking alleviates poverty among women in the Rarieda sub-county. The fourth presupposition that drove this conversation relates to data collection: that exploited data collection tools were up to the mark, valid and of high resonance with the characteristic of anticipated field data. The study finally assumes that the selection of the study location is based on the fact that the target population is non-uniform since the localities may not necessarily have a unifying socioeconomic characteristic.

### **1.8 Justification of the Study**

Scholars have demonstrated that the involvement of women at the decision-making table is critical for the growth and sustainability of a country's economy, and, as such, a substantial amount of money is required to empower women to reach the desired economic ceiling. Table banking has, of course, been a primary and valid economic empowerment booster for these women; however, poverty and illiteracy remain at their greatest peak—they are, especially,

common drawbacks for women who reside in rural areas. In spite of all this, the table banking model is increasingly being adopted by women groups; a move that underlines an upsurge in their economic empowerment, particularly in developing rural areas where most women operate their business establishments without any banks to accommodate their financial exploits.

As a result, in different counties, table banking is increasingly extenuating benefits that women (able or not) draw from engaging in among other economic building activities, fishing, rabbit, poultry and beekeeping. In other words, table banking options in Kenyan counties are solid boosters of women's economic lives—they no longer depend on their husbands for money and by extension, family conflicts that arise when women depend on or solicit money from their husbands have been minimised.

It is, also, worth noting that from a review that has been done on the concept of table banking, scholars acknowledge the existence of constructive growth for those women who consult this platform as an alternative financial option in the republic. For instance, Sang (2019) is among the scholars who have taken a stand on table banking. His study gyrates around the role of table banking on the empowerment of women in Kenya; he, thereby, revealed that there is a positive relationship between table banking and women's economic empowerment. However, a conceptual gap exists as the study did not focus on women's economic empowerment and also a context gap as the study context was not in the Rarieda sub-county. Ngumbau et al. (2017), on the other hand, studies the relationship between table banking and the growth of women-owned micro and small enterprises in Uhuru Market, Nairobi County. Owing to the conducted studies by the Ngumbau and the group a conceptual gap is evident. Their study did not focus on women's economic empowerment and also a context gap as the study context was Uhuru Market, Nairobi County. This study thus comes in to fill the gap on the impact of table banking on women's economic empowerment in Rarieda sub-county, Siaya County Kenya.

### **1.9 Limitation of the Study**

This study is confined within several limits. It commences by interrogating the features and the impacts of table banking on women's economic empowerment. The other integral limit that guides this study dwelled on women as a proportion of the Kenyan population but with limited access to credit, and, of course, the transformation that table banking establishes. Closely related

to women's access to credit, this study probed on the qualitative and quantitative influence that table banking groups make in the field of women's economic empowerment. Lastly, this study was defined within the contextual landscape of the Rarieda sub-county in Rarieda county. The benefits that amount from table banking are treated within the discourse boundary of women's studies. The temporal limit was anticipatorily six months but due to topographical constrictions, the study took 2 years.

## **1.10 Definition of Terms**

**Banking:** A bank refers to any enterprise that handles cash, gives credit and other financial transactions for individual consumers and businesses alike. For this study, banking is the business of providing financial liquidity needed for families and businesses to invest.

**Table Banking:** according to this study, table banking is a concept where group members pool their monetary resources on a table for lending a loan at a stipulated low-interest rate.

**Capacity Building:** according to this study, capacity building is the process by which individuals and organizations obtain, improve, and retain the skills, knowledge, tools, equipment and other resources needed to do their jobs competently.

**Empowerment:** according to this study, empowerment refers to the delegation of some authority and responsibility to employees and involving them in the decision-making process, not in mere job activities, but rather at all levels of management.

**Economic Empowerment:** according to this study, economic empowerment is the capacity of both genders to participate and contribute to the growth process in ways that recognize the value of their contribution, which makes it possible for a fairer distribution of the benefits of growth and dignity.

**Women Empowerment:** In this study, this is a group of women who participate fully in economic life across all sectors to achieve internationally agreed goals for development and sustainability and improve their quality of life for families and communities.

**Finance:** finance is a term for matters regarding the management, creation, and study of money and investments. This study, it involves the use of credit and debt, securities, and investment to finance current projects using future income flows.

**Women Group:** as per the study, this is a group of women from a distinct location pooling together their money earned in their daily business lending and borrowing amongst themselves at a common table before repaying back with a stipulated interest.



**Group Cohesion:** in this study, group cohesion is the tendency of a group to be united. Its interaction is oriented toward ensuring that a group is working towards achieving a goal or satisfying the financial needs of its members. In its shape and form, group cohesion has a bearing on the modus of Operandi of the women in the case study area.

**Group Guarantee:** as per the study, a group guarantee is the protection of each group member by taking any asset or loan from default members contributing towards the unpaid loan for the continuity of the Rarieda women's table banking group.

**Poverty:** according to this study, poverty is treated as a condition where people's basic needs such as food, clothing, and shelter are not met or satisfied. Poverty is generally of two types: absolute and relative poverty. On one hand, Absolute poverty is synonymous with destitution and occurs when people cannot obtain adequate resources which are the case with women in the Rarieda Sub County. Relative poverty, on the other hand, occurs when people fail to enjoy a certain minimum level of living standards as determined by the government.

**Social Capital:** in this study, social capitalists refer to the commonalities of most definitions of social capital as a focus on social relations that have productive benefits in society. The variety of definitions identified in the literature stems from the context of the specific nature of social capital and the complexity of its conceptualization and operationalization.

**Savings:** as the name suggests, savings refers to income that is not spent but saved. This includes any amount of money put aside in a deposit account or cash. In this study, it refers to money put aside by members of a table banking group that can be used as a loan and can earn interest.

## **Chapter Outline**

This research is comprised of five chapters: chapter one is the background to the study. Chapter two is constituted by the review of the literature. The methodology is entailed in chapter three and the research findings are in chapter four. The last chapter is a constituent of the summary, the conclusion and any transparent recommendations. The following breakdown is the order of their appearance and a summary of individual chapter

### **Chapter One: Background to the study**

The chapter introduces the study by providing the background of table banking at the regional and global levels. The statement of the problem, research objectives and questions; the purpose significance, justification, assumptions and limitations of the study as well as the definition of key terms are provided in this chapter.

### **Chapter Two: Literature Review**

This chapter demonstrates how the research problem fits into a body of knowledge. The two main components include the theoretical framework and conceptual framework and it attempts to show the existing gap that this research seeks to fill.

### **Chapter Three: Methodology**

This chapter espouses the methodology that was adopted during the study. This includes the research design, study area, target population, sampling procedure, sample size, instrumentation, data collection procedure, methods of collecting data, data cleaning and analysis, pilot study results and ethical consideration that facilitated the execution of the formulated objectives in chapter one.

### **Chapter Four: Research Findings**

This chapter presents an in-depth discussion of the research findings focusing on various variables and in obeisance with the gap and methodology that was formulated.

### **Chapter five: Summary, Conclusion and Recommendations**

This chapter summarizes the research and gives a conclusion and recommendations for further study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This section presents a review of scholarly works and their relationship to the topic on the study. Of importance, the chapter is, specifically dedicated to demonstrate how the research problem fits into a body of knowledge that had been built and generated in the previous studies. The section captures the origin of the concept of table banking, its general description and women as savers, borrowers and investors in the Table Banking. In addition to the outlined sections, the chapter concludes by envisaging the theoretical and conceptual frameworks that are crucial in the assessment, analysis and evaluation of the anticipated findings. The frameworks that are adopted on this section are “Lewin’s Model Theory of Cohesion,” “Gender and Development Theory, “as well as, “Poverty and Social Exclusion Theory.” Lastly, the chapter establishes the principal gap that stresses the appropriateness of the study to table banking as a provenance of women’s economic empowerment in the Rarieda sub-county.

#### **2.2 Background and Origins of the Table banking Concept**

The beginning, naming, and usage of "table banking" can be traced back to early civilization. In particular, its traces were first identified and exemplified in Greece—the common provenance of multiple fields of knowledge. At this point in time, people used to exchange money at the tables known as "Trapezes"—an exchange that mimics the contemporary expression of table banking. This correlation is arrived at due to the usage (the structure) of what came to be the table banking’s operation: members would sit and each one of them would place their contribution of a table—the money that would then be lend out to one or several members to invest in a project of their choice. Therefore, based on this finding, it can be assumed that table banking that shares its features from the Greek’s Trapeze system.

Still in the origin, naming and usage of the model that resembles table banking, a similar mode is noted by Ouattara et al. (1999). The ulema argue that during the ancient times, money collectors

would receive and document the amounts deposited by individuals and lend it out to borrowers: a practice of table banking in, per se, the present times. Any shade of table banking shares, in one way or the other, with a bank as a formalized system of managing the financial operations of its members. That is why, in this segment, the 'bank' as an institution is traced. A more recent kind of bank was, as a result, found in Italy. It was termed as "banks of deposit" which shared common traits as the Bible-based examples, which exhibited operation principles and standardization: no interest was charged on group members (Mannan & Khan, 2014). In the introductory chapter, it was established that the table banking program has already been adopted as a microenterprise support program and already its operationalization is underway in most countries around the world. Some of the regions that have adopted table banking are Asia, Africa and America. These landscapes encapsulate the adoption of table banking as an alternative banking solution. In those identified regions, table banking is named in a different way but its features share matching characteristics.

Still on its background, the background to the study displayed that table banking is associated with economic sustainability due to its ability to reach a large number of poor people in the world. Concisely, a statistically glimpse suggests that over 2 billion people in the world have some form of the table banking as a primary source where they tap finances whenever a need arise. Who are these 2 billion people, anyway? The table banking consists of saving groups and networks (mainly the "unbanked poor") that, due to its flexibility, prefer exploiting this form of social banking and money lending option. Olila (2014) apprises that such elucidated acceptance of table banking stems from a great need among the poor for help with managing cash flow, particularly in remote villages or urban slums where no brick-and-mortar financial institution exists. On the other hand, a synonymous contemporary trends indicate that table banking is practiced globally among village saving and lending groups.

By extension Keter (2013) informs, also, on the fissures of the described concept of table banking's usage. Keter is of the view that table banking, as financial support program commonly practiced by low-income earners to internally generate funds through savings accumulation, creates a pool of financial resources from which contributing members can borrow funds for entrepreneurial purposes. Joining this discussion, Kanyi (2014) contends that the concept of the table Banking is, thus, founded on the conviction that, for the extremely poor, mostly women, the

best approach should commence first by building their financial assets and skills through savings rather than by debt that oftentimes entrap this category of people in a predatory approach.

In women's entrepreneurship, the targets are vested in the reduction of inequality in income distribution at the household level. In Kenya, for instance, the Women Enterprise Fund (WEF) was initiated to foster wealth distribution across various social groups. However, due to its lean success, an inclination towards community-led self-financing emerged. In the year 1999, the table banking project was piloted in Bondo and Gatanga. In the year 2004, its system was improved to provide information on its basic pros and cons. Based on success stories from the pilot projects, Masinde (2013) observes that the Kenyan Government in the year 2005 decided to officially launch the table banking in order to reinforce and build on its obligation to the women's economic empowerment agenda.

In addition to its adoption, the table banking came about to restore a number of impossibilities in the financial sector. According to Keter (2013), the table banking as a collaborative organization addressed the prevalence of the restricted access to financial advancement of low-income earners whose intention was just like the mid-income and upper-income earners: to enhance desired empowerment results. Another restoration that the table banking came to address relates to intervention mechanism; in particular, it intervenes between entrepreneurial intentions that require implementation and achievement of critical economic empowerment outcomes. For sure, the low-income earning entrepreneurs' have had fears that formal banks have high-interest rates, limited loan repayment periods and high collateral requirements and due to a lack of affordable counter strategy for credit and savings services, the majority of the women in the rural areas have, as a result, formed informal banking groups (table banking) to empower themselves and economically alleviate poverty.

Moreover, the table banking system is grounded in group guarantees and household collateral. Group guarantee and joint lending have been favoured by the institution in a bid to curb credit risk and default risk. Owing to this impact, the table banking system has generally benefited over thirteen counties (Allen & Hobane, 2004) and based on the findings of Groppo (2009), the main objective of table banking is to bring financial services closer to the poor, especially women. This move is critical because it empowers them financially and as a result, it safeguards them against poverty that manifests in the form of absolute or relative strands. Taken together, the

benefits that are accrued from the interaction between table banking and these people are precisely driven and oriented to maximize profits.

This study, therefore, seeks to assess the impacts of table banking on women's economic empowerment in the Rarieda Sub-County, Siaya County in Kenya. Some of the independent variables that were studied in the research are access to capital, capacity building, market linkages and social capital. These variables were linked to the dependent variables of women empowerment in the Rarieda sub-county. Women's empowerment has, of course, been considered one of the driving forces in rural economic development due to its contributions—the involvement that manifests in terms of poverty eradication, and employment generation among other benefits to the economy.

### **2.3 General Description of the Table Banking**

According to Groppo (2009), table banking is a community-based activity associated with the accumulation of savings that members can borrow at any point in time. As a financial support program, Afshar (2016) concretizes that table banking is a process commonly adopted by low-income earners to internally generate funds through savings accumulation to create a pool of financial resources from which contributing members can borrow in case they intend to fund a development of their choice. On the other hand, Akinyi (2009) opines that the description of table banking is a collaborative partnership that addresses limited access to financing promotion of the low-income community bracket; it precisely picks the form of participatory action approach which is intended to enhance desired empowerment outcomes that economists, sometimes, describe as an equity fund; the constitute of what has come.

As a strategy initiated to eradicate abject poverty, especially in the rural settings in Kenya, table banking has contributed in all manner of forms: for instance, it has given women in rural areas free access to finance without any collateral and less interest—something that can hardly come from the formal banking provisions. This is how it operates: the money taken in the form of soft loans in a meeting is paid by each member during the next meeting with an interest ranging from 10% to 20%; however, this partitioning of percentage is subject to what the group members decide. In doing so, the money contributed by the group members keeps increasing thus availing more money for members to borrow all the time they are in need (Asseto, 2014).

What are the objectives of table banking? the re-launch of table banking is aimed at helping rural woman access funds for investment in income-generating projects (Akinyi, 2009). This highlights the fundamental aim of the table banking. Its main intention (the intention of table banking) is solely stimulated by an urge to bring financial services to the poor, particularly the poorest and, to help them fight poverty, stay profitable and be financially sound. Actually, the table banking style follows the same concept as merry go round: the money contributed by members is given to a member as a loan after which they are expected to pay back in the following meeting with at an agreed interest. Owing to this description, Simojoki (2003) argues that this is a scheme that one is highly likely to find in the sub- Sahara Africa. In this region, the most common type of banking lending scheme includes the Village Savings and Loan Scheme, Rotation Savings and Credit Association (ROSCA), as well as, the table banking, that is also known as Accumulated Savings and Credit Association (ASCAS). According to Simojoki (2003), both informal banking schemes have similar characteristics and the same working methodology. ROSCA, for example, is the oldest model of informal banking where groups of individuals meet regularly, and at each meeting, every member contributes a certain amount to a fund collectively as agreed. The collected money is allocated to one member or a few members by drawing lots on bidding. At future meetings, each member contributes, but past beneficiaries are excluded from bidding. The bidding process is repeated rotationally until each participant receives an equal amount of money. As a result, women gain credit to meet household demands and for precautionary purposes in times of disasters or illness. This is very instrumental to women because as Mayoux (2001) notes most of them cannot afford insurance premiums. It is evident that in Kenya, women prefer informal banking groups, for instance, the village saving and credit associations for economic and social needs. The preference is certainly occasioned by the friendly and easy interest rates which are charged on borrowing and servicing loans.

Therefore, it can be argued that the concept of table banking encourages women entrepreneurs to periodically save money within the group shares. This money is then, to reiterate, loaned at interest and the money build-up. This justifies that table banking has become a source of capital for women entrepreneurs since it is easily accessible compared to the banks and other micro-financial institutions. Additionally, the table banking's interest rate is usually friendly; as it was felt above, the table banking's main purpose is to eliminates exorbitant fees associated with bank loans, the periods taken waiting for loan to be approved, as well as, the preconditioned

collateral's that is requested before one can access a loan in the bank. As Brody et al. (2013) point out, the concept of women empowerment through table banking constitutes an emerging and fast-growing trend across the country. This informs why women entrepreneurs in Rarieda Sub-County have embraced the table banking concept in order to empower themselves and improve their living standards; it has enabled them to save and access loans, from their contributions, that they later on invest with.

## **2.4 Development of Informal Banking**

The informal banking models are very popular in developing countries. As it has been pointed out in the previous section, the most common ones are two: The Rotation Saving and Credit Association (ROSCAs) and The Accumulated Savings and Credit Association (ASCAS) or, simply what Simojoki (2003) ascribe to the table banking. Across the globe, the ROSCAs and the ASCASs as the informal savings and credit models are known by different generic names: in Indonesia, for instance, they are called 'Artians', Hui' in partner Vietnam, Pasanaku' in Bolivia, 'Susu' in Ghana, 'Tontine' in Mali, 'Gamaivah' in Egypt, 'Ko' in Japan, 'Tanda' in Mexico, 'Stokvels' in South Africa and Merry-go-round in Kenya (Afshar, 2016). The informal financial groups mostly are comprised of women who come together to use the little financial resources they have to lend each other with the expectation of being helped in the future. Or simply, saving for a period of time and then, seeking a loan from the saving they have made (Das, 2016).

Based on its application by groups in different parts of the world, Groppo (2009) observes that ROSCA is believed to have been one of the oldest models of informal banking. Actually according to Afshar (2016) ROSCA was more vibrant among women in the early 1980s in the urban town of Mumbai, Cape Town and Tokyo. As women in some of these states met to drink tea they would gradually establish networks of providing credit to the group members. These group members, therefore, collected money from each member; the whole share of the money collected was given to a member according to the bid. Of fundamental important, the money acquired from ROSACAs was used to address subsistence needs at the household level as those were the core confronting scarcities by those women. However, uplifting ROSCA could not satiate the holistic financial deficit of the interested members. As Verhoef (2002) observes, with each year passing by, the majority of women would be overburdened by their inherent task of maintaining their families while having irregular and low incomes. As a result, this incident led



to the majority of women transforming most of the ROSACAs to table banking (ASCAs) which was partly adjusted to the urban environment (Zeller & Sharma, 2000). For that reason, table banking is believed to have developed and borrowed a lot from ROSACAs. In another scenario, in the table banking, funds are collected from each member of the group for a given period of time in reasonable amounts. When the amount has accumulated to the required lump sum amount, the group disburses loans to members of the group as explained by Akinyi (2009).

However, members given the loan must repay the money with interest at the agreed time. The interest paid on the loan will accumulate in the group fund up to the end of the group's financial calendar. Members can decide to divide part of the profit as dividends from the interest payments to the members, or they can start investment's projects. However, Groppo (2009) notes that running a table banking group requires more skills in financial management because of recordkeeping and management of loans which is necessary and needed. Table banking is arguably an innovative scheme to accelerate women's entrepreneurship and women empowerment as well as improve women's economic development in Rarieda Sub-County. As Asseto (2014) claims, table banking's main goal is to bring financial services closer to the poor and especially women to empower them to fight poverty, stay financially sound and operate profitably.

## **2.5 Loan Servicing and Interest Rates in Table Banking**

The working rule of table banking from the first meeting and subsequent ones is that each member must save the minimum amount of money that group agrees upon. However, members are allowed to move if they are willing to. After two to three meetings the group fund is big enough for the first loan product. One-month short-term loans with a 10 percent interest rate are introduced for willing members (Allen & Hobane, 2004). However, Pascual (2008) notes that different groups have varying maximum and minimum amount of loans that they lend to the members, with different interest repayment rate and the grace repayment period.

According to Raj and Prabhakar (2014), in most table banking groups, short-term loans are for one month but they can also be rolled over up to three months. If loans are rolled over, for the first two months, only interest is paid, while principal fees are paid on the third month. Members are entitled to short-term loans of up to two times their savings (Das, 2016). Short term loans carry 10 %flat rate interest in a month. In the second loan product, long-term loans are offered.

Long-term loans are for 15 to 24 months at 15 to 24 flat rates percent interest per annum. Alabi et al. (2007), further explain that group members are entitled to long-term loans of up to three times their savings. In addition to these two main loan products, several management agents also introduced voluntary fixed deposit education boosters fund. These management agents have also introduced an insurance fund as a small compulsory monthly contribution (Ouattara et al., 1999).

The saving and loan from table banking have made significant impact in the lives of most women entrepreneurs as explained by Akinyi (2009) due to its low interest rates and accessibility. Women in Rarieda Sub-County have become empowered and are challenging the social-cultural traditional norms which denied them to be equal competitors in the market when compared with men. Research has shown that in some countries, women entrepreneur now outnumber men in a small sector; the number of women is increasing faster than that of men. In Kenya, it is estimated that 53% of rural women live on less than 1 dollar a day which is below the poverty line index. Poverty in this report is measured using estimated consumption expenditures (Akinyi, 2009). The poverty line is a threshold below which people are deemed poor, (Groppo, 2009). Household expenditure in Kenya averages Kshs. 3,002.8 per adult equivalent per month nationally. However, there are differences between urban and rural areas, counties and constituencies. Household expenditures per adult equivalent per month are Kshs 1,962.10 in rural areas compared to Kshs 4,690.6 in urban areas, (Akinyi, 2009). In 2005/07, the poverty line was estimated at Kshs 1,562 and Kshs 2,913 per adult per month for rural and urban households respectively. Nationally, 45.2 percent of the population lives below the poverty line (2009 estimates), which is down from 46 percent in 2005/06 (ROK, 2008).

## **2.6 Women as Savers, Borrowers, and Investors in Table Banking**

Due to the fragmentations of finance, most of the female entrepreneurs running small medium enterprises are not always able to separate profits of the enterprise and capital. Based on the reflection of the literature, it is possible to separate the investment activities along gender lines in some cultures (Alabi et al., 2007). The African culture has been identified as one of the examples that identify the separation of gender differences in production, time allocation, assets ownership, household income and savings, where investment activities are obvious and frequently reported (Afshar, 2016).

There is an increased focus on the role that women contribute in the development process. Numerous discussions, debates, and research have been done on evaluating whether women's domestic household responsibilities (such as food, clothing, and shelter) are part of human capital investment (Pascual, 2008). Family scholars have redefined investment to include domestic household responsibilities as one of the investment ventures.

Warue (2012) underscores the importance of group cohesiveness among the self-help groups in repayment of loans. Through Table Banking, women are able to save, borrow and invest in various projects. Precisely, women empowerment among women entrepreneurs can only be achieved through running several income generating projects. Further, table banking concept stresses on group ownership, control and management. Women constitute a major portion of microfinance clientele, and often targeted by credit making agencies for their role in the development of that community. Research done by Fletschner (2009), Okten and Osili (2004) and Mayoux (2001) suggests that gender equality fosters economic growth and development, and by offering microcredit, women's economic independence is heightened. In addition, the percentage of women borrowers is also used as a proxy measure of social performance of microfinance institutions (Beisland & Mersland, 2012). It is believed that increase in the percentage of women borrowers both in formal or informal financial institutions increases women's trustworthiness and development of the institution.

Microfinance institutions have traditionally targeted women borrowers as a mechanism for sustainable development. The development literature is replete with studies on the economic and social empowerment of women through their participation in financial institutions that view women's economic independence as a central strategy to address poverty issues (WHO, 2005). Studies show that improved financial condition and economic independence of women in developing countries stemming from their entrepreneurial ventures have led to an enhancement of women's status within the family and in the community. Such women are more involved in the household decision making and are likely to invest in their children's education and nutrition (Kabeer & Mahmud, 2004; Roushdy, 2004) and are also less vulnerable to abuse.

## **2.7 Group Participation in Table Banking**

One of the most studied constructs in group dynamics research is cohesiveness. The aim of a group is usually to bring about some change, support or offer some form of insight into either the individual, another group, or the environment. While groups may encounter internal problems and conflict at certain stages, when they are working effectively, other groups provide a positive and supportive environment in which to develop and learn new interpersonal skills (Ekpe et al., 2010).

The table-banking financing (Al-Mamun, 2011) is a group-activity conducted by members to a group who converge to raise capital from individual contributions; normally varying in amounts depending on the group's abilities, needs, interests and preferences. Table banking units comprise social bankers whose population is growing very fast. It makes it an important concern in research, especially the research that pertains to economic empowerment for the marginalized minority groups; whose majority are women (Olaf et al., 2011). From what it was earlier discovered, the table banking group comprises of more than 2 billion people in the world. The constituents of these saving-groups and networks groups are mainly the "unbanked poor" who prefer exploiting this form of social-banking and money lending due to its flexibility. The popularity of these groups stems from a great need among the poor for help with managing household cash flow, particularly in remote villages or urban slums where no brick-and-mortar financial institution exists (Olaf et al., 2011). More contemporary trends indicate that table-banking is practiced globally among Village Saving and Lending groups (VSL).

Small loans are only extended to groups of 10-15 people. This phenomenon allows the individuals to support, encourage and provide assistance to each other in the event things go wrong. The membership ceiling, however, depending on the model, may range between 10-30 people. Members are, certainly, required to abide by the stipulated group loan repayment terms and schedules. Loans are repaid at small interest which is put back into the group savings. This activity is conducted in a reiterative pattern and is controlled through members' efforts, checks,

controls and behavior (Bandura, 2012). Group membership is defined by its formation mechanism; basing on commonly shared goals

In addition, Simojoki (2003) found that, indeed, cohesion was instrumental in ensuring team success, collective efficacy, and communication which consequently improved performance among sports teams and exercise groups. However, Ekpe et al. (2010) noted that group performance was not only affected by cohesion alone, but also by a combination of other factors like norms, type, and interdependence of tasks. Infact, Pascual (2008) found that task cohesion was the only significant predictor of subjective performances measures among a number of variables related to cohesiveness and group performance.

## **2.8 Group Cohesiveness in Table Banking**

One of the studied constructs in group dynamics research is group cohesiveness. Ekpe et al. (2010) found that, indeed, cohesion was related to performance or productivity. Cohesion was found to be instrumental in ensuring team success, collective, efficiency, and communication which consequently performance among teams and exercise groups. For instance, Fashoyin (2001) found that cohesion was the only significant predictor of subjective performance measured among a number of variables related to cohesiveness and group performance.

While examining the association between group cohesion and group performance in the cooperative movement in Malaysia, Kothari et al. (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 (Adelino et al., 2016). Ekpe et al. (2010) found that group cohesiveness was vital in improving and enhancing creativity in a novel group creativity task while (Carronet et al., 2002) on the other hand found that group cohesiveness had a moderate relationship with performance.

In addition, a study in Nigeria discovered that group cohesiveness was crucial in the performance of organizations (Fashoyin, 2001). While at it, the group cohesion was found to be strong in both groups with good and weak performance and thereby giving an inconclusive result that group

structure is an invaluable aspect that predetermine performance. 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 (Ekpe et al., 2010). It was opined that the regulations, rules and the written laws of the farmer 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, Jacobsen (2012) noted that individual farmers engaged in collective actions for social reasons rather than economic motives. He further discussed that the regulations, rules and the written laws of the farmer 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, Jacobsen (2012) noted that individual farmers engaged in collective actions for social reasons rather than economic motives. Additionally, Akinyi (2009) suggests that at the group level, the farmer groups engaged in collective actions more so for economic empowerment.

## **2.9 Group Guarantee in Table Banking**

In his analysis of the cost-effectiveness of the Graeme Bank of Bangladesh, Mannan et al. (2014) 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 (Alabi et al., 2007). The women group lending model is one of the best practices in microfinance in Africa as noted by Latifee (2006). Since groups are composed 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.

According to Raj and Prabhakar (2014), the effect of joint liability lending on loan repayments is felt by 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 attributed to the social cohesion and better flow of the information between the borrower group and the lender (Pascual,

2008). The mechanism of joint lending liability was observed to be 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 is maintained. The study, however, did not explicitly reveal how the group mechanism economically empowered the group members (Simojoki, 2003). The study underscored the importance of group lending and group guarantee in ensuring management of loan defaults among themselves; that the management of SHGs should strengthen group solidarity and cohesion in order to facilitate repayment of dues by their group members. This study, however, is interested in group dynamics of women in the Rarieda Sub-County that are involved in the table banking.

Table banking impact goes beyond just business loans. The poor use of financial services is not only for business investment in their microenterprises but also to invest in health and education, to manage household emergencies, and to meet the wide variety of other cash needs that they encounter. The range of services includes loans, savings facilities, insurance, transfer payments, and even micropensions. 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). Table banking gives women the ability to work together, organize themselves, and mobilize resources to solve problems of common interest that leads to their socio-economic empowerment. This research is geared towards demonstrating the impact of table banking model on women in the Rarieda Sub-County in Siaya County.

## **2.10 Economic Empowerment of Women**

The incidence of poverty in developing countries is higher among women than among men. There is extensive evidence that women have consistently lost out in the development process in these countries due to economic, social and cultural factors which have combined to produce a situation in which most development efforts have tended to reduce the potential social and economic contribution of women thus failing to mobilize and benefit from women as vital entrepreneurs. Any serious attempt to address poverty must be based on a sound analysis of the different situations of men and women especially in terms of power over resources. This is because access to and control over resources is one of the major constraints facing women in the

development arena. The issue of empowerment is very crucial in enabling women to fully participate in poverty alleviation because women are socially and economically disadvantaged. In this study, the term empowerment is a system of increasing strength in the economic, political, social, educational, gender, or spiritual dimensions. Thus, empowerment calls for a review and redistribution of opportunities and resources to meet the different needs, interests and preferences for men and women.

Women's economic empowerment concentrates on factors that help women succeed and advance in the marketplace. These include increasing skills and access to productive resources, improving the enabling and institutions environments, and assisting women in their ability to make and act upon decisions. Resultantly, women's financial base and economic contribution to their families and communities would be strengthened (Alabi et al., 2007).

Empowerment of women and discipline amongst the poor will undoubtedly have long-term socio-economic benefits. The term 'Women empowerment' implies women's hold over use of resources and participation in the decision making as well leading to improvement in their socio-economic status. The studies of rural women have proved their business excellence. They have been found to be better in credit utilization than men (Pitt & Khandker, 2019). Though there can be no magic bullet, which can bring about radical structural transformation that the empowerment of women needs, the success of micro financing organizations in building up the organizational capacity of the poor women provides the basis for their social mobilization that many other class interventions have not been able to achieve (Kabeer, 2001). The underlying logic is that by providing financial services to the poor, for example in the form of credit or savings, they manage their money differently, investing, acquiring productive assets, increasing their skills levels, and opening new businesses.

A journal on measuring and modeling women economic empowerment underscores the importance of empowering the poor especially women (Afshar, 2016). In their assessment of women economic empowerment in Pakistan, the authors noted that 36 % of women had lower levels of economic empowerment while only 8 % were highly empowered (Mulu-Mutuku & Gichuki, 2017). The study suggested that since women in the country were involved in household expenditure including the 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 through establishing new businesses among the villages in the region under which the people would earn their living.

According to Alabi et al. (2007) 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 on table banking on investment decisions of women groups concluded that table banking was crucial in improving the investment decisions (Ouattara et al., 1999). This was noted to improve the accessibility of financial services to the poor to fight poverty and stay financially sound.

Women empowerment is significant towards the achievement of economic development any country. It is quite important to note here that empowering women in developing countries is critical in reducing poverty. Women empowerment on economic performance implies higher incomes for women focused at household spending and on children's education (Sheikh & Sadaqat, 2015). In Kenya, the majority of women who live in the rural areas, majorly depend upon men for their livelihood albeit they contribute significantly in the family's up-bringing with health and nutrition matters generally in their hands. Therefore, women are part of economic setup of this country that cannot be ignored. For this reasons, women empowerment is necessary for safeguarding their own welfare and that of the all-inclusive household. Real women empowerment would happen by adding more value on their contribution to the family and the society as a whole. The government has been in the forefront to encourage women to be independent and self-sustainable individuals in the society (Keter, 2013).

### **2.11.0 Theoretical Framework**

A theory is a reasoned statement or group of statements, which are supported by evidence meant to explain some phenomena. Theories provide a generalized explanation to an occurrence. Therefore, a researcher ought to be conversant with those theories applicable to his or her area of

research (Kombo & Tromp, 2006). A theoretical framework is a logically developed, described, and elaborated network of interrelationships among the variables deemed to be integral to the dynamics of the situation being investigated. It explains the theory underlying these relations, and describes the nature and direction of the relationships. In this study, the theories employed are: Lewin's Model Theory of Cohesion, Gender and Development, Poverty and Social Exclusion theory.

### **2.11.1 Lewins Model Theory of Cohesion**

This section analyzes how Lewin's model theory relates to table banking economic empowerment. Lewin's model theory of cohesion is discussed in the context of table banking for economic empowerment of women groups. According to Johnson (1999), 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 behaviour. The model includes all of the factors that affect a person at a given time (Simojoki, 2003). In addition, Kubiske et al. (2015), explains that 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.

According to Mulu-Mutuku and Gichuki (2017), table banking is a group funding strategy where members of a particular group meet once every month, place their savings, loans payments and other savings on the table then borrow either long term or short terms loans immediately. Table banking groups have become a source of capital for entrepreneur lastly since their interest is very friendly easy to access compared to banks and microfinance (Brushet al., 2004). Joining a table banking group is very easy as one only needs to find an active group where one is very familiar with the members, pay the membership fees and start making your contribution (Afshar, 2016).

Table banking is a very simple concept similar to the merry-go-round. The only difference is that the money contributed by the members is not given to one person to take home (Malkamäki et al. 2009). The rates are very friendly, and money is easily collected and then members take soft loans until all the money is given out. At the next meeting, each member pays back her loan with interest varying from 10% to 20 %, depending on what the group decides. This way, the money keeps growing and more money become available for members to borrow every time. This is

unlike banks where mortgage loans are viewed to be for the middle class and the rich people only (Adelino et al., 2016).

Table banking is not based on assessing the material possession of a person, it is based on the potential of a person, members believe that all human beings including the poorest are endowed with endless potential. The member's journey towards economic empowerment has taken mileage by way of big investment that is now recognized by the government and other financial institutions as a force to reckon with (Das, 2016). Women are the majority table banking group members. The arrangement has become a source of capital for entrepreneurs since their interest rates are very friendly and easily accessible compared to banks and micro-finance (Ouattara et al., 1999). Women try to identify themselves with those groups since all of them live the same style and none will feel more superior to the other or being an issue of class.

### **2.11.2 Gender and Development Theory**

Since the 1970s, many women's organizations worldwide have included credit and savings, both as a way of increasing women's incomes and bringing them together to address wider gender issues. Since then women movements in a number of countries have identified access to finances as a major constraint on women's ability to earn an income. These women movements became increasingly interested in the degree to which poverty focused credit programmes and credit cooperatives were actually being used by women (Parpart, 2005). Consequently, the 1980s saw the emergence of poverty targeted microfinance institutions such as the Grameen Bank, followed in the 1990s by an increased emphasis on targeting women in microfinance programmes subsequent to a combination of evidence of high female repayment rates and the rising influence of gender lobbies within donor agencies and NGOs. Throughout the developing countries, innovative lending programmes have emerged that specialize in supplying small capital loans to low-income entrepreneurs (World Bank, 2005).

Most major development institutions now have specialized gender departments that assist in the design, implementation and evaluation of development programmes, concentrating on the impact of such programmes on women. Many of the programme initiatives that concern women are heavily focused on bringing them into development process. Scant attention has been given to altering the overall development process, and even less to changing the oppressive gendered

relations that the process often creates or maintains (Parpart et al., 2003). Table banking is promoted as an entry point in the context of a wider strategy for women's economic and socio-political empowerment which focuses on gender awareness and feminist organization. Table banking must be part of a sectoral strategy for change which identifies opportunities, constraints and bottlenecks within industries which if addressed can raise returns and prospects for large numbers of women which is perceived to lead to socio-economic empowerment of women (Lambisia et al., 2016).

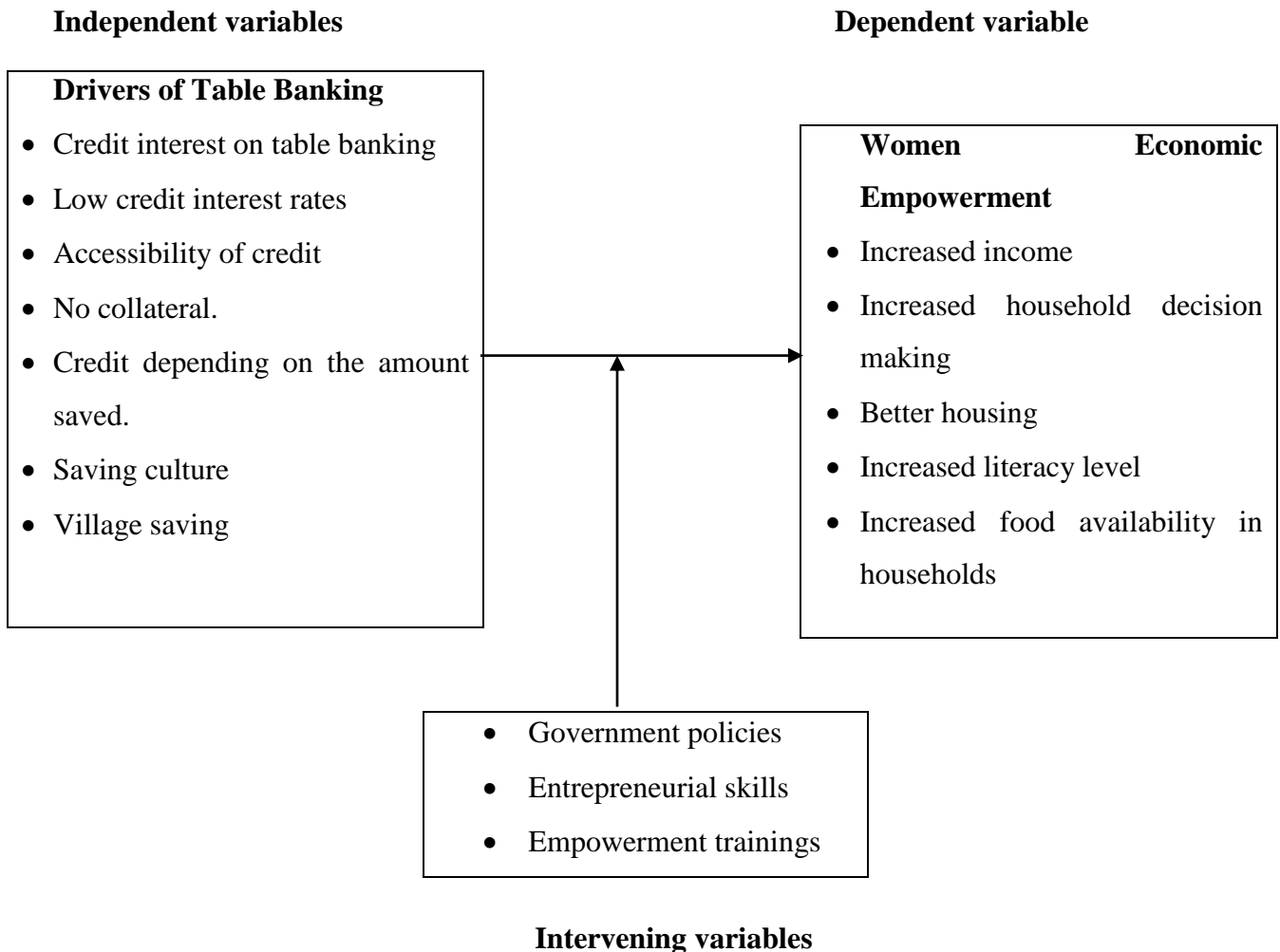
### **2.11.3 Poverty and Social Exclusion Theory**

The concept of poverty has typically been framed by accompanying qualifiers such as absolute and relative poverty. Exhibiting both absolute and relative elements, this constitutes a very broad definition which includes the multi-dimensional character of poverty and the somewhat elusive concept of dignity (Gallie et al., 2003). World Bank (2005) offers a more detailed definition of poverty adaptable to different country conditions, whereby poverty is defined as pronounced deprivation in well-being, comprising many dimensions. It includes low incomes and the inability to acquire the basic goods and services necessary for survival with dignity. Poverty also encompasses low levels of health and education, poor access to clean water and sanitation, inadequate physical security, lack of (political) voice, and insufficient capacity and opportunity to better one's life (Tilak, 2002).

Poverty includes lack of income and productive resources to ensure sustainable livelihoods; hunger and malnutrition; ill health; limited or lack of access to education and other basic services; increased morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments and social discrimination and exclusion. The elements of lack of participation and exclusion are thus again emphasized, while the possibility that the status of being poor leads to or results from "discrimination" is also put in the forefront (Ajakaiye & Adeyeye, 2001). Traditional approaches and definitions of poverty refer either to basic needs which are not met by social and economic mechanisms, or to the consequences of inequality for vulnerable categories of people. Social exclusion is often treated as an extension of the poverty, or as a lack of social rights (Jordan, 1996).

Social exclusion is a set of processes, including within the labour market and the welfare system, by which individuals, households, communities or even whole social groups are pushed towards or kept to the margins of the society. It encompasses not only material deprivation but also more broadly the denial of opportunities to participate fully in social and civil life (Dhillon, 2009). Social exclusion happens when individuals or groups suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown (Kay, 2003). 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 wellbeing and translate into improved wellbeing.

## 2.12 Conceptual Framework



**Figure 2.1: Conceptual Framework**

The conceptual framework for the study entails independent variables which are the drivers of table banking whereas the dependent variable is women economic empowerment. The drivers of table banking include credit interest on table banking, low credit interest rates, accessibility of credit, no collateral, credit depending on the amount saved, saving culture, monthly saving and weekly saving. These affect the dependent variables which are women economic empowerment. The intervening variables were the government policies, empowerment and entrepreneur skills in making a positive change in their livelihood.

### **2.13 Credit Interest**

This is the principal way in which revenue is generated. Members are asked to save money on monthly basis, a move that will benefit members. This also helps in mastering their savings and improving their skills in savings since they will be paying for it from time to time.

Borrowing costs are any costs incurred by a company, business or individual in the process of borrowing funds from lenders in an effort to grow business or self. The most obvious and significant of these costs are interest payments, which are offered to loanees in addition to the return of the principal loan. In addition, borrowing costs may arise from penalties incurred by making late payments or over drawing of accounts. These costs are listed as expenses for tax purposes, unless they are tied directly to the purchase of a specific product used by the business.

According to Asiama and Osei (2007), both age and size of loans related costs have an inverse relationship to repayment performance. This concept is related to a study done by Pang (1991, as cited in Chong, 2010) who argued that the main determinants of repayment obligations are the interest charged and the amount of debt.

### **2.14 Accessibility of Credit**

Table banking is based on group guarantee and household collateral. It's founded on the principal that credit should be accepted as a human right, where one who does not possess anything gets priority without discrimination. Its methodology is not based on assessing the material possession of a person. It is based on the individual's potential and that all human beings, including the poorest, are endowed with endless potential. The scheme considers the potential that is waiting to be unleashed in a person. Table banking objectives are to extend financial services to the women, to help them fight poverty and to stay in profitable economic ventures, a process that leads to financial soundness.

### **2.15 Saving Culture among the Table Banking Members**

Table banking instills a saving culture among the members since all the money belongs to the group. Savings are not taken away but instead used for loans. It is also a tool for mobilizing savings among the poor. Furthermore, the interest earned remains within the group. Members earn bonus every quarter and dividends every year. Besides, members get important information

on how to save. They can also bank at the convenience of their homes. Kinicki and Williams (2008) define social capital as the economic or productive potential of strong, trusting and cooperative relationships. The common aspects of social capital are goodwill, mutual respect, cooperation, trust and teamwork.

### **2.16 Research Gap**

From the literature reviewed in this section, it is evident that table banking is crucial to women's economic empowerment and for the progress of any country. It is also important to note that a lot of research has been done in the area of women's empowerment. However, this study maintains that little has been done on the impact of table banking on women's economic empowerment in the Rarieda Sub County, Siaya County and this is the gap that the study seeks to fill.



## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter outlines the data acquisition and treatment techniques that has been used to meet the study objectives. Methodology elucidates research design, study locations, target population, sampling procedures and sampling size, instruments used in data collection and data analysis and the mode of presentation of the analyzed data. In other terms, research methodology is a systematic process (a step by step process) that a research follows. On this section, the emphasis is conferred to the relevancy (or rather the logic) of the techniques that actively binds with the ligatures of the identified variables in the study.

#### **3.2 Research Design**

Research design is a roadmap, a plan and a draft strategy used for purposes of obtaining solutions to questions or objectives under research (Kothari, 2014). In this research the descriptive design was employed to map the study. Descriptive research design involves describing a phenomenon, behaviour, subject or situation. It's employed for answering questions such as how, where, when, what and who is related with a certain study problem or question (Kothari, 2014). The reason why the descriptive research design was used belies on its accommodating characteristic: by use of questionnaires, Saunders et al. (2012) observes that descriptive data gives the researcher nothing short of a room to obtain large volume of data from a substantial population in an economical, very effective and efficient way. This technique was also preferable because it allows the analysis of a number of variables by the researcher at a go and by use of this technique; the researcher is capable of describing the various variables and conditions of the research (Erik & Marko, 2011).

#### **3.3 Study Area**

The study was conducted in the Rarieda, a sub-county in Siaya County. According to the latest census (ROK, 2008) and Siaya County Development Plan (2011-2016), the population in the Rarieda sub-county is exactly 457,495 persons. The semi-arid area, experiencing only occasional rainfall is a home to among other groups of people, the Luo community. Due to its approximating and favourable distance with Lake Victoria, the major economic activity carried

out in this area is, of course, fish farming; however, other forms of economic activities, such as subsistence farming cannot be overruled. In this study, the specific regions which were spotlighted include; Siger, Memba, Mahaya, and Akom locations. Though Rarieda is one of the sub-counties close to Lake Victoria (the second largest freshwater lake in the world), most of the residents in this location live below the poverty line, due to minimal economic activities within the area. To those visiting for the first time, and to those who would be back after a many months away, they cannot help but notice that, recently, a water treatment plant was erected in one of the hills that draws water from the facet that faces the Lake Victoria. This water, after undergoing a meticulous treatment, is then piped to the community within for domestic use. The following map offers a glimpse of the Rarieda sub-county and its descriptive boundaries:

### RARIEDA SUB-COUNTY ADMINSTRATIVE BOUNDARIES

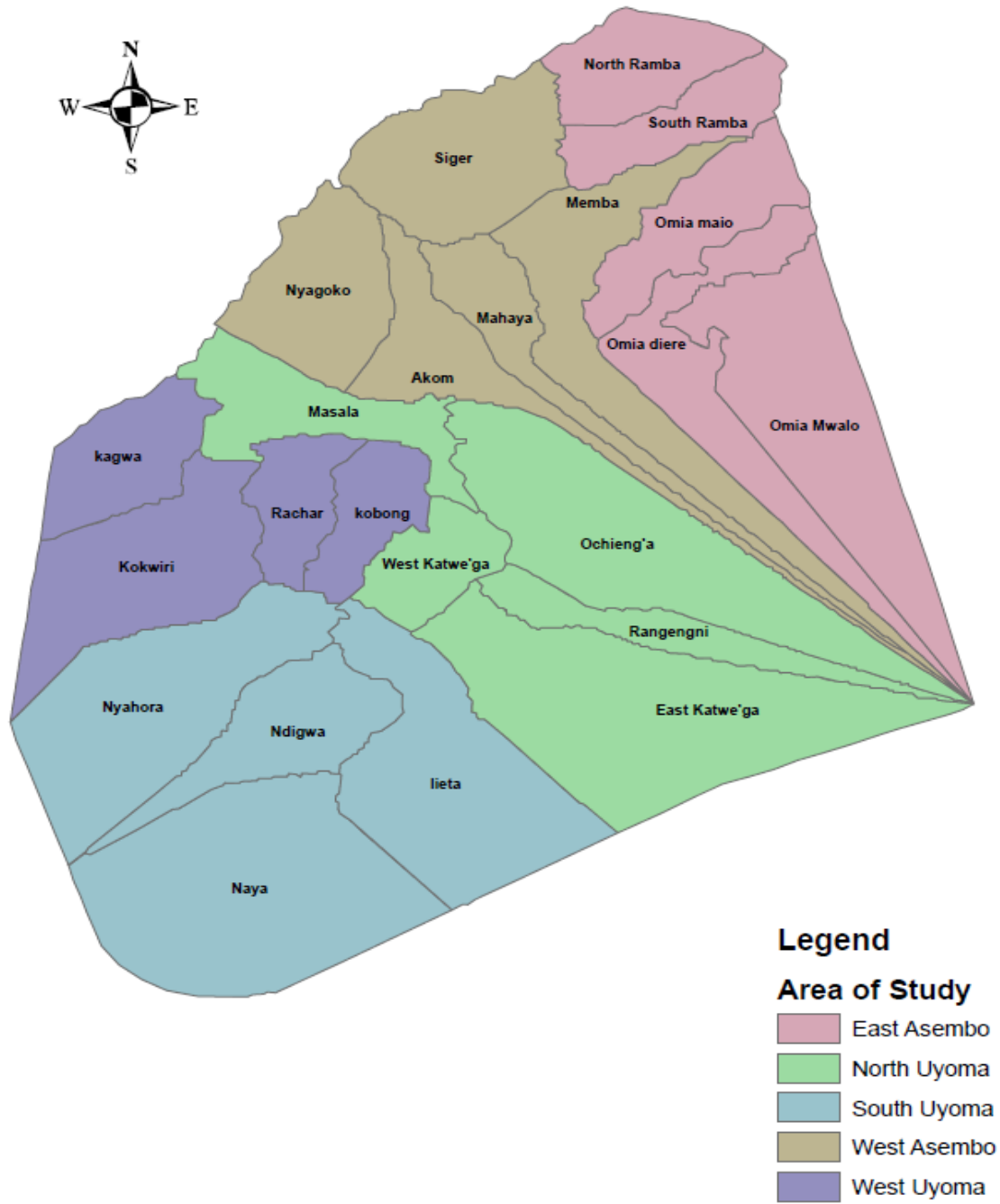
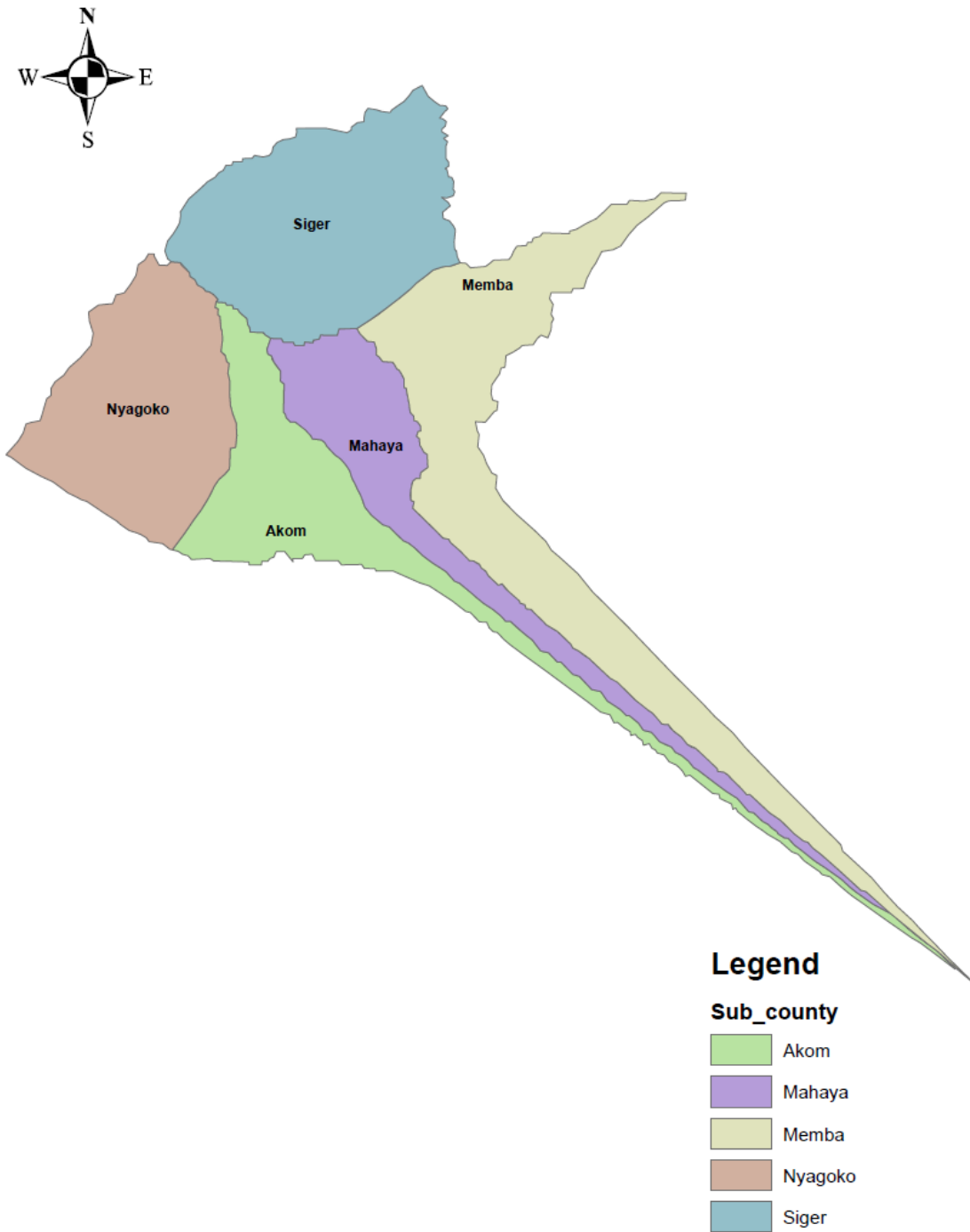


Figure 3.2: Rarieda sub-county

Source: Maphil (2020)

**TABLE BANKING AREA OF STUDY IN RARIEDA SUB- COUNTY**



**Figure 3.3: Study location, West Asembo**

**Source: Maphil (2020)**

### **3.4 Target Population**

The study targeted women groups within Rarieda Sub-county that are part of a table banking group. The groups are registered with gender office in Rarieda. The identified members had practiced table banking previously and are practicing, currently. The identified groups are Kolemo (30), Kochieng (31), Kopere (36), and Radimba (30) all in Siger location; Better future (36), Konyango (30), Vision (31), and Property (34) all in Membwa; Upendo (30), Ujwanga, Ojuogi grace (37), and Owilla Mowuok (30) all in Mahaya location; and Aliwa (35), Kochogo (34), Magwanga (30), and Akom Mowuok (30) all in Akom location. In each group, a randomly selected number of members participated in the study by answering the data collection tools that were availed to them.

### **3.5 Sampling Procedure**

In the sampling procedure, a technique of stratified random sampling was applied in the sample selection. Based on the reflections of Cooper and Schindler (2011), this technique is effective in its generation of approximations of the total parameters of the population with in great precision; also, stratified random sampling guarantees a resultant sample reflects the actual representation of the non-homogeneous population. Further, stratified random sampling was applied in the selection of respondents from every stratum. It was consulted since the population on studies' interest is not homogeneous. The data could only be subdivided into groups or strata that would then yield a representative sample. Though Cooper and Schindler (2011) attribute the random nature of the data to its heterogeneous population, Erik and Marko (2011) on the other hand maintains that stratified random sampling produces estimates of the overall population parameters with greater precision and ensures a more representative sample is derived from a relatively homogeneous population. Taken together is adoption is vested on a brief conviction: it reduces chances of bias; moreover, all the items have an equal chance of being selected.

In other segment, the strata was based on gender outreach, financing entrepreneurial literacy, depending on the scale of operation, geographical coverage and time constraints. Also, the randomized locations selection provided for minimization of intervening variables related to cultural beliefs and perception as well as individual reclaiming factors linked to women promotion in table-banking. In addition to stratified random sampling, a purposive sampling techniques was considered. Precisely, it was invited in the selection of studying the samples that

comprised households affiliated to agents such as NGOs, CBD, and government sponsor programmes that existed for more than three years in Rarieda.

Even though stratified random sampling was applied in the study, the purposive sampling was more preferred. This is, certainly, because of its purposive feature that gave the researcher a chance to select households comprising borrowers and non-borrowers that are affiliated to table banking (Erik & Marko, 2011). In other words, the stratified sampling method was used to obtain a sample for this study. Herein, also, the women groups were stratified according to their locations and table banking groups. The method, further, ensured that each of the groups were proportionately represented in the study. The stratified random sampling, however, was used to identify the groups that were interviewed for this study.

### **3.6 Sample Size**

The sample size is a subset of the target population selected to participate in the study. In the study, the Cochran formula was applied to determine the population size of the study groups at 90% confidence level and precision of 5%.

The Cochran formula is represented by the following formulae:

$$n_0 = \frac{Z^2 pq}{e^2}$$

Where;

E - is the desired level of precision, p- is the (estimated) proportion of the population and

q is 1 - p. The z - value is found in the Z table.

Z at 90% confidence level = 1.645

p= 0.5

q= 0.5

e = 0.05

$$[(1.645)^2 (0.5) (0.5)] / (0.05)^2 = 270$$

Modification for the Cochran Formula for Sample Size Calculation is:

$$n = \frac{n_0}{1 + \frac{(n_0 - 1)}{N}}$$

Where;  $n_0$  is Cochran's sample size recommendation,  $N$  is the population size, and  $n$  is the new, adjusted sample size.

The equation, therefore, becomes;

$$270 / [1 + (270 / 517)] = 178$$

For that reason, using the above formulae the precision level of 5% the sample size is 178. A specific number of respondents per each group within the locations were deliberately chosen.

Location	Groups	The Population of Group Members	Sample Size
Siger	Kolemo	30	10
	Kochieng'	31	11
	Kopere	36	12
	Radimba	30	10
Memba	Konyango	30	10
	Better Future	36	12
	Vision	31	11
	Property	34	12

Mahaya	Ujwanga	33	11
	Upendo	30	10
	Ojuogi Grace	37	13
	Owilla Mowuok	30	10
Akom	Aliwa	35	12
	Kochogo	34	12
	Magwanga	30	10
	Akom Mowuok	30	10
<b>Total</b>		<b>517 (N)</b>	<b>178</b>

**Table 3.6: Sample Size**

### **3.7 Instrumentation**

In the instrumentation, the study used self-administered questionnaires as the main tool in the data collection process, because, the majority of rural women are not conversant with other available but technical methods of data collection. The applied questionnaire consisted of both open-ended and closed-structured questions that were divided into two sections. The first section enquired on personal information, while the second section on group information. Besides its conformity to the respondent's ability to react to them, the questionnaires were considered because of the efficiency that they exude in the data soliciting process. When compared to other processes, the questionnaires stood out as the least expensive; furthermore, the number on respondents triggered the selection and application of questionnaire as a data collection tool: it was, simply, a big population and a big data asks for a questionnaire. All aspects considered, the inexpensive and accommodating advantage of questionnaires are not the fundamental drives that explain why anyone would opt to exploit it in the data collection process; it is something else: as observed by Saunders et al. (2013), questionnaires are unmatched when it comes to asking for



objective information regarding the topic on study; in other terms, they are indispensable in drawing the covert information (the information that is not directly observable) since they among other things, enquire about feelings, motivation, attitude, accomplishment, as well as an individual's experiences

In addition to the submission of questionnaires, the interview guide and focus group discussions were also invited in the research. This is characterized by questions, that are asked by the interviewer, that help in the gathering the raw data. The obtained data from these questions helped to gather qualitative data that satisfied expectations of the research objectives. Erik and Marko (2011) affirm that interview guide and focus group discussions apply probing questions; the questions that are oriented towards getting more responses from the selected participants. These techniques were adventurous in the data acquisition from the randomly selected women's group members.

Lastly, other than the identified techniques of data collection process (the use of questionnaire, focused group and interview questions), the study, also, brought into play secondary preexisting data from sources such as internet and documents from the University library. Other crucial documents, as source of information on the group performance and operation on the table banking, includes the minutes, loan recordings and project information data document for both the entire group and individual members.

### **3.8 Data Collection Procedure**

The researcher first sought prior permission from the University to collect the requisite data. Specifically, consent to collect data was sought from the department of gender and cultural studies centre. The researcher explained to respondents the importance of participating in the study. This entire data collecting process was scheduled to take a period of seven days.

After acquiring the data from the field, they were cleaned through comparison and contextual reading. This eliminated any chance of obtaining an incomplete or duplicated errors. The descriptive statistical results were done using of Statistical Package for Social Sciences (SPSS) and presented in form of frequency distribution tables, charts, and bar graphs. The open-ended questions were summarized and qualitatively analyzed.

### **3.9 Methods of Data Collection**

As felt in the instrumentation section, both structured and unstructured questions were engaged to collect data. The research assistants helped administer and distribute the questionnaires to the various table banking groups. The questionnaires were useful as questions were straight forward and well understood without verbal explanation. This nature of questions gave the respondents the freedom to decide on the form, detail and length of their answers. According to Kothari (2003), structured and unstructured questions are integral because of adding the insight and knowledge that, otherwise, would not have been anticipated.

### **3.10 Data Cleaning and Analysis**

The main purpose of data analysis was to detect and to determine which factors of the study explain a specific phenomenon. Before data analysis, data processing was done. This involved editing to detect errors or omission and data classification that are arranging data into common categories. Data analysis involved the process of bringing order, structure and meaning to the mass of information collected. It involves examining what had been collected and in making deductions and inferences (Kombo & Tromp, 2006). The study employed descriptive statistics to analyse the data that was obtained. Descriptive statistics involved the collection, organization and analysis of all data that relates to some population within the samples under the study. Statistical Package for Social Sciences (SPSS version 20) was also used to analyze the data collected from the field. The secondary data was analyzed manually and categorized systemically. Finally, the correlation was used to determine the existence of a relationship between the independent and dependent variables.

### **3.11 Pilot Study Results**

A pilot study was conducted to ascertain reliability and the validity of the tools used. It was clear from the pilot exercise that the research instruments yielded constant results and therefore confirmed its reliability. Based on the proposition by Kumar (2005), the degree of test measures was also obtained and confirmed to represent the actual phenomenon under study.

Data for the analysis was obtained from 5 SMEs used in the pilot study. The Cronbach's alpha was calculated by SPSS. The value of the alpha coefficient ranges from 0 to 1 and was used to describe the reliability of factors obtained from the questions with two possible answers and /or multi-point formatted questionnaires weighed with ratings such as 1 = poor, 5 = excellent (Wallobwa, 2013). Kumar (2005) indicates that Cronbach's alpha value of 0.7 is an acceptable reliability coefficient, and was considered as an acceptable level thus appropriate for the study. As the alpha coefficients were all greater than 0.7, it was concluded that the instrument had an acceptable reliability level.

**Table 3.1: Reliability Analysis**

<b>Variable</b>	<b>Cronbach's alpha</b>
To determine the level of access to credit in Table Banking Groups and its effects on women's economic empowerment.	0.7132
To assess the extent which capacity building in Table Banking Groups affects women's economic empowerment	0.832
To determine the extent women access market and market information through Table Banking and its effects on economic empowerment	0.911
To assess how social capital in Table Banking Groups affect level of women's economic empowerment	0.734

The validity of the instrument of the study was established by being given to two experts with an experience in Table Banking MSEs from Equity Bank in Bondo, Siaya County, who evaluated the items in relation to study objectives. The ratings were done on a scale ranging from 1 (Very relevant) to 4 (Not relevant). Content validity test index formula was used to determine the validity by summing up items rated from 3 to 4 and dividing by the total number of items in the questionnaire. Validity index content of 0.824 was obtained indicating that the validity of the instrument was within acceptable limits according to recommendations by Kirk and Miller (1986), which provides for validity index of at least 0.80.

### **3.12 Ethical Considerations**

This study involved collection of data using an interview schedule. So as to enhance research ethics, there was strict adherence to the principle of voluntarily participation in which interview participants were not coerced into participating in this research. Research participants were informed about the procedures and objectives for this research and gave their consent to participate. In addition, there was participants' confidentiality guarantee in that they were

assured that the information would not be made available to anyone who was not directly involved in this study. Approval to carry out research was sought from Egerton University Board of Postgraduate Studies, as well as, from the National Commission for Science, Technology and Innovation (NACOSTI).

## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### 4.1 Introduction

This chapter entails a descriptive analysis of the research data collected, the interpretation and discussion of the findings of the study as outlined in the research methodology. The chapter first presents the response rate, the details of the respondents' profile and then the descriptive and inferential findings of the study. The study findings are presented and discussed in this chapter subsequent to the data processing and analysis. The said data was collected exclusively using the structured questionnaires and the interview guide which were designed in line with the objectives of the study.

#### 4.2 Characteristic of Respondents

##### 4.2.1 Response Rate

The sample size was made up of 178 group members from which 107 returned the questionnaires making a response rate of 60.1%. A response rate of 50 percent is acceptable for analysis and reporting, according to Mugenda and Mugenda (2013), a rate of 60 percent is good and a rate of 70 percent is considered to be an excellent. As a result, the 60.1 percent response rate was deemed to be good.

**Table 4.2: Response Rate**

Category	Frequency	Percentage (%)
1Responded	107	60.1
1Did not1respond	71	39.9
<b>1Total</b>	<b>178</b>	<b>100</b>

##### 4.2.2 Marital Status

As captured in the table below the marital status of the respondents considered in the sample was such that 39.6% were single (never married, divorced or widowed) while 60.4% were married.

**Table 4.3: Marital Status**

	Frequency	Percent
Single	20	19.8

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Married	61	60.4
Divorced	16	15.8
Widowed	4	4.0

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Total	107	100
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### 4.2.3 Age Bracket

Of the above distribution, and as may be observed from the graph below, about 50.5% of the respondents were aged between 16 years and 40 years, while about 49.5% were aged above 40 years. More specifically, 28.70% of the respondents aged between 21-30 years, 11.9% aged between 31-40 years, while 9.9% of the respondents were considered adults aged below 20 years. 37.7% of the respondents aged over 50 years.

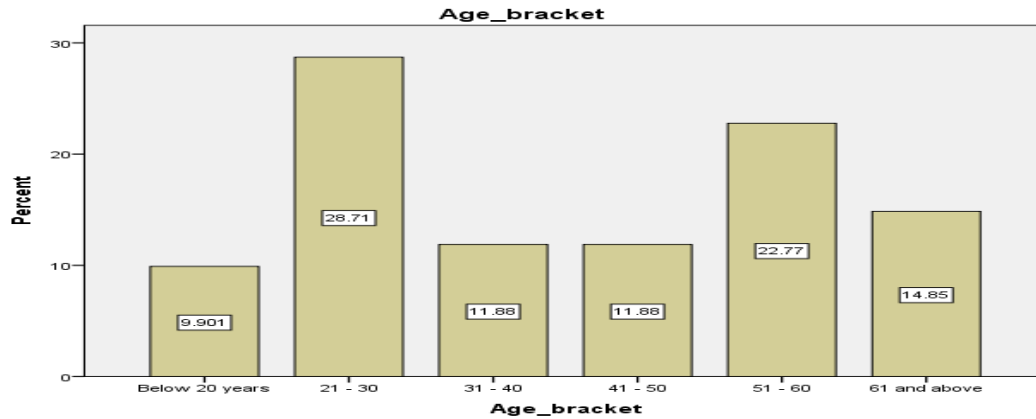
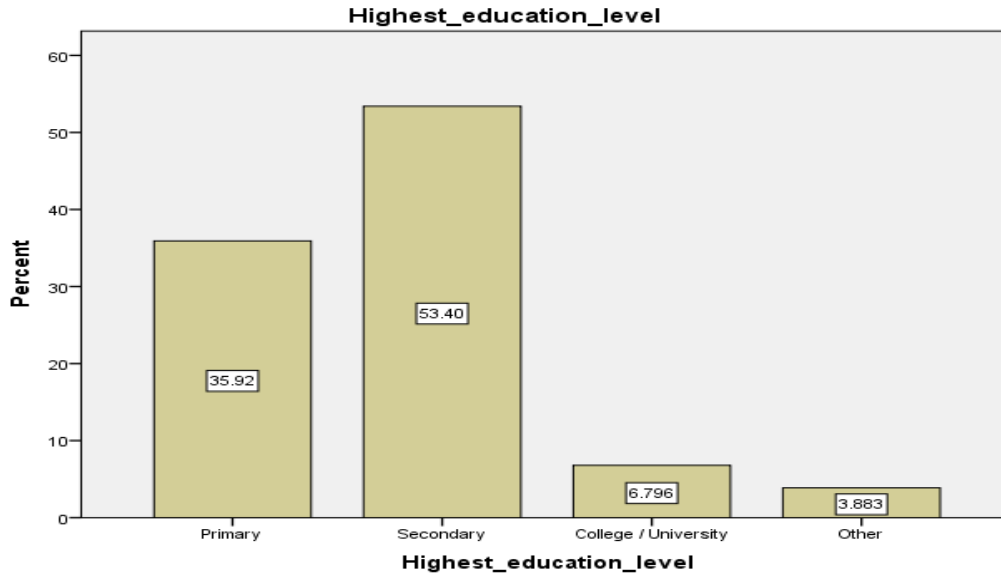


Figure 4.4: Age Bracket

### 4.2.4 Highest Level of Education

The educational diversity of the respondents as captured in the graph below indicate that 35.9% of the respondents had primary level of education, 53.4% had secondary level of education, and 6.8% had college or university level of education. The graph also indicates that 3.9% had other levels, or perhaps, no education. This is an indication that participants in the scheme of table banking are people who, to a good degree, are literate and fairly aware of the socioeconomic circumstances that have thrust them into participating in this kind of banking, perhaps, as opposed to other vehicles of empowerment with regard to banking.





**Figure 4.5: Level of Education**

### 4.3 Duration of Participation in Table Banking

The data shows that 9.9% of the respondents had participated in the table banking for a period of between one and two years. Moreover, 30.7% of the respondents had participation duration of three to four years. Further, 23.8% had been in the banking scheme for between five to six years while 35.6% had practiced Table Banking for over seven years. This is an indication that a good fraction of the respondents had a good level of experience in matters Table banking and due to their stretched experience in such matters, they could be relied upon to give credible information.

**Table 4.4: Duration of Participation in Table Banking**

	Frequency	Percent
1 – 2 years	10	9.9
3 - 4 years	31	30.7
5 -6 years	24	23.8
7 – 8 years	16	15.8
9 years and above	26	19.8
Total	107	100

#### 4.4 Extent of Participation in Table Banking

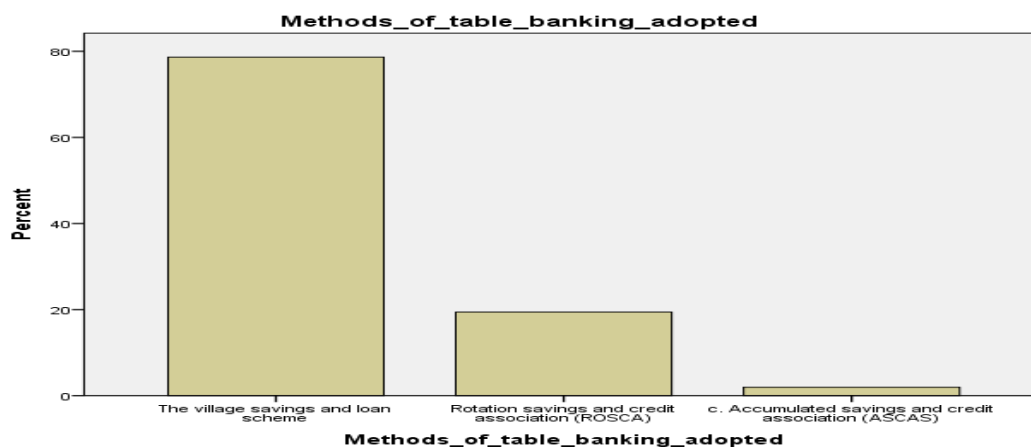
The table below is a summary of the respondents' response to the question as whether or not they had been participating in table banking. It indicates that 82.24% of the respondents confirmed that they had participated in table banking, 14.95% indicated that they had not participated in Table Banking, while 1.87% of the respondents indicated that they had not been interested in participating in Table Banking.

**Table 4.5: Extent of Participation in Table Banking**

	Frequency	Percent
Yes	88	83.8
No	17	16.2
Total	105	100.0

#### 4.5 Methods of Table Banking Adopted

Data collected confirms that the village savings and loan scheme is the most popular with 78.6% of the respondents preferring this method of the table banking. Only 19% of the respondents preferred the Rotation Savings and Credit Association (ROSCA) scheme, while a paltry 1.9% prefers Accumulated Savings and Credit Association (ASCAS). This summary is provided in the histogram below:



**Figure 4.6: Methods of Table Banking Adopted**

#### 4.6 Access to other Sources of Credit Apart from Table Banking

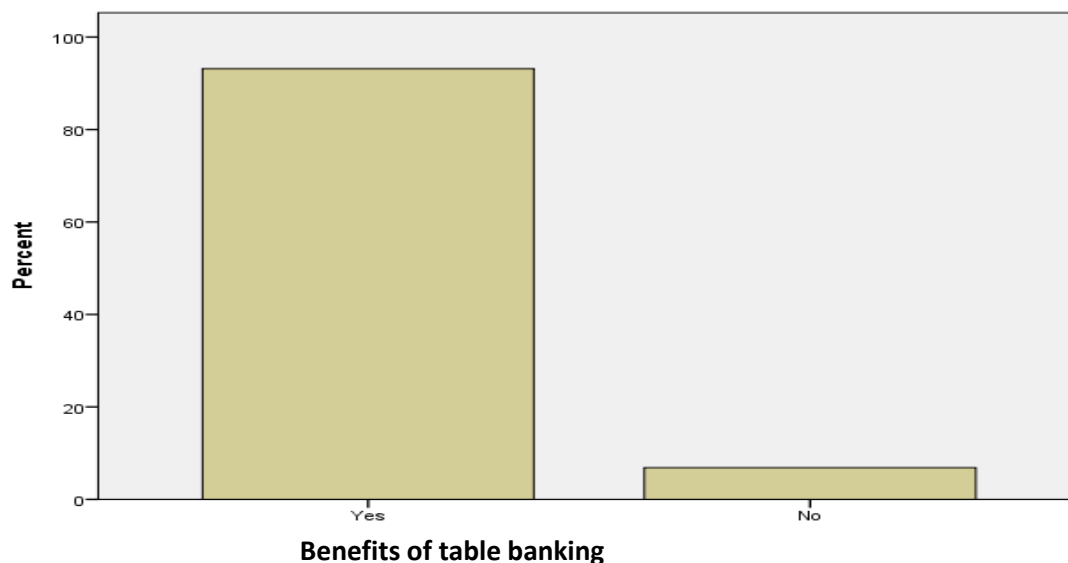
The table below indicates that 87.3% of the respondents pointed out that they had access to credit from other sources apart from the Table banking, while 12.7% of the respondents indicated that Table banking was their only source of credit. This reflects a majority preference for Table banking as a source of credit.

**Table 4.6: Access to Other Sources of Credit Apart From Table Banking**

	Frequency	Percent
Yes	89	87.3
No	18	12.7
Total	107	100.0

#### 4.7 Benefits of Table Banking

The table below gives a representation of the respondents' responses to the question as to the whether or not table banking had helped them grow their business. It indicates that the majority, in particular, 88.79% indicated that table banking had helped them grow their businesses. On the other hand, 6.4% indicated that table banking had not helped them in making their business grow; however, 4.67% never responded. These findings confirm that table banking groups are of great help to rural women in so far as growing business is concerned. A summary of this outcome is given in the histogram below:



## **Figure 4.7:Benefits of Table Banking**

### **4.8 Variations of Stock Line**

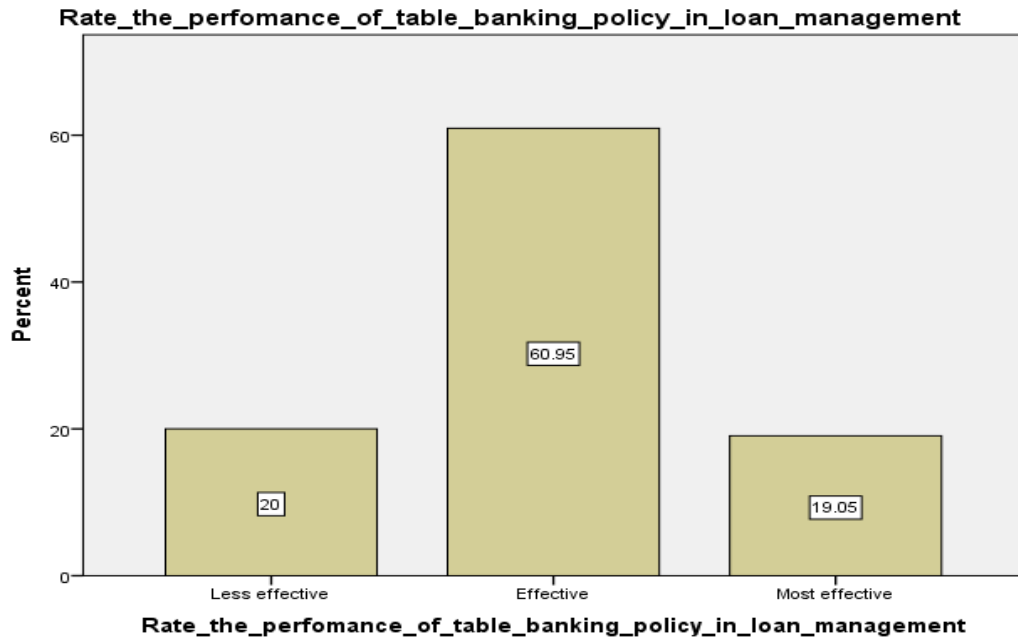
According to the table below, 94% percent of the respondents indicated that they had changed their stock line since joining Table Banking, while 6% said they had not changed their stock lines.

**Table 4.7:Variations of Stock Line**

	Frequency	Percent
Yes	94	94.0
No	13	6.0
Total	107	100.0

### **4.9 Rate of Performance of Table Banking Policy in Loan Management**

The graph below indicates that only 20% of the respondents found Table Banking less effective. However, a huge majority, at 80%, found the scheme of banking effective for their needs. This was attributed to the ease of access of credit facility whenever a need arose, coupled with the fact that Table banking for the most part involved members who knew each other very well. Hence there seemed to be a feel of security for their financial resources.



**Figure 4.8: Rate of Performance of Table Banking Policy in Loan Management**

#### **4.9.1 Statistical Modelling**

##### **4.9.2 Pearson Correlation Coefficient**

The Pearson Correlation coefficient ( $r$ ), developed by Karl Pearson in the 1880's is a measure of dependence (linear correlation) between two variables X and Y, giving a value between +1 and -1 inclusive, where 1 is total positive correlation, 0 as no correlation, and -1 as the total negative correlation (Mugenda, 2002).

In this study, the Pearson Correlation Coefficient Model was applied for various reasons. For instance, it was employed to determine the dependence of the level of access to credit in Table Banking Groups and its effects on women's economic empowerment; in addition, the coefficient model was exploited to assess the extent at which capacity building in Table Banking Groups affects women's economic empowerment. Also, it was spent to demonstrate the extent at which women access the market and market information through Table Banking and its effects on women's economic empowerment. Lastly, the chosen model was used to assess how social capital in Table Banking Groups affect level of women's economic empowerment.

In precise terms, the Pearson's Correlation coefficient ( $r$ ) of the four variables was as follows: (0.1477), (0.1579), (-0.2357) and (0.0537). These variables, certainly, confirms that the level of access to credit, market information and social capital has positive correlation to women's economic empowerment whereas capacity building had a negative effect.

**Table 4.8: Correlation Matrix of Independent Variables and Dependent Variable**

<b>PARAMETER</b>	Access to credit ( r )	Capacity building ( r )	Access to market information ( r )	Access to capital ( r )
<b>Women’s Economic Empowerment</b>				
• Business Growth	0.1479	0.1589	- 0.2358	0.0537
• Increased income	0.1465	0.1168	- 0.2356	0.0553
• Increased household decision making	0.1469	0.1585	- 0.2377	0.0553
• Better housing	0.1485	0.1168	- 0.2367	0.05591
• Increased literacy level	0.1477	0.1167	- 0.2378	0.05563
• Increased food availability in households	0.1468	0.1174	- 0.2365	0.05575
• Asset Acquisition	0.1467	0.1169	- 0.2375	0.05538

### **4.9.3 Inference of Correlations**

The Correlation Coefficient as computed above confirmed the findings of this study. According to Cassar (2004), all businesses require accessibility to financial resources fund adequate trading and to fund business growth. The amount required to start a business was positively related to the growth of business. It was also ascertained that lack of accessibility and availability has a proportionate negative impact on the growth of a business. It was also identified that in Rarieda Sub-County, women have had challenges associated to accessing credit funds and this is due to lack of collateral. Social capital has, however, proved to enable the women to have a full access to funds for their Table Banking activities.

Kenworthy (1977) and Fukuyama (2001) emphasized that social capital forms an integral part of efficient and effective functioning of an economy. It brings together social cohesion, social support and integration. The model, statistics as computed above, confirms that social capital had a positive correlation to the empowerment of women. The correlation was not as strong as expected and this implied that groups did not emphasize on networking among themselves to improve market information.

According to Markides (1977) and Turock (2001) it was found out that due to poor networks the women groups have not been able to obtain adequate market information to improve their business. The two scholars also confirmed that to improve existing knowledge, businesses are required to create, share and integrate relevant information obtained from networks. This confirms that Table Banking Groups need to improve on individual networking for useful market information.



## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS , CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

The study investigated the impact of Table banking on Women's economic empowerment in Rarieda Sub County, Siaya County. The specific objectives were to: examine the level of women access to credit in table banking groups and its effects on their economic empowerment; assess the influence of table banking groups on women's economic empowerment and assess the benefits of table banking to women in Rarieda Sub County. This chapter entails the detailed summary of findings and conclusions from the study. It highlights the results that are most relevant to policy issues, decisions and undertakings relevant to effective Table banking for enhanced economic empowerment of women in Rarieda Sub-County and even Kenya at large. The chapter further provides detailed recommendations for specific areas requiring action and future research.

#### **5.2 Summary**

This study was conducted in appreciation of the importance of Table Banking in Kenya's economic growth and its importance on women's economic empowerment. The study confirms that the concept of Table Banking has significantly contributed to improve the livelihoods of many women in Kenya. More especially, the study sought to evaluate how Table Banking is conducted in Rarieda Sub – County, its effect on women economic empowerment locally and to outline the challenges and gaps faced by this banking concept and any improvement that the Government of Kenya may need to put in place to document the evaluation and strengthen the concept for future use and improvement.

#### **5.3 Conclusions**

This study clearly confirms that the concept of Table Banking is viable in helping rural womenfolk meet their challenges and growth. This practice has done so well in countries in Asia and East Asia like India, Bangladesh and Malaysia and some African countries. Table Banking has, also, helped to solve the challenges of accessibility of credit because it provides the loans that can be conveniently and cheaply accessed. The Interest charged on the loans are

shared out by members at the end of the year as dividends. Furthermore, this study confirms that Table Banking creates a very significant avenue that the Government and other private firms could exploit to economically empower women. Lastly, the study, clearly, observes that there is a need for more structured education, capacity building and technology transfer to Table Banking Groups to improve their business performance.

#### **5.4 Recommendations**

The study recommends the following for imperative results: The Government, Private Sector and other stakeholders should put in place policies that would streamline, help to govern and entrench the concept of table banking in Kenya.

- i.** Ensure that the structures that would ensure the businesses undertaken by Table Banking Groups are well nurtured as they grow, are put in place.
- ii.** Structures should have a variety of components that would include capacity building, education, and technology transfer for the groups among others.
- iii.** The County Governments should put in place policies and procedures that would ensure establishment of county gender offices to coordinate, train and nurture table banking groups because most of the members are illiterate.
- iv.** The County Government should ensure that table banking groups are exposed to information on markets and market trends. This would help diversify members' socioeconomic involvement pointing forward to enhancing their income.

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**APPENDICES**

**Appendix A: Women’s Group Member’s Questionnaire**

My name is Phelgona Otieno. I am a student at Egerton University undertaking a Masters in Gender, Women and Development studies. This study is seeking to determine the extent of women economic empowerment due to table banking in Rarieda Sub County. You have been selected to participate in this study by filling in the provided data collection tool. I assure you that you will remain completely anonymous and the details you give will be treated with utmost confidentiality and will only be used only for this academic research study.

Note: *Please do not write your name on the questionnaire.*

Signature.....

Please respond to all the questions provided.

Date.....

Sub-county.....

Division .....

Location .....

**Section (A) personal information (tick the option that suit you)**

1. What is your marital status?

Single [ ]    married [ ]    divorced [ ]    widowed [ ]

2. What is your age bracket?

Below 20 years [ ]                      20-30 [    ]                      31-40 [    ]  
41-50 [    ]                      51-60 [    ]                      More than 60 [    ]

3. What is your highest educational level?

Primary [    ]                      Secondary [    ]                      College/University [    ]                      Other [    ]

**Section (B) Group information**

4. Which table banking groups do you belong?

.....

5. Have you been participating in table banking?

Yes [ ] No [ ]

If Yes, for how long you have been participating in table banking?

1 – 2 years [ ] 5 -6 years [ ] 9 years and above [ ]

3 - 4 years [ ] 7 – 8 years [ ]

.....

6. Which methods of table banking operations have your group adopted?

- a. The village savings and loan scheme
- b. Rotation savings and credit association (ROSCA)
- c. Accumulated savings and credit association (ASCAS)

7. What are the advantages of using the selected table banking operation to both:

a. Group members?

.....  
.....

b. Individual members?

.....  
.....

8. Do you access credit from other sources apart from table banking?

Yes [ ] No [ ]

If yes, Where.....  
.....

9. Do you think table banking has helped your business grow?

Yes [ ] No [ ]

If Yes how, if No why

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

10. What other benefit do you get from table banking?

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

11. What motivates you to continue participating in table banking?

.....  
.....

12. What stock lines do you commonly keep?

.....  
.....

13. Since you started participating in table banking have you had changes in the stock line of your products?

Yes [    ]                      No [    ]

If yes explain the changes.....  
.....

14. Rate the performance of the policy in the loan management of table banking

- a. Less effective
- b. Effective
- c. Most effective
- d. None of the above?

What are some of the areas you use your money from table banking for?

- 1. .... 2.....
- 3. .... 4. ....
- 5. .... 6. ....

15. What amount of saving did you make from table banking for the last five years?

Indicate in the table below.

Year	Amount of loan	Amount interest rate repaid	Saving
2014			
2015			
2016			
2017			
2018			

16. What are the mitigation strategies laid by the table banking group?

.....  
.....

**Appendix B: Group Discussion Questionnaire**

The researcher will introduce and guide the formed group members in answering the below questions.

- 1. Why did the group decide to use the identified method of table banking operations?

.....  
.....

- 2. What are some of the disadvantages of the selected table banking operation method?

.....  
.....

- 3. What motivates you to continue participating in table banking?

.....  
.....

- 4. Over the last five years, how many times have you received a loan from table banking group?

.....  
.....

- 5. What are some of the loan policies governing operations of the table banking in your group?

.....  
.....

- 6. What are some of the challenges encountered in the implementation and operation of table banking as:

- a. The general group

- .....  
.....

- b. Individual members of the group

- .....  
.....

**Appendix C: Individual Interview’s Guide**

With the guidance of the provided interview guide, the identified potential respondents will be engaged on face to face interview to acquire relevant information to the study.

**NB: The interview guide is exclusive to be used by the research author.**

**Section (A) Personal information**

- 1. What is marital status?
- 2. What is your age range in 10 years range?
- 3. What highest educational level have you attained?

**Section (B) Group information**

- 4. Which table banking groups do you belong?
- 5. For how long have you been participating in table banking group?
- 6. What are some of the benefits of belonging to the table banking group?

.....

- 7. Which methods of table banking operations have your group adopted?

- a. The village savings and loan scheme
- b. Rotation savings and credit association (ROSCA)
- c. Accumulated savings and credit association (ASCAS)

- 8. Why did the group decide to use the identified method of table banking operations?

.....  
.....

- 9. What are the advantages of using the selected table banking operation to:

- a. Individual members?

.....

- b. Group members?

.....

- 10. What are some of the disadvantages of the selected table banking operation method?

.....

11. Can you prefer to access credit from other sources apart from table banking? Why?

.....

12. How has table banking helped your business grow?

.....

13. What other benefit do you get from table banking?

.....

14. What motivates you to continue participating in table banking?

.....

15. What changes in your products stock line have you had since you began participating in table banking? **NOTE:** The common stock line for the group members.

.....

16. In the recent past, how many times have you received loan from the table banking group?

.....

17. What are some of the loan policies governing operations of your table banking group?

.....

18. Rate the performance of the policy in the loan management of table banking

- a. Less effective
- b. Effective
- c. Most effective
- d. None of the above?

19. Which areas do you prioritize to spend your table banking earnings?

.....

20. What is your approximate savings from table banking in the last five years?

.....

21. What are some of the challenges encountered in the implementation and operation of table banking to:

a. The general group

.....

b. Individual members of the group

.....

22. What are the mitigation strategies laid to solve the identified challenges?

.....

.....



## Appendix D: Research Permit



### NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

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Ref. No. **NACOSTI/P/19/53703/27601**

Date **14<sup>th</sup> January, 2019**

Phelgona Otiego Otieno  
Egerton University  
P.O. Box 536-20115  
**NJORO**

#### **RE: RESEARCH AUTHORIZATION**

Following your application for authority to carry out research on "*The impact of table banking on women's economic empowerment in Rarieda Sub-County, Siaya County, Kenya*" I am pleased to inform you that you have been authorized to undertake research in **Siaya County** for the period ending **14<sup>th</sup> January, 2020**.

You are advised to report to **the County Commissioner and the County Director of Education, Siaya County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit **a copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.

  
**GODFREY P. KALERWA MSc., MBA, MKIM**  
**FOR: DIRECTOR-GENERAL/CEO**

Copy to:

The County Commissioner  
Siaya County.

The County Director of Education  
Siaya County.

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION  
Permit No : NACOSTI/P/19/53703/27601  
Date Of Issue : 14th January, 2019  
Fee Received :Ksh 1000

**THIS IS TO CERTIFY THAT:**  
**MS. PHELGONA OTIEGO OTIENO**  
**of EGERTON UNIVERSITY, 0-200 SOUTH**  
**B,has been permitted to conduct**  
**research in Siaya County**

**on the topic: THE IMPACT OF TABLE**  
**BANKING ON WOMEN'S ECONOMIC**  
**EMPOWERMENT IN RARIEDA**  
**SUB-COUNTY, SIAYA COUNTY, KENYA**  
**for the period ending:**  
**14th January,2020**

**Applicant's**  
**Signature**

**Palena**  
**Director General**  
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**Technology & Innovation**



## Appendix E: Publication Abstract



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### IMPACT OF WOMEN ACCESS TO CREDIT IN TABLE BANKING GROUPS ON WOMEN'S ECONOMIC EMPOWERMENT IN RARIEDA SUB-COUNTY, SIAYA COUNTY, KENYA

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**Abstract:** Women's economic empowerment plays a big role in social economic development. The Government, private institutions and NGOs have institutionalized interventions like table banking to boost women empowerment. This mediates austere measures laid by normal banking institutions that bar women's ease of access to credit facilities due to high interest rates and heavy collateral requirements. The lack of affordable credit facilities are some of the reasons attributable to poor performance in women owned small businesses. Indeed, most of the residents of Rarieda Sub-county in Siaya, practice subsistence farming and fishing and therefore live below poverty line due to minimal economic activities. The main objective of this study, therefore, is to establish the extent to which table banking has economically empowered the women in Rarieda sub-county with a specific objective to examine the level of women access to credit in table banking groups to enhance their economic empowerment. The target groups were mainly women groups in West-Asembo. A sample of 10% was drawn using stratified random sampling technique to get a sample size of 107 respondents. The primary data was collected through self-administered questionnaires and individual interviews conducted where gaps in data collection are found. The study found that the concept of Table Banking has significantly contributed to improve the livelihoods of many women in Kenya. The study recommends that the government, private sector and other stakeholders put in place policies that would streamline, help to govern and entrench ease of financial services, including the concept of table banking.

**Keywords:** Economic Empowerment, Group Participation, Loan Servicing, Table Banking

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